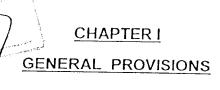
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LAW No. 2013/011 OF 16 DEC. 2013

**GOVERNING ECONOMIC ZONES IN CAMEROON** 

The Parliament deliberated and adopted, the President of the Republic hereby enacts the law set out below:



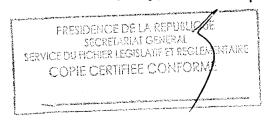
SECTION 1: (1) This law governs economic zones in the Republic of Cameroon.

- (2) It lays down the general framework for establishing and managing economic zones, as well as conditions for admitting enterprises to such zones.
- (3) It shall be an investment, export, competitiveness, employment, economic growth and regional development incentive and/or promotion tool.
- <u>SECTION 2:</u> (1) An economic zone shall be a space comprising one or several serviced and developed geographical areas equipped with the required infrastructure to enable entities established therein to produce goods and services under the best conditions.
- (2) It shall seek to concentrate on one or several given areas, activities or players engaged in economic and social development activities.
- (3) An economic zone may notably comprise industrial enterprises, agricultural enterprises, service enterprises, business nurseries and incubators, science and technology centres, technocities and/or agricultural poles.

**SECTION 3:** For the purpose of this law and its implementing instruments, the following definitions shall apply:

- <<approval>>: establishment authorization issued to an enterprise by the economic zones supervisory body;
- <<agricultural pole>>: group of enterprises established in a geographical area and having functional relations in the production, processing and marketing of a given animal, plant, fishery or forestry product;

- <<specifications>>: set of guidelines drafted by the management body, in conjunction with the services concerned, for the smooth functioning of the zone and/or achievement of the stated production objectives;
- <<joint committee>>: body comprising representatives of the promoter and elected representatives of enterprises which assists the economic zone manager in the discharge of its duties;
- <<tourist complex>>: group of hotel facilities and leisure equipment provided in a place by the same promoter;
- <<economic zone enterprise>>: legal entity to which the competent body has granted authorization to invest in an economic zone;
- <<exportation>>: operation consisting in selling or dispatching products, goods and services out of the national economic space;
- <<economic zone manager>>: legal person whom the promoter has mandated to administer an economic zone;
- <<one-stop shop>>: entity exclusively responsible for all the formalities and procedures relating to the establishment of enterprises in the economic zone;
- <<business incubator>>: a profit or non-profit entity which detects, receives, supports and assists project initiators prior to start-up of their enterprise or during the early months of start-up by providing them with common services in terms of secretarial services, administrative assistance, establishment and business management finance and accounting support;
- <<investment>>: asset held and/or acquired by an investor (enterprise, shares, capital shares, bonds, monetary claims, intellectual property rights, rights under contracts, rights conferred by the law and regulations, any other tangible or intangible, movable or immovable property, all related property rights);



- <<investor>>: any Cameroonian or foreign natural person or corporate body, resident or non-resident, that acquires assets as part of its activities in anticipation of returns;
- <<business nursery>>: profit or non-profit entity which supports an enterprise or a
  group of enterprises in their early years by providing accommodation, counselling
  and shared-cost common services;
- <<competitiveness pole>>: cluster, within the same territory, of enterprises, higher education establishments and public or private research bodies working in synergy for the implementation of innovative economic development projects;
- <<science and technology centre>>: entity established to produce goods and services needed to advance research, technology, culture and education and which facilitates the establishment of technology-intensive enterprises;
- <<technocity>>: cluster of activities involving, within the same geographical area, industrial units, applied research centres and specialized training universities and/or institutions;
- <<industrial zone>>: serviced and developed geographical area, equipped with infrastructure, where enterprises are allowed to produce goods and services intended either for the domestic market or for export;
- <<free zone>>: serviced and developed geographical area, equipped with infrastructure, where enterprises are allowed to produce goods and services intended exclusively for export, subject to specific conditions;
- <<industrial free zone>>: serviced and developed geographical area, equipped with infrastructure, where enterprises are allowed to produce manufactured goods and services intended exclusively for export, subject to specific conditions;

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- <<university free zone>>: serviced and developed geographical area, equipped with infrastructure, intended to host higher education establishments and/or public or private research bodies specialized in state-of-the art science and technology;
- <<li>logistical zone>>: serviced and developed geographical area, equipped with infrastructure, where enterprises are allowed to store and distribute products:
- <<specialized zone>>: serviced and developed geographical area, equipped with infrastructure, where enterprises are allowed to carry out specific industrial activities.

