

**Law n° 2002/004 of 19<sup>th</sup> April 2002**  
**instituting the investment charter**

**Section 1** : The present law institutes the Investment Charter of the Republic of Cameroon, hereinafter referred to as the charter.

**PRELIMINARIES GUIDING PRINCIPLES**

**Section 2** : In its determination to build a competitive and prosperous economy by boosting investment and savings, and attain its economic and social objectives, the Republic of Cameroon has opted for :

- the reassertion of the market economy as the ideal economic system ;
- the reassertion of the State's essential role in promoting economic and social development ;
- the recognition of the key role played by entrepreneurs, investors and private enterprise as crucial factors in generating wealth and employment, to which the State and society at large should pay special attention ;
- the commitment to safeguard free enterprise and freedom to invest ;
- the commitment to maintain a sound macro-economic context ;
- the commitment to ensure the flexibility and reversibility of decision-making processes in a bid to consolidate the competitiveness of the economy ;
- the clarification of the economic and social role of the state and institutions as collective actors striving for the full employment of national resources through appropriate actions and taking into account the strengths and weaknesses of the market, the private sector and civil society in order to usher in the rule of law and good governance ;
- the redefinition and consolidation of the role of the university and the national scientific of the university and the national scientific and technical research system as, a crucial factor in the transformation and mastery of the economic and social structures ;
- the promotion of entrepreneurship as the prime mover of Cameroon's creative potential, which is a pre-condition for setting up viable and competitive enterprises, and a decisive factor in providing lasting solution to unemployment and poverty ;
- the safeguard of the ecological environment and the rational exploitation of natural resources of the soil and sub-soil, for sound and sustainable development ;

- the promotion and active boosting of investments and exports so as to develop entrepreneurial potential ;
- the consideration of particular or special sectors requiring specific measures, taking into account the constraints relating to the development and trapping of local natural resources ;
- the quest for an appropriate institutional and regulatory framework to guarantee the security of investments, provide support to investors, and ensure fair and prompt settlement of investment-related as well as commercial and industrial disputes ;
- an appropriate financial system that ensures efficient financial intermediation and in particular, proper mobilisation of savings and the channelling thereof to the most productive activities and to high-yield investments ;
- a reliable and efficient information system based on new information and communication technologies ;
- the commitment to implement all necessary measures proposed by co-ordinating and supervisory bodies set up under this law to institute the Investment Charter of the Republic of Cameroon ;
- the commitment to promote real partnership between the State and the private sector and civil society as a condition for greater overall economic efficiency ;
- the institution of an attractive tax system with incentives for investors, that includes specific taxes on production equipment, and addresses the need for export competitiveness requirements.

**PART I**  
**GENERAL PROVISIONS**

**CHAPTER I**

**DEFINITIONS**

**Section 3** : In this law, “Investor” shall mean any individual or corporate body of Cameroonian or foreign nationality, resident or non-resident, whose activity involves acquiring assets with a view to earning interest.

**Section 4** : In this law, an investment shall mean any asset held by investor, notably :

- an enterprise ;
- shares, equity financing or any other form of equity investment ;
- bonds and other debt securities ;
- monetary claims ;
- intellectual property rights ;
- medium and long-term contract rights, in particular, management, production, and sales contracts ;
- rights conferred by law, such as concessions, licences, authorisations or permits ;
- any other tangible or intangible property, movable or immovable, and any related property rights.

**Section 5** : Under this law, the States shall cover all State institutions provided for in the constitution.

## **CHAPTER II** **SCOPE**

**Section 6** : This law defines the investment promotion framework in accordance with the overall development strategy aimed at increased and sustainable growth, job-creation in all branches of economic activity and social well-being of the people.

**Section 7** : This law shall apply to investments relating to the commencement, extension, renewal, readjustment and/or change of activity.

