

# Cameroon

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RISK & COMPLIANCE REPORT

DATE: March 2018

**Executive Summary - Cameroon**

<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	<p>Compliance with FATF 40 + 9 Recommendations (no evaluation yet completed)</p> <p>Not on EU White list equivalent jurisdictions</p> <p>Corruption Index (Transparency International &amp; W.G.I.)</p> <p>World Governance Indicators (Average Score)</p> <p>Failed States Index (Political Issues)(Average Score)</p>
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b></p> <p>coffee, cocoa, cotton, rubber, bananas, oilseed, grains, cassava (manioc); livestock; timber</p> <p><b>Industries:</b></p> <p>petroleum production and refining, aluminum production, food processing, light consumer goods, textiles, lumber, ship repair</p> <p><b>Exports - commodities:</b></p> <p>crude oil and petroleum products, lumber, cocoa beans, aluminum, coffee, cotton</p> <p><b>Exports - partners:</b></p> <p>China 15.2%, Netherlands 9.7%, Spain 9.1%, India 8.6%, Portugal 8.1%, Italy 6%, US 5.5%, France 4% (2012)</p> <p><b>Imports - commodities:</b></p> <p>machinery, electrical equipment, transport equipment, fuel, food</p> <p><b>Imports - partners:</b></p> <p>China 18.7%, France 14.9%, Nigeria 12.3%, Belgium 5.2%, US 4.4%, India 4.2% (2012)</p>	
<b>Investment Restrictions:</b>	

Although the 1990 Investment Code places some restrictions on foreign ownership, the 2002 Investment Charter permits 100 percent foreign equity ownership. In practice, substantial local equity ownership may help facilitate the investment approval process. Investors who intend to make direct investments of greater than 100 million CFA francs (approximately USD 200,000) or more must declare their intent to do so to the Ministry of Finance (MINFI) 30 days in advance.

Foreign and domestic individuals and firms may legally establish and own firms, engage in remunerative activities, and establish, acquire, and dispose of interests in business enterprises. Investors may dispose of their property via sale, transfer, or physical repatriation of moveable property.

Cameroonian law does not prohibit foreign ownership of land.

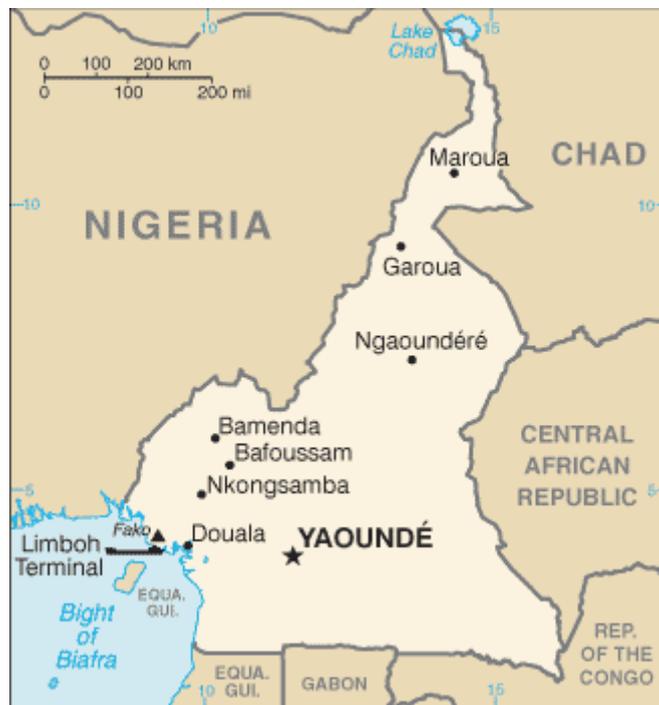
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## Section 1 - Background

French Cameroon became independent in 1960 as the Republic of Cameroon. The following year the southern portion of neighboring British Cameroon voted to merge with the new country to form the Federal Republic of Cameroon. In 1972, a new constitution replaced the federation with a unitary state, the United Republic of Cameroon. The country has generally enjoyed stability, which has permitted the development of agriculture, roads, and railways, as well as a petroleum industry. Despite slow movement toward democratic reform, political power remains firmly in the hands of President Paul BIYA.



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

Cameroon is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

### Compliance with FATF Recommendations

Cameroon has not yet undertaken a Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards.

### US Department of State Money Laundering assessment (INCSR)

Cameroon was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

#### Perceived Risks:

Cameroon's growing financial sector is the largest in the Economic and Monetary Community of Central African States (CEMAC) and, in 2014, hosted 13 banks, 25 insurance companies, over 460 microfinance institutions, and a nascent stock exchange (The Douala Stock Exchange). Yet despite hosting 70 percent of financial institutions in CEMAC, Cameroon is still relatively disconnected from the international financial system. According to the Bank of Central African States (BEAC), less than 10 percent of the population has access to bank services. Cameroon's economy is heavily cash dependent, and the majority of financial transactions take place in the informal sector, notably in indigenous savings schemes locally known as "Njangui."

Corruption in Cameroon is an endemic problem in commerce and government; it facilitates money laundering and other financial crimes and retards broad-based development. Various government programs to address corruption have proven ineffectual. Most significant financial crimes in Cameroon derive from domestic public corruption, tax evasion, and embezzlement. The Cameroonian media regularly reports cases of embezzlers of public funds who reinvest funds in real estate projects in an attempt to launder the ill-gotten funds. High profile corruption cases also have revealed the use of offshore transfers by government officials. Cameroonian authorities assert that Cameroon is not a major narcotics transit hub or destination.

Risks to the integrity of the Cameroonian financial system include terrorism activities, illicit wildlife trafficking, and maritime piracy. Instability in neighboring countries and the use of a common currency have resulted in Cameroon being used as a conduit to move funds from those countries to Nigeria, Europe, and the Middle East. Trade-based money laundering is rampant and utilizes the banking system, microfinance institutions, and the informal financial sector.

Cameroon is particularly vulnerable to abuse by bulk cash smugglers and exploitation by companies transferring money internationally. Most foreign currency transactions are in naira, euros, or dollars.

The six member states of CEMAC share the BEAC, a regional central bank, and a common currency, the Central African Franc (CFA). Traffickers and money launderers may exploit dysfunctions in cross-border cooperation between national agencies. As the largest economy in the region such regulatory weaknesses may, at the domestic level, result in Cameroon being used as a conduit to move funds from those countries to tax havens and other personal investments primarily in Europe and Asia.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes  
Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES  
KYC covered entities: Government treasurers and tax inspectors; chief executive officers and managing directors of state-owned companies; banks and microfinance institutions; insurance brokers and firms; manual money changers; managers, directors, and owners of casinos and gaming establishments; notaries, accountants, auditors, tax advisors, and lawyers; securities or asset managers and brokers; company formation agents and managers; trusts; real estate agents; companies that transport and transfer funds; travel agencies; dealers in high-value goods, metals, precious stones, and automobiles; and the Douala Stock Exchange

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 415 in 2015

Number of CTRs received and time frame: Not available

STR covered entities: Government treasurers and tax inspectors; chief executive officers and managing directors of state-owned companies; banks and microfinance institutions; insurance brokers and firms; manual money changers; managers, directors, and owners of casinos and gaming establishments; notaries, accountants, auditors, tax advisors, and lawyers; securities or asset managers and brokers; company formation agents and managers; trusts; real estate agents; companies that transport and transfer funds; travel agencies; dealers in high-value goods, metals, precious stones, and automobiles; and the Douala Stock Exchange

**MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:**

Prosecutions: Not available

Convictions: Not available

**RECORDS EXCHANGE MECHANISM:**

With U.S.: MLAT: NO Other mechanism: YES

With other governments/jurisdictions: YES

Cameroon is a member of the Task Force against Money Laundering in Central Africa (GABAC), a FATF-style regional body.

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

In 2014/2015 the National Agency for Financial Investigations (ANIF), Cameroon's financial intelligence unit (FIU), conducted several training sessions, as well as annual working sessions and meetings with banks and microfinance institutions. Cameroon's Ministry of Justice is developing a program called "e-government" to computerize data on prosecutions and convictions, including those for financial crimes.

Cameroon's Special Criminal Tribunal addresses cases related to the embezzlement of state funds and corruption involving more than \$100,000. Press reports indicate the government has recovered \$1.2 billion between 2006 and 2013. The director of ANIF has indicated the relationship and communication flow with the Special Criminal Tribunal has improved, leading to more suspected cases being taken up by the court.

The Government of Cameroon should continue to work with regional partners to implement an effective AML/CFT regime in line with international standards. ANIF should work to improve coordination with law enforcement and judicial authorities, with the objectives of enhancing financial investigations, obtaining convictions, and generating and compiling relevant statistics. Cameroon's Ministry of Justice should cooperate closely with ANIF and ensure that referrals by the FIU to law enforcement are fully investigated. The Ministry of Justice should work with international partners to assess and address the training needs of prosecutors and magistrates. The government also should continue to work to implement cross-border currency reporting requirements, improve oversight of domestic money transfer entities, train its agents at points of entry to detect and investigate bulk cash smuggling, and train its reporting entities in the public and private sectors to identify suspicious transactions. The Government of Cameroon should take specific steps to improve governance and enforce the rule of law.

**Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):**

According to the US State Department, Cameroon conforms with regard to all government legislation required to combat money laundering

**EU White list of Equivalent Jurisdictions**

Cameroon is not currently on the EU White list of Equivalent Jurisdictions

### **World Governance indicators**

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

### **Failed States Index**

[To view Failed States Index Ctrl + Click here](#)

### **Offshore Financial Centre**

Cameroon is not considered to be an Offshore Financial Centre

### US State Dept Narcotics Report 2013 (introduction):

No report available

### US State Dept Trafficking in Persons Report 2016 (introduction):

Cameroon is classified a Tier 2 Watch List country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Cameroon is a source, transit, and destination country for women and children subjected to forced labor and sex trafficking and a source country for men in forced labor. Child traffickers often use the promise of education or a better life in the city to convince rural parents to give their children over to an intermediary, who then exploits the children in sex trafficking or forced labor. Child traffickers increasingly resort to kidnapping victims, as heightened public awareness of trafficking has led parents to be less willing to give their children to these intermediaries. Homeless children and orphans are especially vulnerable to trafficking. Teenagers and adolescents from economically disadvantaged families are often lured to cities by the prospect of employment but are subjected to labor or sex trafficking. Cameroonian children are exploited in domestic service, restaurants, begging or vending on streets and highways, artisanal gold mining, gravel quarries, fishing, animal breeding, and agriculture (on onion, cotton, tea and cocoa plantations), as well as in urban transportation assisting bus drivers and construction as errand boys, laborers, or night watchmen. Children are subjected to sex trafficking within the country. Reports document hereditary slavery in northern chiefdoms. Children from neighboring countries are exploited in spare parts shops or by herders in northern Cameroon, and transit the country en route to Gabon and Equatorial Guinea.

Cameroonian women and men are lured to Europe and other regions by fraudulent Internet marriage proposals or offers of well-paying jobs, and subsequently become victims of forced prostitution or forced labor, especially in domestic servitude. Cameroonians are exploited in forced labor and sex trafficking in several Middle Eastern countries, Haiti, the United States, and multiple African countries. Increasing numbers of Cameroonian women are exploited in domestic servitude in Kuwait. Cameroonians are increasingly acting as intermediaries in subjecting other Cameroonians to trafficking in foreign countries. These perpetrators are often locals working for foreign recruitment agencies in Cameroon or former trafficking victims residing in destination countries. Anecdotal evidence indicates increasing numbers of Cameroonians are operating trafficking networks in Morocco that force women into prostitution. Cameroonian women also transit Morocco en route to Europe, where they are often forced into prostitution by European trafficking networks.

Adults and children from Central African Republic (CAR) and Nigeria are lured to Cameroon by the prospect of better employment opportunities and enhanced livelihoods but are subsequently subjected to labor trafficking. Refugees from CAR and Nigeria, as well as displaced Cameroonians fleeing insecurity in border areas, are more vulnerable to human

trafficking in Cameroon, especially in urban areas. Nigerian traffickers increasingly bring Nigerian children to major Cameroonian cities for forced labor in spare parts shops. Media and international observers reported Cameroon was a destination for Nigerian women and girls used as forced suicide bombers and boys used as child soldiers by the terrorist organization Boko Haram during the reporting period. There are reports Cameroonian officials were complicit in human trafficking offenses.

The Government of Cameroon does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. During the reporting period, two regional anti-trafficking taskforces investigated some trafficking offenses and conducted awareness-raising activities. Despite these measures, the government did not demonstrate overall increasing anti-trafficking efforts compared to the previous reporting period; therefore, Cameroon is placed on Tier 2 Watch List. The government recorded fewer trafficking investigations and convictions than the previous year and did not provide sufficient funding or resources to the anti-trafficking taskforces or inter-ministerial anti-trafficking committee, which severely hampered their ability to fulfill their mandates. The government did not adhere to its own sentencing requirements, issuing suspended sentences for trafficking crimes or allowing settlements out of court. It did not train or provide support for anti-trafficking training for its law enforcement officials. The government did not provide any repatriation assistance or victim services to dozens of Cameroonian trafficking victims identified abroad.

### US State Dept Terrorism Report 2016

**Overview: Overview:** Countering terrorist threats, particularly Boko Haram (BH), remained a top security priority for the Government of Cameroon, and the government continued to work with the United States to improve the capacity of its security forces. Cameroon has contributed significantly to the growth and evolution of the Multi-National Joint Task Force (MNJTF).

**Legislation, Law Enforcement, and Border Security:** The December 2014 law on terrorism and certain provisions of the penal code, the Criminal Procedure Code, and the Military Justice Code were used to prosecute acts of terrorism. These include sanctions for efforts to undermine state authority, threats to public and individual safety, destruction of property, threats to the safety of civil aviation and maritime navigation, hostage taking, and the use of firearms and explosive substances.

The Law for the Fight Against Terrorism, adopted in 2014, confers the death penalty for those found guilty of carrying out, abetting, or sponsoring acts of terrorism, including any activity likely to incite revolt in the population or disturb the normal functioning of state institutions. The bill was controversial, and members of the political opposition claimed that the definition of terrorism was too broad and could be used as a tool for political repression. Such criticisms have continued, but have become more muted in the face of increased terrorist attacks in the Far North of the country.

Faced with BH's shift towards suicide bombings and security challenges at its borders with Nigeria and the Central African Republic, the Cameroonian government increased coordination and information sharing among law enforcement, military, and intelligence entities, including the General Delegation for External Research, the National Army, the Rapid Intervention Unit, and the National Gendarmerie.

In 2016, Cameroon continued to receive U.S. capacity-building training to improve its counterterrorism and law enforcement efforts, including programs on the civil-military response to terrorism and the legal aspects of defense. The United States sent military personnel to conduct airborne intelligence, surveillance, and reconnaissance operations as part of the fight against BH. These measures supported improvements in Cameroon's ability to detect and respond to BH in general and terrorist attacks specifically.

Cameroonian forces have become decisively more effective at combatting BH and have seen significant battlefield successes. Combined security forces, including civilian vigilance committees, blunted the sustained suicide bombing campaign that BH began in 2015, although occasional bombing incidents occurred. Security forces have secured some areas of the Far North Region to the extent that a limited number of internally displaced persons are returning to their places of origin. Despite progress, BH still conducts sometimes weekly attacks on villages, primarily in search of supplies.

In 2016, Cameroon installed a U.S.-provided Personal Identification Secure Comparison and Evaluation System (PISCES) biometric screening system to cover all entering and departing travels at the international airports in Yaounde and Douala. Cameroon continued to issue regional biometric passports aimed at providing enhanced security for residents of the Economic and Monetary Community of Central African States zone. In response to terrorist incidents, Cameroon reinforced its border security by establishing more control posts and deploying additional military units, including the Rapid Intervention Battalion, to the Far North Region of the country. Out of concern for instability and the security vacuum along its eastern border created by the redeployment of troops to the northern front, Cameroon recruited new border security personnel and deployed them along the border with the Central African Republic. The government significantly improved screening procedures at maritime ports and saw a corresponding increase in arrests of criminals and seizure of illicit goods. The capacity of security forces to patrol and control all land and maritime borders remained limited, however, due to inadequate staffing and resources, leading to some uncontrolled border crossings.

Cameroonian security forces continued to receive training via the Department of State's Antiterrorism Assistance and Counterterrorism Partnership Fund programs. Trainings included courses on community policing, intelligence-led policing, countering IEDs, and crime scene investigation.

**Countering the Financing of Terrorism:** Cameroon is a member of the Central African Action Group Against Money Laundering (GABAC), a Financial Action Task Force-style regional body. Through its membership in GABAC, Cameroon has adopted a legislative architecture to implement anti-money laundering and financial supervision actions. Although the government has no existing legislation or procedures to domestically designate terrorists, Cameroonian law allows for the automatic adoption of relevant UN Security Council (UNSC) resolutions, including the UNSC ISIL (Da'esh) and al-Qa'ida sanctions regime. Cameroon's financial intelligence unit, the National Financial Investigation Agency, processes suspicious transaction reports, initiates investigations, and is a member of the Egmont Group of Financial Intelligence Units. There were no reports, however, of prosecutions or convictions for money laundering in 2016. Under existing legislation, any person convicted of financing or using financial proceeds from terrorist activities would be sentenced to death.



## International Sanctions

None applicable

## Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	25
World Governance Indicator – Control of Corruption -	11

Corruption is endemic in Cameroon and significantly increases the costs and risks of doing business. Bribery, nepotism and corruption are rife in almost all sector of the Cameroonian government and economy; but is particularly prevalent in the judiciary, public services, and customs. The legal and regulatory systems are non-transparent and difficult for foreign companies to navigate. In addition, there exists a lack of effective regulations, insufficient law enforcement and significant delays in courts. Cameroon's Penal Code (in French) criminalizes corruption, bribery, extortion and bribery of foreign public officials, and corruption is punishable by a prison term of five years to life, a fine of up to USD 4,000 and/or asset seizure. Facilitation payments and gifts are also addressed in Cameroon's legislation, yet insufficient implementation of anti-corruption legislation coupled with impunity among public officials has exacerbated the levels of corruption in the country. **Information provided by GAN Integrity.**

### US State Department

Corruption is endemic in Cameroon, which consistently ranks as one of the most corrupt countries according to Transparency International's Corruption Perceptions Index. The GRC claims to work towards lowering levels of corruption. Transparency International and other international NGOs have an active presence in Cameroon.

Despite government efforts to fight corruption of top public officials, the GRC remains hesitant to implement a constitutional provision requiring government officials to declare their assets. Some steps the GRC has taken to fight corruption include signing and ratifying the U.N. Convention against Corruption (UNCAC). In November 2004, the GRC published new anti-corruption measures for public contracts. In 2011, the GRC validated its national anti-corruption strategy; the President established the Special Criminal Court to prosecute corruption cases of state officials and the GRC created a special ministry dedicated to government procurement. Additionally, in 2011 Cameroon's Anti-Corruption Commission (CONAC) published its first report. Anti-corruption committees exist in all government establishments. Despite these initiatives, corruption shows no sign of abatement.

