BE RWANDA WISE · DOING BUSINESS IN RWANDA

The guide for foreign and Rwandan investors

Chapter 8 of 11

M&A, Competition & Exit

Buying, combining and leaving a business in Rwanda is governed by a companies law of 2021, a competition law that replaced its 2012 predecessor on 4 March 2026, an insolvency law of 2021, capital market rules for listed companies, and a capital gains tax that doubled to 10% in May 2025. Regional merger control under the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) now runs alongside the national regime. This chapter sets out the rules on acquisitions, due diligence, deal documents, competition, takeovers, joint ventures, solvent exit and insolvency as they stand at 10 October 2026.

Reviewed 10 October 2026. Prepared by a commercial lawyer with over 30 years' international experience.
Legal and tax information, not legal advice. Rates, thresholds and procedures change: confirm anything important with the relevant authority or an advocate registered with the Rwanda Bar Association before you act. Laws are published in Kinyarwanda, English and French in the Official Gazette; check the official text before relying on a translation.
Read online, with live updates, links and Rwandabot: https://bewiseapps.com/doing-business-in-rwanda/mergers-acquisitions-and-exit/
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CHAPTER 8 OF 11

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AT A GLANCE

Governing law

- Law N° 007/2021 of 05/02/2021 governing companies, as amended by Law n° 019/2023 of 30/03/2023 (share transfers, major transactions, amalgamations, buy-outs, removal from the register)
- Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection (in force 4 March 2026; repeals Law n° 36/2012)
- Law N° 075/2021 of 06/12/2021 relating to insolvency (in force 30 December 2021)
- Law n° 027/2022 of 20/10/2022 establishing taxes on income, as amended by Law n° 014/2025 of 27/05/2025 (10% capital gains tax)
- Capital Markets (Takeovers) Regulations N°10, 2012, under Law N°01/2011 of 10/02/2011 regulating capital market in Rwanda
- Law n° 044/2024 of 30/05/2024 governing banks (prior BNR authorisation of significant holdings)
- COMESA Competition and Consumer Protection Regulations, 2025

Who you will deal with

- Office of the Registrar General (ORG) within the Rwanda Development Board (RDB): the company register, share and beneficial ownership filings, amalgamations, security registers, removal from the register and restoration; the Registrar General also administers insolvency proceedings
- Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA): merger notifications, cartel and abuse of dominance investigations, authorisations and consumer protection under Law n° 011/2026
- COMESA Competition and Consumer Commission and the EAC Competition Authority: suspensory regional merger control for deals with a cross-border dimension
- Capital Market Authority (CMA) and the Rwanda Stock Exchange (RSE): takeovers of listed companies, disclosure of holdings, insider dealing and listed-company governance
- National Bank of Rwanda (BNR) and other sector regulators (RURA, RMB): prior approval of changes of control in licensed businesses
- Rwanda Revenue Authority (RRA): capital gains tax, tax clearance certificates and tax de-registration on exit

Key figures

Capital gains tax on share sales	**10% of the gain since 29 May 2025, withheld by the target within 15 days after the month**

What changed in 2024–26

- From 29 May 2025, Law n° 014/2025 of 27/05/2025 raised capital gains tax from 5% to 10%, and extended it to licences, debt instruments, options and guarantees, withheld by the seller or buyer; on shares,

Merger notification to RICA	**Within 30 days of the decision to merge; thresholds awaiting RICA Regulations**
RICA review period	**45 days, extendable once by up to 15; suspensory; deemed approval if late**
Fine for failing to notify a merger	**Up to 5% of the preceding year's annual turnover**
BNR prior authorisation	**Any direct or indirect holding of 5% or more of a bank**
Mandatory offer triggers	**25% of votes in a listed company (CMA); 50% in any public company (Companies Law)**
Major transaction	**Acquiring assets worth 10% or more, or disposing of more than half, of a company's assets**
Insolvency look-back	**One year for preferences and undervalue transactions; six-month presumption**

the Rwandan company whose shareholders change continues to withhold and pay it.

- From 1 November 2025, according to practitioners' reports, the EAC Competition Authority began mandatory, suspensory review of mergers with an EAC dimension.
- On 4 December 2025 the COMESA Council adopted the COMESA Competition and Consumer Protection Regulations, 2025, which replaced the 2004 Regulations, made regional merger control fully suspensory and introduced a transaction-value test for digital markets.
- On 4 March 2026, Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection came into force, repealing Law n° 36/2012: a 30-day notification duty, a 45-day suspensory review with deemed approval, a 12-month call-in power, fines capped at 5% of turnover, leniency and an Independent Appeal Committee.
- On 2 October 2026, CMA Regulations No 002/CMA/2026 relating to the capital market corporate governance replaced the 2012 Corporate Governance Code for listed companies and issuers.

Who this applies to. The acquisition, competition, takeover and insolvency rules apply in the same way to Rwandan and foreign investors: there is no general cap on foreign shareholding, no nationality test in merger control, and the same 10% capital gains tax whether the seller is in Kigali or abroad. The differences are practical and arise from structure. A foreign buyer must produce notarised or apostilled corporate documents, keep a director resident in Rwanda and document the inflow of purchase money to support later repatriation; a foreign seller that holds through an offshore company is still taxed in Rwanda on an indirect sale, collected through the Rwandan company; and a buyer from another COMESA or EAC state is the most likely to trigger a regional merger filing. Nationals of EAC and COMESA states are treated as foreigners for land tenure, which matters on an asset purchase that includes land.

