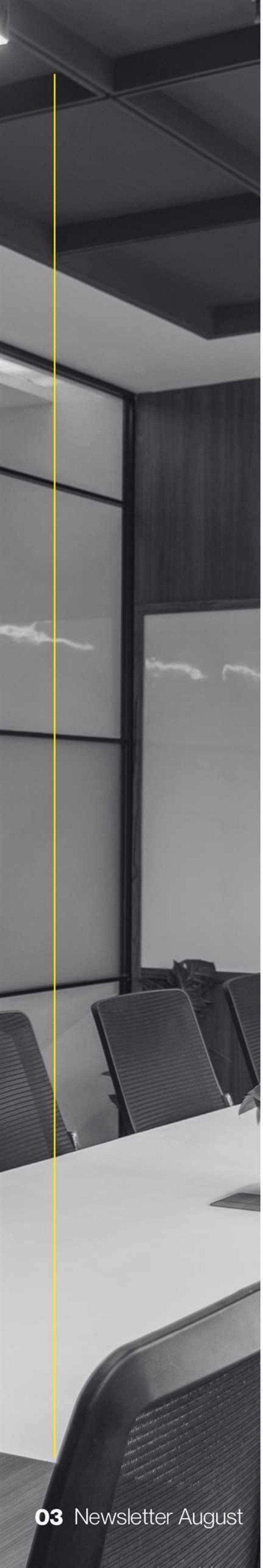
The Newsletter of Chazai Wamba

August 2026

Summary



EDITORIAL BY FLORA WAMBA

The year 2026 is distinctive in that it transforms recent reforms into concrete legal obligations. Among the most significant developments are the recapitalization of banks within the CEMAC region, the regulation of banking intermediaries, and the revised wording of Article 49 of the OHADA Uniform Act Organizing Simplified Recovery Procedures and Measures of Execution (AUPSRVE) . Although these reforms were adopted recently, they have now entered their most critical phase:
implementation.

While these reforms were adopted at the regional level, it is within domestic legal systems that they find their practical application, as the effectiveness of their implementation will ultimately be measured at the national level. Our role is to ensure that these rules are applied in accordance with the applicable legal framework and to assess their implications for our clients' business activities.

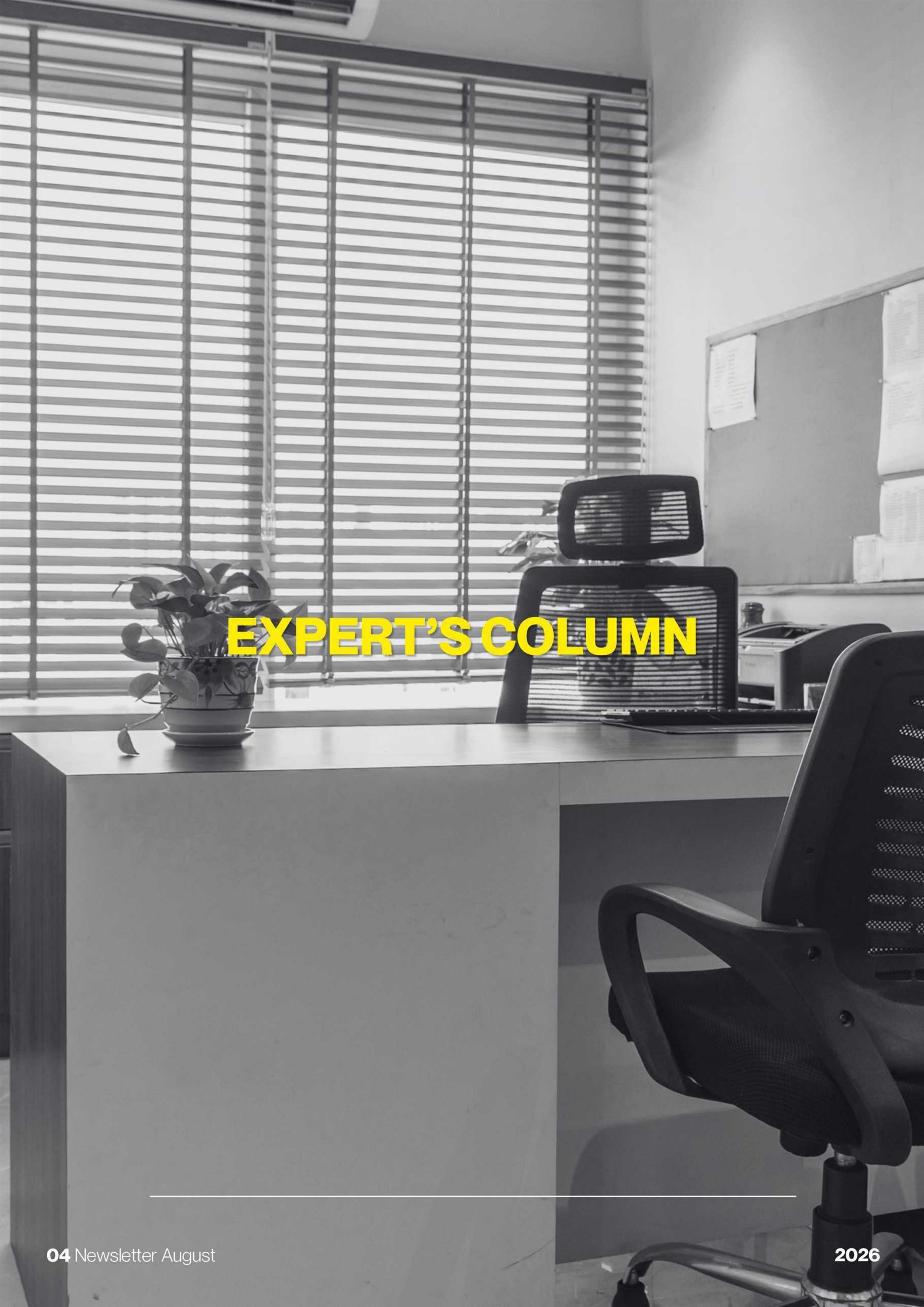
In this regard, following the increase in the minimum capital requirements for nsurance companies introduced by the CIMA*, COBAC has now raised the minimum capital requirements applicable to banks. Our firm assists clients throughout their recapitalization processes. We have also been consulted on the legal status of banking intermediaries in Central Africa, a regulatory framework which, in our view, deserves the attention of all stakeholders. We also welcome the amendment to Article 49 of the AUPSRVE, whose previous wording, as discussed in this issue, gave rise to genuine difficulties of interpretation.

This edition extends beyond banking law and enforcement proceedings. It also includes an analysis of Cameroonian labour law, examining the replacement of a company vehicle with a financial allowance, together with our case notes on two recent decisions of the OHADA Common Court of Justice and Arbitration (CCJA).

We wish you an enjoyable and insightful read!

Flora Wamba

**Regulation No. 007/CIMA/PCMA/CE/2016 of 8 April 2016, amending and supplementing Article 329-3 of the CIMA Insurance Code, increased the minimum share capital requirement for insurance companies incorporated as public limited companies (Sociétés Anonymes) to CFAF 3 billion. Although the reform initially contemplated a phased increase from CFAF 3 billion to CFAF 5 billion, the CIMA Council of Ministers subsequently abandoned the second phase, with the effective minimum capital requirement remaining at CFAF 3 billion.*



EXPERT'S COLUMN

REPLACING A COMPANY CAR WITH A CASH ALLOWANCE: WHAT YOU NEED TO KNOW

Christian Joliet Nkem
Legal Adviser

Faced with rising car fleet-management costs, the administrative burden of maintaining vehicles, and shifting mobility policies, a growing number of companies are considering replacing company cars with a financial allowance. This move has already been adopted by several international groups and offers clear advantages in terms of cost control and simpler human resources management. However, what looks like a simple management decision in fact raises several important legal questions.

Can an employer unilaterally withdraw a company car that forms part of an employee's benefits package? If not, does the payment a cash allowance neutralise the legal risk? Is the employee's consent required? Under Cameroonian labour law, the answers to these questions rest on how the company car is legally characterised, and on the conditions under which it was granted to employees.