Corruption raises the costs and risks of doing business. Numerous companies and investors consistently highlight the corrosive impact of the pervasive corruption on both market opportunities and the broader business climate in Cameroon. It deters foreign investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

## Corruption and Government Transparency - Report by Global Security

### Political Climate

Cameroon's President and leader of the ruling Cameroon People's Democratic Movement (CPDM), Paul Biya, has been in power since 1982. International observers note that the President's many years with a tight grip on power have facilitated high levels of corruption, nepotism and cronyism that have fuelled extensive patronage systems. The Members of the President's ethnic group, the Beti-Bulu, is overrepresented in the government, in the ruling CPDM Party; the military, as civil servants; and in the management of state-owned companies. This feeds a system of endemic graft and ethnic clientelism in an administration that includes more than 60 ministries. Ministerial posts are considered part of the patronage system rather than a rational legal system, and embezzlement of public funds at high levels of the state hierarchy continues. Public aversion with corruption is growing, and according to Transparency International's Global Corruption Barometer 2010-2011, corruption is perceived to be prevalent within the judiciary, political parties, customs, police, and among civil servants in general, with 57% of the citizens claiming to have paid a bribe between 2009 and 2010. In addition, 62% of the respondents believe that the level of corruption in Cameroon has increased over the past three years, and 48% think that the government's fight against corruption is 'ineffective', while only 28% evaluate it as 'effective'. Officials in both private and public administration frequently demand bribes, gifts, or favours in return for rendering a service. Global Integrity 2010 reports that corruption in Cameroon has reached a point where public officials, including those with very modest salaries, purchase luxurious cars and houses through bribes to demonstrate the extent of their influence.

In recent years, more anti-corruption resources have been committed and have led to a number of initiatives, such as the establishment of the National Anti-Corruption Commission (CONAC) in March 2006, and in 2012 the government created a special tribunal to prosecute corruption cases. In addition, a growing number of well-known representatives of the political elite have been arrested since 2005 on charges of corruption under the anti-corruption campaign 'Opération Épervier' (Operation Sparrow Hawk), which primarily targets state-controlled companies and former members of government, amongst them former ministers and members of Parliament. Nevertheless, Freedom House 2013 suggests that the campaign is used as a tool to eliminate political opponents. For instance, in 2012 former minister Marafa Hamidou Yaya was sentenced to 25 years in prison for embezzlement. Some critics point at the waves of arrests as the government's attempt to please donors, and among others things, enter the Heavily Indebted Poor Countries (HIPC) initiative that accords debt relief. However, the Bertelsmann Foundation 2012 reports that the tendency to use development cooperation as a clientelist instrument for granting favours and privileges is well known, and that both donors and the population has relatively little trust in the government. According to Global Integrity 2010, another hit to the credibility of the governmental campaign is the lack of enforcement of the Law on the Declaration of Assets (in French) that would help expose the misappropriation of funds by civil servants. Moreover, the political climate in Cameroon does not allow anti-corruption activists to address corruption at the highest levels of government. Nevertheless, the wave of arrests does indicate a shift in policy for Cameroon, where corruption has long been synonymous with impunity.

### Business and Corruption

While no reliable statistics on the scope of Foreign Direct Investment (FDI) are available, the US Department of State 2013 reports that FDI plays a key role in the economy. The

government is actively encouraging foreign investment and is in the process of undertaking reforms to facilitate and attract further foreign investments. Still, the institutional setting for free markets and competition is deficient, as the enforcement of rule of law is hampered by corruption and inefficient public institutions. According to the US Department of State 2013, endemic corruption still plagues the country, making it a very challenging business climate. Therefore, foreign investment in Cameroon is limited and much remains to be done in order to improve the overall business environment. According to the World Economic Forum Global Competitiveness Report 2012-2013, companies identify corruption as the most problematic factor for doing business in Cameroon. Corruption and other irregularities in the country's oil and forestry sectors continue to undermine the full economic potential of these sectors. For more information in this regard, access this profile's special page on Cameroon's oil and forestry sectors.

The intensive regulation of the economy by the government has been reduced since its participation in the Structural Adjustment Programmes (SAPs) of the 1990s. Nevertheless, Cameroon still has a large and strong informal sector against which formalised companies often find themselves in competition. For example, over 90% of surveyed service companies compete against unregistered or informal companies, and 76% identify practises of informal sector competitors as a major constraint, according to the World Bank & IFC Enterprise Surveys 2009. Privatisation has been made a top-priority item for reform, and several privatisations of former state-owned companies have taken place. The process is still on-going with the World Bank supervising some of the bidding rounds; however, the US Department of State 2013 reports that some of the bids have been deserted and many larger companies are still awaiting privatisation, such as the national telephone company, CAMTEL. Moreover, whilst domestic and foreign companies are formally allowed on equal terms, the Bertelsmann Foundation 2012 notes that there have been accusations of preferential treatment of French companies, particularly in the privatisation process. Full privatisations are also rare, as the government continues to hold 30-45% of shares in 'privatised' companies, although it is reportedly often willing to reduce its ownership of shares.

Infrastructure varies in development; measures to improve infrastructure in the Anglophone northwest and southwest provinces are continually deferred by the Francophone-dominated state in favour of Francophone areas. According to a 2012 report published by the United Nations Development Programme, a survey conducted among domestic companies reveals that bribery occurs very often when dealing with public services. The report identifies this pattern as seriously damaging the development of the private sector and further notes that 90% of the companies surveyed report to have encountered corruption when dealing with public services. In addition, according to the Global Competitiveness Report 2012-2013, Cameroon ranks very poorly in relation to the ethical behaviour of companies, and it is reportedly common for companies to make undocumented payments and bribes in relation to imports/exports, taxation, to obtain public utilities and licenses, and when interacting with the judicial system. In addition, business executives also point to a significant extent of favouritism of well-connected companies and individuals in government officials' decisions regarding policies and contracts, and indicate that the diversion of public funds to companies, individuals or groups due to corruption is common. In order to mitigate corruption risks, companies are strongly advised to develop, implement and strengthen integrity systems and to conduct extensive due diligence when planning to invest in Cameroon. In addition, companies are recommended to use a specialised public procurement due diligence tool in order to help mitigate the costs and risks of corruption involving public procurement processes in the country.

## Regulatory Environment

While an Investment Charter (in French) was adopted in 2002 to attract foreign investors and streamline investment procedures, it is still not fully implemented. According to the US Department of State 2013, President Biya has postponed the deadline for implementation of some provisions of the Investment Charter to 2014. The delayed implementation of the Charter has resulted in a complicated and challenging regulatory environment in which relevant portions of the Investment Code 1990 remain in effect until the full implementation of the Investment Charter. Unlike the Investment Code of 1990, the Investment Charter 2002 does not discriminate with regard to equity ownership, it permits full foreign ownership, and procedures for obtaining land titles have been simplified and the authorisation decentralised. The US Department of State 2013 further reports that Cameroon's legal and regulatory systems are inefficient and often arbitrarily interpreted and enforced. This is confirmed in a 2012 report published by the United Nations Development Programme, which notes that almost 9 out of 10 interviewed firms consider the policies and regulations as well as the government's interpretation of these to be inconsistent and unpredictable. Accordingly, Cameroon ranks poorly in the World Economic Forum Global Competitiveness Report 2012-2013, when measuring the negative impact of the administrative burden on doing business in Cameroon.

On the other hand, some positive developments must be noted, according to the World Bank & IFC Doing Business 2013, Cameroon has made major progress in several areas including starting a company and trading across borders. Starting a company in Cameroon requires an entrepreneur to go through 5 procedural steps, 15 days on average at a cost of approximately 35.8% of GNI per capita. Moreover, according to the US Department of State 2013, in February 2010 the government set up a one-stop shop as a pilot project in Yaounde, aiming to simplify the process for registering a business. In the following year, the network of one-stop shops had expanded to the cities of Bafoussam, Douala, Garoua, and Bamenda. Moreover, in March 2010, the government also established three Certified Taxation Management Centres (in French), primarily for SMEs, to provide assistance in management, supervision, and payment of fiscal obligations.

Central public institutions are often ineffective and, according to the Bertelsmann Foundation 2012, peripheral powers of traditional authorities frequently exceed the power of state representatives. There is a risk that these leaders may occasionally act to enforce their own policies, and the government continues to struggle to fully co-opt them to its agenda. Public procurement is reportedly also a problematic area, even though some progress has been made since 2002, where systematic post-fact audits were conducted on valuable contracts. According to the same source, foreign trade is distorted by state regulation, special rules and tariff barriers, although Cameroon's membership in the Economic and Monetary Community of Central Africa (in French, CEMAC) has facilitated the establishment of some common trade rules. CEMAC also sets uniform rules of the game for market participants, but state intervention continues and the institutional setting for free markets and competition is reportedly inadequate.

Cameroon is a member of the Organization for the Harmonization of Business Law in Africa (OHADA), which has the purpose of bringing Cameroonian business laws in line with other African member countries. Business laws are relatively clear, but the challenges lie in their implementation. Cameroonian law provides both foreign and domestic investors with property rights protections that comply with international standards and does not

discriminate between foreign and domestic companies. On the negative side, unreliability, non-transparency and inefficiency in the judiciary weaken the rule of law. The US Department of State 2013 reports that in practice, both courts and administrative agencies grant preferential treatment to domestic companies and have been accused of corrupt practices. Local companies routinely exert pressure on the courts, which may be swayed by large bribes or by the status of politically influential persons. A company may choose from several procedures: adjudication by local courts, arbitration by the international courts of justice, or international arbitration centres according to Cameroonian law and the arbitration regimes of which Cameroon is a member. These arbitration regimes include the International Centre for the Settlement of Investment Disputes (ICSID) and the New York Convention 1958. Cameroon accepts binding international arbitration between foreign investors and the government. Cameroon's Council of Business Managers and Professional Associations (GICAM) created its own arbitration centre to handle business disputes (see 'Private Anti-Corruption Initiatives' below). Access the Lexadin World Law Guide for a collection of legislation in Cameroon.

