French-speaking Africa

Understanding of the OHADA law and some common legal questions to consider
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<td>Moderator</td>
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<td>Joseph Pagop Noupoue</td>
<td>EY French Speaking Sub Area Tax Leader</td>
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<td>Chief Justice Menyoli</td>
<td>Deputy Head of the Appeal Court of</td>
<td>Partner</td>
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<td>Nicolas Chevrinais</td>
<td>North West Province in Cameroon</td>
<td>EY Gabon</td>
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<td>Elza Gillman</td>
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<td>Isaac Quaye</td>
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<td>Engen</td>
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<td>Regional Finance Manager:</td>
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<td>West and Islands</td>
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<td>Senior Manager</td>
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<td>EY Ghana</td>
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Agenda

► What is Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA)?
► Objectives
► Impact on our clients
► The OHADA legal instruments
What is OHADA?

- **OHADA is the organization for the harmonization of business law in Africa**
  
  Treaty signed in Port Louis (Mauritius) on 17 October 1993, revised on 17 October 2008 in Quebec

- **Face the challenge of the globalization and financial power of foreign companies**

- **Need for regionalization of law and economic policy and regional social order to cope with the demands of globalization, by the proliferation of regional organizations**
What is OHADA?

2015 – 17 member states:

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<th>Burkina Faso</th>
<th>Cameroon</th>
<th>Central African Republic</th>
<th>The Comoros</th>
<th>Chad</th>
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<td>Benin</td>
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<td>Democratic Republic of Congo (DRC)</td>
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<td>Cote d'Ivoire</td>
<td>Gabon</td>
<td>Guinea Bissau</td>
<td>Equatorial Guinea</td>
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<td>Mali</td>
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<td>Guinea Conakry</td>
<td>Senegal</td>
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- These countries have the same corporate law, general commercial law, collective proceedings, secured transactions, recovery procedures and measures of enforcements, arbitration and common court of justice.
- The treaty is opened to any state member of the African union and to any non-member state to the African union, but invited to integrate on common agreement of all other states (section 53 of the treaty).
What is OHADA?
Objectives of OHADA

The objective of OHADA is to ensure that all member states have the same harmonized business law.

The main purpose is to foster economic development, integration of region’s economies, legal stability and, in particular, to:

- Promote arbitration as a means of settling contractual disputes by the creation of a common court of justice and arbitration (CCJA).
- Upskill judges and officers of the courts to a common standard.

Headquarters in the Ivory Coast:
- Review appeal rulings handed down by national trial
- Express opinions
- Appoint arbitrators in connection with arbitration proceedings
The impact of OHADA on our clients

Unique and same corporate law: incorporation of companies and branch follows the same rules

Same accounting system making the bookkeeping easier

Same applicable rules for sureties, mortgages, commercial law, bankruptcy, etc

Same legal formalities for incorporation, except some minor local particular processes in some countries

Same applicable rules for transport of goods, development of cross-border transactions
The impact of OHADA on our clients

Corporate secretarial harmonization of procedures

A single EY contact for clients all over the 17 member states

Facilitating cross-border transactions

Same time process
The impact of OHADA on our clients investment perspectives

- Investment on a short-term basis
- Simplified structures
- Modern corporate management
- Four years term branch, renewal included
- Liaison office or representative office
- Sole company
- Simplified limited company
- General meeting by videoconference
- Written general meeting
The OHADA Uniform Act

The Uniform Act on general commercial law entered into force on 1 January 1998, revised in May 2011.

The Uniform Act on guarantees, sureties, mortgages, pledges and liens entered into force on 1 January 1998, revised.

The Uniform Act on transport of goods entered into force on 1 January 2004.

The Uniform Act on farming companies entered into force on 16 May 2011.
The OHADA legal instruments

The Uniform Act on debt collection proceedings and enforcement measures entered into force on 10 July 1998.

The Uniform Act on arbitration entered into force on 11 June 1999.

The Uniform Act on bankruptcy proceedings entered into force on 1 January 1999.

The Uniform Act on accounting entered into force on 1 January 2001 for personal accounts of companies and on 1 January 2002 for consolidated accounts for companies.
What is next?

► Adoption in September 2015 of a new Uniform Act organizing collective proceedings for writing off debts - facilitating the rescue of viable companies and the substantial payment of creditors

► Project of a Uniform Act on Labor Law, elaborated in Cameroon in 2006 and on progress – Same Labor Law across 17 African countries

► Revision process of the Uniform Act on the organization and harmonization of business accounting

► Revision process of the Uniform Act relating to arbitration
Questions?
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