REPUBLIC OF CAMEROON

PEACE – WORK – FATHERLAND

LAW No 2025/010 OF 15 JUIL 2025

LAY DOWN SUBCONTRACTING REGULATIONS IN CAMEROON



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

PART I

GENERAL PROVISIONS

CHAPTER I
PURPOSE AND SCOPE OF APPLICATION

I - PURPOSE

SECTION 1 - This law lays down subcontracting regulations in the Republic of Cameroon. It defines the rules applicable to the conclusion, execution, suspension, termination, supervision, control and regulation of subcontracting activities or agreements.

SECTION 2 - This law seeks to prioritize, encourage and promote the development and competitiveness of national small and medium-sized enterprises and, in carrying out their subcontracting activities, to guarantee their legal security, with a view to contributing to the country's economic and social development.

SECTION 3 - Subcontracting activities, as defined in Section 8 below, contribute to the transfer of technological skills from large companies to small and medium-sized enterprises, to the development of local capacities, as well as to the development and use of local resources.

II - SCOPE OF APPLICATION

SECTION 4 - Subcontracting, which is the subject of this law, concerns part of the main activity, or all or part of related or ancillary activities. It may take one of the following forms:

- capacity subcontracting
- specialty subcontracting
- contract subcontracting.

SECTION 5 - Except otherwise provided by laws governing some activity sectors or some professions, subcontracting is permitted in every sector of national economic activity, in particular, the following:

- industrial sector
- agro-industrial sector
- energy sector

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- transport sector
- mining, metallurgy and iron and steel sectors;
- forestry and timber sector
- water and sanitation sector;
- health sector
- cotton, textiles and leather sector;
- digital and technological innovation sector;
- civil engineering and public works sector
- tourism sector.

SECTION 6 - (1) The provisions of this law shall apply in particular to:

(a) contracts between companies, in particular commercial contracts between private law natural or legal persons;

(b) contracts entered into by public enterprises and public establishments;

(c) contracts entered into in connection with the delegation of public services;

(d) contracts in the mining, gas, oil and energy sectors;

(e) projects supported by the State in terms of tax or customs benefits and/or incentives;

(f) contracts entered into by regional and local authorities.

(2) The provisions of this law shall apply to public contracts and public-private partnership contracts, subject to the provisions of the specific instruments governing these sectors of activity.

(3) The provisions of this law shall not apply to contracts signed abroad by Cameroon's diplomatic missions and consular posts.

SECTION 7 .- Notwithstanding the provisions of Section 6 above, this law shall only apply to contracts concluded within the framework of international or financing agreements signed between the State and technical and financial partners insofar as the provisions thereof do not conflict with the said agreements.

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CHAPTER II
DEFINITIONS

SECTION 8. - For the purposes of this law and subsequent enabling instruments, the following definitions shall apply:

Ancillary activity: any activity contributing indirectly to the performance of the main activity by providing goods and services, including but not limited to the transport of products or workers, staff catering, laundry, industrial guarding, fire-fighting, safety, hygiene and sanitation, and staff health care;

Related activity: any service or production activity required by the company and linked to the performance of the main activity;

Main activity: the activity covered by the contract;

Local content: a set of activities focused on the development of local capabilities, the use of local human and material resources, technology transfer, the development of local services and products, and the creation of measurable additional value for the local economy;

Service contract: commercial contract whereby one of the parties, the prime contractor, undertakes to provide a service for or on behalf of another party, the project owner, for a consideration agreed upon between them;

Partnership contract: contract whereby the State, one of its agencies or a public enterprise, entrusts to a private entity, for a specified period, according to, where applicable, the amortization period of the investments or the agreed financing conditions, an overall mission aimed at:

- except in the case of leasing or cost-plus contract basis: the construction, transformation, renovation or rehabilitation, installation, dismantling or destruction of infrastructure or equipment, intangible assets or land development required for public service or the exercise of a general interest mission;

- all or part of their design, where applicable ;

- all or part of their financing;

- their operation or management, where applicable;

- their upkeep or maintenance.

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Under the said contract, the contracting authority's co-contractor is in charge of managing the works to be carried out.

Where applicable, the contracting authority, which is responsible for it, may also, under a Public-Private Partnership contract, entrust a third party with the performance of the public service mission project thus executed or any other existing project.