CHAPTER II

ABLISHMENT OF ECONOMIC ZONES

SECTION 4: (1) An economic zone shall be established by decree of the President of the Republic.

- (2) The decree referred to in sub-section (1) above shall notably specify:
- the promoter;

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- the nature of the economic zone:
- the place and perimeter of the economic zone;
- the characteristics of the investments to be carried out in the economic zone;
- the eligibility conditions for admitting enterprises to the economic zone.

**SECTION 5**: (1) The following entities may be economic zone promoters:

- the State and its agencies;
- regional and local authorities;
- trades chambers:
- employers' associations:
- State universities and private higher education establishments.

- (2) Within the framework of bilateral cooperation, a request for the establishment of an economic zone may be directly made by foreign investors organized into a Common Initiative Group (CIG).
- (3) Trades chambers and employers' associations may request the establishment of economic zones on behalf of their members organized into Economic Interest Grouping.

SECTION 6: (1) Any request for the establishment of an economic zone must be subject to:

- identification by the promoter, in conjunction with the services concerned, of unoccupied lands capable of accommodating the enterprises;
- evidence of a portfolio comprising at least 5 (five) enterprises having expressed the desire to establish in the economic zone;
- evidence of financial capacity to fund site development works;
- commitment to pay, where applicable, the fee intended to cover the promoter's contribution to the development works of the site concerned.
- (2) Any request for the establishment of an economic zone must also show proof of the capacity of enterprises wishing to establish therein to:
- promote and attract multi-sectoral industrial, commercial and service investments;
- develop innovative processes and technical or technological solutions;
- increase the national economy's competitiveness; foster export development and direct domestic and foreign investment
- foster the development of national production and natural resources;
- foster job creation;
- promote the socio-economic integration of the host region in the rest of the country.

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PRESIDENCE DE LA KEMBLIQUE SECRETARIAT GENERAL SERVICE DU FICHIER LEGISLATIF ET RÉGLE CENTAIRE COPIE CERTIFIEE CONFORME (3) The conditions for the establishment of an economic zone shall be laid down by regulation.

#### CHAPTER III

### SUPERVISION AND DEVELOPMENT OF ECONOMIC ZONES

<u>SECTION 7</u>: (1) The Economic Zones Promotion Agency, hereinafter referred to as <<the Agency>>, shall carry out the supervision and development of economic zones.

- (2) The Agency shall be responsible, inter alia, for:
- receiving and examining application files for the establishment of economic zones in conjunction with the authorities concerned;
- issuing approvals to enterprises;
- submitting draft economic zone establishment decrees to the Government;
- defining and ensuring respect for infrastructure project contracting standards in economic zones;
- monitoring the performance and growth of economic zones;
- defining specifications, in conjunction with the services concerned;
- ensuring that approved promoters and enterprises comply with specifications;
- hearing disputes between promoters, enterprises, government services and local communities and conducting procedures for the amicable settlement thereof.
- (3) A decree of the President of the Republic shall lay down the organization and functioning of the Agency.
- (4) Save as provided under Section 38 herein-below, the Agency may not be promoter or manager of an economic zone.

## **CHAPTER IV**

# MANAGEMENT AND DEVELOPMENT OF ECONOMIC ZONES

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# MANAGEMENT OF ECONOMIC ZONES

SECTION 8: (1) An economic zone shall be managed by the promoter or a manager appointed by the promoter, in accordance with terms laid down by regulation.

(2) Where the promoter itself manages the economic zone, it shall be required to comply with the rights and obligations of the manager.

SECTION 9: The manager referred to under Section 8 above, must of necessity be a legal entity under Cameroonian law with experience in the economic and financial management of economic zones. Its head office shall be located within the economic zone.

SECTION 10: The manager of an economic zone may use a technical partner with proven experience in the management of economic zones.

In such case, an agreement shall be signed between the Agency, the promoter, the manager of the economic zone and the technical partner.

