

No. 18285

**FRANCE
and
UNITED REPUBLIC OF CAMEROON**

**Tax Agreement (with exchange of letters). Signed at
Yaoundé on 21 October 1976**

Authentic text: French.

Registered by France on 15 February 1980.

**FRANCE
et
RÉPUBLIQUE-UNIE DU CAMEROUN**

**Convention fiscale (avec échange de lettres). Signée à
Yaoundé le 21 octobre 1976**

Texte authentique : français.

Enregistrée par la France le 15 février 1980.

[TRANSLATION — TRADUCTION]

TAX AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE
FRENCH REPUBLIC AND THE GOVERNMENT OF THE UNITED
REPUBLIC OF CAMEROON

The Government of the French Republic and the Government of the United Republic of Cameroon, desiring to avoid double taxation as far as is possible and to establish rules of reciprocal assistance with respect to taxes on income, succession duties, registration taxes and stamp duties, have decided to conclude the present Agreement.

TITLE I. GENERAL PROVISIONS

Article 1. For the purposes of this Agreement:

1. The term "person" means:

- (a) Any individual;
- (b) Any body corporate;
- (c) Any unincorporated group of individuals.

2. The term "France" means the European departments and overseas departments (Guadeloupe, Guyana, Martinique and Réunion) of the French Republic and any areas outside the territorial waters of France in which France may exercise rights with respect to the sea-bed and subsoil thereof and their natural resources.

The term "Cameroon" means the territory of the United Republic of Cameroon and any areas outside the territorial waters of Cameroon in which Cameroon may exercise rights with respect to the sea-bed and subsoil thereof and their natural resources.

Article 2. 1. For the purposes of this Agreement, an individual shall be deemed to be domiciled in the place in which he has his "permanent home", the latter expression being understood to mean the centre of vital interests, i.e., the place with which his personal relations are closest.

Where the domicile of an individual cannot be determined on the basis of the foregoing subparagraph, he shall be deemed to be domiciled in that one of the Contracting States in which he principally resides. If he resides for equal periods in each of the two States, he shall be deemed to have his domicile in the Contracting State of which he is a national. If he is a national of neither Contracting State, the competent authorities of the Contracting States shall settle the question by mutual agreement.

2. For the purposes of this Agreement, a body corporate shall be deemed to have its domicile in the place in which its registered offices (*siège social statutaire*) are situated; an unincorporated group of individuals shall be deemed to have its domicile in the place in which its place of effective management is situated.

¹ Came into force on 19 July 1978, i.e., the date of the last of the notifications (effected on 5 March 1977 and 19 July 1978) by which the Contracting Parties informed each other of the completion of the required legislative procedures, in accordance with article 43.

Article 3. The term “permanent establishment” means a fixed place of business in which the business of the enterprise is wholly or partly carried on.

(a) The following shall in particular be deemed to be permanent establishments:

- (aa) A place of management;
 - (bb) A branch;
 - (cc) An office;
 - (dd) A factory;
 - (ee) A workshop;
 - (ff) A mine, quarry or other place of extraction of natural resources;
 - (gg) A building site or a construction, assembly or installation project;
 - (hh) A fixed place of business used for the purpose of storage, display and delivery of goods or merchandise belonging to the enterprise;
 - (ii) A stock of goods or merchandise belonging to the enterprise maintained for the purpose of storage, display and delivery;
 - (jj) A fixed place of business maintained for the purpose of purchasing goods or merchandise or of collecting information which is the actual object of the business of the enterprise;
 - (kk) A fixed place of business used for the purpose of advertising.
- (b) The term “permanent establishment” shall be deemed not to include:
- (aa) The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;
 - (bb) The maintenance of a fixed place of business solely for the purpose of the supply of information, for scientific research or for similar activities which, so far as the enterprise is concerned, are of a preparatory character.

(c) A person in a Contracting State on behalf of an enterprise of the other Contracting State — other than an agent of an independent status within the meaning of subparagraph (e) below — shall be deemed to constitute a “permanent establishment” in the first-mentioned State if he has, and habitually exercises, in that State an authority to conclude contracts in the name of the enterprise.