To understand the legal issues raised by the replacement of a company car with a cash allowance, we shall successively examine the legal characterisation of the company car (I), the conditions under which this benefit can crystallise into a vested right for the employee (II), and the requirements governing its substitution (III). We shall equally assess the risks attached to the operation (IV) and its tax and social-security implications (V), before setting out the key safeguards for its legally secured implementation (VI).

I. The necessary distinction between a service vehicle and a company car

The starting point is to distinguish the service vehicle from the company car.

A service vehicle is made available to the employee solely for work purposes. Its use is strictly confined to carrying out duties assigned by the employer. In that case, the vehicle is simply a working tool and confers no personal benefit on the employee.

Conversely, when an employee is allowed to use the vehicle outside working hours or for private purposes, it becomes a benefit in kind. This distinction matters: once personal use is authorised, the vehicle delivers an economic advantage to the employee and becomes part of their overall remuneration.

This reading is consistent with Cameroonian labour and tax law. Benefits in kind are brought into the social-security contribution base under Article 7.2 of Ordinance No. 73-17 of 22 May 1973 on the Organisation of Social Welfare, as amended by Law No. 84-006 of 4 July 1984. They are likewise factored into the employee's taxable income under Article 32 of the General Tax Code.

In this light, a company car is not simply a means of transport supplied to enable an employee to do their job. It becomes a component of the employee's remuneration, with all the legal consequences that entails.

II. A benefit that can become a right for the employee

In some companies, company cars are awarded according to precise criteria tied to grade, hierarchical level or responsibilities.
Where a benefit is granted to a defined category of employees on a stable, consistent basis and according to pre-set criteria, it can qualify as a vested right benefit.
Three criteria are traditionally used to identify a vested benefit: generality, constancy, and fixity.
In practice, these criteria are frequently met where vehicles are allocated to managers or executives under a structured human resources policy or specific contractual arrangements. Moreover, where the benefit is expressly recorded in the employment contract or flows from internal policy or a consistent company practice, the employee can legitimately regard it as an integral part of their remuneration.
In such circumstances, withdrawing the vehicle risks being treated as the withdrawal of a vested right, rather than a mere management decision.

III. Can a cash allowance replace the vehicle?

In principle, no provision of the Cameroonian Labour Code prevents an employer from replacing a benefit in kind with a cash allowance. This latitude flows from the employer's managerial and organisational prerogative. That freedom, however, is not unlimited.
Section 42 of the Labour Code provides that a substantial modification of the employment contract cannot take place without the employee’s agreement where it affects an essential element of the employment relationship. Where a company car constitutes a benefit in kind forming part of remuneration, its withdrawal directly affects the structure of the employee's remuneration. Replacing it with a cash allowance therefore requires, in principle, the employee's prior and express consent. Failing that, the employer risks a challenge based on unilateral modification of the employment contract.

IV. Financial equivalence does not eliminate every risk

In most organisational changes of this kind, the employer aims to preserve the economic value of the benefit granted to the employee. The cash allowance is often calculated by reference to the real cost of the vehicle, including depreciation, maintenance, insurance and running cost.
Although this approach has merit, it does not always eliminate the legal risk. Courts and labour authorities do not reason in purely monetary terms. A company car can also carry a qualitative dimension linked to comfort, safety, prestige or convenience.
As a result, even where economic equivalence is demonstrated, some employees may still perceive the change as a deterioration of their pay conditions. This is precisely why demonstrating financial equivalence needs to be backed by proper contractual documentation and the employee's consent.

V. Tax and social-security stakes not to be overlooked

Moving from a benefit in kind to a cash allowance has consequences that go beyond labour law. It also carries tax and social-security implications. The employer must ensure that the allowance is correctly reflected in the remuneration elements declared to the relevant authorities, and that the corresponding withholdings are made in accordance with applicable regulations.

Mischaracterising or mishandling the allowance can lead to tax or social-security reassessments, sometimes years after the scheme was put in place. A prior review of the tax and social-security treatment of the new arrangement is therefore essential.

VI. How to legally secure the transition

Securing the process mainly depends on how it is implemented. In practice, several measures should be combined:

- Draw a clear line between new employees and those already benefiting from a company car.
- Formalise the change through amendments to employment contracts, in line with the requirements of Section 42 of the Labour Code.
- Obtain the free, express and informed consent of the employees concerned, after providing them with all relevant information on the consequences of the change.
- Document how the allowance is calculated, together with the evidence supporting its economic equivalence with the benefit withdrawn.

Finally, it may be worth providing accompanying measures such as a transition period, an opt-in mechanism, or temporary compensation to help make the change acceptable.

KEY TAKEAWAYS

1. Replacing a company car with a cash allowance is legally feasible under Cameroonian law.

2. However, where the vehicle is a benefit in kind, forming part of remuneration and capable of qualifying as a vestedBILLI, withdrawing it cannot be treated as a simple internal management decision.

3. The central issue is compliance with the rules on modifying employment contracts, particularly those arising from Section 42 of the Cameroonian Labour Code.

4. In practice, unilateral implementation exposes the employer to a significant risk of challenge. A gradual, negotiated and carefully documented approach, by contrast, generally allows the company's objectives to be balanced with the requirements of labour law.

LEGISLATIVE FOCUS

BANKING TRANSACTION INTERMEDIARIES IN CENTRAL AFRICA: CONDITIONS AND TERMS OF PRACTICE

Vanina Fonga
Trainee Lawyer at the Cameroon Bar

In the context of strengthening financial inclusion and expanding access to banking services, the Central African Banking Commission (COBAC) adopted, on 19 December 2023, COBAC Regulation R-2023/02 on the Conditions for Carrying on and Supervising the Activity of Intermediaries in Banking Operations in the CEMAC Region (hereinafter the "Regulation").

The Regulation sets out the legal regime applicable to banking transaction intermediaries ("BTIs"), a category established under Article 43 of the Annex to the Convention on the Harmonisation of Banking Regulation in Central African States[1]. A BTI is defined as any person who, as a regular occupation, brings together parties interested in a banking transaction without acting as a guarantor, provided one of those parties is a credit institution. Notaries, along with people providing financial advisory and support services, are expressly excluded from this definition.

This article first examines the requirements for entering the BTI profession (I), before turning to the terms on which the activity may be carried out (II) Access to the BTI profession is strictly regulated.

I. Conditions of access to the profession of IOB

Access to the BTI profession is strictly regulated. No one may practise as a BTI[2]:

- If they have been subject to a disciplinary measure, sanction or conviction[3];
- If they have been subject to one of the following sanctions imposed by COBAC: suspension, compulsory resignation, or withdrawal of authorisation as a disciplinary measure, unless subsequently rehabilitated or once the disqualification period attached to that sanction has expired;
- If the CEMAC banking and financial system holds doubtful claims, directly or indirectly, against them or, as assessed by COBAC, against undertakings or persons under their control or direction;
- If they benefit, personally or through an intermediary, from credit facilities granted by a credit institution in breach of the institution's internal decision-making process or in deliberate disregard of banking regulatory limits, with knowledge of the breach, or if they have contributed to the deterioration of a CEMAC credit institution's financial position.

Furthermore, credit institutions, microfinance institutions and payment institutions may not combine their existing authorisation with BTI activity.

A BTI may be a natural or legal person. Minimum qualification and experience requirements apply both to the individual and to the manager of a corporate BTI, namely:

- A master's degree in economics, banking, finance, private law, accounting or management, or any equivalent qualification recognised as such at the time the application is filed, together with at least 2 years' professional experience in those fields; or
- A bachelor's degree in the same fields, together with at least 5 years' professional experience.

No corporate form or minimum capital is required, reflecting a deliberate policy of opening up the market. Practising the activity is subject to prior authorisation issued by the Minister of Finance ("MINFI"), following COBAC's conforming assent.

The procedure is clearly framed: the application is filed with MINFI and forwarded to COBAC, which must rule within 3 months of the file being complete (silence being deemed a favourable opinion). Authorisation is formalised by ministerial order, with notice given to the relevant authorities, including the Bank of Central African States ("BEAC").

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1 Signed on 17 January 1992.
2 Article 15 of the Regulation.
3 In accordance with paragraphs 1 to 4 of Article 27 of the Annex.

