



**Chandrawat
& Partners**

DOING BUSINESS IN CAMEROON

A comprehensive guide

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INTRODUCTION

Cameroon, located in Central Africa, is a country known for its diverse landscapes, rich cultural heritage, and a growing economy. With a population of over 27 million people, the nation offers a promising market for businesses looking to expand their operations in Africa. Boasting a strategic geographic location at the crossroads of West and Central Africa, Cameroon serves as a gateway to a regional market of over 300 million people within the Economic Community of Central African States ("ECCAS") and the Central African Economic and Monetary Community ("CEMAC").

Doing business in Cameroon presents a multitude of opportunities across various sectors. The country's abundant natural resources, including oil, gas, minerals, agriculture, and forestry, form the backbone of its economy. Additionally, Cameroon's strategic position fosters trade and investment possibilities with neighbouring countries, as well as access to regional trade agreements and integration initiatives.



ECONOMIC REVIEW



Macroeconomic Overview: Cameroon's economy has experienced moderate growth in recent years, driven by sectors such as oil and gas, agriculture, manufacturing, construction, and services. However, it faces challenges related to infrastructure development, corruption, bureaucracy, and limited access to financing.

Natural Resources and Agriculture: Agriculture plays a vital role in Cameroon's economy, employing a significant portion of the population and contributing to export revenues. The country's diverse climate and fertile land make it suitable for cultivating a wide range of crops, including coffee, cocoa, bananas, palm oil, and rubber. There are opportunities for value-added processing and agribusiness investments.

Oil and Gas Industry: Cameroon is a major player in the Central African oil and gas sector. The industry has attracted foreign investment, and production levels have contributed to government revenue. However, fluctuations in global oil prices and the need for diversification pose challenges to the sector's long-term sustainability.

Mining and Minerals: Cameroon possesses substantial mineral resources, including bauxite, iron ore, gold, cobalt, and uranium. The government has taken steps to attract investment and develop the mining sector while ensuring environmental sustainability and social responsibility. Infrastructure improvements and streamlined regulatory processes are necessary to unlock the sector's full potential.

Infrastructure Development: Cameroon recognizes the importance of infrastructure for economic development and has made efforts to improve transportation, energy, and telecommunications networks. However, infrastructure gaps remain, particularly in rural areas, hindering business operations and limiting market access. Opportunities exist for investment in infrastructure projects, including road construction, port development, and energy generation.



FOREIGN DIRECT INVESTMENT POLICY

Cameroon recognizes the importance of foreign direct investment for economic growth and has implemented policies to attract and facilitate FDI. The government has undertaken various initiatives to create an enabling business environment and encourage foreign investors to participate in the country's economic development. Here are key aspects of Cameroon's FDI policy:

Legal Framework:

Cameroon has established legal frameworks to regulate foreign investment and protect the rights of foreign investors. The Investment Charter of 2002 and the Law on Private Investment of 2013 form the foundation of the legal framework governing FDI in the country. These laws provide guidelines for investment procedures, protection of investments, dispute resolution, and repatriation of profits.

Investment Incentives:

Cameroon offers a range of investment incentives to attract foreign investors. These incentives aim to encourage investment in priority sectors, promote job creation, and stimulate economic development. Some of the investment incentives include tax exemptions, customs duty reductions, accelerated depreciation allowances, and streamlined administrative procedures.

Sectoral Opportunities:

Cameroon has identified priority sectors for investment, which present significant opportunities for foreign investors. These sectors include agriculture, agribusiness, mining, oil and gas, infrastructure development, manufacturing, renewable energy, tourism, and information and communication technology (ICT). The government provides support and incentives specific to each sector to encourage investment and development.

Investment Promotion Agencies:

Cameroon has established investment promotion agencies to facilitate and support foreign investment. The Investment Promotion Agency of Cameroon (API) and the National Investment Corporation of Cameroon (SNI) are responsible for promoting investment, providing information and guidance to investors, and facilitating investment procedures. These agencies serve as a central point of contact for foreign investors and can assist with project approvals, permits, and other administrative processes.