Such authority shall, in particular, be deemed to be exercised by an agent who habitually has available to him in the first-mentioned Contracting State a stock of goods or merchandise belonging to the enterprise from which he regularly fills orders received by him on behalf of the enterprise.

(d) An insurance enterprise of a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that State or insures risks situated therein through a representative who is not an agent within the meaning of subparagraph (e) below.

(e) An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business. However, if the agent whose services are used has available to him a stock of goods or merchandise on consignment from which the sales and deliveries are made, such stock shall be deemed to imply the existence of a permanent establishment of the enterprise.

(f) The fact that a company which is domiciled in a Contracting State controls or is controlled by a company which is domiciled in the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

Article 4. For the purposes of this Agreement, rights which are governed by the taxation laws relating to real property, and rights of usufruct in immovable property, with the exception of claims of any kind secured by pledge of immovables, shall be deemed to be immovable property.

The question of whether a property or a right is an immovable property or a right in respect of immovable property or can be considered to be an accessory to real property shall be decided in accordance with the laws of the State in which the property in question or the property to which the right in question relates is situated.

Article 5. 1. Nationals and companies and other associations (*groupements*) of one Contracting State shall not be subjected in the other State to any taxation other or higher than the taxation to which nationals and companies and other associations of the latter State in the same circumstances are subjected.

2. In particular, nationals of one of the Contracting States who are liable to taxation in the territory of the other Contracting State shall be entitled, under the same conditions as nationals of that other State, to such exemptions, reliefs, rebates and reductions of any taxes or charges whatsoever as may be granted in respect of family dependants.

Article 6. In the application of the provisions of this Agreement, the term “competent authorities” means:

- In the case of France, the Minister of Economic Affairs and Finance;
 - In the case of Cameroon, the Minister of Finance;
- or their duly authorized representatives.

Article 7. As regards the application of this Agreement by one of the Contracting States, any term not defined therein shall, unless the context otherwise requires, have the meaning which it has under the laws in force in that State concerning the taxes referred to in this Agreement.

TITLE II. DOUBLE TAXATION

Chapter I. INCOME TAXES

Article 8. 1. This chapter shall apply to taxes on income levied in whatsoever manner on behalf of either Contracting State or its local authorities.

The expression “taxes on income” shall be deemed to mean taxes levied on total income or on elements of income (including capital appreciation).

2. The object of the provisions of this chapter is to avoid double taxation such as might result, for persons (as defined in article 1) having their fiscal domicile, determined in accordance with article 2, in one of the Contracting States, from the simultaneous or successive collection in that State and the other Contracting State of the taxes referred to in paragraph 1 above.

3. The existing taxes to which this chapter shall apply are:

— In the case of France:

- (a) The income tax (*l'impôt sur le revenu*);
- (b) The corporation tax (*l'impôt sur les sociétés*);
- (c) The annual flat-rate tax on bodies corporate (*l'impôt forfaitaire annuel sur les personnes morales*);
- (d) The prepayment on income from movable property (*le précompte mobilier*);

— In the case of Cameroon:

- (a) The personal income tax (proportional tax and progressive surtax);
- (b) The agreed assessment income tax;
- (c) The company tax or the minimum agreed assessment company tax;
- (d) Local rates and accessory taxes.

4. The Agreement shall also apply to any identical or similar taxes which are imposed in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any changes made in their taxation laws as soon as such changes are promulgated.

5. If, owing to changes in the taxation laws of either of the Contracting States, it appears expedient to adapt certain articles of the Agreement without affecting its general principles, the necessary adjustments may be made, by agreement, through an exchange of diplomatic notes.

Article 9. Income from immovable property, including profits from agricultural and forestry enterprises, shall be taxable only in the State in which the property is situated.

Article 10. 1. Income from industrial, mining, commercial or financial enterprises shall be taxable only in the State in which a permanent establishment is situated.

2. Where an enterprise maintains permanent establishments in both Contracting States, each State may tax only the income derived from the operations of the permanent establishments situated in its territory.

3. Such taxable income may not exceed the amount of the industrial, mining, commercial or financial profits realized by the permanent establishment, including, where appropriate, any profits or advantages derived indirectly from that establishment or credited or granted to third parties either by increasing or decreasing purchase or selling prices or by any other means. Part of the overhead expenses of the head office of the enterprise shall be charged against the earnings of the various permanent establishments in the manner prescribed by the legislation of each State.

