

A vertical yellow ribbon graphic on the left side of the page, featuring a pointed bottom.

A summary of business registration services, documentation and their timelines in Cameroon

How to

REGISTER A BUSINESS IN CAMEROON

Innovation comes with a good idea and the passion you have for it.

**COMPILED BY
DS LOBGA**

*We help you form and incorporate your business with just a few steps.
- OpenHub Digital

Table of Contents

How to Set Up a Business in Cameroon.....	2
Background of Cameroon.....	3
Starting a Business in Cameroon.....	4
Business structures & registration procedures.....	5
Limited liability company.....	6
Public & Private Limited Companies.....	7
Public limited companies.....	8
Private limited companies.....	9
Register a limited company in Cameroon.....	10
Registration Requirements.....	11
Sole proprietor business.....	13
Sole trader under the flat rate tax system.....	14
Discharge tax.....	15
Sole trader under the simplified tax system.....	15
Registration Requirements.....	16
Understand the accounting, tax and financial obligations.....	17
References & Resources.....	18



Hotline: +237 699421947
Email: info@openhub.site

Company Registration
AS FROM 285,000FCFA

PROMO

- Government registration fee inclusive
- Free Registered Office
- Taxpayer's card inclusive
- Business license inclusive
- Fee-free authorized capital of up to 2,000,000FCFA

Background of Cameroon

Cameroon is a lower middle income country located in Sub-Saharan Africa with a population of about 25,216,237 people. The Gross National Index (GNI) per capita income is 1,440 US dollar [Source: *Doing Business 2020*].

It is specifically in the west Central African region, bordered to the northeast by Chad, east by the Central African Republic, South by Republic of Congo, Gabon and Equatorial Guinea and the West by Nigeria.

Cameroon offers many investment opportunities for foreigners and nationals who are looking for where to invest in the natural rich Central Africa region. The country is bilingual, using both English and French as official languages.

It has a highly educated manpower which is always available in abundance. Cameroon has a strategic position in the region serving as a port of entry for two landlocked countries, Chad and Central African Republic. Its natural resources and economic potential has made it one of the most prominent haven for foreign investors looking for a place to invest in Africa.

Starting a Business in Cameroon

Doing Business ranks Cameroon 104 out of 190 economies with a score of 86.3 on 100 for starting a business. According to the report, it takes 13.5 number of days to register a business in Cameroon.

Setting up the right legal structure for your business is one hell of a problem. Many entrepreneurs don't even know the most common types of business structures. Everything to them is a *company* – even those who have never registered their businesses.

Many are CEOs, GMs, MDs, yet they don't have a registered business. They are unaware that the legal structure they choose depends on their business' specific needs. First, you need to know the different legal business structures, understand their pros and cons and choose what suits yours.

It is also under this section that you choose a company name for your business. A non-registered business that is successful is a prey to smart entrepreneurs. You may think you own the name, not knowing someone else has it registered. Before you go operational, make sure

you register or incorporate your business – going commercial means you need to register your business.

Business structures & registration procedures

The most common business structures or entities you can find in Cameroon are:

- Commercial companies
- Sole proprietorship
- Partnerships

Cameroon is a State Party to the Treaty on the Harmonization of Business Law in Africa and is subject to the provisions of the Uniform Act Relating to Commercial Companies and Economic Interest Groups.

In this case, anyone no matter the nationality, who wants to engage in a commercial activity in Cameroon shall choose the form of the

business entity that suits the activity which they wish to carry out. This should be from amongst the ones provided for by the Uniform Act.



- Sole proprietorship
- Private limited company
- Sole member company
- Public limited company

One-stop shop for all your business needs

**Company
Registration
Services**

openhub.site

Limited liability company

A company can be formed by two or more persons who have agreed by contract to put together assets in kind or cash in order to carry out their desired activity. The purpose for such is the sharing of profits or benefits accrued from the activity as well as bear the losses in case there's any.

However, a company can also be formed by an individual which is referred to as a "sole member" company.

It should be noted that you may not become a member in a commercial company if you are subject to "a ban, legal incapacity or incompatibility" on regulatory guidelines. Minors and legal incapacitated adults may not be allowed to be members of a company whereby they are liable for the debts beyond their shares. This holds the same for spouses as they may not be allowed in to hold shares in

a company where they would be jointly and severally liable for the debts of the company.

Public & Private Limited Companies

Limited liability companies may be public or private limited. Such companies exist as separate legal entities from the members or shareholders. No distinction is made whether a company is foreign or locally owned. This means, foreigners are also allowed to start companies in Cameroon.

Companies in Cameroon have a lifespan of 99 (ninety-nine) years renewable. Both types of companies have to be incorporated and registered in the Trade and Personal Property Credit Register. The Trade and Personal Property Credit Register is kept by the Registry of the competent court and should be under the supervision of a judge delegated for that purpose.

Public limited companies

This type of limited liability company may sell their shares to the public or get listed in the stock exchange. The name of the company shall be preceded immediately by the following words, "public limited company" or abbreviated as "PLC".

The number of shareholders is unlimited, and they have no restrictions to transfer their shares. They are obliged to declare their statistics and tax returns to the end of the financial year at the tax office.

The minimum authorized capital of a PLC is 10,000,000 (ten million) CFA Francs. The amount of the authorized capital shall be divided by shares with a nominal value that is freely put in place by the articles of association.