Subcontract: commercial agreement whereby one company, known as the principal contractor, entrusts another company, known as the subcontractor, with the task of carrying out part of a contract it has concluded with a third party;

Co-contracting: act whereby two (02) or more companies come together to carry out works or services on behalf of a contractor or directly on behalf of the project owner, in this case becoming co-contracting companies. One of these companies is mandated by the same deed to act as principal contractor and represent the others before the project owner;

Ordering party: natural or legal person that entrusts the execution of works or the provision of services to one or more principal contractors;

Principal contractor: natural or legal person that has mobilized the financial, human and technical resources to produce the goods or provide the services;

Pledge: assignment of a present or future intangible movable asset or group of intangible movable assets as collateral for one or more present or future debts, provided that such debts are determined or determinable;

Contractor: natural or legal person under Cameroonian law that carries out a project on behalf of a principal contractor;

Illicit supply of workers: fraudulent operation that removes the status of salaried employee between the supplier and the recipient in order to make a profit on the price that the recipient would have had to pay for similar employment;

Subcontracting: operation or agreement whereby a company known as the principal contractor entrusts, by contract and under its responsibility, to another company known as the subcontractor, the performance of part of the contract concluded with the project owner, or of all or part of the activities related or ancillary to the principal contract;

Capacity or short-term subcontracting: operation or agreement whereby the principal contractor temporarily calls on another company to carry out a task or manufacture a product that it can do itself, in order to meet additional orders;

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Contract subcontracting: operation or agreement whereby a principal contractor, the holder of a contract, enlist the services of another company to perform some obligations under the contract;

Specialty subcontracting: operation or agreement whereby the principal contractor uses the services of a specialist company to perform a task requiring specific equipment or skills that it does not have, for the purposes of carrying out the principal activity;

Sub-contractor or sub-contracting company: natural or legal person whose activity, on a regular, temporary or occasional basis, is linked, by contract or agreement, to the performance of the principal activity or to the performance of a contract of a principal contractor.

PART II
SUBCONTRACTING ACTIVITIES

CHAPTER I
GENERAL RULES

SECTION 9.- (1) Subcontracting is authorized throughout the territory of the Republic of Cameroon, subject to the provisions of this law and other laws and regulations in force.

(2) Sub-contracting to Cameroonian small and medium-sized enterprises shall be compulsory for some activity sectors and for some types of transformational or large-scale projects.

(3) The sectors of activity and types of project for which sub-contracting is compulsory shall be specified in a separate instrument.

SECTION 10 - (1) Subcontracting shall be reserved for Cameroonian small and medium-sized enterprises, regardless of their legal form, that are headquartered in Cameroon and wherein at least 51% of share capital is held by nationals.

(2) However, where the subcontracting authority establishes that Cameroonian small and medium-sized enterprises lack the material or technical capacity to carry out the activities to be subcontracted, the principal contractor may use any company governed by Cameroonian law, including large companies wherein at least 33% of the shares are held by Cameroonian nationals.

(3) Where the subcontracting authority has duly noted the material and technical inability of large Cameroonian companies to carry out the activities to be subcontracted, the principal contractor may use the services of a foreign

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company, provided the activity does not exceed six months. Beyond such period, the foreign company shall be bound to set up a company under Cameroonian law.

(4) In the case provided for in paragraph (3) above, at the equivalent level of qualification, competitiveness, competence, and experience, the principal contractor shall give priority to foreign subcontracting companies that prioritize the recruitment of Cameroonian workers.

(5) The conditions for establishing material or technical incapacity, as provided in paragraphs (2) and (3), shall be laid down by regulation.

SECTION 11: (1) When subcontracting requires a level of expertise that is not available domestically, the principal contractor, in conjunction with the Subcontracting Authority, shall ensure technology transfer by recruiting national personnel and involving and training national companies in the same or related sectors.

(2) In cases referred to in (1) above, principal contractors shall ensure the upgrading and ongoing training of locally recruited personnel. Additionally, they shall implement innovative training programmes for nationals in the relevant sector in close collaboration with the relevant Ministries and entities.

SECTION 12: (1) Except otherwise provided for in legal or contractual instruments, the subcontractor may subcontract its services. In such case, the second-tier subcontractor shall be subject to the same procedural and substantive conditions as the original subcontractor, in accordance with this law.

(2) The subcontractor shall be considered the principal contractor for its own subcontractors.

