

LAW N° 2018/011  
OF 11 JUIL 2018 TO LAY DOWN

# THE CAMEROON CODE OF TRANSPARENCY & GOOD GOVERNANCE

IN PUBLIC FINANCE MANAGEMENT



MINISTRY OF FINANCE

## REPUBLIC OF CAMEROON

Peace – Work – Fatherland

Ministry of Finance

[www.minfi.gov.cm](http://www.minfi.gov.cm)

[www.dgb.cm](http://www.dgb.cm)

Design Lucide • November 2018 • Printing: Sylem's design

THE PARLIAMENT  
DELIBERATED AND  
ADOPTED, THE PRESIDENT  
OF REPUBLIC HEREBY  
ENACTS THE LAW SET  
OUT BELOW:

### Chapter I General provisions

#### SECTION 1

(1) This law relates to the CEMAC Code of Transparency and Good Governance in Public Finance Management for Cameroon.

(2) Its purpose is to define the principles and rules governing State legislation and practices in the management of public funds and financing provided by international institutions or foreign States.

### Chapter II Legality and publicity of public financial transactions

#### SECTION 2

(1) The finance law shall lay down the rules relating to the assessment, rate and collection of all types of taxes.

(2) Taxpayers shall be entitled to clear, accessible and comprehensible taxation instruments.

(3) All taxpayers shall be entitled to extensive, regular and comprehensive information on taxes and taxation trends.

#### SECTION 3

(1) No public expenditure shall be committed or paid unless provided for by a duly published law or regulation and authorized by a finance law.

(2) The Administration shall set out the rules and criteria for granting aid, subsidies and transfers to private individuals. Such rules shall be made public.

#### SECTION 4

The regulations applicable to public contracts and public service delegations shall conform to this law as well as internationally recognized principles, rules and practices.

#### SECTION 5

(1) The public shall be regularly informed of the sale of public goods. Such sales shall be open to all without discrimination.

(2) Notwithstanding the publicity measures provided for in sub-section (1) above, specific measures shall be taken to inform the public on major transactions whose minimum amount shall be fixed by regulation.

#### SECTION 6

(1) Contracts signed between the Administration and public or private enterprises, in particular those exploiting natural resources and those operating public service concessions shall be clear and made public. These principles shall be applicable to the award procedures as well as the contents of contracts.

(2) Such contracts shall be duly audited by the competent jurisdiction and the competent parliamentary commissions.

(3) The involvement of the Government in the private sector shall be transparent and based on non-discriminatory rules and procedures.



**SECTION 7**

Every concession granted for the use or exploitation of public assets, as well as public-private partnerships shall be based on formal and explicit laws.

**SECTION 8**

Relations between the public administration and public enterprises or other public entities shall be governed by provisions that are clear and accessible to the public.

**SECTION 9**

Where government decisions, save those falling under defence secrecy, are likely to have a significant financial impact, the total budgetary impact amount of such decisions in revenue and expenditure shall be made public.

**SECTION 10**

No public expenditure shall be financed by an international organization or foreign State without prior information of the Minister in charge of finance.

**Chapter III**  
**Duties and responsibilities**  
**of state institutions and**  
**entities**

**SECTION 11**

The division of public competences, responsibilities and resources among various levels of public administration as well as financial relations between them shall be clearly defined and be the subject of general, clear and consistent information.

**SECTION 12**

The respective competences and responsibilities of the Government and Parliament regarding the conduct of the budgetary policy, public expenditure and revenue options as well as budget execution and control shall be clearly defined in accordance with the Constitution.

**SECTION 13**

- (1) Parliament shall review the draft State budget and its implementation yearly.
- (2) Parliamentarians shall have the right to full information and communication on all aspects of the management of public funds.

**SECTION 14**

- (1) An annual calendar for the preparation of the State budget shall be prepared and published. Such calendar shall in particular provide for, within a reasonable period prior to submission of draft finance bills, the publication by the Government of a report on economic assumptions, its major medium-term budgetary guidelines and priorities as well as main fiscal options and budgetary risks for the coming year.
- (2) This report shall be debated in Parliament.

**SECTION 15**

- (1) Within the Government, the respective roles and responsibilities of the Minister in charge of finance, other ministers and the Head of Government shall be clearly defined.
- (2) The main budgetary policy options shall be debated collegially by the Government. Once decisions are taken under the authority of the Head of the Executive Branch, they shall be binding on all ministries.