Buying a Rwandan business

Rwanda is open to foreign acquirers. Article 9 of Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation allows foreign investors to buy shares, and no general law caps foreign ownership of an ordinary company. A buyer chooses between a **share purchase**, which takes the

company with its history; an **asset purchase**, which leaves liabilities behind but moves every land title, contract, licence and employee separately; and a **statutory amalgamation** under Articles 198 to 206 of Law N° 007/2021 of 05/02/2021 governing companies. Shares pass by entry in the register on a transfer form signed by both parties, and the board may refuse registration only within 30 working days and only where the law or the articles allow (Article 75). Acquisitions or disposals that are large relative to a company's assets are **major transactions** needing an independent fairness opinion and a special resolution, with buy-out rights for dissenters (Articles 196, 197 and 240). Anyone acquiring 50% or more of the votes of a public company must notify the company 30 days in advance and offer to buy out the other shareholders (Article 244), and a 5% holding in a bank needs the prior authorisation of the National Bank of Rwanda (BNR). These routes and approvals are explained in Acquiring a Rwandan company.

Due diligence and deal documents

Much of what a buyer needs is on official registers. Anyone may inspect the register of companies and the list of shareholders kept by the Office of the Registrar General and obtain authenticated copies (Article 278); security over movables and immovables is registered there; land titles carry a unique parcel identifier on the national register; and the Rwanda Revenue Authority (RRA) issues tax clearance certificates valid for three months. The gaps are in the company's own records, which inspections have often found incomplete, in unregistered liabilities to employees and to the social security fund, and in regulatory history. The searches, the documents to request and the red flags, including the one-year look-back for preferences in an insolvency, are in Due diligence in Rwanda.

Rwandan law leaves the content of a share purchase agreement to the parties, so warranties, indemnities, escrow and conditions precedent follow international practice. What is distinctively Rwandan is the closing mechanics: the transfer form and register entries, beneficial ownership filings within 14 days, the rules on a target giving financial assistance for the purchase of its own shares, the employees' position, and the **capital gains tax** of 10% on the seller's gain, which the Rwandan target itself must withhold and pay within 15 days after the month of the transfer, even on an indirect sale abroad. The documents, clauses and timetable are in Deal documents and closing mechanics.

Merger control after the 2026 competition law

Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection came into force on 4 March 2026 and repealed Law n° 36/2012. A merger is any lasting change of control, including the acquisition of material influence over a company's commercial policy and the creation of a full-function joint venture (Article 10). Notifiable mergers are notified to the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) within 30 days of the decision to merge; RICA publishes the notification and decides within 45 days, extendable once by 15, and the parties may not implement the merger before then, although a missed deadline is deemed approval (Articles 11 to 14). The turnover and asset thresholds and the filing fees are to be set by RICA Regulations that had not been published at 10 October 2026, and RICA may call in below-threshold deals within 12 months of completion. Failing to notify is punishable by a fine of up to 5% of the preceding year's turnover (Article 66).

Deals with a regional dimension may also need a filing with the COMESA Competition and Consumer Commission under the COMESA Regulations of 2025, or with the EAC Competition Authority, whose merger regime began on 1 November 2025 according to practitioners. Both regimes are suspensory, and the risk of filing in two or three places is real. The tests, clocks, fees, the substantive test, remedies, appeals, and the rules on cartels, vertical restraints and abuse of dominance are in Merger control and competition law.

Listed companies, joint ventures and exit rights

Ten equities were listed on the Rwanda Stock Exchange (RSE) on 9 October 2026. A bid for a listed company is governed by the Capital Markets (Takeovers) Regulations N°10, 2012: a mandatory offer for all equity classes once a person, alone or in concert, acquires 25% or more of the votes, at not less than the highest price paid in the previous six months; a 24-hour announcement rule; an offer open for at least 30 days; and pre-approval of documents by the Capital Market Authority (CMA). Holdings crossing 5% must be disclosed, insider dealing carries three to five years' imprisonment, and the CMA's 2026 governance Regulations apply from 2 October 2026. Gains on listed securities are exempt from capital gains tax. These rules are in Public companies, the Rwanda Stock Exchange and takeovers.

Most foreign investors enter alongside a partner. The Companies Law gives private company shareholders pre-emption on new issues only, so transfer restrictions, drag-along, tag-along, put and call options and deadlock provisions must be written into the articles and the shareholders' agreement. Statutory buy-out rights protect a minority that votes against a major transaction or amalgamation, and the creation of a full-function joint venture can itself be a notifiable merger. The drafting points and the exit routes are in Joint ventures, shareholder agreements and exit rights.

Leaving Rwanda: solvent exit and insolvency

A solvent company that has finished its business can be closed in two ways. It can be put into **voluntary liquidation**, which is governed by Law N° 075/2021 of 06/12/2021 relating to insolvency even when the company is solvent (Article 2(4)), with a licensed insolvency practitioner as liquidator; or, where it has ceased business, paid its known creditors and distributed its surplus, it can apply by special resolution to be **removed from the register** (Article 208 of the Companies Law). Either way, the company must also de-register for tax on the RRA's E-tax system with a zero balance, settle its social security contributions with the Rwanda Social Security Board (RSSB), give RDB 30 days' prior notice of termination if it is a registered investor, and distribute or deal with every asset, because property left in a company when it is struck off vests in the State (Article 286). Directors' and shareholders' liability for earlier acts survives removal (Article 280). The steps are in Liquidation, striking off and deregistration.

When a company cannot pay its debts as they fall due, or its assets are less than its liabilities plus stated capital, Law N° 075/2021 offers debt arrangement, compromise, administration and court-supervised reorganisation, with a moratorium, rescue finance ranking ahead of unsecured debts and a 75% creditor vote per class, as well as liquidation. Secured creditors rank second after the costs of the proceedings, ahead of employees, social security and taxes; preferences and transactions at an undervalue in the year before commencement can be set aside; and foreign main and non-main proceedings can be recognised by Rwandan courts on a model drawn from the UNCITRAL Model Law. These are in Insolvency and restructuring.

How to use this chapter

Read the chapter in the order a transaction runs. A buyer starts with Acquiring a Rwandan company to choose the route and list the approvals, then Due diligence in Rwanda before committing to a price, Deal documents and closing mechanics when drafting, and Merger control and competition law to set the timetable. Bidders for listed companies read Public companies, the Rwanda Stock Exchange and takeovers; partners in a joint venture read Joint ventures, shareholder agreements and exit rights before they sign; and investors planning to leave read Liquidation, striking off and deregistration or, if the business is in difficulty, Insolvency and restructuring. The tax side of every exit is covered in Capital gains, property and other taxes, and taking the proceeds out of Rwanda in Repatriating profits and capital.