(3) The subcontractor's work relations with its employees shall be governed by labour laws and regulations.

SECTION 13: (1) Two or more subcontracting companies may co-contract.

(2) Co-contracting occurs when separate companies provide the services covered by the contract as part of a consortium. The consortium may be jointly or severally liable.

- The consortium shall be severally liable when each subcontracting company is bound by the entire subcontract and must compensate for any default by its partners. One of the companies shall be designated as the representative, representing all subcontracting companies vis-a-vis the principal contractor and project owner, where applicable. The co-

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contractors share the sums, as well as the sureties and insurance. Actual payment by the principal contractor or client shall be made into a single account.

- The consortium shall be jointly liable when the services are divided into lots, each lot being assigned to a subcontracting company. Each company is liable only for the lot(s) assigned to it. One of them shall be designated as the representative. Such representative shall be jointly and severally liable with each of the other companies for the contractual obligations. The authorized representative shall act on behalf of all the subcontracting companies in relation to the principal contractor or the project owner. Each company shall be paid through its own account.

CHAPTER II
SUBCONTRACTING PROCEDURES

SECTION 14: Without prejudice to specific instruments, all subcontracting may be subject to either competitive bidding or a direct agreement.

(a) Subcontracting shall be subject to competitive bidding when the cost of the subcontract or agreement is equal to or greater than the threshold set by regulation. In such case, advertising shall be carried out by the following means:

- print or audiovisual media;
- Internet websites;
- Posting up of notices within the premises of the principal contractor;
- communicating the information to employers' organizations for publicity purposes; transmitting the information to the nearest offices of specialized and specific structures that oversee commercial, industrial, agricultural activities, and small and medium-sized enterprises for posting once the call for tenders is launched.

(b) Subcontracting may be done by direct agreement when the value of the subcontract or agreement is less than the threshold set by regulation.

SECTION 15: (1) The following shall be ineligible to bid for or be awarded a direct subcontract agreement:

- Legal persons whose managers have been convicted of a felony or misdemeanour within the last five years.
- Legal persons that are under judicial liquidation, or receivership, or have been subject to similar proceedings under foreign law.

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- Natural and legal persons who, as of 31 December of the year preceding the year in which the call for tenders is issued, have not fulfilled their social security and tax obligations.

(2) The provisions of this Article shall apply to bidding legal persons and to members of a group of bidders.

SECTION 16: To be eligible for subcontracting, the interested company shall be bound to meet the following minimum conditions:

- Be legally incorporated;
- Be registered in the National Register of Small and Medium-Sized Enterprises;
- Produce a document proving good standing with the tax administration.
- Provide proof of affiliation and registration of employees, as well as proof of up-to-date payment of social security contributions to the relevant body.
- The company must also be listed by the Subcontracting Authority in accordance with the conditions laid down by regulation.

SECTION 17: The principal contractor who intends to perform a contract using one or more subcontractors shall have each subcontractor accepted by the client at the time of signing and throughout the duration of the contract. The principal contractor shall be bound to provide all subcontract agreements to the client upon request.

SECTION 18: (1) Any large Cameroonian company or any company governed by foreign law bidding for a service must reserve at least 40% of the service's value for subcontracting where the total amount is equal to or greater than the threshold set by regulation.

(2) Activities to be subcontracted shall be specified in advance in the Invitation to Tender or any document serving as such.

(3) The subcontracting authority, in collaboration with the principal contractor, shall be responsible for ensuring compliance with the provisions of paragraph (1) above.

SECTION 19: Consulting firms governed by foreign law that are awarded contracts shall provide proof of a subcontracting partnership with a local firm, preferably a small and medium-sized enterprise, for the performance of their services.

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SECTION 20: Every year, any public or private company established within the country shall publish the amount of remuneration paid to subcontractors and the list of such subcontractors. The company shall also implement a training policy to enable Cameroonian companies and nationals to acquire the technical skills and qualifications necessary to carry out certain activities.

PART III
SUBCONTRACTING AGREEMENT

CHAPTER I
SIGNING OF A SUBCONTRACTING AGREEMENT

SECTION 21: The existence of a subcontracting relationship may be proven by any means.

SECTION 22: To be valid, a subcontract must comply with the following substantive conditions:

- The parties must have the capacity to contract.
- The consent of the parties must be free from defects (error, fraud, and duress).
- The purpose of the contract must be certain and lawful.