II. Terms on which the activity may be carried out

BTI activity covers presenting, proposing or assisting in the conclusion of banking transactions, along with related preparatory work. These transactions include taking deposits from the public, extending credit, issuing guarantees and managing means of payment[4].
BTIs act exclusively under a mandate issued by a credit institution, which sets out the nature and terms of the services authorised.

The Regulation strictly controls the handling of client funds:
- Only corporate BTIs may temporarily hold funds on behalf of clients or mandating institutions. Such funds are capped at one million (1,000,000) CFA francs per client per month, with a maximum holding period of 48 business hours, and an overall ceiling of twenty million (20,000,000) CFA francs per mandating institution;
- Individual BTIs are barred from holding client funds altogether.

In addition, IOBs must meet reinforced professional obligations: holding a professional card for individuals and for the representatives of corporate BTIs, setting up internal control mechanisms, and compliance with standards relating to the fight against money laundering and terrorist financing[5].
They are supervised by COBAC, which holds sanctioning powers over both BTIs and their mandating institutions, extending as far as withdrawal of authorisation to practise.

Ultimately, through the Regulation, COBAC marks a significant regulatory advance in structuring the BTI sector across CEMAC. By clarifying entry conditions and setting out clear terms of practice, the regulator aims to clean up a sector long marked by informality, while supporting the broader drive toward financial inclusion.

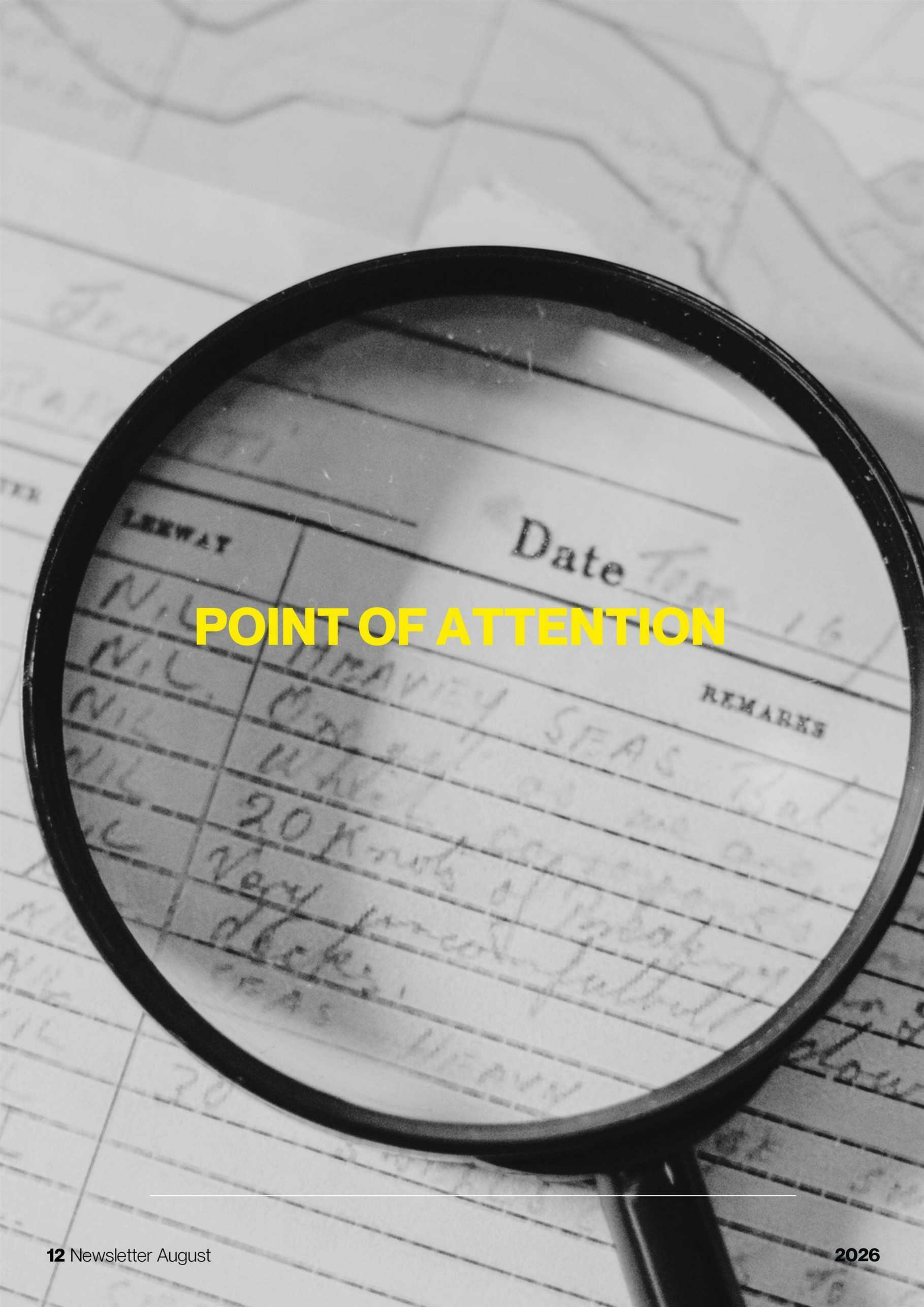
A critical reading of the framework, however, reveals weaknesses. While the absence of a minimum-capital or specific corporate-form requirement makes the market easier to enter, it may also raise concerns about intermediaries' financial soundness and the effective protection of users. Conversely, the strict controls on handling client funds while responding to legitimate security and compliance concerns, may limit BTIs' operational reach, particularly in areas poorly served by credit institutions.

Moreover, the structural dependence of BTIs on mandating institutions confirms their role as auxiliaries rather than autonomous players in the banking system, which could impede innovation and limit their ability to contribute fully to banking penetration. This configuration also raises questions about the allocation of responsibility and the protection of end clients, in an environment where financial literacy remains limited.

As for the Regulation's entry into force on 1 April 2024, the now-expired 12-month transitional period granted to operators to come into compliance, one point deserves emphasis: the compliance phase is a real-world test of the framework's effectiveness. In practice, it exposes the difficulties faced by market participants, particularly informal or loosely structured operators, in meeting heightened administrative, technical and financial requirements. The shift from a largely tolerant environment to a formalised, supervised regime could push some operators out of the market, risking a temporary contraction in local service provision.

In this context, COBAC's challenge is no longer simply to set standards, but to ensure they are applied effectively and proportionately. Rigorous supervision, calibrated to realities on the ground, will be essential to avoid a counter-productive outcome.

4 Article 3 of the Regulation.
5 Articles 32 to 39 of the Regulation.



POINT OF ATTENTION

JUDICIAL OVERSIGHT OF ENFORCEMENT PROCEEDINGS: CHALLENGES RAISED BY THE NEW WORDING OF ARTICLE 49 OF THE AUPSRVE

Dr. Christian Kojouo
Legal Adviser

The Uniform Act Organising Simplified Recovery Procedures and Enforcement Measures ("AUPSRVE") is a cornerstone instrument for harmonising debt-recovery law across the OHADA area. Article 49 of the AUPSRVE plays a central role in determining which court has jurisdiction over disputes and applications relating to protective attachments or enforcement measures. In its original form, the article was the subject of considerable controversy, both among legal scholars and before national courts. It provided that: "*Jurisdiction to rule on any dispute or application relating to an enforcement measure or a protective attachment lies with the presiding judge of the court having jurisdiction in urgent matters, or the judge delegated by that presiding judge. The decision may be appealed within fifteen days from the date it is handed down. Neither the appeal period nor the exercise of that right of appeal shall have suspensive effect, save where the presiding judge of the competent court rules otherwise on specifically reasoned grounds.*"
While the case law of the Common Court of Justice and Arbitration ("CCJA") played a decisive role in interpreting and applying the provision, grey areas remained, prompting the article to be rewritten as part of the reform of enforcement proceedings carried out in October 2023.