Each section ends with the Be Rwanda Wise FAQs on the subject (FAQ 98 covers changes of ownership), the official sources and a question you can put to Rwandabot, the AI legal-information chatbot, about your own transaction. The guide states the law at 10 October 2026. Several points are moving: RICA's merger thresholds, fees and simplified procedure, the Ministerial Order on the Independent Appeal Committee, the allocation of cases between COMESA and the EAC, and RRA's practice on the capital gains tax withheld by targets. Check the position again before a 2027 transaction, and take advice from a Rwandan advocate on any specific deal.

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Acquiring a Rwandan company: share purchases, asset purchases and statutory amalgamations under Law N° 007/2021, major-transaction approvals and dissenters' buy-out rights, the 50% control-block offer for public companies, foreign buyers, BNR and other change-of-control approvals, merger filing and post-closing registration

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WHAT YOU NEED TO KNOW

- Under Article 75 of Law N° 007/2021 of 05/02/2021 governing companies, shares pass by entry of the buyer in the register of shareholders on delivery of a transfer form signed by seller and buyer; the board may refuse or delay registration only by a reasoned resolution within 30 working days, notified within 5 working days, where the Law or the articles expressly allow it.
- An acquisition of assets worth 10% or more of a company's assets, or a disposal of more than half, is a major transaction under Article 196 of the Companies Law, requiring disclosure, an independent financial adviser's fairness opinion, a board decision and a special resolution (Article 197); shareholders who vote against may require the company to buy their shares (Articles 106 and 240).
- Article 198 of the Companies Law bars implementation of a statutory amalgamation until the authority in charge of competition has approved it, and Law n° 011/2026 of 26/02/2026, in force since 4 March 2026, requires notifiable mergers to be notified within 30 days of the decision to merge and suspended until a decision due within 45 days, extendable once by up to 15 days.
- Under Article 244 of the Companies Law, a person intending to acquire 50% or more of the votes of a public company must give the company written notice at least 30 days before and, within 60 days of acquiring the control block, offer to buy the other voting shares at not less than the weighted average price paid in the previous six months, or lose the right to vote the shares.
- Under Articles 20 to 22 of Law n° 044/2024 of 30/05/2024 governing banks, acquiring or transferring a significant holding of at least 5% of a bank's capital or votes, or control, requires the prior authorisation of the National Bank of Rwanda (BNR); a holding acquired without it is void and carries no votes or dividends.
- Since 29 May 2025, a direct or indirect sale of shares in a Rwandan company, in Rwanda or abroad, bears capital gains tax at 10% of the gain, withheld and paid by the Rwandan company whose shareholders change within 15 days after the month of the transfer (Law n° 014/2025 of 27/05/2025).

Three ways to buy a Rwandan business

A foreign or Rwandan investor who wants an existing Rwandan business has three legal routes. The most common is a **share purchase**, in which the company carries on unchanged with its contracts, licences, land, employees and liabilities. The second is an **asset purchase**, in which the buyer, usually through a new Rwandan subsidiary, takes the business assets one by one and leaves the seller's liabilities behind. The third is a **statutory amalgamation** under Articles 198 to 206 of Law N° 007/2021 of 05/02/2021 governing companies, as amended by Law n° 019/2023 of 30/03/2023 (the Companies Law), by which two or more Rwandan companies continue as one company that succeeds by operation of law to all their property, rights and liabilities. Subscribing for new shares is a fourth option, governed by the allotment and pre-emption rules in Articles 58 and 59 (Share capital, shareholders and shares).

Nothing in Rwandan law caps foreign shareholding in an ordinary commercial company. Article 9 of Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation (the Investment Code) allows foreign investors to purchase shares, and the companies, competition and tax laws apply in the same way to foreign and Rwandan buyers (FAQ 12). What shapes a deal is the target's articles and shareholders' agreement, the Companies Law approvals for large transactions, sector change-of-control rules, merger control and the seller's tax. State-owned stakes are sold under Law No. 045/2024 of 31/05/2024 on privatisation, which commentators report came into force on 7 June 2024 and permits private placement, strategic sale and sale on international markets. How each form of entry compares with a new subsidiary or a joint venture is covered in Forms of investment.

Share purchase, asset purchase or amalgamation: how they compare

Issue	Share purchase	Asset purchase	Statutory amalgamation
How title passes	Entry of the buyer in the register of shareholders on delivery of a signed transfer form and any share certificate (Article 75)	Asset by asset: land on Irembo, contracts by consented assignment, licences only as the licensing law allows	On the date in the Registrar General's certificate of amalgamation, the amalgamated company succeeds to all property, rights and liabilities (Article 204)
Liabilities	Stay in the company and so pass economically to the buyer, including tax and employment history	Stay with the seller unless assumed; the buyer chooses what it takes	All liabilities of each amalgamating company pass to the amalgamated company (Article 204)
Corporate approval (target side)	None, unless the articles require consent; the board may refuse registration only where the Law or articles allow (Article 75)	A sale of more than half the assets is a major transaction: fairness opinion, board decision and special resolution (Articles 196 and 197)	Directors' resolution and solvency certificate, documents to shareholders 20 working days before, special resolution of each company (Articles 191 and 202)

Issue	Share purchase	Asset purchase	Statutory amalgamation
Employees	Contracts continue with the same employer	Contracts cannot be transferred without each employee's consent (Article 16 of the Labour Law), although Article 15 keeps contracts valid on a change in the enterprise's legal status	Contracts continue with the amalgamated company (Article 15 of the Labour Law)
Investment certificate	The target's certificate continues; notify RDB of changes in operations (Article 27 of the Investment Code)	Does not transfer; the buyer registers its own investment	Record the change with RDB; the surviving company holds the certificate
Main seller tax	Capital gains tax at 10%, withheld by the target company	Tax on the gain in the seller's corporate return; 2% or 2.5% tax on the sale of immovable property; VAT unless an exemption applies	Restructuring relief under Articles 53 and 54 of the Income Tax Law where the conditions are met