SECTION 23: (1) A subcontract agreement shall relate to the subcontracting company performing a specific or certain service on behalf of the principal contractor for a consideration.

(2) The amount of the service or of payment the subcontractor is to receive shall be clearly specified at the time the subcontract is being concluded.

SECTION 24: (1) The subcontract or agreement shall be registered in accordance with the applicable laws.

(2) The finance law shall set the amount of the registration fees for subcontracting agreements.

SECTION 25: (1) The subcontracting agreement shall comply with the reciprocal commitments of the principal contractor and subcontractor.

(2) The compulsory terms and clauses of the subcontract shall be specified by regulation.

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SECTION 26: The subcontracting agreement shall include the following, in order of precedence, for interpreting the commitments of the parties:

- the agreement which lays down the main contractual obligations of the parties;
- the specifications, which set out the administrative clauses, technical specifications, operating conditions, and the parties' rights and obligations with regard to executing works and providing services.
- the annexes, which comprise all documents attached to the agreement and the specifications and are referred therein to as such.

CHAPTER II
SUBCONTRACTOR PAYMENT

I - SUBCONTRACTOR REMUNERATION

SECTION 27: (1) The principal contractor shall be bound to pay the subcontractor for the subcontracted activity under the conditions and methods mutually agreed upon. The same shall apply to the original subcontractor with respect to the second-tier subcontractor.

(2) The subcontractor shall be a third party to the contract between the principal contractor and the client/project owner.

SECTION 28: A principal contractor intending to perform a contract with one or more subcontractors shall have the terms of payment for each subcontracting agreement approved by the client at the time of signing the contract and throughout its term.

SECTION 29: (1) The principal contractor shall not require the subcontractor to fully pre-finance the cost of the operation or activity that is the subject of the subcontract.

(2) The principal contractor shall pay the subcontractor an advance covering at least 30% of the subcontract before commencement of the work. Such advance shall be deductible from progress payments, in proportion to the progress of the services provided for in the subcontracting agreement.

(3) The advance referred to in paragraph (2) above shall be guaranteed by a bond issued by a first-class financial institution approved by the Minister in charge of Finance.

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SECTION 30: (1) Upon completion of the subcontracted services, a provisional acceptance report shall be signed. It shall become final only after the principal contractor pays the balance within thirty (30) days of accepting the services.

(2) Failing the aforementioned report, commissioning or viability of the works shall suffice to oblige the principal contractor to comply with the provisions of paragraph (1) above.

SECTION 31:- The principal contractor shall have thirty (30) days from receipt of the supporting documents for payment to either accept them or notify the subcontractor of refusal. Beyond such period, the principal contractor shall be deemed to have accepted all supporting documents that have not been explicitly and formally refused.

SECTION 32: (1) Without prejudice to the time limits set by separate instruments for companies in certain sectors of activity:

a) the principal contractor shall have no more than sixty (60) working days, from the date of receipt of the invoice or performance of the service, to pay the subcontractor, unless otherwise agreed upon by the contracting parties;

b) in any event, the agreed time-limit shall not exceed ninety (90) days from the date of issue of the invoice.

(2) Payment deadlines provided for in (1) above must be specified in the subcontracting agreement.

(3) Exceeding or failing to comply with legal payment deadlines shall be punishable with an administrative penalty under the conditions laid down by regulation.

SECTION 33: (1) Upon delivery of the service or execution of the subcontracting agreement and without prejudice to effective payment, the principal contractor shall be bound to issue a certificate of performance to the subcontractor, implying recognition of the skills and qualifications of the said subcontractor to deliver services in the sector of activity concerned.

(2) The certificate of performance provided for in (1) above may be used as evidence of the experience acquired by the company in question in the context of, or on the occasion of, subsequent tenders for public procurement contracts or contracts for work and services in the sector of activity concerned .

SECTION 34: Payments made to companies or subcontracting companies, payments made by companies or sub-contracting companies to third parties, in

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remuneration for work done on the territory of the Republic of Cameroon, shall be made in financial institutions approved by the minister in charge of finance.

SECTION 35: Principal and subcontracting companies shall be bound to takeout an insurance policy to cover any civil liability and any damage that may result from their activities, in compliance with current insurance regulations.

