

# Cameroon

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RISK & COMPLIANCE REPORT

DATE: January 2017

**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.

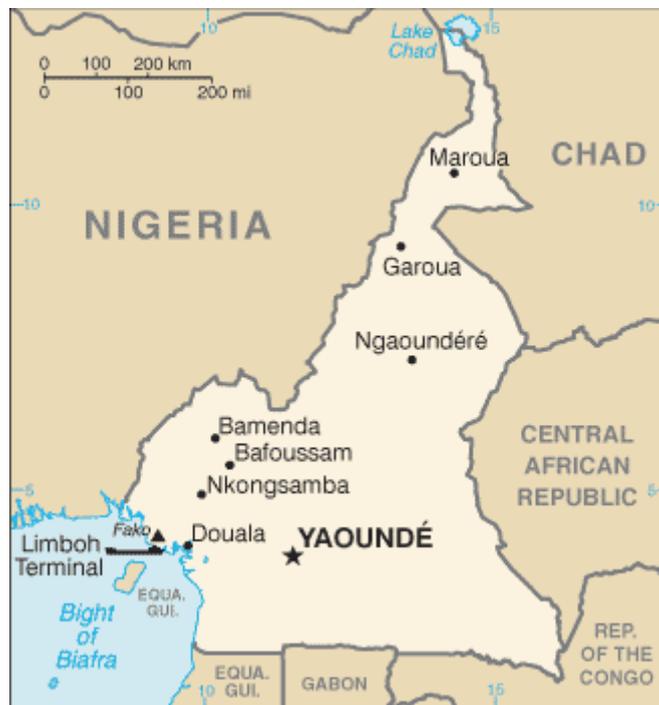
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## Section 1 - Background

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 2014 (introduction):

Cameroon is classified a Tier 2 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. Cameroon is a source country for men in forced labor. Trafficking operations usually target two to four children, often when rural parents hand over their children to an intermediary promising an education or a better life in the city. Traffickers of children increasingly resort to kidnapping their victims, as heightened public awareness about trafficking has led to parents being less willing to give their children to these intermediaries. Cameroonian children are exploited in many sectors, such as domestic service; restaurants; street begging or vending; artisanal gold mining and gravel quarries; agriculture, including on tea and cocoa plantations; in the urban transportation and construction sectors, where they perform odd jobs as errand boys and laborers on construction sites; and in prostitution within the country. Reports indicate the existence of hereditary slavery in northern chiefdoms. Cameroonian women are lured to Europe and other regions by fraudulent internet marriage proposals or offers of domestic work and subsequently become victims of forced labor or forced prostitution in Switzerland and France, with smaller numbers in Russia. In 2013, a group of approximately 35 Cameroonian men were exploited in forced labor in forestry work in Sweden; most were granted temporary residency permits during the investigation. During the year, Cameroonian trafficking victims were also identified in Denmark, Norway, Sweden, Germany, Poland, Slovakia, Cyprus, Spain, Saudi Arabia, Lebanon, the United Arab Emirates, Qatar, Haiti, Nigeria, Equatorial Guinea, Gabon, and several West and Central African countries. Some teenagers and adults from the Central African Republic (CAR) and Nigeria are lured by the prospect of a better life in Cameroon and subsequently became victims of labor trafficking.

The Government of Cameroon does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. During the reporting period, the government continued to implement activities associated with an action plan to combat trafficking, including enforcing the anti-trafficking law, providing training to government officials and NGOs, reintegrating street children who were trafficking victims, and conducting public awareness campaigns. Despite these efforts, the government did not make progress in ensuring trafficking victims received access to protection services. Data collection remained sporadic and did not cover the entire country, resulting in unreliable and incomplete statistics on victim identification and law enforcement.

## US State Dept Terrorism Report 2015

**Overview:** Cameroon became a member of the Trans-Sahara Counterterrorism Partnership (TSCTP) in 2014. Countering terrorist threats remained a top security priority for the Government of Cameroon in 2015, and it continued to work with the United States to improve the capacity of its security forces. Boko Haram took advantage of weaknesses in Cameroon's border security to conduct a number of terrorist attacks in the country's Far North Region in 2015, including targeted killings and kidnappings of Cameroonians, and raids on villages, fields, and livestock. On July 12, Boko Haram launched the first-ever suicide bombing campaign on Cameroonian soil in the Far North Region that continued throughout the remainder of the year. Cameroon responded to the attacks with a significantly increased security presence in the Far North Region.

Boko Haram's bombing campaign had a fundamental impact on the Cameroonian people, government, and security forces, ultimately leading to a drive to professionalize security force and government operations. Cameroon shifted security and financial resources from the restive eastern border with the Central African Republic to the North and Far North Regions. This bolstered its counter-Boko Haram efforts, but left a vacuum in the east that was exploited by criminal groups, wildlife traffickers, and smugglers. Cameroon also created a system of Vigilance Committees (VC), officially sanctioned and registered neighborhood watch groups that have successfully thwarted or limited the damage caused by suicide attacks. In addition to combat deaths among security forces, several VC members were killed by Boko Haram.

In 2015, the United States continued to provide an expanding number of training programs on terrorism and security to help Cameroon address the Boko Haram threat in the Far North Region.

**Countering the Financing of Terrorism:** Cameroon is a member of the Task Force on Money Laundering in Central Africa (GABAC), which became a Financial Action Task Force-style regional body in October 2015 and is a body of the Economic and Monetary Community of Central Africa. Cameroon has adopted a legislative architecture to implement anti-money laundering and financial supervision actions. It established a financial intelligence unit, the National Financial Investigation Agency, which processes suspicious transaction reports and initiates investigations and is a member of the Egmont Group. Cameroon has undergone a mutual evaluation by GABAC.

There were no reports of prosecutions or convictions for money laundering during the year. Under the newly adopted legislation, any person convicted of financing or using financial proceeds from terrorist activities would be sentenced to death.