## CHAPTER III

### ROLE OF THE STATE AND OF THE PRIVATE SECTOR IN THE ECONOMY

#### 1. Role of the state in the economy

##### Section 8 :

(1) The fundamental mission of the state shall be notably to administer the nation ensure the exercise of justice and guarantee the safety of persons and of property. To that end, the State shall undertake to :

- Train and sensitise its employees so that the accomplishment of its missions does not hinder the smooth-running of the economic system ;
- Put an end to all forms of bureaucracy of police harassment and notably remove all obstacles to the movement of persons and property ;
- Internally fight corrupt behaviour and/or misappropriation of public property ;
- Accelerate the processing of administrative papers ;
- Expedite the hearing of court cases and ban all forms of discrimination in the application of the law.

(2) The State shall enact laws and regulations, supervise, facilitate and regulate economic and social activity, develop basic and information infrastructure, provide training, security and offset market deficiencies.

To that end, the State shall :

- Organise, control and secure all markets through appropriate regulations and effective supervision to ensure better resource allocation ;
- Guarantee the proper functioning of the economic system ; and for this purpose it shall ;
- Ensure the proper application of established rules by all stakeholders in the system ;
- Provide, facilitate the establishment maintenance and development of economic infrastructure, social services such as health, education and vocational training facilities and ensure access to them by the population ;
- Develop viable partnerships with the private sector and civil society with a view to improving resource allocation in areas where the market is deficient ;

- Correct any global market imbalances using sound and transparent economic policies ; ensure the economic security of the nation, especially by setting up an efficient economic intelligence system ;
- Set up an efficient system of incentives to boost the development of the private sector ;
- Contribute to the acquisition and mastery of appropriate technologies and facilitate their dissemination ;
- Formulate sectoral strategies and seek funds for their implementation.

## **II. Role of the private sector in the economy**

### **Section 9 :**

(1) The role of the private sector shall be to generate and produce wealth.

(2) The private sector shall be bound to :

- Observe the rules of competition by avoiding fraud and discouraging corrupt behaviour within the sector ;
- Conduct business with due concern for the interests and health of consumers and users ;
- Organise its various subsectors with a view to promoting, amongst its members, good morality in business and the judicious application of the rules of ethics inherent in every trade ;
- Maintain loyal co-operation with the State and its bodies in order to guarantee the success of the national economic policy.

### **PART II**

### **MARKET MANAGEMENT**

### **CHAPTER I**

## **GENERAL PRINCIPLES AND BASIC RIGHTS**

**Section 10** : The State shall guarantee each natural person or corporate body duly established or desirous of establishing in Cameroon and observing the specific rules applicable to their economic activity, the following :

- Freedom to undertake any production, service provision or commercial activity, irrespective of their nationality ;
- Equal treatment in the conduct of any activity in conformity with the principles and provisions of the law on competition ;
- Property rights relating to land, buildings and operating equipment, as well as those relating to personal property, transferable securities, patents and other intellectual property ;
- Dispatch in concession and land acquisition procedures ;
- Freedom to repatriate foreign capital invested, operating profits, as well as the repatriation of expatriate staff savings from salaries ;
- Access to foreign currency markets and freedom to transfer capital under the rules of the Monetary Union of Central Africa (UMAC) ;
  
- Equitable and transparent application of the business law provisions of the treaty of the organisation for the Harmonisation of Business Law in Africa (OHADA treaty) ;
- Equitable and transparent application of labour law and social security law drawn up in accordance with the treaty of the Inter-African Conference on Social Security (CIPRES) ;
- Equity and transparency in the application of the intellectual property law formulated within the framework of the World Intellectual Property and the African Intellectual Property Organisation (AIPO) ;
- Equity and transparency in the application of insurance law drawn up within the framework of the Inter-African Conference on Insurance Markets (CIMA) ;
- The independence and professional competence of courts both in judicial and administrative matters ;
- The application of any other international agreement or treaty ratified in accordance with Articles 43, 44 and 45 of the constitution.

**Section 11** :

(1) The State shall be party to bilateral and multilateral agreements which guarantee investments. It is thus signatory to :

- The New York Convention on the Recognition and Enforcement of International Arbitral Awards, concluded under the auspices of the United Nations ;
- The Washington convention to set up the International Centre for Settlement of Investment Disputes (ICSID).