Public-Private Partnerships (PPPs):

Cameroon actively promotes public-private partnerships as a means to attract foreign investment, particularly in infrastructure development projects. The government encourages collaboration between the public and private sectors to finance, develop, and operate infrastructure projects. PPP frameworks and legislation have been put in place to support these partnerships and ensure transparency and accountability.

Investor Protection:

Cameroon provides legal protections to foreign investors. The country is a member of the International Centre for Settlement of Investment Disputes (ICSID) and has signed bilateral investment treaties (BITs) with several countries to protect foreign investments. These agreements provide mechanisms for dispute resolution and protect investments against discriminatory practices or expropriation.

Local Content Requirements:

In certain sectors, Cameroon has implemented local content requirements to promote the participation of local businesses and workforce in investment projects. Foreign investors may need to comply with specific regulations regarding local sourcing, employment, training, and technology transfer. It is important for investors to understand and fulfil these requirements while structuring their investments.





KEY SECTORS OF BUSINESS



The core sectors of the Cameroon industry are:

- Agriculture and Agribusiness
- Mining and Minerals
- Oil and Gas
- Manufacturing and Industrialization
- Infrastructure Development
- Tourism and Hospitality
- Information and Communication Technology (ICT)
- Renewable Energy

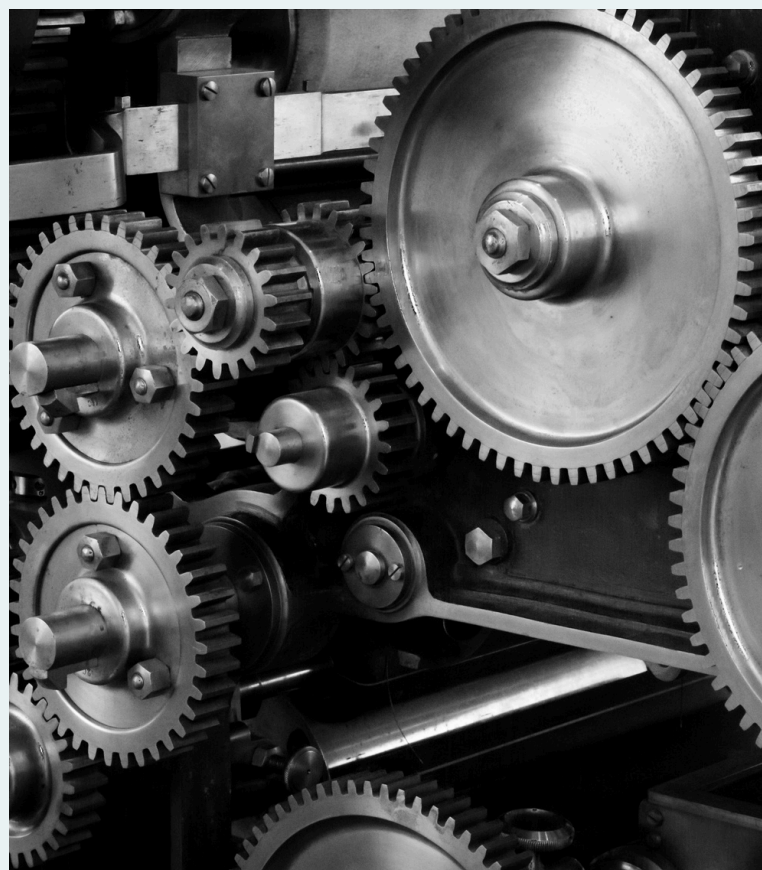


Agriculture and Agribusiness:

Cameroon's fertile land and diverse climate support a thriving agricultural sector. Opportunities exist in crop cultivation, livestock farming, fisheries, and agro-processing. Key crops include coffee, cocoa, bananas, palm oil, rubber, and cereals. Investing in agribusiness value chains, such as processing, packaging, and distribution, can be lucrative.

Mining and Minerals:

Cameroon is rich in mineral resources, including bauxite, iron ore, gold, cobalt, uranium, and diamonds. The mining sector offers opportunities for exploration, extraction, and processing activities. Investment prospects exist in both large-scale mining operations and small-scale artisanal mining, with potential for infrastructure development and sustainable mining practices.