## International Sanctions

None applicable

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	26
World Governance Indicator – Control of Corruption -	13

### 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

Because of its modest oil resources and favorable agricultural conditions, Cameroon has one of the best-endowed primary commodity economies in sub-Saharan Africa. Still, it faces many of the serious problems confronting other underdeveloped countries, such as stagnant per capita income, a relatively inequitable distribution of income, a top-heavy civil service, endemic corruption, 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 is pressing for more reforms, including increased budget transparency, privatization, and poverty reduction programs. Subsidies for electricity, food, and fuel have strained the budget. Cameroon has several large infrastructure projects under construction, including a deep sea port in Kribi and the Lom Pangar Hydropower Project. It also recently opened a natural gas powered electricity generating plant. Cameroon must attract more investment to improve its inadequate infrastructure, but its business environment is a deterrent to foreign investment.

### **Agriculture - products:**

coffee, cocoa, cotton, rubber, bananas, oilseed, grains, cassava (manioc); 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 15.2%, Netherlands 9.7%, Spain 9.1%, India 8.6%, Portugal 8.1%, Italy 6%, US 5.5%, France 4% (2012)

### **Imports - commodities:**

machinery, electrical equipment, transport equipment, fuel, food

### **Imports - partners:**

China 18.7%, France 14.9%, Nigeria 12.3%, Belgium 5.2%, US 4.4%, India 4.2% (2012)

## 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

Although Cameroon is endowed with abundant natural resources, steady economic growth, and a key location in central Africa, the investment climate in Cameroon is plagued by endemic corruption and a heavy-handed and slow moving bureaucracy. International watchdog organizations rank Cameroon as one of the lowest in the world in various global indices on corruption, transparency, and ease of doing business. These poor ratings underscore the challenging environment in which businesses operate here.

Cameroon has many opportunities for economic investment in the agricultural, mining, forestry, and oil and gas sectors. It boasts the largest and most diverse economy of the six countries in the Central African Monetary and Economic Union (CEMAC) sub-region, which is home to over 50 million people. The zone has a central bank and a common currency – the CFA franc. Despite slow but steady economic growth hovering around 4 to 5% over the last half decade, the Government of the Republic of Cameroon (GRC) has started to publicly recognize that it must improve its investment climate. The GRC hopes that growth rates will surge with increased incentives to private sector businesses, but it has yet to demonstrate that it is committed to real investment climate reform. The Government's Vision 2035, a road map to become an emerging economy by 2035, stresses the importance of large-scale infrastructure development and foreign direct investment. In April 2013, the GRC enacted an Investment Promotion Incentives Law – a package of liberal incentives offering foreign investors opportunities to bring in needed capital to boost the economy. Despite this blue print, FDI continues to stagnate.

Despite the many challenges, some U.S. businesses have found rewards in Cameroon. Since the United States played a major role in the construction of the Chad-Cameroon petroleum pipeline in 2000, U.S. investments continue to be the single largest in terms of overall volume. Historically Europe has dominated the Cameroonian business environment, but recent years have witnessed the emergence of new investors such as China, and other African nations like Morocco, Tunisia, Algeria, South Africa, and Nigeria. Opportunities for U.S. investors exist in all sectors of the economy, especially in infrastructure, which must improve before other sectors can develop. Specific opportunities exist in electricity, transport (roads and railways), utilities (water), tourism, telecommunications, housing, mining and petroleum. But even when successful in doing business here, companies often must spend years negotiating deals and gaining final approvals with the Cameroonian bureaucracy.

While the GRC has started to make minor improvements to the business climate, much still remains to be done. Current infrastructure remains a substantial roadblock to growth. Corruption throughout the government, including the judiciary, makes it very difficult for a U.S. business to protect its investment, raising the risk of doing business in Cameroon. Although recent World Bank reports indicate a significant improvement in the GRC's willingness to respond to some of the recommendations necessary to improve the ease of doing business here, little progress will occur until Cameroon can tackle the pervasive corruption plaguing it and can find effective ways to streamline its bureaucratic procedures which drag negotiations out for years. U.S. businesses will continue to seek the many

opportunities which exist in Cameroon, but they must understand the risks inherent in such an economy.

## **1. Openness to, and restrictions upon, foreign investment**

### *Attitude toward Foreign Direct Investment (FDI)*

The Government of the Republic of Cameroon (GRC) actively seeks to attract foreign investment in order to create much-needed economic growth and employment. It is less effective, however, at following through with interested investors in order to ensure that investments move forward in a timely and transparent manner.

FDI plays an important role in the Cameroonian economy. In President Biya's Vision 2035, a road-map to become an emerging economy by 2035, officials stress that investment from foreign countries, especially in large infrastructure projects, is an important part of Cameroon's development strategy. Despite a lack of reliable statistics, figures from the World Bank show the flow of FDI to Cameroon is relatively low but steadily increasing. The construction of the \$4 billion 1070 km Chad-Cameroon crude oil pipeline completed in October 2003 is Cameroon's largest foreign investment deal to date. Numerous other major infrastructure projects financed by foreign direct investment are underway today.

Cameroon has no deliberate and direct economic or industrial strategies that have discriminatory effects on foreign investors or foreign-owned investments. However, the complex regulatory environment and existence of corruption throughout every segment of government create numerous obstacles to potential investors.

### *Other Investment Policy Reviews*

Cameroon would like to be seen as a free market economy and has signed numerous bilateral and multilateral trade and investment cooperation agreements which provide some basic international legal frameworks to foreign investors.