(2) The State is signatory to :

- The Seoul Convention of 11 October 1985 to set up the Multilateral Investment Guarantee Agency (MIGA) aimed at safeguarding non commercial risks ;
- The OHADA treaty in pursuance of which modern and simple legal provisions based on international practice, have been drafted to constitute business law.

(3) As member of the OHADA zone, the State has both an ad hoc and an institutional arbitration mechanism based on the most effective international instruments, such as the standard law of the United Nations Commission for International Business Law (UNCITRAL) on international arbitration of 1985 and the Arbitration Settlement of the International Chamber of Commerce of 1998.

(4) The State is signatory to the Lome Convention as revised in Mauritius on 4 November 1995, which set up an arbitration mechanism for settling disputes between Africa-Caribbean and Pacific States (ACP) and contractors, suppliers and service providers, relating to financing by the European Development Fund (EDF°).

**Section 12** : The State asserts its commitment to set up a national arbitration court with a view to settling industrial and commercial disputes within the framework of the Chamber of Commerce, Industry and Mines.

## **CHAPTER II** **LIBERALISATION, ACCESSIBILITY AND COMPETITION**

### **I. Liberalisation of national contracts**

**Sections 13** : Supply and demand mechanisms shall apply to the services and goods offered to the community.

Key and strategic sectors defined and organised by regulation shall be supervised by special bodies set up for their management.

To ensure the establishment of appropriate regulations as well as the supervision of contracts other than those awarded by specialised bodies, the National Commission for competition shall be set up and its duties and jurisdiction laid down by regulation.

**Section 14** : International transparency standards concerning the production, publication and dissemination of quality information applicable both to the public and private sectors shall be adopted in Cameroon.

## **II - External relations and regional integration**

**Section 15** : The State shall adhere to the multilateral trade system, in particular the agreements of the World Trade Organisation (WTO) and the other mechanisms for the development of international trade, as well as the agreements of the International Customs Organisation (ICO).

**Section 16** : The State reasserts the option of regional integration in particular within the framework of the Central African Economic and Monetary Community (CEMAC) and the Economic Community for Central African States CEEAC).

### **PART III** **MANAGEMENT OF INCENTIVES**

#### **CAPTER I** **INCENTIVE SYSTEM**

##### **I. General incentives**

**Section 17** :

(1) Three types of general incentives shall be instituted, namely :

- Promotion ;
- Facilitation ;



- Support.

(2) Promotion shall, in particular, consist of the organisation of events and missions nationally or internationally, active partnership, and management of a range of opportunities, as well as in the marketing of the country's potential.

(3) Facilitation shall, in particular, consist of assistance and dispatch in the fulfilment of formalities, and transparency in file-processing conditions.

## **PART II** **SPECIFIC INCENTIVES**

**Section 18** : Specific incentives shall concern regimes, sectoral codes, economic zones and the duration of benefits.

### **Section 19** :

(1) Three regimes shall be instituted :

- The automatic regime ;
- The returns regime ;
- The approval regime.

(2) The automatic regime shall be tacit once the investment is carried out in accordance with the conditions defined by instruments. However, a summary return shall be forwarded each year to the competent state authority for control and validation.

(3) The returns regime shall be granted within 2 (two) consecutive working days in accordance with the conditions fixed by regulation and with effect from the date when the complete file was forwarded to the one-stop service. The one-stop service shall acknowledge receipt of the file in writing.

The approval regime shall be granted to the investor within a maximum period of 15 (fifteen) consecutive working days in accordance with the conditions fixed by regulations and with effect from the date when the complete file was forwarded to the one-stop service. The one-stop service shall acknowledge receipt of the file in writing.

Where the one-stop service does not respect the time-limits stated in subsections (3) and (4) above, the regime applied for shall be automatically granted the investor who shall accordingly initiate a regularisation procedure without delay.

The functioning conditions of the regimes instituted in subsection (1) of this section shall be defined by separate instruments.

**Section 20** : Sectoral codes shall be incentives instruments adapted to one or more sectors of economic activity and/or covering one or more technical domains of the economy.

### **Section 21** :

(1) Economic zones shall be incentive mechanisms classified into privileged zones.

(2) Economic zones shall be instituted as and when necessary under the conditions of establishment and eligibility to the rights and principles to be defined by regulation according to the objectives of the government.