4. Where taxpayers with business in both Contracting States are not required under the internal legislation of those States to keep regular accounts showing separately and exactly the profits accruing to the permanent establishments situated in each State, the amount of profit taxable by each State may be determined by apportioning the total earnings between the two States in proportion to the turnover realized in their respective territories.

5. If one of the establishments situated in either Contracting State realizes no turnover, or if the business carried on in the two States is not comparable, the competent authorities of the two States shall consult each other to establish the manner in which paragraph 4 above is to be applied.

Article 11. 1. Where an enterprise of one of the Contracting States, by virtue of its participation in the management or the capital of an enterprise of the other Contracting State, makes or imposes upon the latter enterprise, in their commercial or financial relations, conditions differing from those which it would make with any other enterprise, all profits which would normally have appeared in the accounts of one of the enterprises but which have in this manner been transferred to the other enterprise may be incorporated in the taxable profits of the first enterprise.

2. An enterprise shall in particular be deemed to participate in the management or the capital of another enterprise when the same persons participate directly or indirectly in the management or the capital of both enterprises.

Article 12. Income derived from the operation of aircraft in international traffic shall be taxable only in the Contracting State in which the enterprise has its fiscal domicile.

Article 13. 1. Subject to the provisions of articles 15 to 17 below, income from securities and assimilated income (earnings from shares, founders' shares or partnership or commandite interests; interest on bonds and on all negotiable certificates of indebtedness) paid by companies or by public authorities having their fiscal domicile in one of the Contracting States shall be subject in that State to the taxes referred to in article 8, paragraph 3.

2. Where dividends distributed by companies having their fiscal domicile in France give rise to the prepayment on income from movable property (*précompte mobilier*), recipients of such income who are domiciled in Cameroon may obtain a refund thereof, subject to deduction of the tax payable at the source in respect of the total amounts refunded. The mode of application of this provision shall be determined by agreement between the competent authorities of the two States.

Article 14. Subject to the provisions of article 20, a company of one of the Contracting States may not be subjected in the territory of the other Contracting State to a tax on its distributions of income from securities and of assimilated income (earnings from shares, founders' shares or partnership or commandite interests; interest on bonds and on all other negotiable certificates of indebtedness) solely by virtue of its participation in the management or the capital of companies domiciled in that other State or because of any other relationship with such companies; but income distributed by the latter companies and liable to the tax shall, where appropriate, be increased by the amount of any profits or advantages which the company of the first-mentioned State has indirectly derived from the said companies, either by increasing or decreasing purchase or selling prices or by any other means.

Article 15. 1. Where a company having its fiscal domicile in one of the Contracting States is liable in that State to a tax on distributions of income from securities and of assimilated income (earnings from shares, founders' shares or partnership or commandite interests; interest on bonds and on all other negotiable certificates of indebtedness) and maintains one or more permanent establishments in the other Contracting State in respect of which it is also liable in the latter State to a similar tax, the taxable income shall be apportioned between the two States, in order to avoid double taxation.

2. The apportionment provided for in the foregoing paragraph shall be established for each fiscal year on the basis of the ratio:

A for the State in which the company does not have its fiscal domicile;

B

B-A for the State in which the company has its fiscal domicile;

B

the letter A represents the turnover of the company in all the permanent establishments maintained by it in the State in which it does not have its fiscal domicile;

the letter B represents the total turnover of the company.

For the purposes of such apportionment, turnover shall be understood to mean the turnover before the relevant tax (internal turnover tax, value-added tax or similar tax) is applied.

3. Where the distributed profits include earnings from holdings of the company in the capital of other companies and such holdings fulfil the conditions under which affiliated companies are accorded special tax treatment under the internal legislation either of the State in which the company has its fiscal domicile or of the other State (as long as such holdings are credited in the balance sheet under the head of permanent establishments situated in the first or in the second State), each State shall apply to such part of the said distributed profits as consists of earnings from holdings governed by its internal legislation the provisions of that legislation, while that part of the said distributed profits which does not consist of earnings from such holdings shall be taxed by each State in accordance with the manner of apportionment provided for in paragraph 2 above.