The WTO most recently produced a trade policy review on Cameroon in 2013, available at [http://www.wto.org/english/tratop\\_e/tpr\\_e/s285-00\\_e.pdf](http://www.wto.org/english/tratop_e/tpr_e/s285-00_e.pdf). The OECD produced a report on Cameroon Economic Outlook in 2013 <http://www.oecd-ilibrary.org/docserver/download/4113021ec015.pdf?expires=1395927293&id=id&accname=ocid54014871&checksum=CE4BD559C9A325FDBBB7A1A5BBAA8D0F>. Cameroon works with the International Finance Corporation in the framework of the Cameroon Business Forum (CBF), a public-private sector dialogue mechanism put in place to work towards the improvement of the business climate. See [http://www.cbf-cameroun.org/en/?page\\_id=27](http://www.cbf-cameroun.org/en/?page_id=27). These reports basically summarize Cameroon's investment climate as poor, and the country consistently ranks in the bottom 20 of the World Bank's Doing Business report.

Nevertheless, Cameroon remains attractive to investors because of its strategic location: Cameroon is a founding member of the African Union, the Economic Community of Central African States and the Economic and Monetary Community of Central Africa (CEMAC); it shares a long and porous border with Nigeria, Africa's most populous country; and it is the gateway to the land-locked countries of Chad and the Central African Republic. With its strategic placement, investments in Cameroon have a potential market of some 250 million consumers.

### *Laws/Regulations on FDI*

Cameroon has a mix of civil and common law jurisdictions due to its colonial heritage. The legal system falls under the supervisory authority of the Ministry of Justice. The judiciary in Cameroon is notoriously slow and is rife with corruption. The judiciary lacks true independence, as the President promotes, appoints, and transfers magistrates and judges. Cameroon has a school of administration and magistracy to train magistrates, but other legal professionals such as attorneys, bailiffs, and notaries are not formally trained in schools, but rather through apprenticeship with an experienced attorney.

In order to attract more foreign investment, Cameroon revamped its Investment Code in 2013. The code does not discriminate between local and foreign investors. It lays out tax exemptions, duties, and other non-tax related benefits. It promises assistance with obtaining the issuance of visas, work permits, environmental compliance certificates, land titles, and long-term leases if certain conditions are met. Relatively recent, it is unclear how much effect the new Code it will have on investment or streamlining the onerous bureaucracy.

### *Industrial Strategy*

Cameroon's Investment Promotion Agency (API in French) is the lead government institution for investment promotion in Cameroon. In addition to promoting the country's brand both domestically and abroad, the API coordinates the activities of a multitude of ministries and agencies responsible for the promotion of specific economic sectors. The API is the first port of call for all foreign investors for information and data. According to the Presidential Decree creating the API, this agency receives and forwards applications for investment licenses, assists licensed enterprises in their subsequent investment operations, and ensures that investments in certain sectors are consistent with the relevant sector-specific rules and regulations.

In addition, the National Investment Corporation of Cameroon (SNI in French) also facilitates investments, both local and foreign investment in the country. It can mobilize and channel national savings and other national and international financial resources to key investments. In practice, the Ministry of Economy, Planning, and Regional Development (MINEPAT) and various sector ministries tend to play a more conspicuous front line role for sectors that fall under special regulation as explained below.

### *Limits on Foreign Control*

While the new 2013 Investment Code continues to permit full foreign control, in practice some substantial local equity ownership may assist during the investment approval process with the local partner acting as an interface with the bureaucracy. There are special requirements for investment in sectors which fall under special sector laws, such as electricity, transport, water, mining, oil and gas, and telecommunications—which apply equally to foreign and domestic investors.

### *Privatization Program*

Foreign bidders are permitted to participate in privatization programs. In Cameroon total privatizations are rare, as the government generally retains a minority stake. Of the 39 State-owned companies listed for privatization in the early 1990s, 24 were sold to national and/or

foreign buyers. In the past and to ensure transparency in the bidding process, the GRC often involved the World Bank. Some of Cameroon's recent privatizations have suffered from a lack of qualified bidders, and several of them have had to be postponed.

In some sectors, buyers of former state companies enjoy concession rights. In others, the GRC is looking for a service provider to whom it outsources the management of the state asset over a specific period. This is the case for transport such as the ports and railroad. In all cases, Cameroonian authorities may require the private investor to invest or modernize infrastructure or the State might retain the right to set consumer prices with its regulatory powers.

In recent years, the GRC has used three channels for the privatization of State owned companies: public tenders, the Douala Stock Exchange, and Public Private Partnerships (PPP). In 2009, the GRC put 20% of its stake in the agro-industrial company SOCAPALM for sale at the Douala Stock Exchange. The public offer raised \$15 million. The GRC used a PPP for water and electricity, where the State kept ownership of the assets while the private partner now handles the distribution of services.

#### *Screening of FDI*

The GRC laid down general criteria for screening FDI in its investment charter. Further conditions may apply for specific sectors such as energy, mining, tourism, and oil and gas. Additional requirements may apply in accordance with specific sector codes. In general, FDI must align with the objectives of the government as outlined in GRC's Growth and Employment Strategy Paper (GESP) and in the National Economic Development Vision (Vision 2035), available at [http://www.minepat.gov.cm/index.php/en/modules-menu/cat\\_view/7-publication-and-study-reports/32-strategic-development-vision](http://www.minepat.gov.cm/index.php/en/modules-menu/cat_view/7-publication-and-study-reports/32-strategic-development-vision) .

In practice, each year the GRC publishes a list of projects which require funding. Given the developmental needs of the country, there are opportunities in virtually every sector of the economy. Most projects must go through a tender process although the GRC often considers initiatives from potential investors.

The recently created Ministry of Public Contracts and the public procurement regulation agency (ARMP) oversee the public tender process. The Presidency is involved in the decision for major projects. The individual ministries' public contracts award committees, government institutions, and municipal councils have the power to award contracts for smaller amounts, approximately less than \$10,000. The public tender process is rife with fraud at every step of the process, but Cameroon has started to take small steps to streamline the process. Much more reform is needed to make the system more transparent and eliminate corruption.