(3) Economic zones may be transformed into autonomous boards under conditions defined by

separate instruments.

**Section 22** : The duration of incentives shall be fixed within sectoral codes or economic zones according to their activities.

## **CHAPTER II** **IMPLEMENTATION OF TE CARTER**

### **I. Conditions of implementation of the charter**

#### **Section 23** :

(1) The implementation instruments of this law shall be drafted on an equal and tripartite basis (public sector, private sector, civil society).

(2) The drafted implementation instruments shall have the prior technical approval of the regulation and competitiveness board referred to in section 24 below.

### **II. Control for compliance and redress**

#### **Section 24** :

Any petition for redress from an investor of non compliance with the provisions of this law and its implementation instruments shall first be forwarded to the regulation and competitiveness board.

## **CHAPTER III** **INVESTMENT AND EXPORT PROMOTION AND FACILITATION BODIES**

#### **Section 25** :

The following bodies are hereby established for the promotion and facilitation of investments and exports.

- a) the regulation and competitiveness board ;
- b) the investment promotion agency ;
- c) the export promotion agency.

## **PART IV** **PROMOTION OF PRIVATE INITIATIVE**

#### **Section 26** :

In order to promote private initiative, the following are instituted :

- an industrial partnership council ;
- an entrepreneurship institute ;
- a trade and industry observatory ;
- a standardization and quality board ; and
- an intellectual property centre.

**PART V**  
**PRINCIPLES GOVERNING THE MANAGEMENT OF THE INSTITUTIONS**

**Section 28 :**

The competition of the management organs of the institutions set up pursuant to this law shall be joint, equal and tripartite (public sector, private sector and civil society).

**PART VI**  
**TAX AND CUSTOMS INCENTIVES**

**Section 29 :**

The taxation and customs mechanism shall be based on equity between the various taxpayers and moderation, which permit the state to play its economic and social role conveniently.

**Section 30 :**

The State shall undertake to simplify and harmonise the procedures and methods for the assessment and collection of taxes to ensure that they are transparent, smooth and clear to all investors.

**Section 31 :**

The rates of taxes and customs duties shall be applied in the respect of rules, practices and proportions close or equivalent to international custom, while ensuring that they are adapted to the evolution and specificity of industrial sectors.

**Section 32 :**

The taxpayer's rights shall be recognised and respected by State authorities.

**Section 33 :**

(1) The State shall guarantee the application of moderate customs duties and adhere to the principles of their reduction within the framework of the policy defined by CEMAC and in

conformity with the provisions of the World Trade Organisation.

(2) The State reaffirms its willingness to implement the economic and deferred payment regimes provided for in the CEMAC customs code.

#### **Section 34 :**

The provisions were in below shall apply with respect to direct and indirect taxes :

- the general application of the Value Added Tax (VAT as a neutral tax levied on investment and the generation of wealth ;
- the non-application of VAT on exports and the reimbursement of VAT collected for investments and operating expenses of exporting firms to maintain competitive on international markets ;
- taking into account of tax incentives related to the various specific investment codes ;
- the application, using tax credits, of a consistent mechanism tailored to foster research and development, vocational training and the protection of the environment, in keeping with the various codes.

**Section 35 :** with respect to stamp duty and registration, moderate rates shall be applied to the incorporation of companies, the amendment of articles of association, increase of capital, merger and take-over operations and the issue and circulation of securities.

## **PART VII** **ORGANISATION OF THE FINANCIAL SYSTEM**

#### **Section 36 :**

The State shall see to develop the financial system in consonance with its policy to boost investments and promote competitiveness.

#### **Section 37 :**

(1) Cameroon is a member of the Monetary Union of Central African (UMAC) It shall see further economic independence and flexibility, in consonance with requirements of an increasingly liberal and integrated economy capable of adjusting almost instantly.

(2) In order to meet international standards, the State shall support all actions that see to African States (BEAC) and the Central African Banking Commission (COBAC) for the development of all types and sizes of investment and enterprise, as well as to address the challenge of financial crises.

(3) The State shall foster the development of a healthy credit and monetary culture through the establishment of a credit and money code.