Private limited companies

This type of company may not sell their shares to the public. The name of the company shall be preceded immediately by the following words, "private limited company" or abbreviated as "LTD".

The minimum authorized capital of a private limited company is 100,000 (one hundred thousand) CFA Francs in Cameroon. To make it easier to start a business in Cameroon, the government reduced the paid-in minimum capital (authorized capital) requirement.

The Foundation for a Unified Business Law in Africa, OHADA, puts it at 1,000,000 (one million) CFA Francs paid-in minimum capital. The authorized amount shall be divided into equal shares with nominal value not less than 5,000 (five thousand) CFA Francs.

Register a limited company in Cameroon

To register a limited company in Cameroon, you need to have a business address. Your home or office address can be used. It is possible to use a virtual office provider whereby they will give you a formal business address for a fee. Every mail sent to the postal address will be forwarded to you.

A limited company must have a yearly turnover of 10 million to obtain a business license. It may fall under the following tax regimes:

Simplified Tax System: This is for limited liability companies with an annual turnover of XAF10,000,000 or more but less than XAF50,000,000.

Actual Earnings Tax System: This is for limited companies that have an annual turn-over of XAF50,000,000 or more.

Registration Requirements

For your application to be accepted, you need to come up with articles of association where they need to mention the following:

- business name
- acronym, sign or commercial name where applicable
- main activity or activities carried out
- the form of company
- the amount of authorized registered capital
- address of registered office
- duration of the company

– full name, date, place of birth and domicile of business partners, administrators or managers of the company

The articles of association have to be certified by a notary public and necessary number of copies deposited at the TPPCR alongside the following supporting documents:

- Certified copies of certificate of share payments
- Certified copies of list of managers, administrators of the company
- A non-conviction certificate or criminal record of those referred to above
- Where necessary, an authorization for the business to operate
- Photocopy of national identity cards for shareholders (nationals)
- Photocopy of birth certificate for minors
- Photocopy of resident permit or passports for foreigners

- Localization sketch of the business premise and
- Tenancy agreement or land tax for those who own the business premise

After depositing the requirements, you can get your business registration certificate within seven working days to one month depending on the town where you deposited the file. It should be noted that you can register your business anywhere in Cameroon. You can also choose where you want to carry out your business.



Sole proprietor business

With a sole proprietor business, the owner is liable for the debts of the business. The business license is also issued in the name of the owner. Many people confuse this type of business with a limited liability company.

This is because the sole proprietor business in Cameroon can be registered in the three main tax regimes in Cameroon - the flat rate, simplified and actual earnings tax systems.

Sole trader under the flat rate tax system

Registering as a sole trader under the flat rate tax system is a very simple process. You are required to fill out a form at the regional or local council office where your business is located.

You need the following documents to register this type of sole trader business in Cameroon:

- A photocopy of your national identity card for nationals, a passport or resident permit for foreigner
- 2 passport size photographs
- A localization sketch for your business premise

With your file opened, regional or council authorities will verify your location by visiting the site. During their visit, they will assess your business' turnover to know the tax bracket to be imposed.

Discharge tax

Taxpayers under the flat rate system pay the discharge tax. The discharge tax is a flat rate tax paid quarterly – payment is done before the beginning of each quarter. You don't need a business

license to operate like those in the simplified and actual rate tax system.

Sole trader under the simplified tax system

The main difference between this type of sole proprietor business in Cameroon and that above is that they are issued a business license. In this type of business, the owner who is classified as a natural person is registered in the Trade and Personal Property Credit Register, TPPCR.

This type of sole proprietor business must have a yearly turnover of at least 10 million in order to obtain a business license. It may fall under the following tax regimes:

Simplified Tax System: This is for sole proprietor business with an annual turnover of XAF10,000,000 or more but less than XAF50,000,000.

Actual Earnings Tax System: This is for sole proprietor business that have an annual turn-over of XAF50,000,000 or more.

Registration Requirements

In this type of business, the owner who is classified as a natural person is registered in the Trade and Personal Property Credit Register, TPPCR.

You are required to provide the following documents to register:

- A photocopy of your national identity card for nationals,
- A photocopy of passport or resident permit for aliens
- Certificate of non-conviction for nationals or an equivalent for foreigners
- A localization sketch for your business premise

- Tenancy agreement or land tax in the case you are the owner of the premise
- Photocopies of marriage certificate where necessary

After depositing the requirements, you can get your business registration certificate within one to two weeks depending on where you registered.

Understand the accounting, tax and financial obligations

Once you make your business legal in Cameroon, you will have to fulfill certain tax and financial responsibilities. You will have to forecast your turnover in order to choose your tax regime and financial reporting methods. This information is needed when you want to obtain a business license.

COMPANY INCORPORATION IN CAMEROON

- Company Secretary
- Virtual Address
- Business Registration
- Taxpayer's Card
- Business License



OpenHub Digital

GET IN TOUCH

References & Resources

Doing Business 2020, Economy Profile Cameroon – Comparing Business Regulation in 190 Economies [The World Bank]

Uniform Act Relating to General Commercial Law [OHADA – Foundation for a Unified Business Law in Africa]

Uniform Act on Commercial Companies and the Economic Interest Group [OHADA – Foundation for a Unified Business Law in Africa]

General Tax Code, Cameroon