Share purchases: how title passes and what the target's articles can do

Subject to the company's incorporation documents, shares are transferred by entering the name of the transferee in the company's register of shareholders (Article 75 of the Companies Law). The company must receive a **share transfer form** signed by the shareholder and by the transferee, together with the share certificate if one was issued, or evidence of its loss or destruction and any indemnity the directors require. On receipt, the company enters the buyer in the register unless the Board of Directors resolves, within 30 working days of receiving the transfer, to refuse or delay registration, sets out its reasons in full, sends notice of the resolution and reasons to both parties within five working days, and the Law or the incorporation documents expressly allow the board to refuse or delay for those reasons. Subject to the articles, the board may also refuse to register a transfer of shares on which money is owed to the company. A transfer form marked "certificate lodged" and signed under the company's name is a representation that the documents were produced, and a negligent false certification makes the company liable as if it were fraudulent (Article 79).

A private company must restrict the transfer of its shares (Articles 7 and 8), and the Companies Law gives existing shareholders no statutory pre-emption right on a transfer of existing shares: the pre-emption right in Article 59 applies only to new issues. Rights of first refusal, tag-along and drag-along rights and consent requirements therefore come only from the articles and any shareholders' agreement, and must be waived or satisfied before signing. Conversely, a buyer who wants 100% but faces a hold-out minority has no general statutory squeeze-out in a private company; only a drag-along right in the articles or agreement will compel a sale (Joint ventures, shareholder agreements and exit rights).

A share purchase takes the company as it is. The buyer inherits its tax history, including the Rwanda Revenue Authority's (RRA) five-year audit window, its employment liabilities and its contracts, some with change-of-control clauses. Under Article 31 of Law n° 027/2022 of 20/10/2022 establishing taxes on income, a change of more than 25% in the direct or indirect ownership or voting rights of an unlisted company cancels its unused tax losses, unless the change results from an internal reorganisation that keeps all the shareholders, each of whom has held shares for at least three years, so a target's tax losses should usually be valued at nil (Capital gains, property and other taxes).

Asset purchases: transferring a business piece by piece

An asset purchase lets the buyer leave unknown liabilities behind, but every asset has to be moved by its own procedure. Land rights are transferred by registration on the Irembo portal under the "Title Transfer – Voluntary Sale" service, which IremboGov describes as free of charge and completed within seven working days, with the contract notarised by the sector land manager or a private notary and no outstanding land taxes on the parcel; a foreign buyer can hold only an emphyteutic lease or concession, and only for investment (How foreign investors access land). Contracts are assigned only with the counterparty's consent. Licences pass only where the licensing law allows a transfer and the regulator consents; otherwise the buyer applies for its own. Security granted to the seller's lenders must be released.

Employees are the most delicate part. Article 16 of Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda (the Labour Law) provides that an employment contract cannot be transferred from one employer to another without the employee's consent, while Article 15 provides that, in case of modification of the enterprise's legal status, contracts in progress remain valid between the new employer and the existing employees and may be terminated only as the Labour Law allows. No published decision says whether a sale of a business as a going concern falls within Article 15, so the safer course is each employee's written consent to the transfer on unchanged terms, with notice and terminal benefits priced in for anyone who refuses (Termination, severance and redundancy).

The seller's investment certificate does not travel with the assets. A buyer that will carry on a priority-sector activity registers its own investment with the Rwanda Development Board (RDB), and the seller, if it is a registered investor that is suspending or terminating operations, must give RDB 30 days' prior written notice under Article 27 of the Investment Code (RDB registration and the investment certificate). The seller company is taxed on its gain in its corporate return, land sales attract the 2% or 2.5% tax under Law N° 048/2023 of 05/09/2023, and the restructuring relief in Articles 53 and 54 of the Income Tax Law for acquisitions of 50% or more of an entity's assets should be checked before the price is fixed.

Corporate approvals: major transactions, amalgamations and dissenting shareholders

The Companies Law protects shareholders of both buyer and seller when a transaction changes the scale of the company. Under Article 196, a **major transaction** is (1) the acquisition of, or agreement to acquire, assets worth 10% or more of the value of the company's assets before the acquisition; (2) the disposal of, or agreement to dispose of, assets worth more than half the value of the company's assets;

or (3) a transaction under which the company acquires rights or incurs obligations, including contingent liabilities, worth more than half the value of its assets. Granting a charge over more than half the assets solely to secure money or performance is not a major transaction. The 10% acquisition limb is low, so a Rwandan buyer of any significant business will often be making a major transaction.

Article 197 sets the procedure. The company must disclose the proposal to its shareholders immediately on receiving it, including any related-party interest of a director or controlling shareholder. It may then proceed only if (1) the board has first obtained the opinion of an **independent professional financial adviser** analysing the terms and giving an opinion on their fairness to the shareholders; (2) the board has approved the transaction and submitted it to a general meeting called for that purpose, with a summary, the board's recommendation and the adviser's opinion sent to every shareholder entitled to attend; and (3) the transaction is approved by special resolution, which Article 2 defines as 75% of the votes of shareholders entitled to vote and voting. A shareholder who voted all his or her shares against a special resolution approving a major transaction or an amalgamation may require the company to buy those shares at a fair and reasonable price (Articles 106 and 240), with any dispute over price referred to arbitration while the company pays an interim price (Article 242). Articles 107 and 241 give different time limits (15 days and 30 days, or ten and twenty working days), so a shareholder should act within the shorter period and a company allow the longer.