Oil and Gas:

Cameroon is a significant player in the Central African oil and gas industry. Investment opportunities exist in exploration, production, refining, and distribution activities. The government encourages foreign investment in the sector, and recent discoveries have sparked interest in offshore and onshore oil and gas reserves.

Manufacturing and Industrialization:

Cameroon aims to promote industrialization and increase local production capacity. Manufacturing opportunities exist in sectors such as textiles and apparel, food processing, beverages, construction materials, chemicals, and pharmaceuticals. The country's strategic location allows access to regional markets, making it an attractive location for export-oriented manufacturing.





Infrastructure Development:

Cameroon requires substantial investment in infrastructure, including transportation, energy, telecommunications, and urban development. Opportunities exist in road construction, port development, airport expansion, power generation, renewable energy projects, water and sanitation systems, and affordable housing initiatives.

Tourism and Hospitality:

Cameroon's diverse landscapes, wildlife, cultural heritage, and historical sites offer potential for tourism development. Investment prospects exist in eco-tourism, adventure tourism, hospitality infrastructure, resorts, wildlife conservation, and cultural tourism. The government is actively promoting tourism and aims to enhance the sector's contribution to the economy.

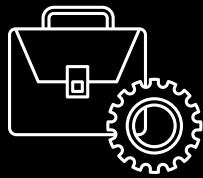
Information and Communication Technology (ICT):

Cameroon is experiencing growth in the ICT sector, driven by increasing mobile penetration and internet usage. Opportunities exist in telecommunications infrastructure, mobile banking and fintech services, software development, e-commerce platforms, digital services, and IT training and education.

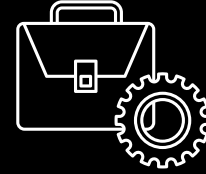
Renewable Energy:

Cameroon has significant renewable energy potential, including solar, wind, hydroelectric, and biomass resources. Investment opportunities exist in the development of renewable energy projects, including power generation, transmission, and distribution. The government encourages private sector participation in expanding access to clean and sustainable energy sources.





TYPES OF BUSINESS



In Cameroon, there are several types of business entities that individuals and companies can establish to conduct business. The common types of business entities in Cameroon include:

Sole Proprietorship:

A sole proprietorship is a business structure where an individual operates a business as the sole owner and is personally responsible for its debts and obligations. This form of business is suitable for small-scale and individual businesses.

Partnership:

A partnership is a business structure formed by two or more individuals who agree to carry out business activities together. In a partnership, partners share the profits, losses, and liabilities of the business. Partnerships can be general partnerships or limited partnerships.

Limited Liability Company:

A limited liability company is a separate legal entity from its owners. The liability of the shareholders is limited to their contribution to the company's capital. It requires at least two shareholders and is suitable for small to medium-sized businesses.

Public Limited Company:

A public limited company is a larger business structure that can have multiple shareholders and can issue shares to the public. The liability of the shareholders is limited to their capital contribution. Public limited companies are subject to stricter regulatory requirements.

Simplified Joint Stock Company:

A simplified joint stock company is a flexible business structure that combines elements of a partnership and a public limited company. It offers greater flexibility in terms of governance and shareholder agreements, making it suitable for larger businesses.

Cooperative:

A cooperative is an autonomous association of individuals or businesses who voluntarily come together to meet common economic, social, and cultural needs. Cooperatives are typically formed to promote the interests of their members and operate based on democratic principles.

Branch or Representative Office:

Foreign companies can establish a branch or representative office in Cameroon to conduct business activities. A branch office is an extension of the foreign company and can engage in commercial operations, while a representative office is limited to non-commercial activities such as market research and promotion.



ADVANTAGES OF DOING BUSINESS



- **Strategic Geographical Location:**

Cameroon's location in Central Africa provides access to regional and international markets. It serves as a gateway to the Economic Community of Central African States (ECCAS) and the Central African Economic and Monetary Community (CEMAC), with a combined market of over 300 million people.[1] Its proximity to West and Central Africa facilitates trade and offers opportunities for cross-border business ventures.

- **Abundant Natural Resources:**

Cameroon is rich in natural resources, including oil, gas, minerals, arable land, forests, and fisheries. These resources create opportunities for investment in sectors such as agriculture, mining, oil and gas, and renewable energy. Access to these resources can provide a competitive advantage for businesses operating in these sectors.