### Section 3 - Economy

Modest oil resources and favorable agricultural conditions provide Cameroon with one of the best-endowed primary commodity economies in Sub-Saharan Africa. Oil remains Cameroon's main export commodity, and despite falling global oil prices, still accounts for nearly 40% of export earnings. Cameroon's economy suffers from factors that often impact underdeveloped countries, such as stagnant per capita income, a relatively inequitable distribution of income, a top-heavy civil service, endemic corruption, continuing inefficiencies of a large parastatal system in key sectors, and a generally unfavorable climate for business enterprise.

Since 1990, the government has embarked on various IMF and World Bank programs designed to spur business investment, increase efficiency in agriculture, improve trade, and recapitalize the nation's banks. The IMF continues to press for economic reforms, including increased budget transparency, privatization, and poverty reduction programs. The Government of Cameroon provides subsidies for electricity, food, and fuel that have strained the federal budget and diverted funds from education, healthcare, and infrastructure projects, especially in 2015, as low oil prices have led to lower revenues.

Cameroon devotes significant resources to several large infrastructure projects currently under construction, including a deep sea port in Kribi and the Lom Pangar Hydropower Project. Cameroon's energy sector continues to diversify, recently opening a natural gas powered electricity generating plant. Cameroon continues to seek foreign investment to improve its inadequate infrastructure, create jobs, and improve its economic footprint, but its unfavorable business environment remains a significant deterrent to foreign investment.

#### **Agriculture - products:**

coffee, cocoa, cotton, rubber, bananas, oilseed, grains, cassava (manioc, tapioca); livestock; timber

#### **Industries:**

petroleum production and refining, aluminum production, food processing, light consumer goods, textiles, lumber, ship repair

#### **Exports - commodities:**

crude oil and petroleum products, lumber, cocoa beans, aluminum, coffee, cotton

#### **Exports - partners:**

China 16.7%, India 15.7%, Spain 6.2%, Belgium 6.1%, France 6.1%, Portugal 5.6%, Netherlands 5%, Italy 5% (2015)

#### **Imports - commodities:**

machinery, electrical equipment, transport equipment, fuel, food

#### **Imports - partners:**

China 27.9%, Nigeria 13.9%, France 10.9%, Belgium 4.1% (2015)

## Banking

The Bank of Central African States, the central bank for the six member countries of the CEMAC zone, oversees Cameroon's banking system and is supervised by the French Treasury, which guarantees the convertibility of the local currency at a rate of 655.957 CFA to 1 euro. Cameroon must hold at least 60 percent of its foreign reserves in an account in Paris that is managed by the French Treasury. The banking sector within CEMAC is regulated by the Central African Banking Committee (COBAC), housed in BEAC's offices in Yaounde.

Cameroon has 13 fully operational commercial banks, with aggregate assets of 1,700 billion CFA francs (about \$3.7 billion). Throughout the recent financial crisis, Cameroon's banking system has remained solid. The regulatory board has restructured a few ailing banks. The corporate community still complains about stringent prudential regulations, low lending volume, lack of innovative banking products, and poor quality of service.

## Stock Exchange

The BVMAC, with a primary market and secondary market, was founded in 2003. It is a regional stock exchange, with headquarters in Libreville, Gabon, and it serves the following central African countries: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.

### Executive Summary

Despite the collapse of oil prices, the government of Cameroon expects the economy to grow by 4.7% in 2016 (a slow-down from about 5.5-to-5.9% in 2015) and inflation to average 2.7%. Cameroon plans to earmark 33% of the national budget to critical transport, communication and power infrastructure. In 2015, the government was able to raise funds from its first Eurobond issues and also secured loans from donors, notably China. U.S. companies alone invested over \$1.2 billion dollars in utility, energy, sports, and housing infrastructure. The country plans to generate more revenues for investment from domestic taxation and by attracting more foreign direct investments.

To meet the goal of becoming an emerging economy by 2035, Cameroon would have to double its growth rate and keep a lid on a widening fiscal account deficit (5.6% of GDP in 2016). The government is trying to address governance issues in the public service, which continue to undermine economic efforts by creating a deleterious business climate. These reforms would send a strong positive signal to foreign investors. Although Cameroon laws enable foreign investors to create, own and operate their business without limitations, the public administration remains an important player in the economy with a large portfolio of State-owned companies, which create virtual monopolies in many economic sectors and contribute to the distortion of the competitive landscape.

In addition to risks stemming from oil prices, Cameroon also faces a number of internal risks. The first stems from concern surrounding the upcoming political transition as longtime President Paul Biya prepares to leave office. There are also deepening social tensions stemming from the country's widening generational gap, as Cameroonians under 25 years make up to 50% of the population but feel excluded from the socio-economic and political process. In a 2014 report, the World Bank argued that the growing army of disenchanting and unemployed youth is probably already serving as recruiting ground for Boko Haram in the Far North of Cameroon. These internal risks are exacerbated by the spill-over crisis from neighboring countries, Central African Republic and Nigeria, which is bringing an influx of refugees and internally displaced people as well as violence. The World Bank notes that this continued influx is putting pressure on natural resources, land, water, housing and health facilities.

Notwithstanding these issues, opportunities exist for foreign investors. With modern technology and innovative financial mechanism and in some cases the right local partners, foreign investors can gain a competitive advantage in key sectors such as transport, energy, communications, mining and construction. Cameroon lacks trained mid-level technicians although youth are eager to gain professional knowledge. The Institute of National Statistics (INS) estimates that 75% of young people are underemployed with qualifications that do not match requirement of the job market.

The key issues to watch in 2016 are:

Uncertainties and potential risks arising from the political transition, as well as from insecurity in the Far North of Cameroon.

In 2016 and 2019, Cameroon will host the African soccer nations' cup. The government is anchoring some of the major infrastructure projects to these events to provide extra impetus for more investment.

The government of Cameroon has commenced significant reform of public finances with the assistance of multilateral and bilateral donors, which began with the introduction of program budgets in 2012. The reforms are expected to increase transparency, improve efficiency (notably in the national investment budget) and also curb corruption.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2015	130 of 168	<a href="http://transparency.org/cpi2014/results">transparency.org/cpi2014/results</a>
World Bank's Doing Business Report "Ease of Doing Business"	2015	172 of 189	<a href="http://doingbusiness.org/rankings">doingbusiness.org/rankings</a>
Global Innovation Index	2015	0.22 of 143	<a href="http://globalinnovationindex.org/content/page/data-analysis">globalinnovationindex.org/content/page/data-analysis</a>
U.S. FDI in partner country (\$M USD, stock positions)	2014	USD 73 m	BEA/Host government
World Bank GNI per capita	2014	USD \$1,350	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

## 1. Openness To, and Restrictions Upon, Foreign Investment

### Attitude toward Foreign Direct Investment

The government of Cameroon is seeking foreign direct investment to develop vital economic infrastructure. The government estimates that FDI represented as much as 18.5% of the GDP in 2015. According to Cameroon's ministry of economy, in 2015, incoming FDI was mainly directed to the oil sector, manufacturing, the financial sector and transport. The national policy on FDI is outlined in a country strategy paper "Growth and Employment Strategy Paper" or GESP (2009), in which Cameroon targets an FDI level of 25% of GDP. In another strategy paper: "Vision 2035", which charts the road map of Cameroon to economic emergence by 2035, the government, seeks FDIs for major industrialization projects. In this context, Cameroon passed a new investment code in 2012, which has provisions to attract and protect foreign direct investment. In December 2015, the government also announced that the 2016 finance law will contain additional tax provisions to attract investment.

Cameroon does not have laws that prohibit, limit or condition foreign investment in specific economic sectors (see below). However, the investment code has a number of general minimum requirements, which qualify the investor for some benefits. The four criteria, though not obligatory, required to benefit from the code are (i) the number of local staff employed, (ii) the percentage of exports, (iii) the use of natural resources and (iv) the contribution to value added.

The Cameroon Investment Promotion Agency (CIPA) is a State-owned institution in charge of the promotion of private investments. The CIPA's mission, in collaboration with ministries, agencies and private companies, is to contribute to the development and implementation of government policy in the field of investment promotion in Cameroon. The CIPA offers assistance and guidance to foreign and domestic investors, at all stages involved in setting up their investment projects. It is committed to connecting investors with relevant institutions, relevant technical services and to simplify administrative procedures for activities required by the investment code.

<http://investincameroon.net/en/>

Cameroon law distinguishes between: very small enterprises (VSEs), small-sized enterprises (SEs) and medium-sized enterprises (MEs).

- A very small enterprise, abbreviated as "VSE," shall be an enterprise with no more than 5 (five) employees and an annual pre-tax turnover of no more than USD 25,000.
- A small-sized enterprise, abbreviated as "SE," shall be an enterprise with 6 (six) to 20 (twenty) employees and an annual pre-tax turnover of between USD 25,000 to USD 200,000.
- A medium-sized enterprise, abbreviated as "ME," shall be an enterprise with 21 (twenty-one) to 100 (one hundred) employees and an annual pre-tax turnover of between USD 200,000 to 1,500,000.