**SECTION 16**

The budgets and accounts of statutory institutions shall be prepared and managed under the same transparency, accuracy and audit conditions as those defined for all public entities by this law.

**SECTION 17**

The courts with jurisdictions over disputes relating to tax and non-tax revenue, expenditure, financing, State land management, public contracts and public service delegation shall be clearly identified.

**SECTION 18**

The above-mentioned principles and rules shall be transposed to regional and local authorities, with the necessary adaptations, in order to determine, in matters of local public finance, the respective powers of mayors and deliberative assemblies as well as the local budget procedure.

**SECTION 19**

- (1) The authorities in charge of statistics shall collect, process and publish data and information on public finance independently from political authorities.
- (2) The methodology for drawing up statistics shall be published upon their dissemination.

**Chapter IV**  
**Economic framework**

**SECTION 20**

- (1) The State budget shall form part of the overall medium-term macroeconomic budgetary and financial policy framework covering the coming year and at least the two (2) following years.

- (2) The economic assumptions used shall be explained and justified as well as the financing expected from external assistance.

- (3) Such assumptions shall, where necessary, be compared with other available projections made by competent and independent sources other than those of the Government.

**SECTION 21**

Such general framework shall be aligned with commitments made under the treaties of the Economic and Monetary Community of Central Africa (CEMAC) and shall include all the information required for the implementation of the monitoring and convergence mechanisms provided for under the said treaties.

**SECTION 22**

- (1) The deficit, balanced or surplus State budget shall be presented in accordance with internationally recognized public finance statistics principles, rules and practices. It shall be fixed each year by the finance law.
- (2) The overall consolidated forecast balance of all government services, comprising the State, public enterprises and establishments, local and regional authorities as well as welfare organizations shall be published in documents annexed to the finance law.

**SECTION 23**

- (1) The Government shall publish detailed information on the level and composition of its internal and external debt, its financial assets and key financial obligations, in particular acquired rights relating to public service retirements, guarantees granted to public and private entities and natural resource assets.
- (2) Such information shall be presented in accordance with internationally recognized public finance statistics principles, rules and practices.



**SECTION 24**

The consolidated financial debt of all government services shall be published as well.

**Chapter V**  
**Preparation and presentation of public budgets**

**SECTION 25**

Annual budgets shall be realistic and accurate in their expenditure and revenue forecasts. Regarding the State budget, the key budget risks shall be identified and evaluated in a report that must be tabled alongside the budgetary documents before Parliament.

**SECTION 26**

(1) In order to be comprehensive, the budgets and accounts shall cover, for each government service, all budgetary transactions.

(2) No revenue may be allocated to a predetermined expenditure, save in special cases, where an economic linkage effectively exists between a given revenue and the expenditure being financed or, regarding international funding, to comply with the specific desire of foreign donors.

**SECTION 27**

(1) Financial data shall be presented on a gross basis, distinguishing revenue, expenditure and funding and cash operations.

(2) Recurrent and investment expenditure shall be combined in the same budget and the preparation and adoption procedure shall be one and the same for both categories of expenditure.

**SECTION 28**

Information similar to those of the year's budget shall be provided on the execution of the previous year's budget. Year-to-year changes to the budgeting rules and scope shall be reported in order to have homogeneous series over time.

**SECTION 29**

To back the budgetary documents up, a description of key expenditure and revenue measures shall be provided, specifying their input to economic policy objectives and their consistency with each of the key public policies implemented by the Government.

**SECTION 30**

Each category of expenditure shall be provided for and authorized according to a clear and stable nomenclature enabling the determination of the vote holder, the economic nature of the expenditure and the public policy being supported.

**SECTION 31**

A comparison of the financial results and physical outcomes of the key budgetary programmes representative of public policies shall be made public every year.

**SECTION 32**

The detailed and justified proceeds of all revenue sources, including those relating to natural resources development activities and international financial cooperation shall feature in annual budget presentations.

**SECTION 33**

The detailed nature and budgetary cost of tax exemptions and waivers, as well as loans, advances and guarantees, shall be presented during the adoption of the annual budget.

**SECTION 34**

Explicit and detailed justifications shall be provided for any substantial discrepancy between a budget estimate and the actual corresponding result, as well as any proposed budget estimate review and authorization.

**Chapter VI**  
**Revenue and expenditure execution**

**SECTION 35**

Any necessary amendments to public budgets within the financial year shall be presented in the same format as those of the initial budget.

**SECTION 36**

Periodic reports on the budget implementation status shall be published during the year.