SECTION 11: (1) The manager of the economic zone shall be responsible for:

- establishing approved enterprises in the economic zone;
- basic infrastructure ( water, electricity, telephone, roads, etc.) project management;
- leasing, sub-leasing and maintaining real estate within the economic zone;

- building any other infrastructure necessary for the efficient functioning of the economic zone:
- providing various services to enterprises operating in the zone;
- security within the economic zone;
- promoting and advertising the zone to investors.
- (2) In connection with the activities provided for under sub-section (1) above, the manager of the economic zone shall receive a fee paid by approved enterprises, under conditions laid down by regulation.

<u>SECTION 12</u>: In the discharge of its duties, the manager of the economic zone shall be assisted by an 8-member Joint Committee comprising 4 (four) representatives of the promoter and 4 (four) elected representatives of enterprises operating in the economic zone.

<u>SECTION 13</u>: The manager of the economic zone shall set up a one-stop shop responsible, exclusively, for all formalities and procedures for establishing enterprises in the zone.

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DEVELOPMENT OF ECONOMIC ZONES

<u>SECTION 14</u>: (1) The development of economic zones shall fall within the overall framework of the National Sustainable Regional Development and Planning Master Plan.

(2) The development plan of any economic zone shall include social facilities.

SECTION 15: The economic zone shall be developed at the behest of its promoter.



<u>SECTION 16</u>: (1) Where the State or an entity thereof is promoter of an economic zone, the development of the said zone shall be devolved to the management and development authorities provided for under the laws and regulations in force.

- (2) The devolution of the management function shall be specified by the decree establishing the economic zone.
- SECTION 17: (1) A private promoter may request the services of a management and development authority referred to in Section 16 (1) above.
- (2) In such case, the private promoter must make a financial contribution for the development of the site to host the economic zone.
- (3) The amount of the contribution referred to in sub-section (2) above shall not exceed 50% of the total cost of developing the site.
- (4) The amount and terms of payment of the financial contribution shall be laid down by regulation.

SECTION 18: (1) The site of the economic zone shall fall under the private property of the State or national land.

(2) As the case may be, the State shall, either through an ordinary lease or a long-term lease, and in accordance with the relevant laws and regulations in force, cede the site of the economic zone to the promoter to carry out the necessary development and infrastructure works.

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#### CHAPTER V

#### ADMISSION TO, EXCLUSION FROM AND OBLIGATIONS WITHIN AN ECONOMIC ZONE

- <u>SECTION 19.- (1)</u> The admission of an activity or enterprise to an economic zone shall be subject to obtaining an approval issued by the Agency.
- (2) The conditions for obtaining an approval within an economic zone shall be laid down by regulation.
- (3) The Agency shall decide within 60 (sixty) days of submission of the application for approval. Beyond such period, the approval shall be deemed to have been granted.
  - (4) Refusal to grant the approval shall be reasoned.
- <u>SECTION 20</u>.- (1) The Agency may withdraw the approval referred to in Section 19 above in case of breach of the clauses of the terms and specifications of the economic zone duly established by the Agency.
  - (2) The approval may also be withdrawn or limited where the enterprise:
  - ceases operations within the economic zone for 2 (two) years; or
  - loses, by virtue of the provisions of applicable laws and regulations, a licence, an authorization or any other permit required for operating within the economic zone.
- <u>SECTION 21</u>.- (1) The enterprise whose approval is withdrawn or limited may file a complaint with the Joint Committee.
- (2) The Joint Committee shall rule within 5 (five) days, and then forward its reasoned opinion to the Agency.

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<u>SECTION 22.-</u> (1) To establish within the zone, the enterprise shall pay an annual fee to the manager of the economic zone concerned.

(2) The conditions for payment and the amount of the annual fee referred to in sub-section (1) above shall be laid down, for each economic zone, by regulation, upon the proposal of the Agency following the opinion of the Joint Management Committee of the economic zone concerned.

<u>SECTION 23.-</u> Notwithstanding compliance with the laws and regulations applicable to their operations and the conditions and obligations provided for in the approval, any enterprise admitted to the economic zone shall be bound to:

- declare the starting date of its operations to the Agency;
- allow the Agency to control compliance of its operations, in conjunction with relevant government services;
- strictly comply with its investment programme;
- submit any amendment of its investment programme to the Agency for approval;
- comply with intellectual property (patents, copyrights and trade or service marks...);
- comply with product rules and standards

protect the environment.