Under the new wording of Article 49 of the AUPSRVE: *"In respect of matters relating to movable property, the President of the competent court in each State Party or the Judge delegated by him shall hear any dispute or claim relating to a measure of forceful execution or sequestration. (...)The Judge referred to in Paragraph 1 of this Article may, even of his own motion, order a periodic penalty payment to ensure the execution of his decision. He shall determine the final amount of the penalty taking into account the behaviour of the debtor and the difficulties he has encountered in complying with the decision."*
This redrafting refocuses attention on a long-debated issue i.e., judicial oversight of enforcement proceedings, particularly in movable-property matters and it clarifies (without fully resolving every controversy over its scope) the role of the enforcement judge. On one hand, the redrafting makes it easier to identify the judge referred to in Article 49 (I); on the other, it clarifies that judge's subject-matter jurisdiction (II).

I. **Identifying the enforcement judge**

It should first be noted that the reform removed all reference to the notion of urgency. The new wording is accordingly more refined. The first paragraph of Article 49 now provides that: *" In respect of matters relating to movable property, the President of the competent court in each State Party or the Judge delegated by him shall hear any dispute or claim relating to a measure of forceful execution or sequestration."*
It therefore falls to each State Party, having regard to its own judicial organisation, to determine which court has jurisdiction over disputes relating to enforcement measures or sequestrations.

In the Cameroonian context, the wording of the former Article 49 had de facto rendered obsolete Law No. 2007/001 of 19 April 2007 establishing the enforcement judge and setting the conditions for enforcing court decisions, foreign public instruments and arbitral awards in Cameroon (the "Law establishing the Enforcement Judge"). That law vests each presiding judge with jurisdiction, as enforcement judge, over the enforcement of decisions handed down by the court over which they preside.

The primacy of OHADA[6] law rendered this national statute, like equivalent legislation in other Member States, inapplicable to the extent that it recognised only the presiding judge designated under domestic law to hear urgent[7] matters as the enforcement judge. The current wording largely restores the sovereignty of Member States to determine the competent judicial authority to act as the enforcement judge.

Accordingly, in Cameroon, the 2007 Law establishing the Enforcement Judge is once again in full effect, and provides that: "The judge with jurisdiction over the enforcement of national court decisions shall be the presiding judge of the court from which the contested decision emanates, sitting as an urgent-matters judge, or a judge of that court whom he delegates for that purpose."[8]
It follows that:

- The President of the Court of First Instance has jurisdiction over enforcement disputes relating to decisions handed down by that Court;
- The President of the High Court has jurisdiction over enforcement disputes relating to decisions handed down by that Court;
- The President of the Court of Appeal has jurisdiction over enforcement disputes relating to decisions handed down by that Court;
- The First President of the Supreme Court has jurisdiction over enforcement disputes relating to decisions handed down by that Court.

As for enforceable instruments other than court decisions, exclusive jurisdiction lies with the President of the Court of First Instance.[9]

II. The Scope of the Jurisdiction of the Judge under Article 49 of the AUPSRVE

Unlike the former drafting, which limited the article's scope only by implication, the new wording of Article 49 expressly confines its scope to movable-property attachments alone, while also conferring a new and significant power on the enforcement judge: the power to order and assess a periodic penalty payment.

The new Article 49 opens with the words: "In movable-property matters, the presiding judge of the competent court in each State Party (...)."

The previous wording lacked precision, leaving uncertainty as to whether immovable-property attachment proceedings fell within the jurisdiction of the enforcement judge, particularly since Article 49 appears among the general provisions applicable to both movable enforcement measures and immovable-property attachment proceedings. However, the Uniform Act subsequently designates a judge with specific jurisdiction over immovable-property attachment proceedings and related disputes, which led to the exclusion of such proceedings from the scope of Article 49[10], although without any express justification in the text.

6 In addition to the hierarchy of legal norms, which establishes the supremacy of international treaties over ordinary laws, Article 10 of the OHADA Treaty draws a clear distinction between community acts and national laws by granting primacy to the former over the latter.
7 In Cameroon, the judge competent to rule on urgent matters is the President of the Court of First Instance. Articles 182 and 183 of the Cameroonian Code of Civil and Commercial Procedure provide in this respect that: "In all cases of urgency, or where it is necessary to rule provisionally on difficulties relating to the enforcement of an enforceable instrument or a judgment, proceedings shall be conducted as set out hereinafter. The application shall be brought before a hearing held for that purpose by the President of the Court of First Instance or by the Magistrate of the Court of Extended Jurisdiction, or by the judge replacing them, on the date and at the time indicated by the court."
Article 3(1) of the 2007 Law establishing the enforcement judge.
8 Article 3(1) of the 2007 Law establishing the enforcement disputes judge.
9 Articles 4 and 5 of the 2007 Law establishing the enforcement disputes judge.
10 Article 248 of the former version of the AUPSRVE provided that: «The court before which the sale is pursued shall be the court with full jurisdiction in the place where the real property is located». The new wording of this provision, which is not substantially different from the former one, provides that: «In each State Party, the sale shall be pursued before the court competent to settle disputes relating to theb attachment of real property in whose territorial jurisdiction the property is located».Whichever formulation is used, in Cameroon this jurisdiction lies with the High Court (Tribunal de grande instance) of the place where the property is located.

Under the new wording, all ambiguity is removed: the judge established under Article 49 has jurisdiction only over movable-property attachments, to the exclusion of immovable-property attachments. That judge accordingly has general jurisdiction over difficulties, challenges and incidents relating to enforcement proceedings in movable-property matters, and now also has jurisdiction to order and assess periodic penalty payments[11].

In truth, this latter power is not new. Although not expressly provided for under the former wording, the CCJA had already recognised Article 49 judge's power to impose periodic penalty payments[12] [13].

KEY TAKEAWAYS

In short, the reform of Article 49 seeks to clarify judicial oversight of enforcement proceedings by refocusing the enforcement judge's jurisdiction on movable-property attachments and facilitating the identification of the competent judge through a reference to national judicial systems. In doing so, it removes the uncertainties created by the previous wording and, in Cameroon, restores the role of presiding judges as enforcement judges for the execution of court decisions. The reform also clarifies the scope of the enforcement judge's powers by expressly conferring jurisdiction to order and assess periodic penalty payments.

11 Article 49(4) of the revised AUPSRVE provides that: «In respect of matters relating to movable property, the President of the competent court in each State Party or the Judge delegated by him shall hear any dispute or claim relating to a measure of forceful execution or sequestration».

12 CCJA, Judgment No. 013/2010 of 18 February 2010, appeal No. 72/2006/PC of 23 August 2006, Ohadata J-12-24.

13 A payment penalty is a condemnation to the payment of a sum of money, set either per time period or per breach, imposed by a judge on a recalcitrant debtor to compel him to perform his obligation in kind or to refrain from committing an act contrary to public policy." Cf. Article 594 of the Law on the Modernisation of Justice in the Republic of Benin, amending and supplementing the CPCCASC, in OHADA, Droit et pratique du recouvrement et des voies d'exécution, texte commenté – Jurisprudence annotée – Formulaires – Modèles d'actes, under the direction of J. Agossadou and K. Dogue, Juriafrica Editions, 2025, p. 146.

BUSINESS NEWS

CEMAC BANKS FACING RECAPITALISATION REQUIREMENTS: RATIONALE, STAKES AND OPERATIONAL CONSTRAINTS

The increase in the minimum share capital of banks across the CEMAC zone, introduced by COBAC Regulation R-2025/02 of 10 December 2025 setting the minimum share capital of credit institutions, forms part of a gradual but far-reaching overhaul of the prudential framework applicable to credit institutions. By raising the minimum capital threshold to 25 billion CFA francs, from 10 billion CFA[14] francs previously, the regional regulator is not merely tweaking a technical parameter: it is redefining the conditions of entry to, and continued presence on, the regional banking market.

While this development responds to legitimate concerns about financial soundness and the credibility of the banking system (I), it nonetheless raises real questions about implementation, particularly for institutions whose financial structure remains far removed from the new standards (II).

I. A recapitalisation requirement rooted in a renewed prudential rationale

A. Moving beyond a historical framework that had become insufficient

For nearly fifteen years, the CFA francs 10 billion threshold set by COBAC Regulation R-2009/01 on the minimum share capital of credit institutions[15] served as the benchmark for bank capitalisation across CEMAC. That framework, which accompanied a phase of sector expansion and consolidation, did not keep pace with the sub-region's economic and financial transformation.