- **Diversified Economy:**

Cameroon's economy is diversified across various sectors, including agriculture, industry, services, and natural resources. This diversification provides a range of investment opportunities and reduces dependency on a single sector. Investors can explore multiple sectors and benefit from a balanced portfolio of investments.

- **Investment Incentives and Policies:**

The Cameroonian government offers investment incentives and policies to attract and support both domestic and foreign investors. These incentives may include tax breaks, customs duty exemptions, investment guarantees, and streamlined administrative procedures. The Investment Promotion Agency of Cameroon (API) provides guidance and assistance to investors, facilitating the investment process.

ADVANTAGES OF DOING BUSINESS



- **Strong Regional Integration:**

Cameroon is actively involved in regional integration initiatives, such as ECCAS and CEMAC. These frameworks promote economic cooperation, market integration, and harmonization of policies among member countries. By operating in Cameroon, businesses can leverage regional trade agreements and benefit from the larger market access provided by these integration initiatives.

- **Skilled and Multilingual Workforce:**

Cameroon has a relatively well-educated and multilingual workforce, with proficiency in French and English. This linguistic advantage facilitates business communication and opens doors to both Francophone and Anglophone markets. The country also has several educational institutions and training centres that contribute to the development of a skilled labour pool.

- **Growing Domestic Market:**

Cameroon's population of over 27 million people presents a growing domestic market for goods and services. Rising urbanization, a growing middle class, and increasing consumer demand provide opportunities for businesses to tap into this expanding market.

- **Supportive Infrastructure:**

Efforts are being made to improve infrastructure in Cameroon, including transportation networks, energy supply, telecommunications, and industrial zones. Investments in infrastructure development create a favorable business environment and facilitate the movement of goods and services across the country.

ELIGIBILITY CRITERIA FOR COMPANY REGISTRATION

To register a company in Cameroon, certain minimum eligibility criteria must be met. The specific requirements may vary based on the type of business entity chosen. Here are the general minimum eligibility criteria for company registration in Cameroon:

a) Legal Capacity: The company's founders must have the legal capacity to enter into contracts and engage in business activities. This typically requires being of legal age (18 years or older) and not being under any legal restrictions that would prevent them from participating in business ventures.

b) Shareholders/Directors: Depending on the chosen business entity, there may be minimum requirements for the number of shareholders or directors. For example, a limited liability company (SARL) must have at least two shareholders, while a public limited company (SA) requires a minimum of seven shareholders.

c) Name Reservation: The proposed company name must be unique and not already registered by another entity. It should also comply with the guidelines provided by the commercial registry. It is advisable to conduct a name search and reservation process to ensure the availability of the desired name.

d) Registered Office: A registered office address in Cameroon must be provided for the company. This is the official address where legal documents, notices, and correspondence will be sent. It can be a physical address or a recognized office space.

e) Articles of Association/Bylaws: The Company's founders need to prepare and submit the articles of association or bylaws, which outline the internal regulations and governance structure of the company. These documents define the rights and responsibilities of shareholders, directors, and other key stakeholders.

f) Capital Requirements: Some business entities, such as a limited liability company (SARL), have minimum capital requirements that need to be met during the registration process. The capital can be in the form of cash, assets, or a combination of both.

g) Business License and Permits: Depending on the nature of the business activities, specific licenses or permits may be required. These can include sector-specific permits, trade licenses, health and safety certificates, or professional certifications.

h) Registration Fees: There are registration fees associated with the company registration process. The fees vary based on the chosen business entity and can include charges for name reservation, publication in the official gazette, and registration with the commercial registry.

HOW TO SETUP A BUSINESS?

Setting up a business in Cameroon involves several steps and procedures. While the specific process may vary based on the chosen business entity and the nature of the business, here is a general outline of the steps involved:

- **Determine the Business Structure:**

Decide on the appropriate business structure based on your objectives, such as a sole proprietorship, partnership, limited liability company (SARL), public limited company (SA), or other entity types. Consider factors like liability, ownership structure, and capital requirements.

- **Name Reservation:**

Choose a unique name for your business and conduct a name search to ensure its availability. Reserve the name with the National Trade and Personal Property Credit Register (RCCM) by submitting an application and paying the required fee.