### **Other Investment Policy Reviews**

The latest economic review containing elements of investment policy review was published in 2015. *Cameroon economic outlook* for the coming two years is a collaborative work by the African Development Bank, the OECD Development Centre, and the United Nations Development Program (UNDP).

<http://www.africaneconomicoutlook.org/en/country-notes/central-africa/cameroon/>

The latest WTO trade policy review was conducted in 2013 and is available at [https://www.wto.org/english/tratop\\_e/tpr\\_e/s285-00\\_e.pdf](https://www.wto.org/english/tratop_e/tpr_e/s285-00_e.pdf)

Cameroon is also cooperating with multilateral, bilateral partners and private companies to produce a report on the investment climate. The Cameroon Business Forum (CBF) is a public-private sector dialogue mechanism, put in place to improve the business climate and support Private Sector development. The CBF was created by the Cameroonian Government with the support of the International Finance Cooperation (IFC) in 2006

Some policy recommendations can be found on the website of the CBF.

<http://www.cbfcameroun.org/>

## **Laws/Regulations on Foreign Direct Investment**

Foreign direct investment is governed by the Investment Code (Law No. 2002/004 of April 19, 2002) and subsequent texts (for example Law N° 2013/004 du 18 April 2013), which outlines incentives to private investment in Cameroon. While contracts are regulated by ordinary civil law, some sectors are governed by specific laws.

- 1) Mining code: Law No 001 of 16 April, 2001
- 2) Oil and Gas code ([www.snh.cm/ReglementationDesHydrocarbures/Gas-Code-in-English.pdf](http://www.snh.cm/ReglementationDesHydrocarbures/Gas-Code-in-English.pdf))

The web address hosts the French version of Cameroon's petroleum code. The law governs the upstream activities (exploration, production) of the oil sector.

<http://www.snh.cm/CodePetrolier/codepetrolier.pdf>, (see also [http://www.snh.cm/index.php?option=com\\_content&view=article&id=100%3Acode-gazier&catid=58%3Areglementation&Itemid=74&lang=en](http://www.snh.cm/index.php?option=com_content&view=article&id=100%3Acode-gazier&catid=58%3Areglementation&Itemid=74&lang=en)). This law and its application instruments govern the downstream gas sector.

- 3) The Law No 2011/022 of 14 December 2011 governing the electricity sector in Cameroon
- 4) The Forestry code

Other sectors may be subject to specific licenses of government concessions, for example transport and telecommunications. For other aspects of corporate finance, such as mergers and acquisition and financial derivatives, OHADA treaties and accounting norms apply.

In principle, there is no deliberate government interference in the court system, but several dysfunctions, weaknesses, and specifically corruption often lead analysts to question the independence of the judiciary.

### *Business Registration*

The Ministry of Small and Medium Size Enterprises is developing an online business registration platform for Cameroon at [www.cfce.cm/](http://www.cfce.cm/). Another online resource for business registration is the <https://cameroun.eregulations.org/>.

In theory, it takes maximum 72 hours to register a company in Cameroon. The government of Cameroon presents the Centre for Enterprise Registrations (CFCE) as "One Stop Shop" for enterprise creation. But administrative bottlenecks, corruptions and several dysfunctions can extend the duration of the registration process to more than one month. Formalities with a notary remain an important part of the registration process.

## **Industrial Promotion**

Information on programs designed to attract investment into specific sectors is generally advertised through public media, and specific information can be obtained from the following sector ministries:

- 1) Agro-industry--Ministry of Agriculture ([www.minader.cm/](http://www.minader.cm/))
- 2) Energy--Ministry of Energy and Water Resources (MINEE) (<http://www.minee.cm/>)

- 3) Mining--Ministry of Mines, Industry and Technological Development (<http://www.minmidt.net/>)
- 4) Infrastructure (including batiments et travaux public, utilities, <http://www.spm.gov.cm/index.php?L=1> )
- 5) Transport
- 6) Services (education, health, administration)
- 7) Manufacturing (<http://www.minmidt.net/>)
- 8) Telecommunication--Ministry of Post and Telecommunication (<http://www.minpostel.gov.cm/>)
- 9) Financial Services--Ministry of Finance (<http://www.minfi.cm>)
- 10) Tourism--Ministry of tourism and leisure ([www.mintour.gov.cm](http://www.mintour.gov.cm))

### **Limits on Foreign Control and Right to Private Ownership and Establishment**

The laws of Cameroon do not discriminate against foreign investors. Apart from basic standard immigration issues such as the residence visa, foreign entrepreneurs and investors are subject to the same rules and regulations as nationals. The government of Cameroon does not have statutory, de facto or indirect restrictions on foreign investors. Similarly, Cameroon laws do not impose outright prohibition on investment, equity caps, mandatory domestic joint venture partner, licensing restrictions, mandatory Intellectual Property (IP)/technology transfer requirements on foreign investors and entrepreneurs. However, internal dysfunctions and a weak legal system can create practical obstructions. In strategic areas such as utilities (electricity and water) or oil and gas, the State often participates, through parastatals in oil and gas exploration ventures and electricity production and distribution. However, although the intervention of parastatals in some cases creates virtual state monopolies, they do not preclude the participation of the private sector.

### **Privatization Program**

Cameroon enacted major privatization policies in the 1990s and early 2000s with the assistance of the International Monetary Fund and the World Bank. The process has been stalled for over a decade, but market pressures continue to mount for additional privatization efforts. Data shows that Government of Cameroon had stakes in 171 entities in 2004. Since then, 30 companies had been privatized. An additional list of 10 companies have been scheduled for privatization since 2005.

In general, the government is moving away from privatization and towards Public Private Partnership (PPP) or some variation of outsourcing of/contractual management, with the State retaining some ownership of assets or of the business. In some cases, the State also prefers to take participation in ventures, such as mining companies, rather than permitting a wholly privately-owned company. The framework for PPP can be found at <http://www.ppp-cameroun.cm/uploads/Telechargements/cadre-juridique-des-PPP-recueil-des-textes-en.pdf>.

This is evident in the oil and gas sector, where the government has a dominant presence in extraction, refinement, distribution, and storage of oil and gas. Similar dominant positions exist in other sectors of the economy - particularly transport. The GRC controls the vast majority of transport infrastructure (airports, seaports, and road networks) through companies such as Cameroon Airline Company (Camair-Co), Cameroon Shipping Lines (CAMSHIP),

Cameroon Shipyard and Industrial Engineering Ltd. (CNIC), and Cameroon Rail Network (CAMRAIL).

Moreover, in addition to the 119 state-owned enterprises featured in a recent survey by the International Monetary Fund (2015), the government of Cameroon has in recent years expanded its foothold in the most important economic sectors. In financial services, the GRC is creating two new banks to fund agriculture and provide finance for small and medium size enterprises. These new State-funded banks will compete with 13 already existing domestic and international private banks. In the energy sector, the government created the Cameroon Electricity Transport Company (SONATREL), a wholly owned State-owned company to manage electricity infrastructure. Similar plans are underway to allow the Electricity Development Corporation of Cameroon (EDC) to become a water marketer for hydroelectric dam operators. In manufacturing, the GRC is setting up a fertilizer plant with a German firm, an agricultural tractor assembly plant with India, and cement factories with Nigerian and Moroccan firms. In some sectors, this dominant position of the State could distort the competitive landscape.

Foreign investors can participate in the privatization programs. According to some analysts, of the 30 State-owned companies privatized by 2004, the majority (22) were won by foreign bidders. The public bidding on tender offers is transparent. They are advertised in the media, but the actual process of awarding contracts may still be tainted by corruption, particularly on very large scale projects. The listing of public tenders in the Cameroon Tribune newspaper and publication of which firms received the contract will not, in and of themselves, result in a fully transparent process of awards. Many other practical problems may continue years after the contract has been granted. This is the case in some large government projects where the government has accumulated arrears payments to major road construction companies causing delays and in some cases severe financial stress to the contractors.

### **Screening of FDI**

The government of Cameroon examines incoming private foreign direct investment to ensure compliance with incentive requirements.

### **Competition Law**

The National Competition Commission (of the Ministry of Commerce) is the official body in charge of competition regulations.

## **2. Conversion and Transfer Policies**

### **Foreign Exchange**

There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment. Funds may be converted to any world currency. The national (regional) currency, the Central African CFA Franc, (or the "CFA") is pegged to the Euro and fixed at a specific rate.

### *Remittance Policies*

Cameroon has not passed any laws which change or tighten access to foreign exchange for investment remittances. There are no time limitations on transactions beyond the classic

banking transactions timeline. Remittances policies and banking transactions are regulated by the regional Central Bank. Foreign investors can remit through convertible and negotiable instruments through legal channels recognized by the regional central bank. Any incidence of currency manipulation tactics is handled by the regional central bank.

Cameroon is a member of the the *Groupe d'Action Contre le Blanchiment d'Argent en Afrique Centrale* (GABAC), which is an observer organization of the Financial Action Task Force (FATF). GABAC is a body of the Economic and Monetary Community of Central Africa (CEMAC) and is made up of the six members: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, and Gabon. GABAC was established in 2000 with a mandate to combat money laundering and terrorist financing, assess the compliance of its members against the FATF Standards, provide technical assistance to its member States, and facilitate international co-operation. In Cameroon, the activities of FATF are coordinated by the National Agency for Financial Investigation (ANIF). The ANIF is technically independent but lacks means to implement its mission, with a small budget and it therefore cannot actively conduct or manage investigations with rigor. Website resource is: <http://www.anif.cm/>.