SECTION 36: Subcontracting companies shall enjoy the same tax and customs conditions, and benefit from any advantage or incentive granted the principal contractor in respect of or in connection with the execution of the activity.

II - PAYMENT GUARANTEES

SECTION 37: (1) Subcontractor payment may be made by the client, upon the request of the principal contractor, where the amount of the service subcontracted by the same contractor is equal to or greater than 10% of the total amount of the contract and any addendums thereto, or where it is established that the principal contractor is engaging in fraudulent practices towards the subcontractor.

(2) The client may pay for subcontracted services directly, in accordance with the provisions of the contract binding him to the principal contractor, provided that the former can establish that the principal contractor is not complying with the contractual conditions towards the subcontractor. To this end, the contract between the client and the principal contractor must explicitly provide for clauses in default by the principal contractor towards the subcontractor.

SECTION 38: (1) In a subcontracting agreement, the retention of guarantee shall be provided for only where the said contract includes a guarantee or maintenance period. In any event, this retention may not exceed 10% of the contract amount inclusive of taxes.

(2) Where retention guarantee is deducted by the principal contractor, the amount deducted shall be reimbursed to the subcontractor or the corresponding bond released, upon provisional acceptance of the services.

SECTION 39: (1) The principal contractor may only assign or pledge receivables arising from the contract with the client up to the amount owed to him in respect of the work he shall carry out personally, and excluding subcontracted services.

(2) Where the subcontractor must be paid directly, the principal contractor shall be required to, when applying for authorization, establish that the assignment or pledging of claims arising from the contract shall not prevent direct payment to the subcontractor.

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(3) However, the principal contractor may pledge all of his claims subject to obtaining a prior written approval of the subcontractors.

III - DEFAULT INTEREST

SECTION 40: (1) Where attributable to the client or the principal contractor, late payment or failure to pay within the legal time limits or the time limits agreed upon by the parties shall automatically give rise to interest on arrears payable to the subcontracting company, calculated from the day following expiry of the said time limits until the day when the so-called "settlement" notice shall be issued by the assigning accountant.

(2) Late payment under a subcontracting agreement may justify the subcontractor ceasing to provide services, where so provided explicitly by the contract.

(3) Failure to make payments in line with contractual progress of work, above 60% of performance rate of the subcontract, may lead to its termination in the form and under conditions provided for in the subcontracting agreement.

(4) Any payment delay may be reported to the Subcontracting authority by the client for such action as may be deemed necessary.

SECTION 41: (1) Interest on arrears shall be the Central Bank's tender interest rate plus 1 (one) point.

(2) For payments to be made in a currency other than the CFA franc, interest rate for default shall correspond to the discount rate applied by the issuing Bank of that currency, plus a maximum of 1(one) point.

(3) The default interest amount shall be calculated by using the following formula: I = M x (n/360) x (i) where:

- M = Amount due the subcontractor, inclusive of taxes;
- N = Number of calendar days overdue;
- i = Central Bank tender interest rate, plus 1(one) point, or discount rate applied by the issuing Bank of the currency concerned, plus a maximum of 1(one) point, as the case may be.

(4) Interest on arrears shall not be applied to amounts that already include compensation for late payment.

(5) Interest on arrears shall not be taxable.

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IV - PENALTIES

SECTION 42: (1) Where the subcontracting company is responsible for exceeding the contractual deadline, it shall be charged a penalty for delay, the amount of which, unless otherwise stipulated in the contract, shall be set as follows:

a) 1/2000th (one two-thousandth) of the amount (inclusive of tax) of the subcontracting agreement for each calendar day of delay from the first to the thirtieth day beyond the contractual deadline set out in the contract;

b) 1/1000th (one thousandth) of the amount (inclusive of taxes) of the subcontracting agreement for each calendar day of delay beyond the thirtieth day.

(2) For contracts with conditional tranches, the deadlines and amounts to be taken into account shall be those for the tranches concerned.

(3) Remission of penalties for late performance of a subcontracting agreement may be ordered by the client or the principal contractor only following a favourable opinion by the Subcontracting authority.

(4) A copy of the decision to remit the penalties, supported by the abovementioned favourable opinion, shall be forwarded to the Subcontracting authority.

SECTION 43: (1) In addition to penalties for exceeding the contract deadline, the subcontracting agreement may provide for specific penalties for noncompliance with technical or safety specifications.