- **Prepare the Articles of Association/Bylaws:**

Draft the articles of association or bylaws that outline the internal regulations and governance structure of the company. Specify details such as share capital, shareholder rights, management structure, and decision-making processes. Notarize the document with a notary public.

- **Deposit the Share Capital (if applicable):**

If your chosen business entity requires a minimum share capital, deposit the required amount into a bank account in the company's name. Obtain a bank certificate confirming the deposit.

- **Obtain Business Licenses and Permits:**

Identify the specific licenses and permits required for your business activities. These may include trade licenses, sector-specific permits, health and safety certificates, environmental permits, and professional certifications. Apply for these licenses and permits from the relevant authorities.



- **Register with the Commercial Registry:**

Submit the registration documents, including the articles of association/bylaws, name reservation certificate, bank certificate of deposit, and other required forms, to the commercial registry office. Pay the registration fees and complete the registration process. The commercial registry will issue a registration certificate.

- **Register for Taxes:**

Register your business for tax purposes with the tax authorities. Obtain a taxpayer identification number (TIN) and register for value-added tax (VAT) if applicable. Comply with tax regulations and fulfil your tax obligations.

- **Obtain Additional Authorizations (if applicable):**

Depending on the nature of your business, you may need additional authorizations or approvals from specific ministries or regulatory bodies. For example, businesses in sectors such as banking, insurance, telecommunications, or pharmaceuticals may require sector-specific approvals.

- **Register for Social Security and Labor Requirements:**

Register your employees for social security contributions with the National Social Insurance Fund (CNPS). Comply with labour regulations, including employment contracts, worker benefits, and workplace safety requirements.

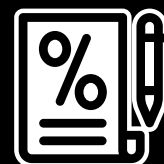
- **Open Business Bank Account:**

Open a business bank account with a local bank in Cameroon. This account will be used for financial transactions, payroll, and other business-related activities.





TAXATION



Cameroon has a tax system that includes various taxes applicable to businesses, such as:

Corporate Income Tax (CIT)

Corporations and companies are subject to corporate income tax on their profits. The standard corporate tax rate in Cameroon is 33%. However, specific rates may vary based on the sector and location of the business. Certain incentives and exemptions may apply to encourage investment in specific industries or regions.

Personal Income Tax (PIT)

Personal income tax is imposed on the income earned by individuals. The tax rates are progressive, ranging from 10% to 35% depending on income levels. Individuals are categorized into different tax brackets, and the applicable tax rate increases as income increases. Various deductions and allowances may apply to reduce taxable income.

Value Added Tax

VAT is a consumption tax levied on the sale of goods and services. The standard VAT rate in Cameroon is 19.25%, with reduced rates of 9.75% and 5.5% applicable to specific categories of goods and services. Businesses are generally required to register for VAT and collect the tax on behalf of the government.

Withholding Tax:

Withholding tax is deducted at the source from payments made to non-resident individuals or companies. It is applicable to specific types of income such as dividends, interest, royalties, and fees for technical services. The withholding tax rates vary depending on the type of income and whether there are any applicable tax treaties.

Capital Gains Tax:

Capital gains tax is levied on the profit realized from the sale of assets, such as real estate, shares, and other capital assets. The tax rate for capital gains varies depending on the nature of the asset and the holding period.

Property Tax:

Property tax is imposed on the ownership of immovable properties, including land, buildings, and real estate. The tax rate depends on the location, type, and value of the property. Local municipalities typically administer and collect property taxes.

Personal Income Tax:

Personal income tax is imposed on the income earned by individuals. The tax rates are progressive, ranging from 10% to 35% depending on income levels. Individuals are categorized into different tax brackets, and the applicable tax rate increases as income increases. Various deductions and allowances may apply to reduce taxable income.

Customs Duties:

Customs duties are imposed on imported goods. The rates vary depending on the nature of the goods and their classification under the Harmonized System (HS) code. Cameroon is a member of the Central African Economic and Monetary Community (CEMAC), which has a common external tariff for goods imported from outside the CEMAC region.