A **statutory amalgamation** follows Articles 198 to 206. Each company's directors must resolve that the amalgamation is in the best interests of its shareholders and that the amalgamated company will satisfy the solvency test immediately after it takes effect, and those voting in favour sign a certificate to that effect (Article 202). The amalgamation proposal, the proposed incorporation documents, the directors' certificates and a statement of the directors' material interests must be sent to each shareholder at least 20 working days before the amalgamation takes effect, and the shareholders of each company approve it by special resolution (Articles 191 and 202). The documents are delivered to the Registrar General within ten working days of the resolution (Article 203), who issues a certificate of amalgamation (Article 204); creditors may recover from directors who certified solvency without reasonable grounds (Article 205). Above all, Article 198 provides that the parties cannot implement an amalgamation until it has been approved, with or without conditions, by the authority in charge of competition and consumer protection.

Public companies: the 50% control-block offer

A buyer of a **public company**, which in Rwanda means a company registered as public with freely transferable shares, whether or not listed, meets a mandatory-offer rule in the Companies Law itself. Under Article 244, a person who, alone or with affiliated persons, intends to acquire a **control block** of 50% or more of the votes of a public company must send written notice of that intention to the company no later than 30 days before acquiring it. Affiliated persons are companies in which the person holds more than 50% of the votes or exercises controlling influence, the family of an individual, and persons acting in concert. Within 60 days of acquiring the control block, the acquirer must offer to buy the shares of all holders of each voting class in which it holds shares, at a price not less than the weighted average price it paid for those shares in the six months before the acquisition. The offer stays open for at least 30 days, the process must be completed within 120 days of the notice, and an acquirer that does not comply loses the right to vote any shares of that class.

If the target is listed on the Rwanda Stock Exchange, the Capital Markets (Takeovers) Regulations N°10, 2012 apply in addition and impose a mandatory offer at a lower trigger of 25% of the voting rights, a timetable supervised by the Capital Market Authority (CMA) and disclosure of holdings crossing 5%. Those rules, the 2026 corporate governance Regulations and the tax exemption for listed securities are in Public companies, the Rwanda Stock Exchange and takeovers.

Sector regulators and the investment certificate

In regulated sectors the regulator's approval of a change of control is often the longest item on the timetable. The clearest rule is in banking. Under Law n° 044/2024 of 30/05/2024 governing banks, a person may not acquire or transfer, directly or indirectly, a **significant holding** or controlling interest in a bank without the prior authorisation of the National Bank of Rwanda (BNR) (Article 21). A significant holding is one that, alone or with others, represents at least 5% of the bank's equity capital or voting rights, or allows significant influence over its management (Article 2(r)). A holding acquired without authorisation is void; the holder loses dividends, votes and other rights, and BNR may suspend the shareholder and have the shares transferred or sold. No person with its related parties may hold more than 25% of a bank without BNR's authorisation (Article 20), and crossing BNR's supervisory thresholds needs prior authorisation (Article 22). An indirect acquisition, such as buying the foreign parent of a Rwandan bank, is caught.

Insurers, microfinance institutions and payment service providers are licensed by BNR, market intermediaries by the CMA, telecoms, energy and transport operators by the Rwanda Utilities Regulatory Authority (RURA), and mineral rights by the Rwanda Mines, Petroleum and Gas Board (RMB) under Law N° 072/2024 of 26/06/2024 on mining and quarry operations (FAQ 91; FAQ 92). Each licence must be read for its own change-of-control rule, which this guide has not reviewed for every sector. Where the target is a registered investor, Article 27 of the Investment Code requires 30 days' written notice to RDB before the nature of operations changes or operations are suspended or terminated; a change of shareholders alone is not a listed event, but the buyer should still write to RDB to record it.

Merger control: a condition of most significant deals

Since 4 March 2026, Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection treats any lasting change of control as a merger, including the acquisition of material influence over commercial policy through a minority stake with veto rights (Article 10). Notifiable mergers are notified to the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) within 30 days of the decision to merge and may not be implemented until RICA decides, within 45 days of a complete notification, extendable once by 15 (Articles 11 and 14). The thresholds await RICA Regulations, and deals with businesses in other member states may also need a suspensory filing with the Common Market for Eastern and Southern Africa (COMESA) or the East African Community (EAC). The tests, clocks and fees are in Merger control and competition law; each clearance should be a condition precedent in the agreement (Deal documents and closing mechanics).

DECISION GUIDE

Which approvals does this acquisition need?

A decision guide to the approvals and procedures most acquisitions of a Rwandan business meet. Work through every question: several approvals can apply to the same deal.

Q1 **Will the buyer acquire control of the target, or material influence over its commercial policy, including through veto rights or a joint venture?**

- **Yes** It is a merger under Article 10 of Law n° 011/2026: consult RICA while thresholds are unpublished, and test COMESA and EAC; filings are suspensory.
- **No** No merger filing; continue.

Q2 **Is the target a bank, or does it hold a licence from BNR, the CMA, RURA, RMB or another sector regulator?**

- **Yes** Obtain prior approval; for a bank, a direct or indirect holding of 5% or more needs BNR authorisation or is void.
- **No** Check material contracts for change-of-control clauses.

Q3 **Is the target a public company, and will the buyer and its affiliates reach 50% or more of the votes?**

- **Yes** Give the company 30 days' prior notice and make the Article 244 offer within 60 days; if the target is listed, the CMA takeover rules apply from 25%.
- **No** Continue.

Q4 **Is the buyer a Rwandan company acquiring assets or shares worth 10% or more of its own assets, or is the seller disposing of more than half of its assets?**

- **Yes** Major transaction: fairness opinion, board decision and special resolution (Article 197), with buy-out rights for dissenters.
- **No** Ordinary board authority suffices, subject to the articles.

Q5 **Do the target's articles or shareholders' agreement contain consent rights, pre-emption on transfers, or tag-along rights?**

- **Yes** Obtain waivers before signing or make them conditions precedent.
- **No** The board must register the transfer unless it refuses within 30 working days on grounds the Law or articles allow (Article 75).

From term sheet to registered owner: the acquisition timeline

1. **Structure and term sheet**

   Choose the route; list regulators, merger-control regimes and corporate approvals on both sides; agree exclusivity and confidentiality, with a clean-team protocol if the parties compete.