The screening procedure for PPP is similar to public tenders although the two approaches are governed by two different laws. The selection of the contracting partner undergoes a three-step process: pre-selection, pre-qualification, and final adjudication.

Both the tender process and the PPP have numerous steps to ensure the technical and financial capability of the successful party. Unfortunately in practice these steps open the process to corruption. Numerous officials will take the opportunity to seek payment of a bribe or gain an equity share in a deal. It is extremely difficult for foreign investors to succeed in these conditions without the assistance of a savvy and knowledgeable local partner or

consultant familiar with Cameroon to guide them. Even when successful, potential investors in public tenders, PPPs, and stock market listings must factor long bureaucratic delays in their planning.

Numerous ministries and public institutions are involved with screening FDI, which can create extended delays. Several ministries are involved in the majority of projects here, including the Prime Minister’s Office, the Ministry of Economy, Planning and Regional Development (MINEPAT), and the Ministry of Finance. Other sectorial ministries, regulators, and public institutions will also play a role, depending on the nature of the project or investment.

### *Competition Law*

The National Competition Commission (NCC) within the Ministry of Commerce serves as the competition authority in Cameroon. While in theory it has a mission to see that all economic operators in the various sectors respect competition rules, the reality in Cameroon is often far different. Many sectors are dominated by state-owned companies. Any investor in Cameroon should study the playing field carefully before deciding to proceed.

### *Investment Trends*

Cameroon seeks investment in virtually every sector. Infrastructure development will continue to attract the biggest share of investment. In addition to roads, Cameroon has numerous projects for increasing power generation through power plants and hydroelectric dams; expanding rail, water, and electricity distribution; and other critical sectors such as health, housing, and agriculture. The largest projects underway include the Kribi Industrial Port Complex and the Lom Pangar Hydroelectric Project.

TABLE 1: Indices and rankings

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2013	144 of 177	<a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a>
Heritage Foundation’s Economic Freedom index	2013	136 of 177	<a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>
World Bank’s Doing Business Report “Ease	2013	168 of 189	<a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>

of Doing Business"			
Global Innovation Index	2013	125 of 142	<a href="http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener">http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener</a>
World Bank GNI per capita	2012	\$1,170	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>

TABLE 1B: MCC Scorecard

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>.

## 2. Conversion and Transfer Policies

The unit of currency used in Cameroon is the Communauté Financière Africaine (CFA) franc. It is issued by the regional central bank, the Bank of Central African States (BEAC in French), and is shared with the other members of the Central African Economic and Monetary Community (CEMAC, comprised of Cameroon, Chad, Central African Republic, Gabon, Equatorial Guinea, and the Republic of Congo). Although it is at par with the West African CFA franc, the two currencies are not usually accepted for payment in each other's zones. France's treasury guarantees full convertibility of both currencies to the euro. Since 1999, the CFA franc has been pegged to the euro at a fixed exchange rate of 1 euro to 655.957 francs.

Dividends, capital returns, interest, and principal payments on foreign debt, lease payments, royalties and management fees, and returns on liquidation can be freely remitted abroad. Liquidation of a foreign direct investment, however, must be declared to the Minister of Finance (MINFI) and BEAC 30 days in advance. Commercial foreign exchange transfers also must be cleared by MINFI for business deals amounting to more than 100 million francs (about \$200,000). The BEAC has a centralized computer system for electronic transactions within the banking network.

Cameroon's growing financial sector is the largest in the CEMAC region. Despite numerous banks, insurance companies, micro-financial institutions, and a nascent stock exchange, Cameroon is still relatively disconnected from the international financial system. Only a small portion of the population has bank accounts and the majority of financial transactions are in cash. Many of the financial crimes occurring in Cameroon derive from corruption, tax evasion and embezzlement. In recent years, authorities have begun to suspect offshore

transfers in some corruption cases, and the use of real estate to launder money has grown. Cameroon is not a major narcotics destination. Cameroon is a member of the Action Group against Money Laundering in Central Africa (GABAC), an entity in the process of becoming a Financial Action Task Force-style Regional Body (FSRB). GABAC conducted an evaluation for Cameroon in April 2013, which has not yet been released to the public.

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

The 1989 Bilateral Investment Treaty (BIT) protects U.S. investments in Cameroon. Foreign and domestic investors receive legal guarantees that substantially comply with international norms, including full and prior compensation in the event of expropriation on the basis of public interest. U.S. investors should seek GRC approval to protect their investments under the BIT. Undeveloped land is more at risk for local expropriation than developed property. There are no confiscatory tax regimes or laws that could be considered detrimental to U.S. or other foreign investments. The April 2013 Investment Incentives law recognizes property rights and facilitates land acquisition. Cameroonian law does not prohibit foreign ownership of land.

### **4. Dispute Settlement**

The judicial system in Cameroon is extremely unreliable, rife with corruption, and notoriously slow. While the laws as written in theory protect investors and contractual rights, courts often fail to follow the law and create the impression that they act corruptly. The judiciary arguably lacks independence, as all magistrates and judges are appointed by the President of the Republic, the chief executive.

Cameroon's legal system is particularly slow in adjudicating matters. Litigants regularly express dismay at the pace at which it handles disputes. Hearings can be delayed multiple times by the failure of one party to appear. The court often takes no action to end disputes—stretching them out for years. Plaintiffs in frivolous lawsuits can use these delay tactics as a method of harassment and can cause their opponent to incur significant legal fees by delaying hearings dozens of times for years on end. Another common tactic involves bringing frivolous criminal charges against an opponent in a commercial dispute.