<u>SECTION 24.-</u> Any enterprise holder of an approval as provided for under the law relating to private investment incentives in the Republic of Cameroon may be authorized to establish in an economic zone, subject to the conditions laid down by regulation.

<u>SECTION 25.-</u> Any enterprise established within an economic zone shall be subject to the same goals regarding job creation and natural resources development as those provided for under the law relating to private investment incentives in the Republic of Cameroon.

#### **CHAPTER VI**

#### REGULATIONS APPLICABLE WITHIN ECONOMIC ZONES

<u>SECTION 26.-</u> The manager and enterprise established within an economic zone shall enjoy all the incentives provided for under the law relating to private investment incentives in the Republic of Cameroon.

<u>SECTION 27.-</u> The services in charge of public transport, port services, telecommunications services, power and water services shall apply the most favourable preferential rates to promoters and managers of economic zones and approved enterprises.

<u>SECTION 28.-</u> Where necessary, preferential rates may be granted to promoters for access to land intended for the location of economic zones.

<u>SECTION 29.-</u> Upon the approval of the Minister in charge of energy and water resources, promoters and managers of economic zones as well as approved enterprises may install their own facilities to meet their energy and water needs.

<u>SECTION 30</u>: Promoters and managers of economic zones, as well as approved enterprises may acquire and/or set up their own telecommunications networks upon authorization by the Minister in charge of telecommunications.

SECTION 31: The accounting procedures of promoters and managers of economic zones as well as approved enterprises shall conform to the regulatory provisions in force in Cameroon.

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#### **SPECIFICITIES OF ECONOMIC ZONES**

#### SECTION 32: Economic zones shall be:

- agricultural zones;
- handicrafts zones;
- trade zones;
- free-trade zones;
- industrial zones;
- logistical zones;
- services activities zones;
- technological activities zones;
- specialized zones;
- agricultural poles;
- technological poles;
- scientific and technological centres;
- competitiveness centres;
- tourist complexes.

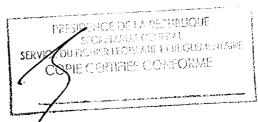
<u>SECTION 33</u>: Mixed zones hosting on the same space several activities referred to in Section 32 may also be created.

<u>SECTION 34</u>: Provisions specific to industrial free zones, university free zones and tourist complexes may be the subject of separate instruments.

#### **CHAPTER VIII**

#### **OVERSIGHT AND SANCTIONS**

SECTION 35: In conjunction with the competent services and in accordance with the conditions laid down by regulation, the Agency shall carry out regular controls to ensure



that promoters, managers and approved enterprises honour their commitments and obligations.

SECTION 36: Without prejudice to the penalties and judicial proceedings provided for by the regulations in force, failure by promoters and managers of economic zones as well as approved enterprises to honour their commitments and obligations shall, under the conditions laid down by regulation and depending on the gravity of the offence, entail the following sanctions:

- warning;
- fine;
- automatic withdrawal of agreement.

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<u>SECTION 37</u>: Any dispute between stakeholders in the economic zone which cannot be settled amicably shall be resolved through arbitration or before the competent courts of the Republic of Cameroon.

#### **CHAPTER IX**

#### MISCELLANEOUS, TRANSITORY AND FINAL PROVISIONS

**SECTION 38:** (1) In case of default of the promoter, the Agency may, pending the resumption of the activities of the defaulter, manage the economic zone for a period not exceeding 2 (two) years.

(2) Beyond the period provided for in sub-section (1) above, the economic zone concerned shall be closed down under conditions laid down by regulation.

<u>SECTION 39</u>: The Joint Monitory Committee instituted under the law to determine private investment incentives in the Republic of Cameroon shall ensure the stability of the tax and

customs system of economic zones, as well as the benefits granted to enterprises established in the said zones.

<u>SECTION 40</u>: (1) Enterprises formerly approved under the industrial free zone regime and that hold a valid certificate compliance shall, at their request, be transferred to the economic zones regime upon enactment of this law.

- (2) However, they shall have a time-limit of 24 (twenty-four) months with effect from the date of enactment of this law to comply with its provisions.
- (3) Beyond such period, they shall automatically fall under the ordinary law regime

<u>SECTION 41</u>: All previous provisions repugnant to this law are hereby repealed.

<u>SECTION 42</u>: This law shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French../-

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PAUL BIYA
PRESIDENT OF THE REPUBLIC