Article 16. 1. Where, as a result of checks carried out by the competent taxation administrations, the total turnover realized during a fiscal year is adjusted in such a way as to modify the ratio defined in article 15, paragraph 2, such adjustments shall be taken into account in the apportionment between the two Contracting States of the tax bases pertaining to the fiscal year in which the adjustments took place.

2. Where such adjustments relate to the amount of earnings to be apportioned but do not affect the ratio of turnovers realized taken into account in the apportionment of the earnings to which the adjustments relate, a supplementary tax apportioned in the same ratio as the initial tax shall be imposed in accordance with the rules applicable in each State.

However, where profit equalization considered as distributed income under particular provisions of the internal legislation of one of the Contracting States is carried out, a supplementary tax shall be imposed in accordance with the rules applicable in that State for the sole benefit of the said State.

Article 17. 1. The apportionment of tax bases referred to in article 15 shall be made by the company and communicated by it to each of the competent taxation administrations within the time-limit prescribed by the laws of each State for declaring such distributions of taxable earnings as the company is carrying out.

In support of such apportionment, the company shall furnish to each of the above-mentioned administrations, in addition to the documents which it is required to produce or deposit under internal legislation, copies of the documents produced to or deposited with the administration of the other State.

2. Any difficulties or disputes which may arise in connection with the apportionment of tax bases shall be settled by agreement between the competent taxation administrations.

Failing agreement, the difference shall be settled by the mixed commission referred to in article 41.

Article 18. Notwithstanding the provisions of articles 22 and 23 below, special and ordinary remuneration received by members of the governing bodies of companies limited by shares (*sociétés anonymes*), limited liability companies (*sociétés à responsabilité limitée*), limited partnerships with share capital (*sociétés en commandite par actions*) or co-operative societies (*sociétés coopératives*) shall be subject in the Contracting State in which the company has its fiscal domicile to the taxes referred to in article 8, paragraph 3. However, where the company, partnership or society maintains one or more permanent establishments in the other Contracting State, special remuneration (directors' percentages, attendance fees and other similar emoluments) shall be taxable in accordance with the terms of articles 15 to 17.

Article 19. 1. Income from loans, deposits, deposit accounts and any other forms of debt-claims not represented by negotiable instruments shall be taxable in the State in which the creditor has his fiscal domicile.

2. However, each Contracting State shall retain the right, if its internal legislation so provides, to subject the income referred to in paragraph 1 above to the taxes listed in article 8, paragraph 3.

3. The provisions of paragraph 1 and 2 above shall not apply if the recipient of the interest in question, being domiciled in one of the Contracting States, maintains in the other Contracting State, in which the interest arises, a permanent establishment with which the debt-claim producing the interest is actually connected. In that case, article 10 relating to the attribution of profits to permanent establishments shall apply.

Article 20. 1. Royalties paid for the use of immovable property or for the working of mines, quarries or other natural resources shall be taxable only in the Contracting State in which such property, mines, quarries or other natural resources are situated.

2. Copyright royalties and proceeds or royalties from the sale or grant of licences for the use of patents, trade marks, secret processes and formulae paid in one of the Contracting States to a person having his fiscal domicile in the other Contracting State shall be taxable only in the latter State.

3. The royalties referred to in paragraph 2 above shall be deemed to include payments made for the hire of or for the right to use cinematographic films, similar remuneration for the provision of information concerning industrial, commercial or scientific experience and rentals for the use of industrial, commercial or scientific equipment, except where such equipment is immovable property, in which case paragraph 1 shall apply.

4. Where a royalty exceeds the intrinsic and normal value of the rights for which it is paid, the provisions of paragraphs 2 and 3 shall apply only to that part of the royalty which corresponds to the said intrinsic and normal value.

5. The provisions of paragraphs 2 and 3 shall not apply where the recipient of the royalties or other payments maintains in the Contracting State in which the income arises a permanent establishment or a fixed place of business used for the practice of a profession or of any other independent activity and where the said royalties or other payments are attributable to that permanent establishment or fixed place of business. In such cases, the said income shall be part of the profits of the permanent establishment or fixed place of business.