Those transformations, however, have been substantial. Rising financing needs, the diversification of banking activities, and heightened exposure to risk (whether macroeconomic or sector-specific) have progressively exposed the limits of a capitalisation level that had become inadequate.
COBAC Regulation R-2025/02 therefore introduces a significant adjustment, raising the minimum share capital of banks to 25 billion CFA francs, while setting that of financial institutions at CFA francs 4 billion[16].
This choice reflects a deliberate effort to avoid disruptive shock, while still holding firm on the underlying objective.
Lastly, it is worth noting that this development is part of a wider harmonisation trend across the African continent, with CEMAC aligning itself with the broader move toward stronger prudential requirements, in the interests of the financial system's credibility and attractiveness[17] .

B. Strengthening the financial soundness of the banking system

The increase in minimum share capital is, above all, intended to strengthen the resilience of credit institutions. By raising the minimum level of own funds required, the regulator aims to improve banks' capacity to absorb potential losses, withstand growing risks in their business, and preserve depositor confidence[18].
This reform aligns with international prudential standards, which attach particular importance to the quality and level of own funds as a guarantee of financial stability. It is also intended to increase banks' capacity to finance the real economy, by allowing them to support a larger volume of lending while still meeting prudential requirements.

14 Article 2 of COBAC Regulation R-2025/02
15 Article 1 of COBAC Regulation R-2009/01
16 Article 3 of COBAC Regulation R-2025/02
17 Decision of the UMOA Council of Ministers of 21 December 2023 raising the minimum share capital of banks in the Union to CFAF 20 billion (with a 5-year compliance period).
18 Basel III Accords (Basel Committee on Banking Supervision), in particular the pillars relating to the quality of regulatory capital (Tier 1) as the first line of defence against credit risk.

Beyond risk protection alone, raising the capitalisation threshold helps improve the credibility and attractiveness of the CEMAC banking sector, prevent banking crises, and consolidate the stability of the regional financial system.

II. **A compliance exercise that lays bare operational constraints and structural change**

A. **Current operational constraints**

COBAC Regulation R-2025/02 imposes an obligation of result, without specifying the practical arrangements for compliance.

This raises the question of whether the capital increase required by Regulation R-2025/02 may be carried out automatically under that text, or whether it remains subject to COBAC's prior authorisation under COBAC Regulation R-2016/02[19].

As a regulatory instrument of general application, Regulation R-2025/02 is, in principle, directly applicable and should not require individual approval.

As a precautionary matter, however, and to avoid any risk of challenge by the supervisor, it appears prudent to seek COBAC's prior authorisation.

Beyond this legal uncertainty, implementing the reform raises significant operational constraints for the institutions concerned.

On the financial side, raising the necessary capital is a major challenge. Banks may use various methods to increase capital: cash contributions, capitalisation of reserves, debt conversion, or opening capital to new investors. Each of these options, however, carries its own constraints.

Attracting outside investors requires generating interest in an environment perceived as risky, while accepting, where necessary, a dilution of existing shareholders. Internal solutions, such as capitalising reserves, may conversely prove insufficient to reach the required thresholds.

The regulator has sought to ease this constraint by allowing institutions unable to meet the capital-increase requirement within one year of 1 January 2026 to submit, no later than 30 June 2026, a recapitalisation plan with a timetable running through to 2029, for approval by COBAC's Secretary-General.

B**. Future operational constraints**

Beyond these immediate constraints, the reform is likely to have structural effects on the banking sector.

On one hand, it places increased pressure on mid-sized institutions whose capital levels fall short of the new requirements. For these players, coming into compliance calls for decisive strategic choices that may affect their independence.

On the other hand, the increase in the minimum capital requirement may accelerate market consolidation. Banks with stronger capital bases, particularly those backed by international banking groups, are likely to be better positioned to meet the new prudential requirements. Conversely, institutions facing greater capital constraints may need to consider mergers, strategic partnerships or other consolidation transactions and, in the most challenging cases, may ultimately exit the market.

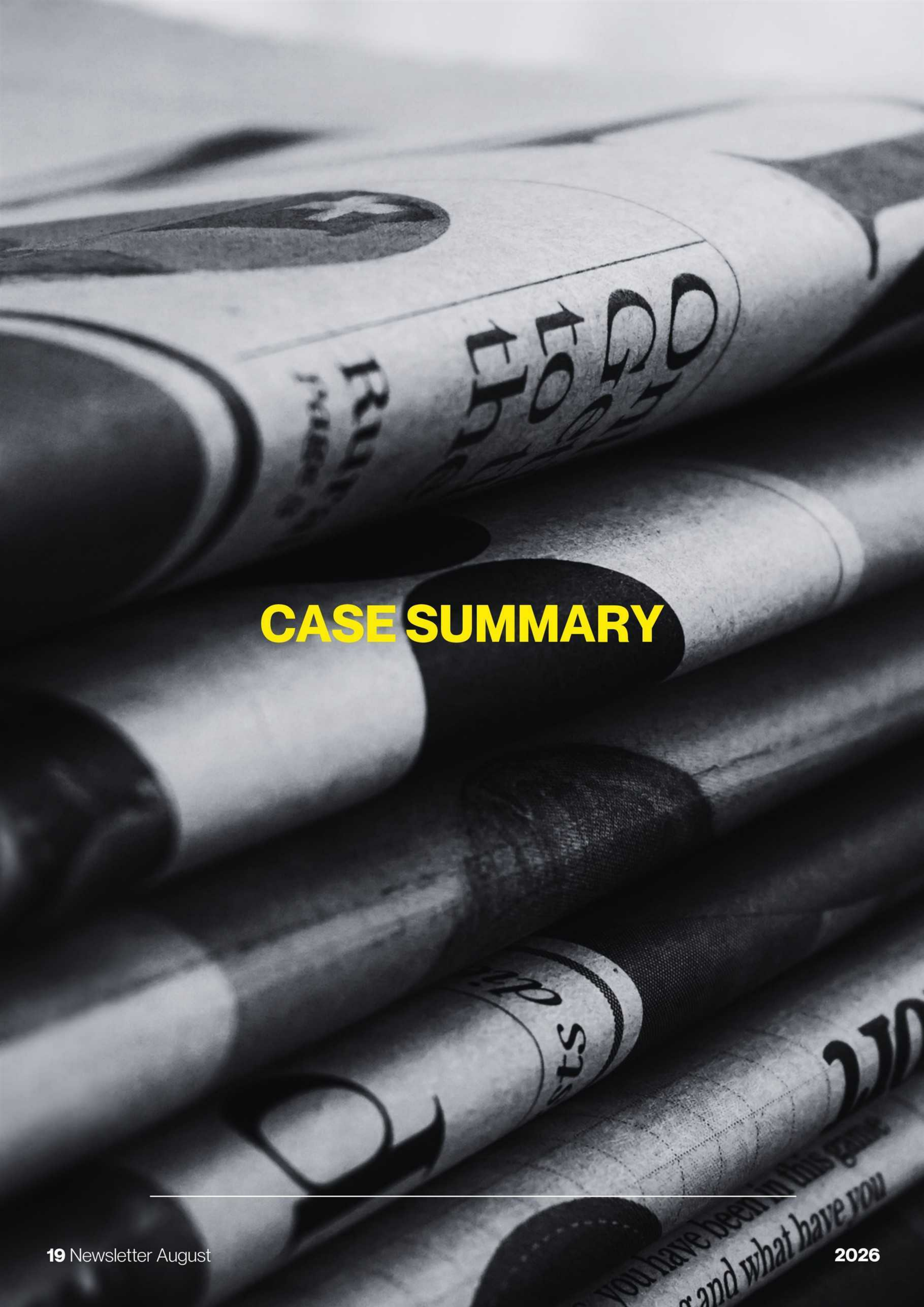
While this dynamic may strengthen the sector's overall soundness, it also raises questions about preserving diversity within the banking landscape and maintaining effective competition.

19 Article 5 of COBAC Regulation R-2016/02 on changes in the situation of credit institutions.

KEY TAKEAWAYS

The increase in the minimum share capital of CEMAC banks is a far-reaching reform, reflecting a firm commitment to consolidating the regional banking system. By tightening capitalisation requirements, the regulator is pursuing legitimate objectives of financial stability and support for economic development.
Coming into compliance with these new requirements, however, exposes institutions to considerable legal, financial and strategic challenges. Caught between prudential imperatives and market constraints, CEMAC banks are being called upon to rethink their business models and adapt their strategies in a changing environment.