**SECTION 37**

Each stage of the revenue and expenditure execution process shall be set out, without confusion or duplication.

**SECTION 38**

Complains relating to tax or non-tax obligations shall be reviewed within the time-frame laid down by regulation.

**SECTION 39**

The revenue and expenditure of the budgets of ministries shall be duly recorded in compliance with internationally recognized accounting principles, rules and practices.

**Chapter VII**  
**Auditing**

**SECTION 40**

All transactions relating to the revenue, expenditure and financing of the budgets of Ministries must be subject to a political, judicial and administrative audit.

**SECTION 41**

Political audit shall be conducted by Parliament, for the State budget, and by duly elected deliberative assemblies, for local and regional authorities.

**SECTION 42**

(1) Public finance and the policies it supports shall be subject to external audit by the audit court.

(2) The work programme and methods of the audit court, as well as its decisions and analyses shall be prepared in total independence from the executive and the legislative powers.

**SECTION 43**

(1) The audit court shall publish all the reports forwarded to the President of the Republic, Parliament and the Government.

(2) It shall also publish its special decisions in the Official Gazette and in at least 2 (two) major national newspapers featuring on the list of legal notices newspapers.

(3) These recommendations shall be monitored and the results of such monitoring duly made public.

**SECTION 44**

The responsibilities of each stakeholder concerned and the terms and conditions of the audit and penalties against their actions shall be formally specified.



## SECTION 45

The final audited accounts together with the audit reports shall, each year, serve to verify compliance with budget authorizations and the trend of ministries' assets.

## SECTION 46

The activities and finances of ministries shall be subject to internal audit.

## Chapter VIII Public information

### SECTION 47

(1) The administration shall take all necessary measures to publish public finance information, within the time limits set by regulation.

(2) The information provided for in sub-section (1) above shall be exhaustive. It shall concern the past, present and future and shall cover all budgetary and extra-budgetary activities.

(3) A separate instrument, signed before the beginning of the financial year, shall make public the time table for publication of the information provided for in sub-section (1) above.

### SECTION 48

(1) For purposes of comprehension and objectivity, the public shall be duly informed on the key stages of the budget procedure as well as their economic, social and financial significance.

(2) The press, social partners and all civil society actors in general shall be encouraged to participate in disseminating information, as well as in the public debate on governance and public finance management.

## SECTION 49

A summary budget guide, intended for the general public, shall be published on the occasion of the annual budget in order to breakdown the major revenue and expenditure headings, including their yearly trends.

## SECTION 50

All the information and documentation relating to public finance, as provided by this Law, shall be published by competent institutions on their websites once available.

## Chapter IX Integrity of stakeholders

### SECTION 51

(1) Holders of any public authority, elected officials, members of Government or senior officials shall declare their assets at the beginning and at the end of their terms or tenure of office.

(2) A separate law shall lay down the conditions and scope of implementation of this principle and shall specify offences and penalties regarding illicit enrichment.

### SECTION 52

(1) The duties of State employees shall also be governed by clear ethical rules known to all.

(2) A specific code of ethics for elected officials, based on the principles of this law, shall be prepared by Parliament.

(3) Public service disciplinary rules and procedures regarding public finance offences shall be reinforced.

## SECTION 53

Penalties inflicted in accordance with the rule of law shall be provided against all elected persons or senior officials who mismanage State funds.

## SECTION 54

Failure to report to the courts by any State employee who had knowledge of any criminal offence in the management of State funds shall also be punishable.

## SECTION 55

(1) The procedures and the conditions of employment in the public service shall be laid down in compliance with the Constitution.

(2) No one may be appointed or assigned to a position involving financial responsibilities without prior verification of his/her technical skills, professional abilities, and ethical guarantees presented.

(3) Appropriate training programmes shall be provided to sustain and update such skills.

## SECTION 56

The State shall guarantee the financial, tax and customs administrations against all forms of influence. It shall also ensure respect for the taxpayer's rights and regularly inform the public about the activities of these administrations.

## Chapter X Miscellaneous and final provisions

### SECTION 57

All laws and regulations subsequent to this law, and directly or indirectly affecting public finance management shall be drafted and adopted in compliance with the principles and rules laid down in this law.

### SECTION 58

The laws and regulations that directly or indirectly affect public finance management must comply with the principles and rules laid down in this law.

### SECTION 59

This law shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

YAOUNDE, 11 JULY 2018



LE PRESIDENT  
PAUL BIYA  
PRESIDENT OF THE REPUBLIC