6. Proceeds of the kinds referred to in paragraphs 2 and 3 and other payments for studies and technical, financial or bookkeeping assistance shall be taxable in the State of the debtor, in accordance with its legislation, at a rate not exceeding 15 per cent of their gross amount where the proceeds in question are allowed as deductions against the profits of the debtor under the law of that State.

7. Proceeds of the kinds referred to in paragraphs 2, 3 and 6 which are not allowed for deductions against the profits of the debtor shall be taxable in the State in which they arise in accordance with its legislation and shall be taxable in the State of the recipient in the manner provided for by the law of that State.

Article 21. Pensions and annuities shall be taxable only in the Contracting State in which the recipient has his fiscal domicile.

Article 22. 1. Failing specific agreements providing for special treatment in the matter, wages, salaries and other similar remuneration received by a person domiciled in one of the two Contracting States in respect of gainful employment shall be taxable only in that State, unless the employment is exercised in the other Contracting State. If the employment is exercised in the other Contracting State, the remuneration derived from it shall be taxable in the latter State.

2. Notwithstanding the provisions of paragraph 1 above, remuneration received by a person domiciled in a Contracting State in respect of gainful employment in the other Contracting State shall be taxable only in the first-mentioned State if:

- (a) The recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned;
- (b) The remuneration is paid by or on behalf of an employer who is not domiciled in the other State; and
- (c) The remuneration is not deducted from the profits of a permanent establishment or fixed base maintained by the employer in the other State.

3. Notwithstanding the preceding provisions of this article, remuneration for work done on board an aircraft in international traffic shall be taxable only in the Contracting State in which the enterprise is domiciled.

Article 23. 1. Income derived by a person domiciled in a Contracting State from a profession or from other independent activities of a similar character shall be taxable only in that State, unless the person in question has a fixed base regularly available to him in the other Contracting State for the purpose of performing his activities. If he has such a fixed base, such part of the income as is attributable to that base shall be taxable in the other State.

2. For the purposes of this article, professions shall be deemed to include scientific, artistic, literary, educational or teaching activities and the activities of medical practitioners, lawyers, architects or engineers.

Article 24. Payments which a student or trainee from one of the Contracting States who is present in the other Contracting State solely for the purpose of his education or training receives for his maintenance, education or training shall not be taxable.

Article 25. Income not mentioned in the foregoing articles shall be taxable only in the Contracting State in which the recipient has his fiscal domicile, unless such income is connected with the activity of a permanent establishment maintained by the recipient in the other Contracting State.

Article 26. Double taxation shall be avoided in the following manner:

1. In the case of France:

- (a) Income, other than income dealt with in subparagraph (b) below, payable to persons domiciled in France shall be exempt from the French taxes referred to in article 8, paragraph 3, where such income is, under this Agreement, taxable only in Cameroon.
- (b) Income of the kinds referred to in articles 13, 15, 18 and 19 and article 20, paragraphs 2, 3, 6 and 7, payable to persons domiciled in France and originating in Cameroon shall be taxable in France. Cameroonian tax levied on such income shall entitle the recipient to a tax credit. Such credit shall correspond to the amount of Cameroonian tax levied but may not exceed the amount of French tax due on the said income. The credit shall be allowed against the taxes referred to in article 8, paragraph 3, in the taxation bases of which the income in question is included. However, as regards dividends, the credit shall be fixed at 25 per cent of their gross amount.
- (c) Notwithstanding the provisions of subparagraphs (a) and (b), French tax shall be computed, on income chargeable in France by virtue of this Agreement, at the rate appropriate to the total of the income chargeable in accordance with French law.

2. In the case of Cameroon:

- (a) Income, other than income dealt with in subparagraph (b) below, payable to persons domiciled in Cameroon shall be exempt from the Cameroonian taxes referred to in article 8, paragraph 3, where such income is, under this Agreement, taxable only in France.
- (b) Income of the kinds referred to in articles 13, 15, 18 and 19 and article 20, paragraphs 2, 3, 6 and 7, payable to persons domiciled in Cameroon and originating in France shall be taxable in Cameroon. French tax levied on such income shall entitle the recipient to a tax credit. Such credit shall correspond to the amount of French tax levied but may not exceed the amount of Cameroonian tax due on the said income. The credit shall be allowed against the taxes referred to in article 8, paragraph 3, in the taxation bases of which the income in question is included.
- (c) Notwithstanding the provisions of subparagraphs (a) and (b), Cameroonian tax shall be computed, on income chargeable in Cameroon by virtue of this Agreement, at the rate appropriate to the total of the income chargeable in accordance with Cameroonian law.