Seen in this light, recapitalisation is less a simple regulatory obligation than a genuine test of transformation, on which the future shape of the sub-region's banking landscape will depend.



CASE SUMMARY

JUDGMENT NO. 006/2026 OF 26 FEBRUARY 2026, MAÎTRE EMMANUEL EKOBO V. MUKURI MAKA HÉLÈNE

The facts were as follows. On 6 December 2000, Maître Ekobo, acting as administrator of his late father's estate, signed a 35-month residential lease with Ms Mukuri Maka. At the end of the lease term and following a change of use of the premises by the tenant, the lease was converted into a lease for professional use, which was subsequently renewed several times. In October 2018, the tenant was notified that the lease would not be renewed on its expiry in February 2021. After a notice to quit was served on the tenant in July 2020, the landlord sued for her eviction and for payment of occupation compensation.

The Douala-Bonabéri Court of First Instance ordered Ms Mukuri's eviction and ordered her to pay CFA francs 2,000,000 in occupation compensation. Following her appeal, the Court of Appeal handed down a judgment on 28 October 2022 upholding her application to stay provisional enforcement of the first-instance judgment. Maître Ekobo then lodged an appeal before the CCJA on 13 September 2023. Despite correspondence sent to Ms Mukuri Maka by the Court Registrar, she did not respond. As the adversarial principle had been observed, the Court held that the case was ready for judgment.

The CCJA raised, of its own motion, its lack of jurisdiction in the matter, relying on Article 14, paragraphs 3 and 4 of the OHADA Treaty, which provides that: "Where seized by way of an appeal in cassation, the Court shall rule on decisions handed down by the appellate courts of the States Parties in any case raising questions relating to the application of the Uniform Acts (...). It shall rule, under thesame conditions, on decisions not open to appeal handed down by any court of the States Parties in the same matters..."
The CCJA noted that, in this case, the presiding judge of the Littoral Court of Appeal had been seized of an application to stay provisional enforcement of a judgment handed down by the Bonabéri Court of First Instance, together with provisional enforcement of that decision. In the Court's view, "this decision, although connected to the lease for professional use governed by a Uniform Act, was rendered in relation to an application to stay provisional enforcement, a matter not governed by a Uniform Act or a regulation adopted pursuant to the Treaty." It accordingly declared itself without jurisdiction.

KEY TAKEAWAYS:

- The principle reaffirmed: The CCJA's jurisdiction is strictly limited to disputes concerning the application of the Uniform Acts and regulations adopted under the Treaty (Article 14 of the OHADA Treaty).

- Application to the facts: Although the underlying dispute arose from a lease for professional use (governed by the Uniform Act on General Commercial Law), the decision under appeal concerned solely an application to stay provisional enforcement — a matter of national procedural law.

- The governing rule: The Court's jurisdiction turns on the subject matter of the decision under appeal, not on the nature of the underlying legal relationship.

This strict application of Article 14 of the Treaty preserves the balance between the Community legal order and the judicial sovereignty of Member States and reminds practitioners of the importance of rigorously analysing the subject matter of a dispute before lodging an appeal.
Dr. Céline Ndongo Dimouamoua
Knowledge Manager & Editions

Dr. Céline Ndongo Dimouamoua
Head of Knowledge Management & Publications

JUDGMENT NO. 034/2026 OF 26 MARCH 2026, SOCIÉTÉ BÉNINOISE D'ÉNERGIE ÉLECTRIQUE (SBEE) V. SOCIÉTÉ INNOVENT BÉNIN SA

On 28 September 2015, the State of Benin awarded InnoVent a contract for the construction and operation of photovoltaic and thermal power plants. To implement the project, SBEE entered into a Power Purchase Agreement (PPA) with InnoVent on 25 November 2015. The Electricity Regulatory Authority ("ARE") subsequently issued an opinion refusing to approve the contract and finding the 2015 amendment irregular, making its favourable opinion conditional upon the Beninese Ministry of Energy satisfying three specific requirements. When negotiations between the parties broke down, InnoVent applied to the CCJA Arbitration Centre for arbitration. During the arbitral proceedings, the arbitral tribunal issued Procedural Order No. 15 on 13 December 2024.

By application filed on 24 December 2024, the State of Benin and SBEE sought to have Procedural Order No. 15 set aside, arguing that it should be treated as a partial award. InnoVent raised a preliminary objection to admissibility, arguing that the applicants had failed to identify the criteria by which the contested order could be reclassified as a partial award. It submitted that a procedural order is not open to setting-aside action, since it deals solely with the administration of proceedings, falling within the tribunal's organisational powers without finally deciding any question of fact or law capable of prejudicing either party.

The State of Benin and SBEE argued that the action had been brought within the time limits set by Articles 29.1, 29.3 and 29.4 of the CCJA Arbitration Rules, and that, in issuing the order, the arbitral tribunal had in fact settled a dispute between the parties and disregarded a position already established by the CCJA.

The CCJA first recalled that a setting aside action lies only against an arbitral award, which is a judicial act, and not against a procedural order, which is preparatory in nature, is confined to measures organising or administering the proceedings, and does not determine any contested issue. It then found that the contested order merely organised the practical arrangements for examining the jurisdictional and admissibility objections raised and closed the debate on those objections, without determining any contested issue. The CCJA accordingly held that the order fell within the arbitral tribunal's sovereign power to organise the proceedings rather than its adjudicative power, and declared the action brought by the State of Benin and SBEE inadmissible.

KEY TAKEAWAYS:

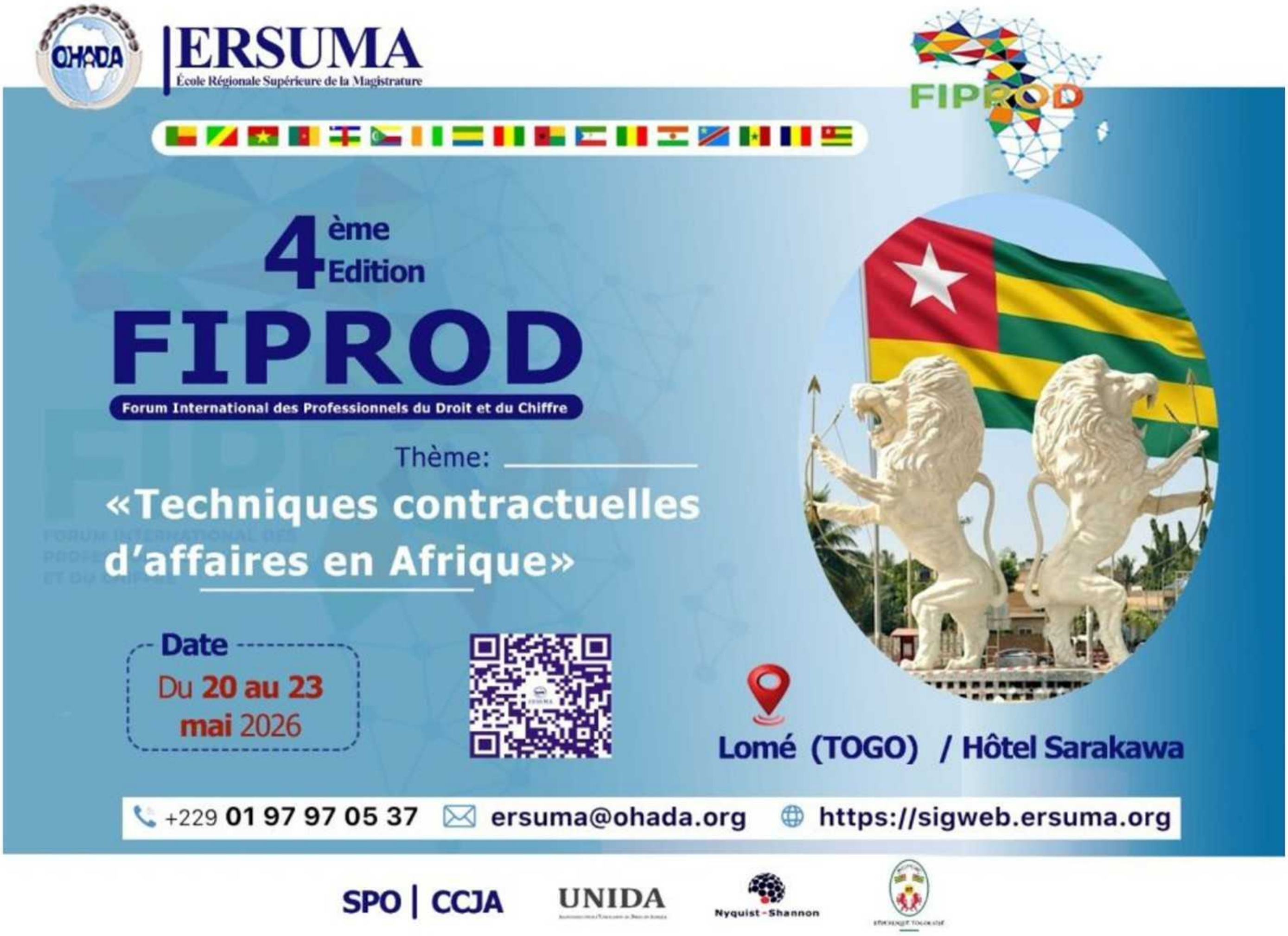
- A setting-aside action before the CCJA is admissible only against an arbitral award.
- Procedural orders are, in principle, immune from setting-aside review.
- The characterisation of an arbitral act depends on its content, not its label: an order can only be treated as a partial award if it decides a question of fact or law affecting the parties' rights.