(2) In any event, the cumulative amount of the penalties may not exceed 10% of the amount inclusive of taxes of the original contract and any addendums thereto, failing which the contract shall be terminated.

CHAPTER III
TERMINATION OF A SUBCONTRACTING AGREEMENT

SECTION 44: (1) A subcontracting agreement shall be terminated by right when the main contract is itself terminated by the client through no fault of either the principal contractor or the subcontractor. However, in view of the schedule, the unit price list and, where applicable, the breakdown thereof, such termination may take place only following compensation of any other kind (mobilization of resources, bond deposit), and reimbursement of any advances made to suppliers and other partners, have been made.

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(2) In the event of manifest loss suffered by the principal contractor, as indicated in (1) above, the client shall be bound to pay the principal contractor and all the subcontractors compensation in proportion to the loss suffered by these companies. The assessment of such loss shall be decided by each stakeholder and then agreed upon with the client.

SECTION 45: (1) The subcontracting agreement shall be terminated by right by the client where the principal contractor is bankrupt or where any other default has been duly established by all parties, notified and has not been remedied within a reasonable period prescribed by the client. This reasonable period must be at least equal to 30% of the contract duration.

(2) In this case, the principal contractor shall be obliged to compensate the client and the subcontractor(s) for the loss suffered under such terms and conditions as to give preference to non-defaulting subcontractors for the continued performance of the contract.

SECTION 46: (1) The subcontracting agreement shall be terminated by the principal contractor when the subcontractor's default is duly established and validated by the client, after formal notice has been duly served and remained unheeded for a period at least equal to 30% of the contract duration.

(2) In the event of termination of the subcontracting agreement, the principal contractor shall be obliged, with the notified agreement of the client, to replace the defaulting subcontractor in accordance with the terms of the contract.

(3) In the case provided for in (2) above, the additional costs, including the effects of delay inherent in replacing the defaulting subcontractor, shall be borne by the latter.

(4) The specific terms and conditions for terminating subcontracting contracts shall be laid down by regulation.

SECTION 47: (1) The subcontracting agreement may be terminated by the contracting parties in the event of force majeure. Force majeure shall refer to any unforeseeable, irresistible and insurmountable event external to the contract.

(2) Where a party fails to perform its obligations due to an event constituting force majeure, it may not be held liable.

(3) The party invoking force majeure must inform the other party forthwith, once the event occurs, by registered mail with acknowledgement of receipt.

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(4) Where the force majeure continues for more than 30 (thirty) days from the date of notification of its occurrence, the other party may terminate the contract, subject to notifying the party affected by the impediment in writing.

PART IV
THE AUTHORITY IN CHARGE OF SUBCONTRACTING

SECTION 48: (1) An authority in charge of Subcontracting shall, on behalf of the State, promote, control, monitor and regulate subcontracting activities nationwide. The Authority in charge of subcontracting shall be the minister in charge of small and medium-sized enterprises.

(2) The duties of the Authority in charge of subcontracting shall include:

- promoting subcontracting activities nationwide and, in particular taking into account national preference and local content in the performance or execution of subcontracting activities;
- developing and implementing policies and strategies to promote subcontracting activities, and transfer of skills and technologies to national small and medium-sized enterprises;
- applying the rules and principles of good governance in the conclusion, execution or implementation of subcontracting activities and agreements;
- ensuring compliance with the provisions of this law in the context of or in connection with the performance of subcontracting activities and agreements entered into on the national territory;
- establishing infringements and breaches of the provisions of this law and, where appropriate, imposing penalties on defaulting companies, in conjunction with the relevant authorities;
- recovering proceeds of penalties, fines and other administrative sanctions for breaches of the provisions of this law, in conjunction with the competent authorities;
- listing of small and medium-sized businesses, for eligibility in subcontracting activities and agreements;
- assessing the conformity and performance of the national subcontracting system, to ensure it contributes to the country's economic and social development.

(3) In addition, as facilitator and regulator of the subcontracting sector, the authority in charge of subcontracting shall:

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- propose measures to the government aimed at improving public policy and improving best practices in the area of subcontracting;

- ensure that preventive measures are taken to combat bad practices in subcontracting, by carrying out statutory inspections and spot checks in the government authorities and companies concerned;

- work with the relevant authorities to ensure that subcontracting agreements comply with environmental and nature protection standards;
- establish, where appropriate, the failure of national small and medium-sized enterprises to meet the conditions for bidding on a subcontract requiring a high level of expertise and, where necessary, continue to upgrade the companies concerned;
- encourage innovation and technological development among subcontractors;
- examine applications for recognition of the "competent company" label;
- settle disputes arising from the performance of subcontracting agreements, without prejudice to the powers vested in competent judicial authorities;
- impose the administrative penalties and fines provided for by this law and subsequent instruments on those responsible for malpractice.

