



May 9th, 2019

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CAMEROON

ENACTMENT OF THE PETROLEUM CODE

By means of Law 2019/008, of 25 April 2019, The Parliament has approved a new petroleum code (the “**Petroleum Code**”), which authorizes commercial companies to carry out petroleum operations, provided they do it jointly with, at least, one petroleum company.

Petroleum Contracts

Petroleum contracts are divided in three types:

- **Concession Contracts;**
- **Production Sharing Contracts; and**
- **Risk Service Contracts.**

Assignment

The rights and obligations under the petroleum contracts, exploration authorizations, provisional production authorizations, production authorizations and domestic transportation authorizations are assignable, in whole or in part, subject to prior approval by the Minister in charge of hydrocarbons. Where such rights are granted by means of a decree, the assignment shall only be effective upon issuance of a new decree by the relevant authority. Failure to obtain the approval may lead to the withdrawal of the authorization and/or termination of the relevant petroleum contract.

Use of Land

Authorization holders or parties to a petroleum contract, must obtain an additional authorization for use of the land, prior to commencement of petroleum operations.

Tax, Customs and Foreign Exchange

Investors are entitled to the following temporary tax exemptions:

- on profits and dividends to be paid to their shareholders;
- income tax on earnings resultant from petroleum operations carried out in the benefit of the State and/or any other public entity;
- export taxes;
- VAT on supplies of goods and services of all kinds directly related to its petroleum operations;
- special tax on petroleum products and any similar taxes on the supply of goods and services of all kinds directly related to the petroleum operations; and
- special income tax, in limited circumstances.

During the initial 5-year commercial production period, investors may also benefit from a 5% import taxes global fee reduction. Foreign exchange benefits are granted to the investors and their expat personnel.

Effective Date & Implementation

The Petroleum Code shall apply to all petroleum contracts entered into as of the date of its publication.

Petroleum contracts, related authorizations and any mining titles, entered into or granted prior to the publication of the Petroleum Code shall remain valid for the term for which they were entered into or granted. Ancillary regulations shall define the exact terms of implementation of the Petroleum Code.