Dr. Céline Ndongo Dimouamoua
Head of Knowledge Management & Publications

FIRM NEWS

1. Chazai Wamba at FIPROD 2026

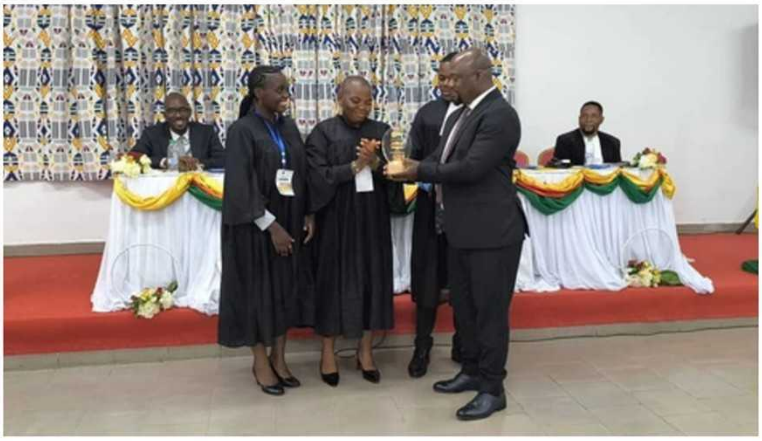
Our co-founding Partner, Barrister Flora Wamba, took an active part in the 4th edition of the International Forum of Legal and Financial Professionals (FIPROD), held from 20 to 23 May 2026 by the Regional Advanced School of Magistracy (Ersuma), on the theme "Contractual Techniques for Business in Africa." Invited to speak at the workshop on preventing and managing contractual risk, she shared key insights on "Insurance-Based Prevention and Management of Contractual Risk in Africa."

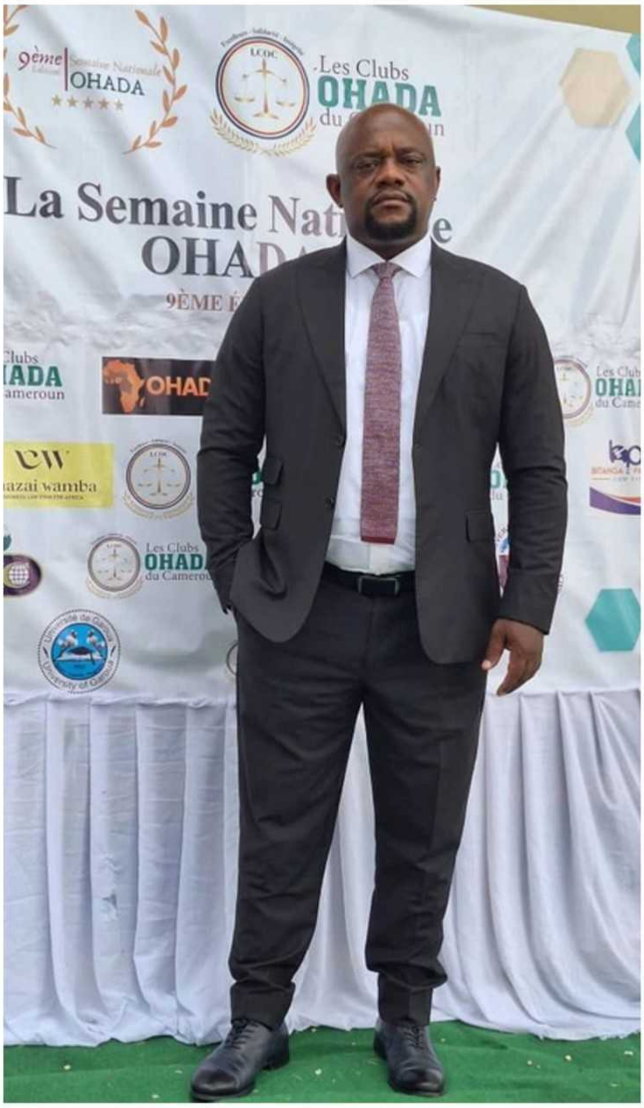


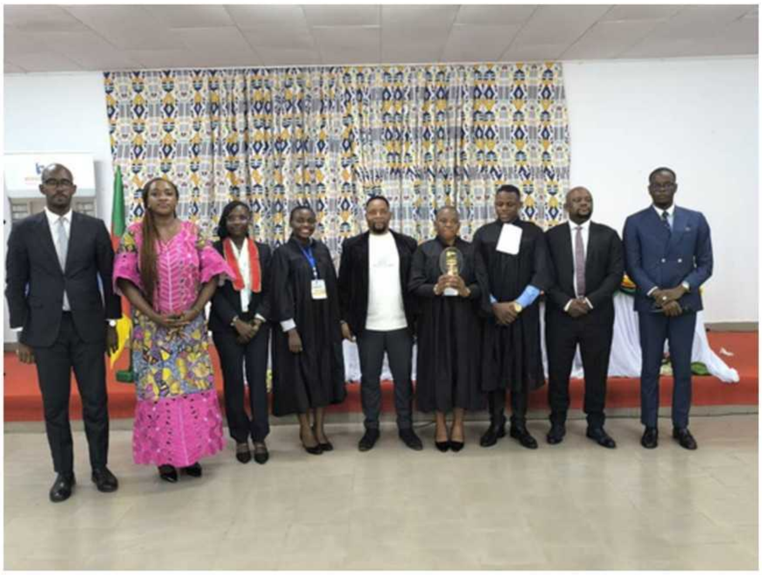
2. Chazai Wamba, Sponsor of the 9th National OHADA Week

As an engaged player in the continental legal community, Chazai Wamba was honoured once again to support, as a sponsor , the 9th edition of National OHADA Week, held in Douala from 3 to 6 June 2026.

Barrister Olivier Nouck, Senior Associate at the firm, served as a member of the jury for the final round of the mooting competition. We remain firmly committed to championing the next generation of legal talent.