2. **Due diligence**

   Search the Office of the Registrar General's register and list of shareholders, security registers, land titles, RRA tax status and litigation, and review the target's own registers and contracts (Due diligence in Rwanda).

3. **Negotiate and sign**

   Sign with conditions precedent for each approval and a capital gains tax mechanism; signing usually starts the 30-day RICA notification clock.

4. **Corporate approvals**

   Board approvals, any fairness opinion and special resolution (Article 197), amalgamation resolutions and certificates (Article 202), and waivers under the articles.

5. **Regulatory filings**

   Notify RICA within 30 days of the decision to merge, and COMESA or the EAC where their tests are met; apply to BNR or other sector regulators; give any Article 244 notice 30 days before acquiring a control block of a public company.

6. **Closing**

   Deliver the signed transfer form and share certificate, board resolution to register the transfer, resignations and appointments of directors (keeping at least one director resident in Rwanda under Article 157), and pay the price net of any capital gains tax retention.

7. **Register and file**

   Update the register of shares within 7 days and the shareholder index within 14 days, file beneficial ownership changes with the Registrar General within 14 days, and notify director changes to the Registrar General with the new directors' consents, and deliver any amalgamation documents within 10 working days (Article 203).

8. **Tax and investor notices**

   The target declares and pays the 10% capital gains tax within 15 days after the month of the transfer; notify RDB if the target is a registered investor; update bank mandates and licences.

WORKED EXAMPLE

Buying 70% of a Kigali food processor

A Kenyan group buys 700,000 of the 1,000,000 shares of a Rwandan private company from its founder, a Rwandan resident individual, for RWF 2,100,000,000. The founder subscribed for those shares for RWF 1,200,000,000, fully documented. The target has tax losses of RWF 400,000,000; the buyer's Rwandan subsidiary, which will hold the shares, has total assets of RWF 9,000,000,000. Illustrative figures only.

Transfer restrictions	The articles give the 30% minority holder a right of first refusal; the minority signs a written waiver before the agreement is signed.
Major transaction test (buyer)	The buyer subsidiary acquires shares worth RWF 2,100,000,000, which is 23% of its RWF 9,000,000,000 assets and above the 10% limb of Article 196, so its board obtains a fairness opinion and its shareholders pass a special resolution under Article 197.
Merger control	70% is control under Article 10 of Law n° 011/2026. With no RICA thresholds published, the buyer consults RICA, files within 30 days of signing if required and waits up to 45 days plus 15; regional turnover is tested against COMESA and EAC.
Capital gains tax	Gain RWF 2,100,000,000 − RWF 1,200,000,000 = RWF 900,000,000. Tax at 10% = RWF 90,000,000, withheld and paid by the target. Transfer registered on 18 November 2026, so the tax is due by 15 December 2026.
Price mechanics	The agreement retains RWF 90,000,000 from the price and pays it to the target to fund the tax; the founder receives RWF 2,010,000,000 at closing.
Tax losses	The ownership change exceeds 25%, so the target's RWF 400,000,000 of losses are cancelled under Article 31; at the 28% corporate rate they were worth up to RWF 112,000,000 of future tax, which the buyer excludes from its valuation.
Post-closing filings	Register of shares within 7 days, index within 14 days, beneficial ownership within 14 days, and RDB informed if the target holds an investment certificate.

Had the target been a public company and the group bought 50% or more of the votes, Article 244 would also have required 30 days' prior notice and an offer to the remaining shareholders within 60 days.

Had the Kenyan group bought the target's business as assets instead, the founder's company, not the founder, would have been taxed on the gain, and every land title, contract and employee would have needed its own transfer.

Questions investors ask

Can a foreign company buy 100% of a Rwandan company?

Yes, in ordinary commercial sectors. No law caps foreign shareholding, and Article 9 of the Investment Code allows foreign investors to buy shares. Sector regulators such as BNR, the CMA, RURA and RMB may require prior approval of a change of control, and the company must keep at least one director resident in Rwanda under Article 157 of the Companies Law.

How are shares in a Rwandan company transferred?

By delivering to the company a share transfer form signed by seller and buyer, with the share certificate if one exists, after which the company enters the buyer in the register of shareholders (Article 75). The board may refuse or delay only within 30 working days, with full reasons sent to both parties within five working days, and only where the Law or articles allow.

Is there a mandatory offer when buying a Rwandan public company?

Yes. Article 244 of the Companies Law requires anyone acquiring 50% or more of the votes of a public company, with affiliates, to notify the company 30 days in advance and offer to buy the other voting shares within 60 days at not less than its six-month weighted average price. For listed companies, the CMA takeover rules impose a mandatory offer from 25%.

Who pays the capital gains tax when a Rwandan company changes hands?

The gain is the seller's, but the Rwandan company whose shareholders change must withhold, declare and pay the tax, at 10% since 29 May 2025, within 15 days after the month of the transfer, including on an indirect sale abroad. The agreement should make the seller fund it from the price.

Does buying a Rwandan business keep its tax losses?

Usually not. Under Article 31 of the Income Tax Law, a change of more than 25% in the direct or indirect ownership or voting rights of an unlisted company cancels its unused losses, unless it is an internal reorganisation keeping all shareholders, each having held shares for at least three years. An asset purchase does not carry the seller's losses either.