#### *International Arbitration*

Prospective foreign investors who wish to avoid entanglement in the court system should consider arbitration as a form of dispute settlement. The April 2013 Investment Incentives Law commits the State to ensuring the establishment of alternative mechanisms for conflict resolution including a national court of arbitration for the settlement of labor and commercial disputes. Judgments of foreign courts are enforceable by Cameroonian courts. Cameroon accepts binding international arbitration on investment disputes between foreign investors and the government. In tax-related disputes, the 2012 Finance Law stipulates that decisions rendered by the Ministry of Finance can be challenged before the Administrative Court within 60 days.

As a signatory to many international and multilateral conventions bearing on investment guarantees, Cameroon respects, and in theory its courts enforce, decisions based on such instruments.

Cameroon is a signatory to the 1985 Seoul Convention that established the Multilateral Investment Guarantee Agency (MIGA), aimed at safeguarding non-commercial risks. Cameroon is also a signatory to the Lome Convention (as revised in Mauritius in 1995), which created an arbitration mechanism to settle disputes between African, Caribbean, and Pacific states (ACP) and contractors, suppliers, and service providers financed by the European Development Fund.

Cameroon is a signatory to the Organization for the Harmonization of Business Law in Africa Treaty (OHADA in French). Among other things, OHADA provides for common business law and arbitration procedures in the 16-member signatory states: (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo). 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.

Cameroon signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) on September 23, 1965, ratified it on January 3, 1967, and it entered into force on February 2, 1967. On February 19, 1988 Cameroon acceded to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

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

### *World Trade Organization (WTO)*

Cameroon adheres to the multilateral trade system, in particular the agreements of the WTO and other mechanisms for the development of international trade, as well as the agreements of the International Customs Organisation (ICO). It reasserts the option of regional integration within the framework of the Central African Economic and Monetary Community (CEMAC) and the Economic Community for Central African States (CEEAC).

### *Investment incentives*

The April 2013 Investment Incentive Law lays down private investment incentives in the Republic of Cameroon. Some potential incentives to encourage investment and use of local content include exemptions from certain taxes, duties, and other non-tax related benefits such as assistance in obtaining the issuance of visas, work permits, environmental compliance certificates, land titles, and long-term leases if certain conditions are met. These incentives are applicable to Cameroonian or foreign nationals or corporations, but not to investments in sectors governed by special instruments, in particular the upstream oil, mining, and gas sectors.

### *Research and Development*

U.S. companies can participate in GRC's financed or subsidized research programs, particularly PPP agreements. However, no U.S. company has done so to date.

### *Performance Requirements*

Cameroon's investment incentives law seeks to promote and attract investment to develop activities geared towards strong, sustainable, and shared economic growth as well as job creation. While there is no "forced localization," Cameroon offers incentives to encourage companies to hire Cameroonian workers and use domestic content. Investments which fail to meet any of these would likely face a difficult time gaining acceptance. The law does not impose any specific obligations on foreign investors such as a requirement for national equity stake or an obligation to use local raw material for manufacturing. In reality though, such policies are favored. Additionally, corrupt actors could exert pressure on foreign investors for equity share or other self-dealing.

## **6. Right to Private Ownership and Establishment**

The GRC recognizes the right of private ownership. The Ministry for State Property and Land Tenure governs property issues. The GRC has introduced a computerized system of issuing land titles in order to facilitate and expedite what has traditionally been a lengthy and cumbersome process. The transfer of land in the public domain above 50 hectares requires presidential authorization.

Mergers and acquisitions are undertaken through negotiations. Private firms are free to associate with any partner they choose and are free to organize industry associations.

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. Unfortunately, due to corruption and/or difficulty in dealing with the Cameroonian bureaucracy, foreign investors often feel compelled to have minority Cameroonian shareholders in their investments.

## **7. Protection of Property Rights**

Secured interests in property are recognized, although adjudication of property disputes can be lengthy. The concept of mortgages exists in Cameroonian law and a title is the legal instrument for registering such security interests. In practice however, some lenders report extensive delays in obtaining court rulings to enforce their claims on assets given as collateral. Cameroonian law, particularly the April 2013 Investment Incentive Law, provides foreign and domestic investors with property rights protections that substantially comply with international norms and do not discriminate between foreign and domestic firms. However, Cameroonian courts and administrative agencies have a penchant to favor domestic firms and are suspected of corrupt practices.

Between 70 and 90% of Cameroon's economy is informal. Agriculture is overwhelmingly informal and other sectors such as manufacturing are slightly less so. Accordingly to the Ministry of State Property and Land Tenure (MINDAF), less than 2% of the land in Cameroon is registered or titled. Most land is held and managed informally through local tenure arrangements—often a combination of statutory and customary tenure rules. They form a complex, locally-specific, and sometimes malleable set of rules that creates uncertainty, fosters land conflicts, and hampers local development. By law, all untitled land in Cameroon belongs to the State. Proof of private ownership to obtain a land certificate is demonstrated by actual occupancy and exploitation of land. In fact, a land title is the only legal means of

holding land rights. In 2005, the government decentralized and simplified the titling process to address certain barriers, but with limited results so far. According to the 2014 World Bank's Doing Business Report, Cameroon moved up in its ranking for registering property from 160 to 150<sup>th</sup> position. It apparently takes on average 86 days to follow the five procedures and costs 19% of actual property value to register property in Cameroon.

### *Intellectual Property (IP) Rights*

Cameroon is a member of the 16-nation African Intellectual Property Organization (OAPI in French), which is a member of the World Intellectual Property Organization and offers patent and trademark registration in cooperation with member states. Patents in Cameroon have an initial validity of ten years. They can be renewed every five years upon submission of proof that the patent was used in at least one of the OAPI member countries. Without continued use, compulsory licensing is possible after three years. Trademark protection is initially valid for 20 years with renewal possibilities every ten years. Cameroon is also a party to the Paris Convention on Industrial Property and the Universal Copyright Convention.