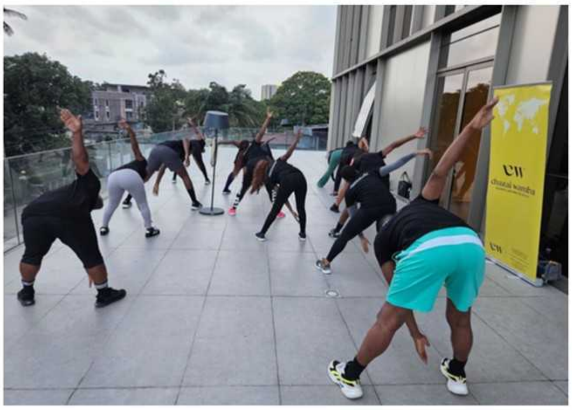


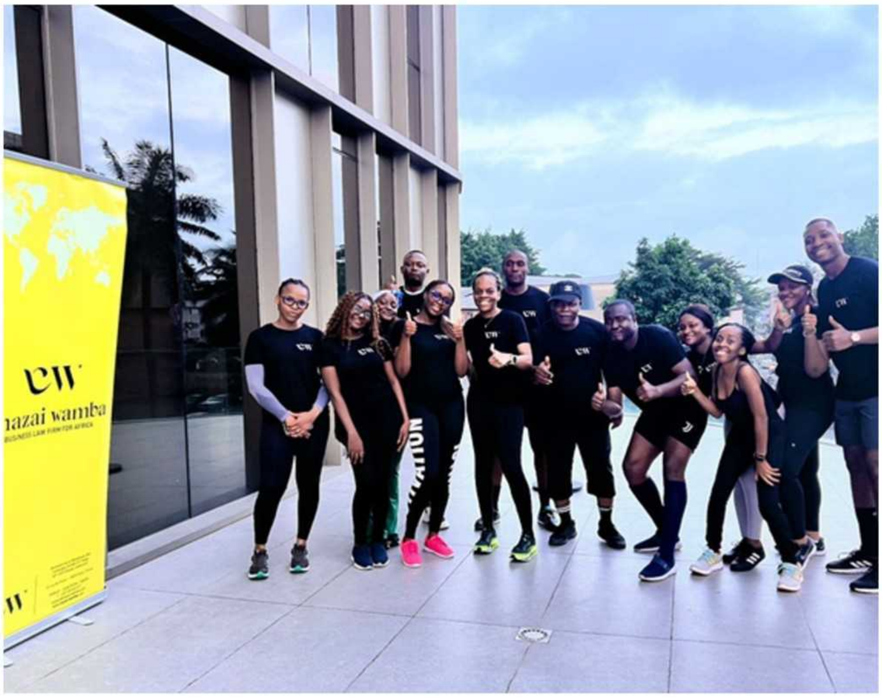


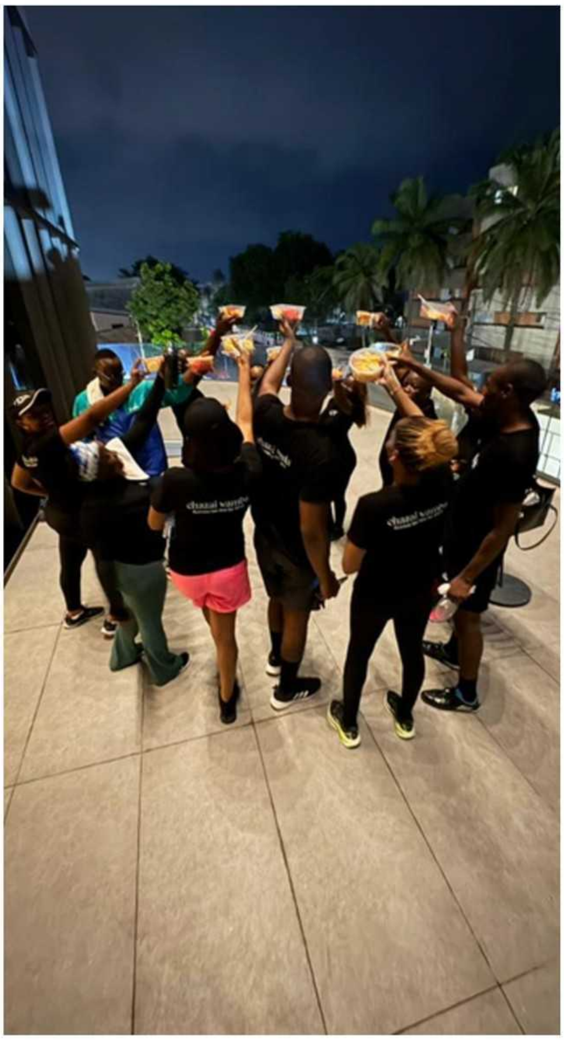


3.Wellbeing at work: Chazai Wamba builds team spirit!

Convinced that professional performance goes hand in hand with individual wellbeing, we've introduced a new ritual at Chazai Wamba: twice a week, after work, our team comes together for a group fitness session. It's the perfect way to unwind after the day, strengthen our bond as a team, and push ourselves further. That same spirit is one we bring to our clients every day.

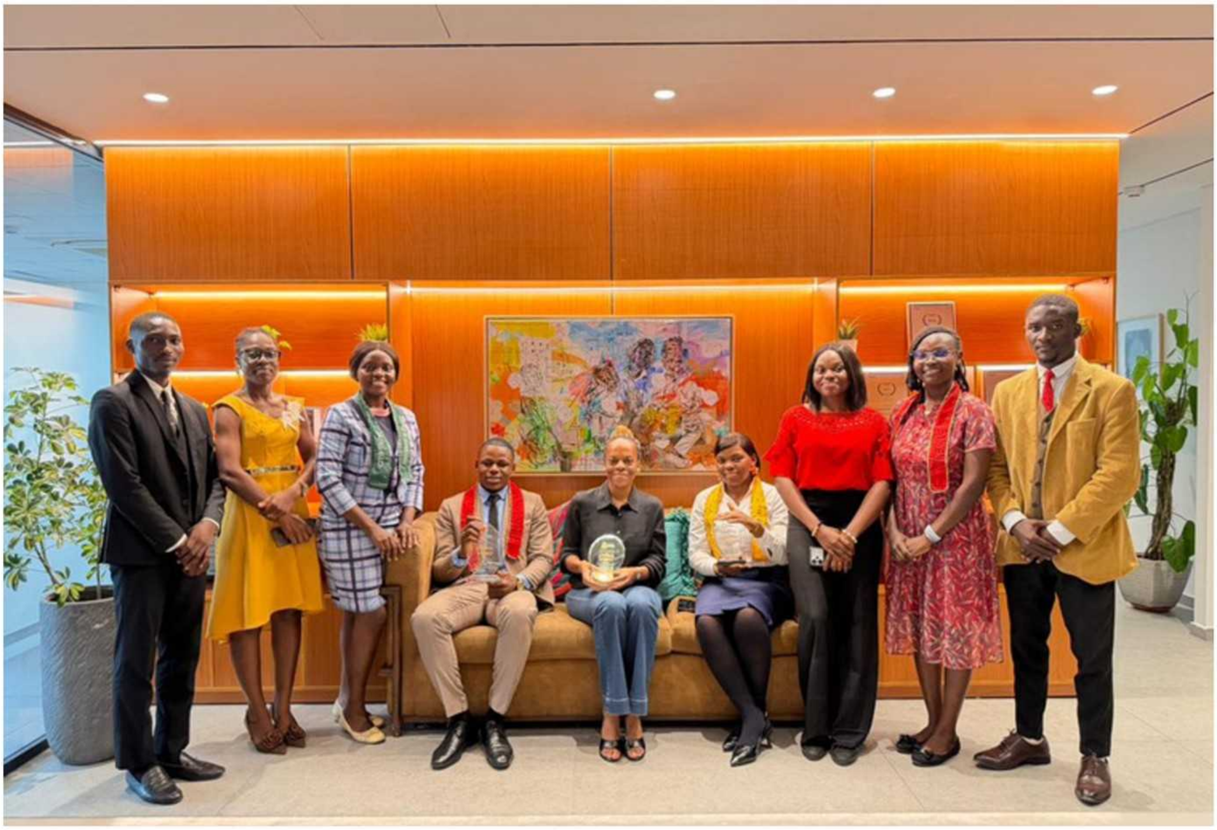






4. **Meeting the winners of the OHADA Indomptables National Competition**

On 18 June, Barrister Aurélie Chazai, Managing Partner of Chazai Wamba, welcomed a delegation from the University of Douala's OHADA Club. The students, who came to present the trophies won during National OHADA Week, received Barrister Chazai's warm congratulations and encouragement to keep pursuing rigour and leadership in the law.



Newsletter August

2026

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