### **3. Expropriation and Compensation**

The government of Cameroon can expropriate in cases of national interest. Most recent cases of expropriation occurred during the construction of important development infrastructures such as dams, roads, ports, and airports. The government determines the level of compensation. In one example involving destruction of small markets and shanty-residences for a highway expansion project near the city of Douala, Cameroon's largest city, some claimants protested that they were not receiving the level of compensation supposedly advertised and offered by the government.

Illegal expropriations by the government are handled through standard legal procedures, but the judiciary is weak, and legal complaints can take years to resolve and are subject to corruption. Over the past five years, the government of Cameroon has not introduced any laws or regulations that are likely to significantly shift government policy on expropriations in the foreseeable future. There are no specific patterns of discriminating against U.S. persons or entity in terms of expropriation and the risk of expropriation remain unchanged in certain sectors of the economy, e.g. mining or large land holdings.

### **4. Dispute Settlement**

The Cameroon legal system is a combination of sometimes parallel English and French laws and some Cameroonian customary laws. On corporate law, Cameroon is a signatory to the "Organization for the Harmonization of Business Law in Africa" (OHADA), a system of business laws and implementing institutions adopted by seventeen West and Central African nations. The starting point for most legal disputes are the first instance tribunals, which have standing to hear intellectual property claims, followed by the Tribunal of Grand Instance on appeals.

In general, corruption is perceived to be rampant in the Cameroonian judiciary, and there are also concerns about the judiciary's independence, given its "special legal status" within the civil service.

Cameroon courts have wide competence to hear many issues related to corporate laws and contracts, including standing to hear intellectual property claims and unfair labor

practices. Problems arise chiefly from the inability of institutions to enforce contracts in a timely and efficient manner, as well as the lengthy bureaucratic processes for resolution of disagreements. Assistance from lawyers may be needed to anchor judgments of recognized foreign courts to enforcement by the local courts. Complaints with foreign investments should be filed in local courts or channeled to arbitrations institutions. The common sources of problems are non-respect of the terms of the contracts and severe delays in execution of financial agreements, dysfunctions caused by poor administration of those laws, and corruption. Accumulations of payments arrears by the government are recurring problems.

### **Bankruptcy**

Cameroon has bankruptcy laws, which recognize the right of creditors, equity shareholders and other types of liabilities for collection and judgments without criminal actions against debtors. Bankruptcy is not criminalized, if it is not a deliberate act collusion to avoid tax or mislead investors.

### **Investment Disputes**

In Cameroon, investment disputes can be handled through the court system, through mediation or binding arbitration. Over the past years, there have not been cases of investment disputes involving U.S. companies.

### **International Arbitration**

The OHADA-signatory nations adopted a uniform act on arbitration (the Uniform Act) on March 11, 1999, which entered into force 90 days later. The Uniform Act sets out the basic rules applicable to any arbitration, where the seat of arbitration is located in an OHADA member state. The Uniform Act is based on the UNCITRAL model law. It supersedes the national laws on arbitration of the OHADA states. Cameroon's arbitration law is contained in its code of civil and commercial procedure in the third volume, Articles 576 to 601.

Cameroon ratified the ICSID Convention on 3 January, 1967 and the New York Convention on 19 February, 1988. But there is no specific domestic legislation providing for enforcement under the 1958 New York Convention and for the enforcement of awards under the ICSID Convention. Similarly, the BIT has been used as reference and as basis for many U.S. investment/labor relations contracts in Cameroon, but there is no record of claims against or under the agreements. Local courts can recognize foreign arbitral awards although this may require the lodging of a legal complaint in a Cameroonian court.

Additional alternative dispute resolution may involve mediation and negotiations, also possibly through third-party binding arbitration. The OHADA system serves both as domestic and primary reference legislation. However, the Groupement Interpatronal du Cameroun (GICAM), the country's most powerful business lobbying group, has an Arbitration Centre (Centre d'arbitrage du Groupement interpatronal du Cameroun), which is based in Douala. Douala is Cameroon's largest city and trade hub.

### **Duration of Dispute Resolution – Local Courts**

The duration of dispute resolution will depend on the complexity of the case, and no standard timeline exists or can be estimated. Dispute resolution can be complicated by the

inherent dysfunctions within the court system, such as bureaucratic red tape, corruption, and lack of technical expertise on modern commercial contracts.

As a treaty, the OHADA prevails over domestic laws. An international arbitration award can prevail especially if operating through the OHADA framework. The Common Court of Justice and Arbitration (CCJA) enforced under OHADA are both an arbitration institution and a judicial court, with a remit covering all the OHADA states. Judicial processes are bureaucratic, expensive, time-intensive and lengthy to pursue.

## **5. Performance Requirements and Investment Incentives**

### **WTO/TRIMS**

The government of Cameroon has not notified the WTO of any measures that are inconsistent with its Trade Related Investment Measures (TRIMS) commitments.

### **Investment Incentives**

Cameroon's 2013 investment law lists several types of investment incentives for investors and also specifies the conditions that they have to meet, in order to benefit from those incentives. This law lays down incentives applicable to Cameroonian or foreign national or legal entities, whether or not established in Cameroon, conducting business therein or holding shares in Cameroonian companies, with a view to encouraging private investment and boosting national production. This law seeks to facilitate, promote and attract productive investment in order to develop activities geared towards strong, sustainable and shared economic growth as well as job creation. U.S. companies and investors must seek regional expertise if they plan to operate in the economic zone of Central Africa (The Economic and Monetary Community of Central Africa) as national incentives may need to be aligned with regional supranational rules. CEMAC laws supersede Cameroon laws.

<http://investincameroon.net/fr/download/law-n-2013004-of-18-april-2013-to-lay-down-private-investment-incentives-in-the-republic-of-cameroon>

### **Common incentives**

Common incentives are granted to investors during the establishment and operation phases. The investor may, during the operation phase, which may not exceed 10 (ten) years, according to the scale of investment and expected economic returns, as applicable, enjoy exemptions from or reductions of payment of several taxes, duties and other fees including corporate tax, tax on profit and stamp duty on loans. In addition, any investor may benefit from a tax credit provided he or she meets one of the following criteria: (1) employs at least 5 (five) graduates each year, (2) combats pollution, and (3) develops public interest activities in rural areas.

### **Tax and customs incentives**

The investor shall enjoy the following benefits during establishment phase, which may not exceed 5 (five) years, with effect from the date of issuance of the approval:

- Exemption from stamp duty on establishment or capital increase;

- Exemption from stamp duty if immovable property used exclusively for professional purposes and that is part of an integral part of the investment program;
- Exemption from transfer taxes on the acquisition of immovable property, land and buildings essential for the implementation of the investment program;
- Exemption from stamp duty on contracts for the supply of equipment and construction of buildings and installations, that is essential for the implementation of their investment program;
- Full deduction of technical assistance fees in proportion to the amount of the investment made, calculated on the basis of the total amount of the investment;
- Exemption from VAT on the provision of services related to the execution of the project and obtained from abroad,
- Exemption from stamp duty on concession contracts;
- Exemption from business license tax;
- Exemption from taxes and duties on all equipment and materials related to the investment program;
- Exemption from VAT on the importation of equipment and materials;
- Immediate removal of equipment and material related investment program during clearance operations.

#### **Administrative incentives**

Subject to the fulfillment of the obligations incumbent on them, notably with respect to the exchange rate regime and the tax legislation, investors may enjoy the following benefits:

- the right to open in Cameroon and abroad local and foreign currency accounts and to carry out transactions on such accounts;
- the right to freely use and or keep abroad funds acquired or borrowed abroad, and to freely use such;
- the right to freely keep cash abroad dividends and proceeds of any kind from capital invested, as well as proceeds from the liquidation or sale of their assets;
- the right to directly pay abroad non-resident suppliers of goods and services essential for conduct of business;
- free transfer of dividends and proceeds from the sale of shares in case of disinvestment.

Also, with respect to foreign staff employed by the investor and resident in the Republic of Cameroon, they shall enjoy free conversion and free transfer to their country of origin of all or part of amounts due them, subject to prior payment of various taxes and social security contributions to which they are liable in compliance with the regulations in force. Finally, the Government shall institute facilities necessary for the establishment of a specific visa and a reception counter at all airports throughout the national territory for investors, subject to their

presentation of a formal invitation from the body in charge of investment promotion of Small and Medium sized Enterprise (SMEs).

There are additional incentives in priority economic sectors. In addition to the above-mentioned incentives, specific incentives may be provided to enterprises which carry out investments that contribute to the attainment of the following priority objectives:

- Development of agriculture, fisheries, livestock, and plant, animal or fishery product packaging activities;
- Development of tourism and leisure facilities, social economy and handicraft;
- Development of housing, including social housing;
- Promotion of agro-industry, manufacturing industries, industry, construction materials, iron and steel industry, construction, maritime and navigation activities;
- Development of energy and water supply; encouragement of regional development and decentralization;
- The fight against pollution and environmental protection;
- Promotion and transfer of innovative technologies and research and development;
- Promotion of exports;
- Promotion of employment and vocational training.

### **Performance Requirements**

The government of Cameroon does not mandate local employment except as an incentive to entice foreign investment. The government of Cameroon applies the reciprocity rules to a limited extent, but companies have in the past complained about the difficulty of obtaining work permits or the fact that work visas expire after six months and frequently are single entry. Longer term work permits are now said to be available, but they have not been issued to our interlocutors unless included as residency work permits, a different category with more complicated application procedures.

Enforcement procedures for performance requirements are not yet standardized, but the government generally develops terms of reference on a case by case basis for contract performance. The government does not impose rules on the recruitment of senior management nor impose unusually excessively onerous visa, residence, work permit, or similar requirements inhibiting mobility of foreign investors and their employees. Cases of "forced localization" have not been reported.