Registration bodies include the Cameroon Musical Arts Corporation (SOCAM, in French) for music, the Copyright Corporation for Literature and Dramatic Arts (in French, SOCILADRA) which covers literature and software production; the Copyright Corporation for Visual Arts (in French, SOCADAP) for paintings; and the Copyright Corporation for Audio-Visual and Photographic Arts (in French, SCAAP) for audiovisual and photographic production. The internet and the availability of satellite television have created new challenges for Cameroon copyright institutions. Despite the existence of a regulator which supervises the internet and telecoms sectors, the country lacks expertise in oversight and policing of internet downloading and the illegal copying and distribution of foreign television programs.

Enforcement of IP rights is constrained by corruption, cost, a rudimentary understanding of IP rights among government officials, and a lack of public respect for copyright laws. Software piracy is widespread and pirated DVDs are common. Cheap pirated materials are believed to originate from Asia and Nigeria. Cameroon is taking steps to implement the World Trade Organization's TRIPs agreement. The United States Patent and Trade Office (USPTO) provided training on intellectual property rights protection to Cameroonian officials (including customs officers, magistrates, and civil servants) in 2011. Cameroon is not listed on the Special 301 report as a notorious market.

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*

Contact at Post:

- Stephanie Boscaino (until June 2014) or Derrin Smith
- Deputy Political/Economic Section Chief
- (+237) 2220-1500
- Email: [Yaoundepolecon@state.gov](mailto:Yaoundepolecon@state.gov)

Country/Economy Resources:

- American Chamber of Commerce in Cameroon (AmCham)
- Beneficial Building Akwa 3rd Floor
- P.O. Box 4006, Douala, Cameroon
- Telephone: (+237) 7711-5272
- <http://www.amchamcam.org>

Post's public list of local lawyers: <http://yaounde.usembassy.gov/key-business-links.html>

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

Although Cameroonian business laws exist, their implementation can be challenging. Under the current legal system, both local and foreign investors, including some U.S. firms, have found it complicated, time-consuming, and costly to enforce contractual rights, protect property rights, obtain a fair and expeditious hearing before the courts, or defend themselves against frivolous lawsuits. Implementation of the OHADA law – in force since 2000 – in French-speaking Cameroon has been satisfactory for some investors. The Anglophone regions of Cameroon, with business law arising from common law, have sometimes shown resistance to implementing OHADA.

The GRC does not publish draft laws for public comments prior to action by the National Assembly and Senate, the country's legislative bodies. However, the GRC has created the Cameroon Business Forum, an initiative of the IFC, to help brainstorm on business reforms which could improve the business climate, although only a small portion of suggestions have been enacted.

Cameroon is a member of UNCTAD's international network of transparent investment procedures: <http://www.eregulations.org/>. Foreign and national investors may be able to find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures for the following regions: Garoua, <http://garoua.eregulations.org/>, Douala, <http://douala.eregulations.org/> and Yaoundé, <http://yaounde.eregulations.org/>.

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

The Douala Stock Exchange (DSX) regulates Cameroon's nascent capital market. Only three companies are listed on the DSX: the Cameroon Palm Oil Plantation of Cameroon (SOCAPALM), the African Society of Agricultural and Forest Cameroon (SAFACAM), and the Mineral Water Company of Cameroon (SEMC). On the fixed income segment, the DSX listed one Cameroon government bond and a multilateral bond issued by the Development Bank of Central African States. The Cameroon Security and Exchange Commission (SEC) is the supervisor of market operations and compliance. The SEC has regulations against security fraud, but no enforcement powers. Thus there is no protection against insider trading, market

price collusion and other security fraud such as Ponzi schemes and broker embezzlement. Companies do not feel compelled to release their accounting data and the non-availability of financial statements poses serious problems.

Cameroon has a credit rating of "B" from Standard and Poor's, implying that Cameroon is still vulnerable in the near-term to adverse business, financial, and economic conditions.

#### *Liquidity, Credit, Banking System, Hostile Takeovers*

Cameroon has 13 banks and over 600 micro-finance institutions. The banking sector is regulated by the Central Africa Banking Commission (COBAC). On a positive note, the IMF in 2013 deemed that both return on assets (ROA) and return on equity (ROE) showed comfortable rates of return over the past decade, despite a fall in net income at the system-wide level since 2009, reflecting difficulties experienced in four problem banks. On the other hand, banks are highly liquid. With the exception of a small dip during the 2009 global financial crisis, bank liquidity has steadily increased.

Describing the banking sector in Cameroon as highly concentrated and shallower than the expected benchmark, the IMF notes most banks, especially the locally-owned banks, are heavily undercapitalized with capital adequacy ratios of less than eight percent. The IMF also indicated that the profitability of Cameroon's financial institutions meets the expected structural benchmark and the sector outperforms its peers in other countries in terms of liquidity. However, the picture is mixed in terms of inclusiveness. Cameroon underperforms in terms of access to banking services, notably credit availability to retail and small and medium-size enterprises. Although small-scale saving and borrowing needs are met by micro-finance institutions and the informal sector, 95% of Cameroonians do not have access to formal financial services.

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

#### *Monopolies*

Despite private sector in-roads, state-owned companies continue to exert virtual monopolies in certain economic sectors and sometimes distort the competitive landscape. For example, Cameroon Telecommunications (CAMTEL) has exclusive control over all national telephone and internet infrastructure, including fiber optic cables and the telephone network. CAMTEL is also expanding into the retail mobile sector, internet services, and even sales of mobile phone handsets.

Another vivid illustration can be found in the oil and gas sector where extraction, refinery, storage, and distribution are largely controlled by the State through five public companies. Downstream, Tradex has been able to grab 30% market share in by using State resources to expand. Similar virtual monopolies and competitive distortions exist in other sectors particularly transport, where the State controls the majority of infrastructure through entities such as Camair-Co, the national airline, the Cameroon Rail Network (CAMRAIL), and maritime transportation through CAMSHIP and the Cameroon Shipyard and Industrial Engineering Ltd (CNIC).