THE 2027 HORIZON

- RICA Regulations under Article 11(4) of Law n° 011/2026, setting the turnover and asset thresholds, forms and fees for merger notification, and a simplified procedure under Article 14(3), were expected but undated at 10 October 2026; until they appear, buyers should consult RICA on any acquisition of control.
- A Ministerial Order establishing the Independent Appeal Committee under Article 64 of Law n° 011/2026, had not been located; it will determine how merger decisions are challenged.
- No bill amending the Companies Law's acquisition, amalgamation or buy-out provisions had been found at 10 October 2026, so the conflicting buy-out time limits in Articles 107 and 241 remain.
- RRA guidance on crediting the 10% capital gains tax withheld by a target to a resident corporate seller, and on the Investment Code exemption after the 2025 amendment, would affect 2027 deal pricing.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Merger (of enterprises)	*Kwibumbira hamwe kw'ibigo by'ubucuruzi*	*Fusion d'entreprises*	Under Article 10 of Law n° 011/2026, a lasting change of control through a merger, an acquisition of control or a full-function joint venture.
Control	—	*Contrôle*	More than half the share capital, business or assets, decisive influence over votes or the board, or material influence over commercial policy (Article 10(2) of Law n° 011/2026).
Share	*Umugabane*	*Action*	A unit of ownership in a company, transferred by entry in the register of shareholders (Article 75 of the Companies Law).
Major transaction	*Igikorwa gihambaye*	*Transaction capitale*	An acquisition of assets worth 10% or more of a company's assets, or a disposal or obligation worth more than half, requiring a special resolution (Articles 196 and 197).
Special resolution	*Umwanzuro udasanzwe*	*Résolution spéciale*	A shareholder decision requiring 75% of the votes cast, or more if the articles say so.
Significant holding	*Uruhare rugaragara*	*Participation significative*	Under Article 2(r) of Law n° 044/2024, a holding of at least 5% of a bank's capital or votes, or one giving significant influence over its management.

English	Kinyarwanda	French	Meaning
Capital gains tax	*Umusoro ku gaciro kiyongereye*	*Impôt sur la plus-value*	The 10% tax on the gain from a direct or indirect transfer of shares, withheld by the Rwandan company whose shareholders change.

FOREIGN V RWANDAN INVESTOR

The acquisition rules do not distinguish by nationality. A Kenyan, Ugandan or other East African Community (EAC) or Common Market for Eastern and Southern Africa (COMESA) buyer, a buyer from outside Africa and a Rwandan buyer meet the same transfer formalities, the same major-transaction and amalgamation approvals, the same Article 244 offer rule, the same BNR 5% approval and the same merger control. Rwandan law sets no general foreign-ownership limit, although some sector licensing conditions include local ownership requirements.

The differences are practical. A foreign corporate buyer must produce notarised or apostilled board resolutions and constitutional documents, because Rwanda has been a party to the Apostille Convention since 5 June 2024 (except with Germany, which objected to Rwanda's accession, so German documents still need consular legalisation), and the Office of the Registrar General also accepts notarisation by a public notary abroad, a Rwandan embassy or the ministry of foreign affairs; and it must identify its own ultimate beneficial owners. Purchase money should arrive through a bank in Rwanda with a documented trail, because the repatriation guarantee in Article 12 of the Investment Code is exercised on proof that capital came in and tax was paid (Repatriating profits and capital). On land, a foreign buyer of assets can take only an emphyteutic lease or concession, while buying shares in a Rwandan landholding company leaves its tenure unchanged.

WATCH OUT FOR

- Signing a share purchase without the waivers of rights of first refusal or consent rights in the target's articles or shareholders' agreement: the board can then lawfully refuse to register the transfer.
- Treating the buyer's own approval as routine: buying assets or shares worth 10% or more of a Rwandan buyer's assets is a major transaction needing a fairness opinion and a special resolution.
- Closing before RICA, COMESA or EAC clearance: each filing is suspensory, and Rwanda's own fine for failing to notify reaches 5% of the preceding year's turnover.
- Buying any direct or indirect stake of 5% or more in a bank without BNR's prior authorisation: the holding is void and carries no votes or dividends.
- Leaving the target to pay the 10% capital gains tax on the seller's gain without funding: the agreement should retain the tax from the price and pay it to the target in time for the 15-day deadline.
- Crossing 50% of the votes of an unlisted public company without the 30-day notice and the offer under Article 244: the acquirer loses the right to vote those shares.

OFFICIAL SOURCES

- RDB, Office of the Registrar General: Official Gazette n° 04 ter of 08/02/2021, Law N° 007/2021 governing companies (Articles 75, 79, 106 to 108, 196 to 206 and 240 to 246) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- Rwanda Law Reform Commission: Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, Official Gazette n° Special of 04/03/2026 — https://www.rlrc.gov.rw/fileadmin/user_upload/RLRC/Laws_of_Rwanda_v2/Domestic_laws/Laws_in_force/10._Business/10.8._Organization_of_commercial_Activities/10.8.6._Consumer_protection/10.8.6.1._Competition_and_consumer_protection__Law_No_011-2026_of_2026.pdf
- National Bank of Rwanda: Law n° 044/2024 of 30/05/2024 governing banks (Articles 2, 20 to 22) — https://www.bnr.rw/documents/Banking_Law_2024_yMYGT82.pdf
- Rwanda Revenue Authority: Law n° 014/2025 of 27/05/2025 amending Law n° 027/2022 establishing taxes on income (capital gains tax) — https://www.rra.gov.rw/fileadmin/user_upload/Law_amending_the_2022_Income_Tax_May_2025.pdf
- Official Gazette n° 04 bis of 08/02/2021: Law N° 006/2021 on investment promotion and facilitation (Articles 9, 12, 27 and 28) — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-02-08-no-4bis.pdf
- IremboGov: How to apply for title transfer (voluntary sale) — https://support.irembo.gov.rw/en/support/solutions/articles/47001210595-how-to-apply-for-title-transfer-voluntary-sale

Due diligence in Rwanda: the public company register and shareholder list, the target's own registers and beneficial owners, chain of title to the shares, tax clearance and tax history, land titles and security registers, employees and RSSB, licences and competition exposure, insolvency look-backs, data rooms and gun-jumping