### **Data Storage**

The government is trying to build data storage centers in order to manage IT data. In the meantime, all cellphone users have a legal requirement to register their phone number with the government.

## **6. Protection of Property Rights**

## Real Property Rights

Interests in property are recognized in the law. For mortgage transactions between two private parties, a proper contract is required for the agreement to be binding and enforceable in the courts. Liens have to be recorded in the contract. A registry of land title exists in Cameroon. The land rights of indigenous peoples, tribes or farmers are recognized in the Constitution.

Records from the Ministry of State Property and Land Tenure (MINDAF, French acronym) indicate that land registration rates have not significantly increased since colonial times. Between 1884 and 2005 only 125,000 title deeds had been issued. On average, this represents approximately 1,000 titles per year or less than 2% of the land in Cameroon. In 2009, a study by the African Development Bank identified other distinctive patterns in land ownership. For example, formal land registration is more common in urban (60%) than in rural areas. Existing legislation does not discriminate against foreign land owners.

## Intellectual Property Rights

The legal structure for IPR and corresponding enforcement mechanisms are weak. Infringement on IP rights is especially common in the media, pharmaceutical, software, and print industries.

No new laws have been enacted, and IPR protection remains uniformly weak. The country occasionally seizes and publicly burns counterfeit goods, but these actions are not systematically documented, and no cumulative data exists on the seizures. Imported counterfeit goods, such as fake luxury watches, clothes, copied movies in CDs are prevalent in the local market. Customs officers have authority to seize, store and then eventually destroy these counterfeit goods. National institutions are overwhelmed by the problem and have no influence on the countries of origin for problems, notably China, India, Nigeria, and Pakistan, but Cameroon is not listed in the 2014 Special 301 Report.

<https://ustr.gov/sites/default/files/USTR%202014%20Special%20301%20Report%20to%20Congress%20FINAL.pdf> (?)

Customs officers have seizure authority, but destruction is deferred until detailed review of the property is made by officials, transparent to the property owner and/or rights holder.

- Counterfeit medication
- Pirated music, films and software
- Fake copies of luxury consumer goods (clothes, shoes, glasses, watches, perfumes)
- Fake car tires simulating major brand names
- Fake car spare parts

1) Cameroon is a member of the African Intellectual Property Organization (*OAPI -- Organisation Africaine de la Propriété Intellectuelle*), the main organization that ensures the protection of intellectual property rights in most African Francophone countries. OAPI is

located in Yaounde. Individuals and companies can register their IP and brands directly at the OAPI.

2) Once registered there is legal protection and recourse for the inventor or IP rights holder, although protection is realistically more limited once commercial products reach the market.

3) IP protections are deteriorating in Cameroon because of the influence of supply countries such as China and India, both of which illegally export volumes of counterfeit goods. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

#### *Resources for Rights Holders*

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#### AMERICAN CHAMBER OF COMMERCE IN CAMEROON

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<http://www.amchamcam.org>

### **7. Transparency of the Regulatory System**

Cameroon has laws to foster economic and commercial competition. A key pillar is the OHADA accounting framework, which is applicable in the country, although these standards are becoming relatively obsolete when compared to international norms (International Financial Reporting Standards – IFRS) or to U.S. GAAP. Poor enforcement of laws and accounting standards tends to create confusion for foreign investors. Despite efforts to align OHADA standards to international norms, GRC accounting regulations are becoming obsolete in the context of rapid developments in international finance and capital markets, requiring U.S. enterprises and investors to maintain two sets of accounting records, one in accordance with U.S. GAAP and suitable international standards, and another set to address the OHADA standards and GRC reporting requirements.

There are no restrictions to the participation of foreign companies, institutions, or organizations in the development of industry standards. Due to weak industry standards in effect in Cameroon, international enterprises frequently implement their own best practices,

which the GRC can decide to adopt in addition to existing laws. In some economic sectors, especially the so-called "new economy," there is a de facto uneven competition. Also the quasi-monopoly exerted by some SOEs in certain sectors may create an un-even competitive field. However, the government of Cameroon does not deliberately discriminate against foreign investors in law-making processes.

The procedure that leads to the making of commercial laws in Cameroon is enshrined in the Constitution. There is room for consultations with civil society groups but draft laws are rarely reviewed. The government does not use a consultation process for most laws. In general, laws passed by the Parliament of Cameroon are initiated by the Executive, then rubber stamped by the Parliament. Theoretically, laws and regulations are to be formed by consultative processes involving a cross section of civil society. In reality, laws from civil society rarely get a reading by parliamentary commissions. In general, the corporate law framework follows OHADA standards, which stems from a supranational body. On other corporate issues, existing consultation processes do not discriminate against foreign companies. Cameroon is a member of UNCTAD's international network of transparent investment procedures ([www.eregulations.org](http://www.eregulations.org)), which is the foundation of Cameroon's processes.

## **8. Efficient Capital Markets and Portfolio Investment**

The government of Cameroon encourages foreign investment in Cameroon or outflows of investment capital from investors. The regulatory system permits portfolio investment, but the market is still in its infancy, suffering from low liquidity and bureaucratic inertia.

There are no governmental restrictions at this time and no policy obstructions are interfering in the investment markets. A stock exchange, nascent but functioning, operates in Douala, which is the financial center of Cameroon. International capital market actors also operate in Cameroon including multilateral institutions like the International Monetary Fund and private equity firms. Such actors support the connection of Cameroon to international investors. There are also major bank credit instruments available on the open market and venture capital operations are gaining traction in the Cameroon business sectors. Cameroon is connected to the international banking payment systems and there are no government restrictions on payments or transfers. Foreign investors, including from the U.S., as well as international banks provide business credit, personal finance, and even mortgage instruments on real estate are beginning to show interest in Cameroon.

### **Money and Banking System, Hostile Takeovers**

The banking sector is regulated, but financial institutions tend to suffer from under-performance on local debt and un-serviced loans from both commercial and individual debtors. Less than 10% of Cameroonians have access to banking services. According to the World Bank, non-performing loans were 10.3% of total bank loans in 2013.

- 1) Afriland First Bank Group (US\$ 2.3 billion, 2011) is a large financial services provider in Cameroon with customer deposits in excess of US\$ 951 million (CFA: 460 billion), as of December 2012
- 2) Banque Internationale pour l'Epargne et le Credit (US\$ 2.1 billion 2011)
- 3) Societe Generale de Banque au Cameroun (US\$ 972 million 2011) with global assets of

€1.308 trillion (2014)

4) Standard Chartered Bank Cameroon (US\$ 706 million 2011)

5) Ecobank (US\$ 508 million 2011) with total assets of US\$ 22.5 billion (2013)

The Bank of Central African States (Banque des États de l'Afrique Centrale, BEAC <https://www.beac.int/>) is the central bank that serves six central African countries that form the Economic and Monetary Community of Central Africa (CEMAC) including Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, and the Republic of Congo. BEAC has been in operation since 1972, although rocked by a few embezzlement scandals in 2009 and 2010. The current governor of BEAC is Lucas Abaga Nchama (from Equatorial Guinea).

There are no restrictions on foreigners establishing bank accounts, credit instruments, business financing or other such transactions. Rules on all forms of mergers and acquisitions, including hostile, are governed by OHADA and are detailed in a lengthy body of commercial, legal and accounting codes. The OHADA sections on mergers and acquisitions are the Napoleonic version of our SEC regulations.

## **9. Competition from State-Owned Enterprises**

The Government of Cameroon has over 130 State-owned companies in which it has majority ownership, and which operate in more than 8 key sectors of the economy including strategic ones such as agribusiness, energy and mining. SOEs are also present in real estate, transportation, services, information & communication, finance and travel (Tourism).

In Cameroon, a State-Owned Enterprise is an enterprise partly or totally owned by the GRC. Some SOE are profit oriented (70%), while others are set up to provide a public good. In other cases, SOEs themselves are so dominant, because of their quasi-monopoly, that they often act as de facto regulators, for example in telecom and in the media. Data on SOEs' R&D and share of public contracts are not publicly available. Inside the GRC's portfolio of companies, there are intricate cross-holdings, whereby various state institutions mutually hold equities in SOEs. Shareholders in SOEs include the National Hydrocarbons Company (SNH), the Hydrocarbon Price Stabilization Fund and the National Social Security Fund, which together have stakes in more than 30 state-owned entities. The largest holdings are controlled by National Investment Company (NIC) with shares in more than 32 enterprises. In 2010, the NIC valued the GRC's stakes to be worth \$516 million or one fifth of the national budget.

Operationally, the private sector enjoys technological competitive advantages and flexibility to respond to market conditions that bureaucratic and over-staffed SOEs cannot replicate. Delivery of products and services to the markets still depends on price-competitiveness and quality of goods offered, so inferior SOE products and services (e.g. Internet, cable television and cellular telephone offerings) face legitimate private-sector competition. The government does not publish data on percentage of expenditures SOEs allocate to research and development. SOEs can source equipment, purchase goods and services from the private sector, including overseas providers in the United States.

Financially, some SOEs have a legal ability to contract debt and, in so doing, generate contingent liabilities for the state. They also have a history of accumulating unpaid tax arrears while at the same time benefitting from preferential access to land and to public

funds through State subventions. Private companies do not automatically have such advantages. The Audit Chambers of the Supreme of Cameroon indicates in its yearly reports that SOEs are not financially transparent. Only about 22% of these structures publish financial accounts. Other reports have highlighted corruptions cases involving managers of SOEs and unveiled inefficiencies, severe dysfunctions and opacity of the management of SOEs. These problems are exacerbated by the fact that over the past years, the government has not imposed any performance targets, productivity requirements and quality of service standards nor any significant budget constraints on SOEs. The governing boards and senior executive teams are political appointees and connected individuals, they have means to avoid tax burdens levied on private enterprises, receive specialized consideration for subsidies and enhanced operating budgets, and obtain generally preferential treatment from the government.