Chapter II. SUCCESSION DUTIES

Article 27. 1. This chapter shall apply to succession duties levied on behalf of either Contracting State.

The term "succession duties" shall be understood to mean taxes levied at death in the form of estate duties, inheritance taxes, death duties or taxes on gifts *mortis causa*.

2. The existing duties to which this chapter shall apply are:

- In the case of France: the succession duty;
- In the case of Cameroon: the succession duty.

Article 28. Immovable property (including accessories) shall be liable to succession duty only in the Contracting State in which it is situated; equipment or livestock of agricultural or forestry enterprises shall be taxable only in the Contracting State in which the enterprise is situated.

Article 29. Tangible or intangible movable property left by a deceased person who at the time of his death was domiciled in one of the Contracting States and invested in a commercial, industrial or handicraft enterprise of any kind shall be liable to succession duty in accordance with the following rule:

- (a) If the enterprise has a permanent establishment in only one of the two Contracting States, the property shall be liable to duty only in that State; this provision shall apply even where the enterprise extends its operations to the territory of the other Contracting State without maintaining a permanent establishment there;
- (b) If the enterprise has a permanent establishment in each of the two Contracting States, the property shall be liable to duty in each State to the extent that it is used for a permanent establishment situated in the territory of that State.

However, the provisions of this article shall not apply to investments made by the deceased in joint-stock companies (companies limited by shares) (*sociétés anonymes*), limited partnerships with share capital (*sociétés en commandite par actions*), limited-liability companies (*sociétés à responsabilité limitée*), co-operative societies (*sociétés coopératives*), civil companies (*sociétés civiles*) subject to the tax regulations governing joint-stock companies or—in the form of commandite interests—in simple limited partnerships (*sociétés en commandite simple*).

Article 30. Tangible or intangible movable property connected with a fixed place of business and used in the practice of a profession in one of the Contracting States shall be liable to succession duty only in the Contracting State in which such place of business is situated.

Article 31. Tangible movable property other than the movables referred to in articles 29 and 30, including furniture, linen and household goods and art objects and collections, shall be liable to succession duty only in the Contracting State in which it is actually situated at the date of death.

However, ships and aircraft shall be liable to succession duty only in the Contracting State in which they were registered.

Article 32. Property of a deceased person's estate to which articles 28 to 31 do not apply shall be liable to succession duties only in the Contracting State in which the deceased was domiciled at the time of his death.

Article 33. 1. Debts pertaining to enterprises of the kinds referred to in articles 29 and 30 shall be charged against the property of those enterprises. If the enterprise has a permanent establishment or fixed place of business, as the case may be, in both Contracting States, the debts shall be charged against the property of the establishment or place of business to which they pertain.

2. Debts secured by immovable property or rights in immovable property, or by ships or aircraft as referred to in article 31, or by property used in the practice of a profession as provided for in article 30, or by the property of an enterprise of the kind referred to in article 29, shall be charged against such property. If a debt is secured at the same time by property situated in both States, it shall be charged against the property situated in each of them in proportion to the taxable value thereof.

This provision shall apply to the debts referred to in paragraph 1 only to the extent to which they are not covered in the manner provided for in that paragraph.

3. Debts not provided for in paragraphs 1 and 2 shall be charged against property covered by the provisions of article 32.

4. If, after the procedure provided for in the three preceding paragraphs, there remains an outstanding balance in one of the Contracting States, such balance shall be deducted from the value of any other property liable to succession duty in the same State. If there is no other property subject to duty in that State or if after such deduction a balance still remains, such balance shall be charged against the property subject to duty in the other Contracting State.

Article 34. Notwithstanding the provisions of articles 28 to 33, each Contracting State shall retain the right to assess the duty on inherited property which it has the exclusive right to tax at the average rate applicable to the sum of the property which would be liable to duty under its internal legislation.

