

Eligibility criteria for companies to benefit from the advantages of Law No. 2013/004 of April 18, 2013, laying down Incentives for private investment in the Republic of Cameroon:

➤ **Eligible Sectors:**

The eligible sectors include industrial, tourism, agriculture, sports, healthcare, cultural, energy, education, livestock, fisheries, social housing, and urban transport sectors.

➤ **Other Eligibility Criteria:**

New Companies:

- Create at least one job for every 20 million invested during the operational phase;
- Generate activity with annual exports representing at least 20 or 25% (depending on the case) of the tax-exclusive turnover during the first five production years in the aforementioned sectors;
- Utilise national natural resources, amounting to at least 20% or 25% (depending on the case) of the total value in the aforementioned sectors, excluding labour, water, electricity, and telecommunications.
- Generate an increase in value added of at least 25% or 30% (depending on the case) in the aforementioned sectors.

Existing Companies:

- An increase in the production of goods or services by at least 20% compared to the previous year's production;
- An increase in Cameroon staff by at least 20% of the workforce employed before the implementation of the project.

INVESTMENT INCENTIVES IN THE REPUBLIC OF CAMEROON

Law No. 2013/004 of April 18, 2013, laying down incentives for private investment in the Republic of Cameroon, offers several advantages. Its scope of application covers several sectors, and its benefits are non-discriminatory.

1. COMMON INCENTIVES

Guaranteed tax and customs benefits for fifteen (15) years:

- Five (5) years for the installation phase during which investors pay minimal taxes or duties.
- Ten (10) years for the operational phase during which investors benefit, among other things, from exemptions from payment of:
 - Registration duties related to loans, borrowings, advances on current account, guarantees, increase, decrease, repayment, and liquidation of share capital or any transfer of activities, property rights, or immovable property, leases, or shares.
 - Customs duties, as well as any other fees and service taxes applicable to the importation of equipment of all types, construction materials, tools, spare parts, intermediate products, supplies, and consumables not locally manufactured, except for non-tax charges that serve as service fees.
- **Administrative and financial incentives are granted to investors for the following procedures:**
 - Free transfer of dividends and proceeds from the sale of shares in the event of divestment, in compliance with applicable regulations;
 - Timely issuance of specific visas required for the implementation of investment programmes.
 - Issuance of residence permits and work permits to expatriate staff involved in the investment project and benefiting from a two-year employment contract;
 - Issuance of environmental compliance certificates related to the investment project in question.
 - Issuance of appropriate land documents and other facilities.

2. SPECIFIC INCENTIVES FOR PRIORITY SECTORS

In addition to the common incentives, specific incentives are also granted to companies investing in priority sectors.

Specific incentives include:

- Exemption from VAT on credits related to the investment programme;
- Property tax exemption;
- Exemption from registration duties on contracts;
- Direct removal of industrial equipment and materials;
- Special temporary admission of said equipment and materials;
- Exemption from exit duties on products for exporting companies.

Specific incentives for the development of existing businesses include:

- Reduction on customs duties:
- Reduction on corporate taxes

SECURING INVESTMENT

Cameroon has a legal and regulatory framework in place to secure investors and their investments:

- The OHADA law;
- Law No. 2013/004 of April 18, 2013, laying down incentives for private investment in the Republic of Cameroon.
- Implementation of a mechanism to stabilise incentives granted to investors.
- Adoption of several reforms in the judiciary system.
- Cameroon's accession to several international treaties and conventions (MIGA, ICSID, OHADA, etc.).

Content of the application file for the benefits provided by law No. 2013/004 of April 18, 2013, laying down the incentives for private investments in the Republic of Cameroon

- (1) An application in three copies, including the original stamped at the current rate, indicating:
 - a) For an individual:
 - His names and surnames, his filiation, his domicile, his nationality and his address;
 - A certified copy of his national identity card or any other means of identification officially recognized.
 - b) For company:
 - Its legal status, its company name, its headquarters and its address, the names, status and nationalities of its management team,
 - a notarized expedition of ITS articles of incorporation;
 - a list of partners or shareholders specifying the percentage of shares held by each, as well as their nationality;
- (2) A certificate of incorporation of the company in the Trade Registry or any equivalent document;
- (3) For existing businesses, in addition to the documents referred to in subparagraphs 1 and 2, they must provide the following additional ones:
 - A copy of the taxpayer's card;
 - A copy of the business licence;
 - tax clearance certificate from the department of taxation.
- (4) A feasibility study of the project including:
 - a) the description of the activities to be undertaken;
 - b) the market study;
 - c) a technical study indicating:
 - the amount of investments;
 - the list of equipment and materials to be imported;
 - the Raw materials to be used;
 - the production process;
 - the investment programme and the different phases of the project;
 - the organogram of the company, jobs to be created by category, and wages;
 - the timetable for implementation of the project.
 - d) An economic and financial study indicating:
 - The projected operating statement for five (5) years;
 - the profitability of the project;
 - the plan of amortization of capital assets and borrowing potential;
 - the plan for the financing of the company coupled with either a financing agreement, or a letter of intent, or any other document in lieu thereof.