Cameroon is an observer under the World Trade Organization's Agreement on Government Procurement (acronym "GPA"), but SOEs may receive a larger percentage of government contracts/business than their private sector competitors, as it is not clear if SOEs are covered under the agreement.

### **OECD Guidelines on Corporate Governance of SOEs**

In Cameroon law, ownership in SOEs is regulated by laws. The government claims that its regulations and codes comply with international standards, but over the past two decades the regulations and code governing SOEs have become obsolete since they were introduced when the GRC was the dominant economic actor in most sectors. Since then, new actors, notably domestic and international private companies, have emerged and are finding it difficult to compete in a landscape where the GRC maintains specific privileges in the name of the public good.

Although individual SOEs are generally placed under the tutorship of a sector ministry, the entire portfolio is heavily centralized. The management reports to line ministries but the board of directors are directly appointed by the President of the Republic who also determines the corporate governance structures. The *Technical Committee for Rehabilitation* within the Ministry of Finance is responsible for the financial surveillance. Most board members are former ministers or leading members of the central committee of the ruling party appointed by the President. In most cases they do not have the expertise, experience and sound understanding of the enterprise or sector they are required to serve in. This misalignment of competence affects the performance of SOEs. In a 2016 report, The International Monetary Fund (IMF) observed that the profitability and financial autonomy of SOEs have deteriorated in recent years, draining scarce budget resources, partly because of weak corporate governance.

### **Sovereign Wealth Funds**

Cameroon does not have a Sovereign Wealth Fund (SWF).

## **10. Responsible Business Conduct**

Responsible business conduct is not regulated by law in Cameroon. However, the government of Cameroon has enacted laws that cover issues related to what is locally considered "corporate social responsibility" or CSR. For example, all major infrastructure

projects in Cameroon are compelled to conduct an *Environmental and Social Impact Assessment* (ESIA) to establish the impact of the projects on people and nature. Cameroon is also compliant with the Extractive Industries Transparency Initiative (EITI). Elsewhere, the government set up a human rights commission, which claims to address human rights issues in business conduct, although most executive compensation issues remain private contracts. There are some initiatives in the private sector to foster a corporate social responsibility culture.

## **11. Political Violence**

Cameroon is a stable and peaceful country, which over the past 50 years (and unlike many of its neighbors in the Central and West African region) has not experienced major wars or extended periods of civil strife. Stability and peace are therefore Cameroon's most important advantages when it comes to investment environment. However, over the past three years new threats have emerged in the Northern part of the country with the activities of the radical, militant Islamist group Boko Haram, and also in the East with the influx of refugees from the Central African Republic (CAR). Another potential source of insecurity is the uncertainty about political transition. Cameroon's President Biya is 84 years old and has ruled the country uninterrupted for 34 years. Over the past five years, questions about political succession have been dominating analysts' outlooks.

## **12. Corruption**

In Cameroon corruption is punishable under sections 134 and 134 (a) of the Penal code of Cameroon. Since November 2012, 112 serious cases of corruption are in courts. Prior to these cases, the courts had judged and jailed senior government officials for acts of corruption. Since inception, the Special Criminal Tribunal has handled over 123 cases and recovered \$5.5 million USD worth of state funds. Most legal observers estimate that this amount is minute compared to the huge sums allegedly stolen. The cases have revealed complex levels of collusion inside and outside the civil services, and some perpetrators are family members of the civil servants. Embezzlements are fueled by several dysfunctions within the civil service, and an ambient environment of conflict-of-interests, notably in government procurement and due to weak supervision.

U.S. firms indicate that corruption is most pervasive in government procurement, award of licenses or concessions, transfers, performance requirements, dispute settlement, regulatory system, customs or taxation. The private sector is also infected although public institutions have historically been more vulnerable to corruption. The government has introduced anti-corruption mechanisms and measures for all economic actors, but provides little support to "whistle blower" cases and especially Non-Governmental Organizations (NGOs). However, in recent years, private companies have initiated their own peer anti-corruption sensitization measures. Cameroon is signatory to the United Nations and the African Union anti-corruption initiatives, but these international initiatives have practical limited effects on the enforcement of laws in the country.

### *Resources to Report Corruption*

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#### **Contact at "watchdog"**

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- EMAIL ADDRESS: transparency@ti-cameroon.org

### **13. Bilateral Investment Agreements**

#### **Bilateral Taxation Treaties**

Belgium-Luxembourg: Convention between the Union Belgo-Luxembourg Union for the reciprocal promotion and protection of investments 1980

Canada: Investment Promotion and Protection Agreement (FIPA) in Toronto on March 3, 2014

China: Bilateral Investment Treaty Agreement between, signed on May 10, 1997

Egypt: Memorandum of Understanding with the General Authority for Investment

Germany: Treaty between the Federal Republic of Germany and the Federal Republic of Cameroun concerning the encouragement of investments, 1962

Guinea: Mutual discussions and framework agreement

Italy: Economic, technical and financial development cooperation Agreement between the Government of the Republic of Italy and the Government of the Republic of Cameroon, 1989)

Agreement between the Government of the Republic of Italy and the Government of the Republic of Cape Verde on the reciprocal promotion and protection of investments 12.6.1997

Mali: Cultural Agreement and Commercial agreement signed March 17, 1964 in Bamako

Mauritania: Framework agreement for general bilateral cooperation following recognition after independence

Mauritius: Framework agreement for general bilateral cooperation following recognition after independence

Morocco: Economic and technical cooperation agreement signed in Rabat on June 25, 1974

Netherlands: Agreement signed in 1967

Romania: Agreement between the Government of the Socialist Republic of Romania and the Government of the Republic of Cameroon on the mutual promotion and protection of investments 30.8.1980)

Switzerland: Cameroon-Switzerland Bilateral Investment Treaty signed in 1964

Turkey: Turkey and Cameroon signed a number of agreements, including Cultural and Scientific Cooperation Agreement on (March 06, 2002), Trade, Economic and Technical Cooperation Agreement on (March 04, 2002), Joint Economic Commission Protocol on (July 08, 2003)

United Kingdom: Agreement between Great Britain and the Government of the United Republic of Cameroon for the Promotion and Protection of Investments March 04, 1982

United States of America: The U.S. and Cameroon signed a Bilateral Investment Treaty (BIT) in 1986 that came into force in 1989

Cameroon is neither on the list of countries which have signed an FTA or a Bilateral Taxation Treaties with the U.S.

#### 14. Foreign Trade Zones/Free Ports/Trade Facilitation

Foreign Trade Zones (FTZ) in Cameroon are specifically designated areas where some standard trade barriers, tariffs, quotas, or other bureaucratic requirements are lifted or lowered to attract investments. Cameroon passed a special law instituting FTZ in 1990.

#### 15. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	NA	2014	\$32.05 bn	<a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
Foreign Direct Investment	Host Country Statistical source		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other

U.S. FDI in partner country (\$M USD, stock positions)	NA	NA	2014	\$73mm	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
Host country's FDI in the United States (\$M USD, stock positions)	NA	NA	2014	\$9mm	<a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
Total inbound stock of FDI as % host GDP	NA	NA	2014	0.22%	NA

Table 3: Sources and Destination of FDI

Although the Ministry of Economy publishes gross figures of Foreign Direct Investment (FDI) in investment promotion publications, the country does not feature on the IMF's Coordinated Direct Investment Survey (CDIS) site (<http://data.imf.org/CDIS>). There is no data on Cameroon either on the IMF's Coordinated Portfolio Investment Survey (CPIS) site (<http://data.imf.org/?sk=B981B4E3-4E58-467E-9B90-9DE0C3367363&ss=1424792073105>).

The IMF relies on country authorities to submit data for this survey and the Mission is initiating talks with Cameroonian authorities to encourage the government to assist the IMF in the data collection and uploading process. At this time, fields in the provided tables are Not Applicable.

Table 4: Sources of Portfolio Investment

Data not available.

## Section 5 - Government

### Chiefs of State and Cabinet Members:

For the current list of Chiefs of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

### Legal system:

mixed legal system of English common law, French civil law, and customary law

## International organization participation:

ACP, AfDB, AU, BDEAC, C, CEMAC, EITI (candidate country), FAO, FZ, G-77, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NAM, OIC, OIF, OPCW, PCA, UN, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

## Section 6 - Tax

### Exchange control

All transfers of funds outside the Central African Economic and Monetary Community (CEMAC, consisting of Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon), including loans obtained by resident companies from abroad and the solicitation of foreign securities in the CEMAC zone, must be declared and are subject to special control measures for statistical purposes. Transfers of amounts in excess of XAF 5 million must be lodged with an authorized intermediary (i.e. a bank authorized by the central bank). Documentation must be submitted to the authorities for currency transfers for the settlement of imports in excess of XAF 100 million. Expatriate employees may apply for authorization to repatriate 20% of their net earnings on a regular basis. However, if the family and dependents live outside the CEMAC zone, permission may be obtained to repatriate up to 50% of net earnings. Any savings accumulated by expatriates may be repatriated upon departure from Cameroon. All foreign direct investment exceeding XAF 100 million is subject to prior notification to the Ministry of Finance.

### Treaty and non-treaty withholding tax rates

Cameroon has concluded tax treaties with CEMAC countries, Canada, France and Tunisia

## Methodology and Sources

### Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

### Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes

### **Section 3 - Economy**

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

### **Section 4 - Foreign Investment**

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

### **Section 6 - Tax**

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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