Chapter III. REGISTRATION TAXES OTHER THAN SUCCESSION DUTIES; STAMP DUTIES

Article 35. Where a deed or judgement drawn up in one of the Contracting States is presented for registration in the other Contracting State, the taxes applicable in the latter State shall be determined in accordance with the provisions of its internal legislation, provided that the taxes due in that State shall where appropriate be reduced by the amount of the registration taxes already levied in the former State.

However, deeds or judgements transferring the ownership or usufruct of immovable property or a business or the use of immovable property, and deeds or judgements registering the transfer of a right to lease or to benefit by an option to lease all or part of an immovable property, may be charged with a transfer tax only in the Contracting State in whose territory the immovable property or business is situated.

The provisions of the first paragraph of this article shall not apply to company articles of association or amendments thereto. Such documents shall be liable to the *ad valorem* capital tax (*droit proportionnel d'apport*) only in the State in which the company has its registered offices. In cases of mergers or similar operations, the tax shall be levied in the State in which the acquiring or new company has its registered offices.

Article 36. Any deed, judgement or bill (*effet*) utilized in one State must be charged with stamp duty at the rate applicable in that State, provided that such duty shall where appropriate be reduced by the amount of the stamp duties already levied in the other State.

TITLE III. ADMINISTRATIVE ASSISTANCE

Article 37. 1. The taxation authorities of each of the Contracting States shall communicate to the taxation authorities of the other Contracting State any fiscal information available to them and useful to the latter authorities to ensure the proper assessment and collection of the taxes to which this Agreement relates and the enforcement with respect to such taxes of the statutory provisions concerning the prevention of tax fraud.

2. Any information so exchanged shall be treated as confidential and shall not be disclosed to persons other than those concerned with the assessment and collection of the taxes to which this Agreement relates. No information shall be exchanged which would reveal a commercial, industrial or professional secret. Information may be withheld where the requested State considers that it would be likely to endanger its sovereignty or security or to prejudice its general interests.

3. Information shall be exchanged automatically, or on request in connection with specific cases. The competent authorities of the two Contracting States shall agree on the list of classes of information to be provided automatically.

Article 38. 1. The Contracting States agree to lend each other reciprocal assistance and support with a view to the collection, in accordance with the provisions of their respective laws or regulations, of the taxes to which this Agreement relates and of any tax increases, surcharges, overdue payment penalties, interest and costs pertaining to the said taxes, where such sums are finally due under the laws or regulations of the requesting State.

2. Requests for assistance shall be accompanied by such documents as are required under the laws or regulations of the requesting State as evidence that the sums to be collected are finally due.

3. On receipt of the said documents, writs shall be served and measures of recovery and collection taken in the requested State in accordance with the laws or regulations governing the recovery and collection of its own taxes.

4. Tax debts to be recovered shall enjoy the same safeguards and privileges as similar tax debts in the requested State.

Article 39. In the case of tax debts still subject to appeal, the taxation authorities of the creditor State may, in order to safeguard its rights, request the competent taxation authorities of the other Contracting State to take such interim measures as are permitted by the latter's laws or regulations.

Article 40. The measures of co-operation specified in articles 38 and 39 shall also apply to the recovery of any taxes and duties other than those to which this Agreement relates, and, in general, to all debt-claims of whatsoever nature of the Contracting States.

Article 41. 1. Where a taxpayer shows proof that as a result of measures taken by the taxation authorities of the Contracting Governments he has suffered double taxation in respect of the taxes to which this Agreement relates, he may make application to the competent authorities of the State in the territory of which he has his fiscal domicile or to those of the other State. If the application is upheld, the competent authorities of the two States shall reach agreement with a view to the equitable avoidance of double taxation.

2. The competent authorities of the Contracting Governments may also reach agreement with a view to the prevention of double taxation in cases not provided for in this Agreement, and in cases where the application of the Agreement gives rise to difficulties.

3. If it appears that agreement would be facilitated by negotiations, the matter shall be referred to a mixed commission composed of an equal number of representatives of each Contracting Government, appointed by their respective Ministers of Finance.

The commission shall be presided over alternately by a member of each delegation.

Article 42. The competent authorities of the two States shall consult each other to determine, by agreement and so far as may be necessary, the procedures for the application of this Agreement.