SECTION 49: Without prejudice to the provisions of Section 48 above, the prerogatives of control, supervision and regulation of subcontracting in public contracts are and shall remain vested in the Authority in charge of public contracts, in accordance with the separate instruments in force.

CHAPTER V
OFFENCES AND SANCTIONS

SECTION 50: The following shall constitute offences and breaches of the provisions of this law and subsequent regulations.

- breach of the conditions for subcontracting;
- breach of the substantive provisions of the subcontracting agreement;
- subcontracting fraud or concealed subcontracting;
- outright violation of the regulations of the Authority in charge of subcontracting.

SECTION 51: (1) The following shall constitute breach of the conditions for subcontracting:

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- failure to subcontract where subcontracting is mandatory;

- subcontracting with a large company or a foreign company without duly establishing the technical and material inability of national small and medium-sized enterprises to carry out the subcontracted activity;

- subcontracting with a company that is not eligible or banned from bidding for a subcontract;

- failure to take into account the national preference or local content where these are required;

- the performance of a subcontracting service by a company not listed by the Authority in charge of subcontracting;

- refusal to ensure the transfer of technology and skills to national small and medium-sized enterprises when the nature of the activity so requires;

- failure to comply with the regulatory minimum threshold for the value of subcontracted services;

- failure to publish the annual amount paid to subcontractors and the list of the latter;

- signing a subcontracting agreement with an unlawful purpose or based on a defect of consent or lack of contractual capacity;

- failure to pay compulsory levies in respect of a subcontracting activity;

- outright refusal to pay for a subcontracted service and, where applicable, related interest on arrears and penalties for late payment after formal notice from the Authority in charge of subcontracting;

- failure to issue the subcontractor a certificate of performance;
- termination of the subcontract in breach of the relevant substantive provisions.

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(2) The offences referred to in paragraph (1) above are punishable with a fine of from 25% to 50% of the value of the contract or service to be performed.

(3) In the event of a further offence, defaulting companies may be banned from bidding for any public or private service, for a period of from 6 (six) to 12 (twelve) months.

SECTION 52: (1) The following shall constitute subcontracting fraud or concealed subcontracting:

- the concealing of a subcontracting relationship
- engaging in the referencing of contracts without the prior authorization of the Authority in charge of subcontracting
- using fraudulent documents or deceitful manoeuvres to be awarded a subcontracting agreement or to avoid complying with the general subcontracting regulations set out by this law and the implementing instruments thereof;
- unlawful supply of labour;
- concealed work.

(2) The offences referred to in sub-section 1 above shall be punishable with a fine of from 50 to 75% of the value of the contract or service to be provided.

(3) In the event of a further offence, the financial penalties provided for in (2) above shall be doubled, without prejudice to the withdrawal of the service concerned and a ban on bidding for any public or private subcontract, for a period of from 12 (twelve) to 24 (twenty-four) months.

SECTION 53: (1) The following shall constitute a breach of the regulations of the Authority in charge of Subcontracting:

- refusal to submit to the statutory controls in force ;
- failure to comply with or outright refusal to apply the rules of the Authority in charge of Subcontracting after receipt of formal notice.
- outright refusal to pay the fines imposed by the Authority in charge of Subcontracting: after receipt of formal notice to so do.

(2) The offences referred to in (1) above shall be punishable with a fine of from 50 to 75% of the value of the contract or service to be performed.

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(3) In the event of a further offence, the financial penalties provided for in (2) above shall be doubled, without prejudice to the withdrawal of the service concerned and the ban on bidding for any public or private subcontract, for a period of from 12 (twelve) to 24 (twenty-four) months.

SECTION 54: (1) Without prejudice to the prerogatives of the Public Prosecutor's Office and the criminal investigation officers with general jurisdiction, infringements and breaches of the provisions of this law and the subsequent implementing instruments thereof shall be established by sworn officials of the Authority in charge of subcontracting.