#### *Return of the State*

In addition to the existing 125 state-owned enterprises (SOEs), the GRC has in recent years reinforced its foothold in most important economic sectors. In financial services, it is creating two new lending banks. In the energy sector, there are plans to create a new company to manage energy infrastructure. Similar plans are underway to convert the Electricity Development Corporation (EDC) into a water marketer for hydroelectric operators. In manufacturing, the GRC is setting up a fertilizer plant in a venture with a German firm. Over the past decade, the GRC has secured equity in mining ventures with U.S. company Geovic Mining Corp. for cobalt, Australian Sundance Resources Limited for iron, Korean C&K Mining Inc. for diamonds, agro-forestry industries, and construction projects.

#### *Concentration of risk through Cross Holding*

Inside the GRC's portfolio of companies, there are intricate cross-holdings whereby various State institutions mutually hold equities in SOEs. Public investors 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 SOEs. The largest holdings are controlled by National Investment Company (NIC) with shares in more than 32 enterprises. In 2010, the NIC valued these GRC's stakes to be worth \$516 million or 20% of the national annual budget. The most visible consequences of crossholding are ballooning unpaid inter-SOE debts, unpaid taxes, unpaid pension contributions, dependence on State subsidies, and a pervasive risk of bankruptcy contagion and disruption in supply.

#### *Distortions of competition*

In Cameroon, many SOEs have a history of poor management and, being in critical sectors of the economy, they create real risks. For example, heavy debt carried by the national refinery company, SONARA, threatens the entire country's access to refined petroleum. The amount of subsidies allocated by the GRC to SOEs has increased dramatically. Subsidies can disrupt the competitive landscape.

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

Cameroon fails to adhere to many of the OECD Guidelines on Corporate Governance for SOEs with transparency and accountability being the main weaknesses. Since 2008, successive reports from the Audit Chambers of the Cameroon Supreme Court indicate that only one in five SOEs actually produce yearly financial statements. In Cameroon, the majority of managers of SOEs are political appointees, such as former or serving ministers, high ranking ruling party members, and retired civil servants. Expertise is not compulsory and, once appointed, SOE management can remain in place for decades increasing serious risk of embezzlement, corruption, and conflicts of interest. The majority of SOEs dominate their economic sectors as virtual monopolies which can distort competition, markets, and prices. Of the 100 most prominent cases of embezzlement brought before the courts over the past decade, approximately 80% concerned top managers of SOEs.

#### *Sovereign Wealth Funds*

Cameroon does not have a Sovereign Wealth Fund

### **11. Corporate Social Responsibility**

Although companies are not required by law to conduct Corporate Social Responsibility (CSR) activities or disclose when they choose to do so, the concept is gaining ground. Many domestic and international civil society groups are also actively promoting the benefits of CSR. The GRC encourages foreign and local enterprises to help communities in which they operate and also to respect global standards for human rights in business.

In terms of measures put in place to ensure that environmental, social, and governance issues are factored into business decision-making, Cameroon has a law requiring companies to conduct a social and environmental impact assessment (SEIA) for all large business projects. The GRC generally attempts to comply with this law in most large national infrastructure projects. These laws, as well as labor regulations, in theory cannot be waived although they are not always enforced. In certain major projects, the GRC has failed to ensure that comprehensive SEIAs were completed prior to the start of the project. Often in Cameroon the full disclosure of a report depends on the identity of the financial partners funding the project. Projects associated with international donors such as the World Bank, the African Development Bank, and the European Investment Bank adhere to international standards, while projects with other financing sources can have far less disclosure.

#### *OECD Guidelines for Multinational Enterprises*

Cameroon complies with many of the OECD Guidelines for Multinational Enterprises. The one exception is disclosure, as only multinational companies tend to comply with that norm.

## **12. Political Violence**

Cameroon experiences relative peace compared to many of its neighbors. Two peaceful elections were held in 2013: Senate elections in April and combined legislative/municipal elections in September. The last episode of significant social unrest occurred in 2008 when a transportation strike expanded into a more general protest against rising food and fuel prices coupled with reaction against the President's plan to amend the constitution to eliminate presidential term limits.

On the regional front, relations with Nigeria are increasingly friendly. However, frequent incursions by Boko Haram terrorists and repeated episodes of kidnapping in the northern part of Cameroon could create difficulties with Nigeria and jeopardize Cameroon's internal stability. Already, Boko Haram's activities have had a serious impact on tourism and cross-border commerce. Also, the large number of refugees arriving in Cameroon from the destabilized Central African Republic could include ex-rebels fighters. The presence of any ex-militia posing as refugees could have effects on the peace and security of Cameroon's eastern border regions.

On the domestic level, President Biya's eventual succession creates many questions for Cameroon's future stability. If President Biya vacates office unexpectedly, the president of the newly created Senate will become the interim president until the country can hold new elections. Uncertainty prevails as to whether such a smooth transition would occur.

## **13. Corruption**

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.

#### **14. Bilateral Investment Agreements**

Cameroon has investment and/or bilateral investment protection agreements with the European Union, Canada, China, Japan, Russia, South Korea, and the United States. Similar agreements also exist with other countries in Africa, Asia, Latin America, and Eastern Europe.

Cameroon does not have a bilateral taxation treaty with the United States.

The U.S. Senate ratified a Bilateral Investment Treaty (BIT) between Cameroon and the United States in 1986, and it entered into force in 1989. While the original time frame for the agreement was 10 years, it is renewed automatically under the terms of the treaty. The United States invoked the BIT both in 1997 and 2004, and Cameroon acquiesced in both cases, agreeing not to implement legislation contrary to the treaty and avoiding lengthy dispute resolution.