Article 43. 1. Each of the Contracting States shall notify the other of the completion of the procedures required by its legislation for the entry into force of this Agreement. The Agreement should enter into force on the date of the latest notification and shall be applicable:

- In respect of taxes on income, to the taxation of income payable on or after 1 July 1975;
- In respect of income of the kinds referred to in articles 13, 15, 18 and 19, to income payable on or after 1 July 1975;
- In respect of succession duties, to the estates of persons deceased on or after 1 July 1975;
- In respect of other registration taxes and stamp duties, to deeds drawn up and judgements rendered on or after 1 July 1975;
- In respect of the recovery of any debts other than fiscal debts, to debts arising out of a transaction made on or after 1 July 1975.

The competent authorities of the two States shall reach agreement on ways of settling any difficulties that arise from the retroactive implementation of the provisions of this Agreement.

Article 44. This Agreement shall remain in force indefinitely.

However, on or after 1 January of the fifth year following the year of the entry into force of this Agreement, either of the Contracting States may give notice to the other of its intention to terminate the Agreement, such notice to be given before 30 June of any year. In that event, the Agreement shall cease to apply as from 1 January of the year following the year in which notice is given, it being understood that its effects shall be limited:

- In respect of taxes on income, to income acquired or payable during the year in which notice of termination is given;
- In respect of succession duties, to the estates of persons deceased not later than 31 December of that year;
- In respect of other registration taxes and stamp duties, to deeds drawn up and judgements rendered not later than 31 December of that year;
- In respect of the recovery of debts of any nature, to debts arising out of a transaction made not later than 31 December of that year.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement, drawn up in two original copies in the French language.

DONE at Yaoundé on 21 October 1976.

For the Government
of the French Republic:

[Signed]
H. DUBOIS

For the Government
of the United Republic of Cameroon:

[Signed]
J. KEUTCHA

EXCHANGE OF LETTERS

I

FRENCH REPUBLIC
EMBASSY OF FRANCE IN CAMEROON

Yaoundé, 21 October 1976

Sir,

As you are aware, articles 38 to 40 of the Tax Agreement between the Government of the French Republic and the Government of the United Republic of Cameroon, signed at Yaoundé on 21 October 1976, provide for measures of reciprocal co-operation with a view to the collection of the taxes to which the Agreement relates, of all other taxes and duties and, in general, of all debt-claims of whatsoever nature of the Contracting States.

Lest the implementation of the above provision should give rise to difficulties of procedure in certain cases, and in order to preserve the atmosphere of confidence which exists between the Government of our two countries, I have the honour to propose that, where, in application of the provisions of the above-mentioned articles 38 to 40, proceedings are instituted against a taxpayer in one of our two States for the recovery of taxes or debts owed in the other State, the taxpayer shall be entitled to request the competent authorities of the first-mentioned State to stay such proceedings if he is able to establish title to property situated in the State in which the tax in question was assessed or to substantiate a claim against a public or quasi-public authority of that State.

If the request, which must be supported by the necessary documents, appears to be justified, the application of the provisions of article 38 shall be suspended. The competent authorities of the requesting State shall be informed of that decision and the request shall be submitted within three months to the mixed commission referred to in article 41 for consideration. That commission shall decide whether, and to what extent, the measures of enforced recovery shall proceed.

In more general terms, disputes relating to collection shall be deemed to be difficulties of application within the meaning of article 41 of the Agreement. Referral of the matter to the mixed commission shall not preclude the application of the provisions of article 39 of the Agreement. Those provisions shall be *a fortiori* applicable, in that the matter relates to debts which are no longer subject to appeal.

I should be greatly obliged if you would inform me whether this proposal is acceptable to your Government.

Accept, Sir, etc.

[Signed]

H. DUBOIS

His Excellency the Minister for Foreign Affairs
of the United Republic of Cameroon

II

UNITED REPUBLIC OF CAMEROON

Yaoundé, 21 October 1976

Sir,

By letter of today's date you informed me as follows:

[See letter I]

I have the honour to inform you that my Government agrees to the foregoing proposal.

Accept, Sir, etc.

[Signed]

J. KEUTCHA

His Excellency the Ambassador of France
to Cameroon