#### **Section 38 :**

The State shall supervise and promote SMEs/SMIs, notably by :

- setting up a financial services system for medium-scale business operators, with appropriate supervision and regulations;
- setting up an SME/SMI-financing mechanism tailored to specific and sector needs with appropriate supervision and regulations.

**Section 39** :

(1) The State shall set up export incentive mechanisms comprising insurance and financing methods, aimed at covering market prospecting, production, funding facilitation and other risks.

(2) The State shall be a member of the African Export/Import Bank (AFREXIM Bank), a pan-African institution set up to finance import and export credit operations.

**Section 40** :

(1) Without prejudice to other national financial structures, the State shall support the establishment of a credible sub-regional financial market in accordance with international standards, to permit the mobilisation of long-term savings and the pumping of such savings into productive and profitable investment projects.

(2) The State shall ensure the active promotion of savings and investments by drafting a code that encourages savings and investments.

**Section 41** :

(1) The State shall set up a voluntary subscription public securities market.

(2) The national public securities market shall be part of the sub-regional initiatives in the said field.

**Section 42** :

The State shall be committed to a solid and efficient system of covering for industrial, commercial and social risks, which is indispensable for the development of investments and the quest for competitiveness.

**PART VIII**  
**TRANSITIONAL, MISCELLANEOUS AND FINAL PROVISIONS**

**Section 43:**

(1) The present law nullify:

- ordinance n° 90/1 of 29 January 1990 relating to the free zone regime of Cameroon, as ratified by law n° 90/233 of 10 August 1990 ;
- ordinance n° 90/7 of 8 November 1990 relating to the Investment Code of Cameroon.

(2) Sectoral codes and statutory instruments relating to the organisation, composition and functioning of the organs provided for in this Carter shall be issued within a time limit of not more than two years with effect from the date of enactment of this law.

(3) However, enterprises granted special or preferential regimes under the two instruments referred to above shall maintain their benefits.

(4) During the two (2) years transitional period referred to in sub section 2 above, and the provisions of sub section 1 above notwithstanding the institutions and regimes provided for by the ordinances referred to in sub section 1 of this section shall remain valid until the new institutions and the sectoral codes are set up.

(5) All sectoral laws and regulations repugnant to this law shall be harmonised.

**Section 44** :

The bodies and institutions provided for in this law, which exist at the time it comes into force shall have a maximum period of 1 (one) year with effect from its date of enactment to conform to the provisions thereof.

**Section 45** :

This law shall be registered published according to the procedure of urgency and inserted in the official gazette in English and French.

Yaounde, 19 April 2002-05-02

**Paul BIYA,**

President of the Republic

**Law No 2004/020 of 22nd July 2004**  
**to amend certain provisions of law No 2004/4 of 19 April 2002**  
**to institute the investment charter of the Republic of Cameroon**

The National Assembly deliberated and adopted,

The President of the Republic hereby enacts the law set out below :

**Section 1** : The provisions of section 43 of law No 2002/4 of 19 April 2002 to institute the Investment Charter of the Republic of Cameroon are hereby amended as follows :

**Section 43** (news) :

(1) This law repeals :

- Ordinance No 80/1 of 29 January 1990 relating to the free zone regime of Cameroon as ratified by law No 90/23 of 10 August 1990;
- Ordinance No 90/7 of 8 November 1990 relating to the institution of the Investment Code of Cameroon.

(2) Sectoral codes as well as statutory instruments relating to the organization, composition and functioning of the organs provided for in this Charter shall be issued within a time-limit of no more than 5 (five) years with effect from the date of enactment of this law.

(3) Enterprises granted special or preferential regimes under the two instruments mentioned above shall maintain their benefits.

(4) During the 5 (five) year transitional period referred to in section 43 (2) above, the provisions of this law notwithstanding, the institutions and regimes provided for by the ordinances referred to in section 43 (1) of this section shall remain valid until the new institutions and sectoral codes are set up.

(5) All sectoral laws and regulations repugnant to this law shall be harmonized".

**Section 2** : This law shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

*Yaounde, 22 July 2004*

(d) Paul BIYA

President of the Republic