Cameroon does not have a Free Trade Agreement (FTA) with the United States save for preferential trade facilities under the African Growth and Opportunities Act (AGOA).

#### **15. OPIC and Other Investment Insurance Programs**

The U.S. Government signed an Investment Guarantee Agreement with Cameroon in 1967. OPIC has been receptive to U.S. firms seeking war, expropriation, and inconvertibility insurance, and has guaranteed several ventures in Cameroon. The 1990 Investment Code guarantees protection from non-commercial risk, and Cameroon is a signatory of the Multilateral Investment Guarantee Agreement (MIGA).

#### **16. Labor**

Cameroon has a high literacy rate relative to Sub-Saharan Africa generally and offers a relatively well-educated labor force alongside a surplus of unskilled and non-technical labor. A 2011 survey conducted by the National Institute of Statistics using ILO criteria found unemployment rates of 10% in Yaounde and 9% in Douala. See

[http://www.stat.cm/downloads/EESI/2010/Phase1/Rapport\\_Principal\\_Phase1\\_EESI2\\_2010\\_Fr\\_14mars12.pdf](http://www.stat.cm/downloads/EESI/2010/Phase1/Rapport_Principal_Phase1_EESI2_2010_Fr_14mars12.pdf) . In 2010, the Ministry of Employment and Vocational Training provided a more realistic estimate: he stated that 75% of the active workforce is underemployed and less than one million people are employed in the formal sector.

About 50% of adult Cameroonians speak both French and English. Due to inadequate vocational and technical training, some industries have difficulties recruiting skilled labor in the domestic market. Also, the abundance of unskilled labor means that technology used in many sectors, especially construction, remains rudimentary.

#### *General labor-management relations*

Cameroon's 1992 Labor Code governs labor-management relations, providing for collective bargaining in wage negotiations, eliminating fixed wage scales, abolishing employment-based requirements on education levels, eliminating government control over layoffs and firings, and reducing the government's role in the management of labor unions.

After a long period of tension between the government and labor unions, a new tripartite approach, including worker and employer unions as well as government representatives, addresses labor issues. This has substantially improved relations between the parties for the benefit of both the workers and the employers. The GRC intends to expand workers' rights and establish a new concept of internal discussions within companies before workers resort to strikes. The Minister of Labor and Social Security refers to this policy as "Social Dialogue." The Ministry of Labor has taken an increasingly broad view of certain aspects of the Labor Code, especially regarding payment of "legal rights" to employees in the event of a restructuring or sale.

#### *Internationally recognized labor rights*

The Labor Code does not apply to civil servants, employees of the judiciary, and workers responsible for national security. In theory, the Labor Code provides a legal framework for the emergence of a flexible and efficient labor market. Cameroon is a party to the ILO Conventions 87 and 98 permitting the freedom to form unions and the right to collective bargaining.

#### *New labor related laws or regulations affecting investments*

There are no new labor related laws or regulations. However, in recent years, Section 42 of the Cameroon Labor Code has posed some challenges to foreign companies selling their assets in Cameroon. Section 42(2)(b) allows employees or their labor organizations to demand compensation from the selling entity in advance of the sale of the asset. They may ask for termination of their contract and severance pay prior to the transfer, knowing that the new acquirer will likely hire them or will need their acquired experience. In sectors where human resources costs are high, the practice can make it difficult for foreign investors to divest.

### **17. Foreign Trade Zones/Free Ports**

Cameroon currently has no designated foreign trade zones or free ports. It however has an Industrial Free Zone (IFZ) regime applicable at any location through "industrial parks" or

“single-factory” zones. Created in 1990 to promote internationally competitive export industries, the IFZ regime creates certain broad regulatory and tax exemptions for investors.

To qualify for IFZ status, the goods or services must not have detrimental effects on the environment and enterprises must export 80% of production. IFZ firms receive a ten-year exemption from taxes and are subject only to a flat tax of 15% on corporate profits beginning in the eleventh year. They have a right to tax-free repatriation of all funds earned and invested in Cameroon and are exempt from foreign exchange regulations. They are also exempt from existing and future customs duties and taxes including those on locally purchased production inputs. The National Agency for Industrial Free Zones is the regulatory body that oversees and administers Cameroon’s IFZ program. A number of Cameroonian companies, particularly in Douala-Bonaberi Industrial Zone, are currently benefitting from limited tax advantages linked to the IFZ regime.

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

Although foreign direct investment (FDI) plays a key role in the Cameroonian economy, reliable FDI statistics are not available. Neither the GRC nor the Cameroonian Chamber of Commerce has compiled a comprehensive list of foreign investments in Cameroon or estimates of current values. The 2012 Finance Law requires foreign companies to seek the help of a tax advisor for mergers or acquisitions of a Cameroonian entity. Local affiliates of French transnational companies carry a large amount of capital formation, although domestic banks are fueling some investment.

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) (Millions U.S. Dollars)	2010	\$23,683	2013	\$28,033	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a> <a href="http://country.eiu.com">http://country.eiu.com</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 Cameroon (Millions)	NA	NA	2012	\$203	(BEA) click selections to reach.

<i>U.S. Dollars, stock positions)</i>					
Cameroon's FDI in the United States (Millions U.S. Dollars, stock positions)	NA	NA	2012	\$-7	<u>(BEA)</u> click selections to reach
Total inbound stock of FDI as % host GDP (calculate)	NA	NA	2012	0.8%	

Source: Ministry of Economy and Finance, National Institute of Statistics.

TABLE 3: Sources and Destination of FDI

Direct Investment from/in Cameroon in 2012					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	507	100%	Total Outward	193	100%
France	1,546	35%			
Belgium	111	35%			
Denmark	18	6%			
Mauritius	88	6%			
United States	203	40%	United States	-7	-3.6%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: <http://cds.imf.org>, UNCTAD

## 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, IFRCS, 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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