(2) The offences and breaches referred to in (1) above shall be recorded in reports, duly signed by the sworn official and forwarded to the Authority in charge of subcontracting.

SECTION 55: (1) Where the acts constitute infringements and breaches of the provisions of this law and its subsequent implementing instruments, the Authority in charge of subcontracting shall impose the corresponding administrative sanction or fine on the perpetrator.

(2) Where the facts constitute an infringement of the criminal law in force, the Authority in charge of subcontracting shall forthwith forward the official report of its findings, to the competent State Counsel.

SECTION 56: (1) The fines provided for in Sections 51 et seq. above shall be calculated by the control officer, after the drawing up of the official report, under the supervision of the Authority in charge of subcontracting.

(2) Such fines shall be notified to the offenders by the Authority in charge of subcontracting or any other authority that ordered the spot check. Upon notification, offenders shall have a period of 15 (fifteen) days within which to make a written request to the competent authority for a compromise.

(3) In the event of non-payment of the fine within 3 (three) months of its notification to the offender , after formal notice has remained unheeded, the official report establishing the infringement shall be forwarded to the Public Prosecutor's Office with jurisdiction for prosecution, where applicable.

SECTION 57: The proceeds of the fines provided for in Sections 51 et seq. above shall be shared between the Treasury, the Authority in charge of subcontracting and the other government authorities involved, in accordance with the procedures laid down by regulation.

SECTION 58: The penalties and fines imposed by the competent national Authorities on companies responsible for infringements and breach of this law and the subsequent implementing instruments thereof shall be published by the

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Authority in charge of subcontracting, under the conditions laid down by regulation.

PART VI
FINANCIAL, TAX AND SOCIAL PROVISIONS

SECTION 59: The State shall encourage and promote subcontracting nationwide.

CHAPTER I
TAX REGIME AND INCENTIVES FOR SUBCONTRACTING

SECTION 60: -Subcontracting activities shall be subject to the tax regime in force in Cameroon, except expressly waived by separate instruments laying down derogatory tax regimes and investment incentives in the Republic of Cameroon.

SECTION 61: (1) Under its policy of promoting subcontracting with a view to enhancing the competitiveness and performance of national small and medium-sized enterprises, the State shall grant investment incentives to companies which subcontract part of their activities.

(2) The State may grant companies which subcontract part of their activities, appropriate assistance and support in terms of acquiring new equipment, finding foreign partners and financing.

(3) Tax benefits and sundry incentives granted by the State to companies which outsource part of their activities shall be laid down by regulation.

CHAPTER II
SOCIAL REGIME OF SUBCONTRACTING

SECTION 62: At the social level, subcontracting companies within the meaning of this law shall be governed by the labour law and regulations in force. The following are prohibited:

- unlawful supply of labour ;
- poaching of staff from the subcontracting company by the principal contractor or the client/project owner, except under the conditions provided for by the labour laws and regulations in force;
- concealed work;
- any other form of work prohibited by the laws in force.

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SECTION 63: The subcontracting company shall be independent from the principal contractor and, as an employer of wage earners, shall be subject to the laws and regulations in force.

SECTION 64: (1) Notwithstanding the place of performance of the subcontracted work or service, the principal contractor shall, in the event of default by the subcontractor company, replace the latter with respect to workers employed by the latter, for the payment of wages, leave and social security up to the limit of the sums owed to the subcontracting company.

(2) Workers and social security institutions shall have direct action against the principal contractor for the recovery of their debts.

PART VII
MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

SECTION 65: Subcontracting agreement and document templates shall be produced, as required, by the Authority in charge of subcontracting.

SECTION 66: (1) Subcontracting agreements under execution shall remain in force until the performance of the service or the deadline set out in the contracts

(2) However, the contracting parties may reserve the right to apply the provisions of this law directly, subject to amendment of the contract under execution.

SECTION 67: Subcontracting agreements shall be governed by ordinary law for all aspects not specifically covered by the provisions of this law.

SECTION 68: All previous provisions repugnant hereto are hereby repealed.

SECTION 69: 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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YAOUNDE, 15 JUIL 2025

RÉPUBLIQUE DU CAMEROUN
PAIX-TRAVAIL-PATRIE
LE PRÉSIDENT
THE PRESIDENT
REPUBLIC OF CAMEROON

PAUL BIYA
PRESIDENT OF THE REPUBLIC

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