ACCOUNTING STANDARDS



In Cameroon, accounting standards are primarily guided by the "OHADA" Accounting System (Organisation for the Harmonisation of Business Law in Africa). The "OHADA" Accounting System provides guidelines for financial reporting, auditing, and disclosure requirements. It aims to ensure transparency, comparability, and reliability of financial statements. It is important for businesses operating in Cameroon to adhere to these accounting standards and maintain proper financial records.



EMPLOYMENT POLICIES



Employment and labour laws in Cameroon govern the rights and responsibilities of employers and employees, ensuring fair and equitable treatment in the workplace. These laws cover various aspects, including employment contracts, working hours, minimum wage, leave entitlements, workplace safety, and dispute resolution. Here are key points regarding employment and labor laws in Cameroon:

- **Employment Contracts:**

Employment contracts should be in writing and include essential terms such as job description, salary, working hours, duration of employment, and notice periods. Contracts can be for a fixed-term or indefinite period. Both parties must adhere to the terms agreed upon in the contract.

- **Working Hours:**

The standard workweek in Cameroon is 40 hours, with a maximum of 8 hours per day. However, specific regulations may vary across industries. Overtime work should be compensated at a higher rate, generally at least 125% of the regular hourly wage.

- **Minimum Wage:**

Cameroon has a minimum wage that is periodically reviewed and adjusted by the government. The minimum wage may vary based on the sector and geographic location. It is important for employers to comply with the minimum wage regulations.

- **Leave Entitlements:**

Employees in Cameroon are entitled to various types of leave, including annual leave, sick leave, and maternity leave. Annual leave is typically granted based on the length of service, ranging from 15 to 30 days per year. Sick leave and maternity leave are provided with specific durations and conditions as per the law.

- **Workplace Safety and Health:**

Employers are responsible for providing a safe and healthy working environment for employees. They must comply with health and safety regulations, conduct risk assessments, provide necessary safety equipment, and ensure proper training and awareness programs. Employees also have a duty to follow safety guidelines.



- **Social Security and Benefits:**

Employers are required to contribute to social security programs on behalf of their employees. These programs cover benefits such as pensions, healthcare, disability, and work-related injury compensation. Contributions are made to the National Social Insurance Fund (CNPS).

- **Trade Unions and Collective Bargaining:**

Workers in Cameroon have the right to form and join trade unions. Unions play a role in representing workers' interests, negotiating collective bargaining agreements, and addressing labour-related issues. Employers must respect the rights of workers to organize and engage in collective bargaining.

- **Dispute Resolution:**

Disputes between employers and employees are typically resolved through conciliation and arbitration processes. Cameroon has labor courts that handle labor-related disputes. It is important for employers to follow proper procedures and comply with legal requirements when terminating employment contracts.



HOW WE CAN HELP?

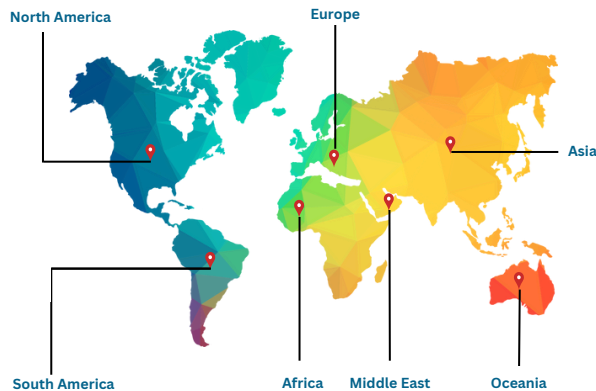
We specialize in helping companies do business world wide. We offer a range of services, including company registration, tax advisory, and legal support. Our team of experts has extensive experience working with foreign companies and can provide tailored solutions to meet the business needs.

Our team can provide legal advice on the regulatory framework for automotive sectors, and automotive companies to drive efficiencies, unlock new value, improve the customer experience, and generate new business models.

Our team ensures that the business complies with all applicable laws and regulations, including consumer protection, labor, product safety, and environmental laws.

Our team can assist with obtaining the necessary licenses and registrations to operate legally in the jurisdiction. Furthermore, product liability insurance can also help businesses with licensing and registration requirements.

SERVING CLIENTS WORLDWIDE



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