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WHAT YOU NEED TO KNOW

- Under Article 278 of Law N° 007/2021 of 05/02/2021 governing companies, any person may, on payment of the prescribed fee, inspect the register of companies and the list of shareholders of each company kept by the Registrar General and obtain authenticated copies, which are admissible in legal proceedings as of equal validity with the originals.
- The central register of beneficial owners created by Law n° 019/2023 of 30/03/2023 is open only to competent authorities, so a buyer must obtain the target's internal register of beneficial owners, its register of shares updated within 7 days of each change and its annual returns from the seller.
- The Rwanda Revenue Authority (RRA) issues a tax clearance certificate online for RWF 5,000, valid for three months and available only once arrears are cleared, but it does not limit RRA's power to audit, which lapses five years from 1 January after the tax period, or ten years where information was concealed.
- Under Article 21 of Law n° 044/2024 of 30/05/2024 governing banks, a direct or indirect holding of 5% or more of a bank acquired without the prior authorisation of the National Bank of Rwanda (BNR) is void and carries no votes or dividends, so every link in a bank target's ownership chain must be checked against BNR approvals.
- Under Articles 215 to 217 of Law N° 075/2021 of 06/12/2021 relating to insolvency, preferences, transactions at an undervalue and charges given in the year before insolvency proceedings can be set aside, with a presumption of inability to pay for transfers and charges made in the last six months.
- Under Law n° 011/2026 of 26/02/2026, a below-threshold merger can be called in within 12 months of completion and failure to notify, cartels and abuse of dominance carry fines of up to 5% of the preceding year's turnover (Articles 11 and 66), so the target's past acquisitions and distribution contracts are part of due diligence.

What due diligence must achieve in Rwanda

Rwanda's public registers are unusually digital for the region. Companies, shareholders, security interests over movables and immovables, land titles, tax status and judgments can all be checked online or through a single portal, and most official services publish fixed fees and service times. That makes the first round of due diligence fast. It does not make it complete. The company's own statutory registers have often been found incomplete, beneficial ownership information is not public, several liabilities do not appear on any register, and a share purchase transfers the target's whole history to the buyer (Acquiring a Rwandan company).

A Rwandan due diligence exercise therefore has three layers: **public searches** that the buyer can run itself, usually through a Rwandan advocate; **documents from the seller**, produced in a data room and verified against the public record; and **confirmations from authorities**, such as a tax clearance certificate, a certificate of non-bankruptcy and, where the target is regulated, the regulator's view of its licence. The results feed three decisions: whether the deal should be a share or an asset purchase, which risks are priced, indemnified or made conditions precedent, and which approvals the timetable needs (Deal documents and closing mechanics).

Where to search and what each search shows

Source	Kept by	What it shows	Access and limits
Register of companies and list of shareholders	Office of the Registrar General (ORG) at the Rwanda Development Board (RDB)	Registration, company type, registered office, directors, shareholders as filed, filed resolutions and annual returns	Open to any person on payment of the prescribed fee; authenticated copies admissible in evidence (Article 278)
Target's own registers	The company, at its registered office or elsewhere in Rwanda, for at least ten years	Register of shares and debentures, shareholder index, directors' interests, minutes and resolutions, internal register of beneficial owners	From the seller only; register due to be updated within 7 days of a change and the index within 14 days
Central register of beneficial owners	Registrar General (Article 116 ter, as inserted in 2023)	Natural persons holding 25% or more of shares or votes, or otherwise controlling	Competent authorities only; the buyer relies on the target's internal register and filings
Security interests over movables and mortgages	ORG registers; mortgages on the electronic mortgage registration system (eMRS) by parcel	Registered security, secured creditors and ranking by date of registration	ORG service standard 24 hours for registrations; search the target and each parcel
Land register	National Land Authority (NLA), through Irembo, by unique parcel identifier (UPI)	Holder, tenure, lease term, land use and parcel details	Unpaid land tax blocks a transfer; ownership doubts go to the Sector Land Manager

Source	Kept by	What it shows	Access and limits
Tax status	Rwanda Revenue Authority (RRA)	Tax clearance certificate confirming no outstanding arrears at issue	Online, RWF 5,000, valid three months; issued only after arrears are cleared
Insolvency status	ORG	Certificate of non-bankruptcy	Request through ORG services; confirm no insolvency proceedings or provisional administrator
Litigation and integrity	Courts and the Ministry of Justice; Irembo	Published judgments in the online repository; criminal record certificates of individuals with their consent	Not every pending case is published; ask the seller for a litigation schedule and confirm with the target's advocates

Corporate records and title to the shares

Start with the public file. Article 278 allows anyone, on payment of the prescribed fee, to inspect the register of companies and the list of shareholders of each company and to require copies authenticated by the Registrar General's seal, which are admissible in all legal proceedings as of equal validity with the original. The annual return, which Article 143 as replaced in 2023 requires every company to file, reports the shareholders, allotments and transfers of the year, the directors and the secretary, and so gives a year-by-year picture of the ownership. Compare that file with the target's own **register of shares and debentures** and shareholder index, which must be kept in Rwanda for at least ten years and updated within 7 and 14 days of a change (Articles 111, 114 and 115, as amended).

Expect discrepancies. In its 2024 peer review of Rwanda, the OECD Global Forum reported that only 25% of 2,794 companies that self-assessed kept an adequate shareholder index, and that 159 of 232 companies inspected by the Registrar General were non-compliant. A gap matters in two ways. It exposes the target to administrative fines of RWF 500,000 to RWF 2,000,000 for failing to keep or update records and RWF 200,000 to RWF 500,000 for late or incomplete filings (Articles 326 and 327, as amended), which are modest; and it can mean that the seller's title is defective, which is not. For each issue and transfer of the shares being sold, the buyer should see the allotment resolution filed with the Registrar General within 15 days (Article 58), the Article 59 pre-emption offer or the provision of the articles disapplying it, the signed transfer form and board registration under Article 75, and any consent or waiver the articles required. Since Law n° 019/2023 of 30/03/2023, bearer, par value and partly paid shares cannot be allotted (Article 57), so constitutional documents that still refer to them need correcting rather than relying on.

Beneficial ownership needs separate work. The target must keep an internal register of its beneficial owners, including nominee arrangements, and file it and any change with the Registrar General within 14 days (Article 116, as replaced in 2023), using the 25% threshold in Instructions of the Registrar General N° 001/2023/RG of 31 March 2023; the central register itself is open only to competent authorities (Article 116 ter). A shareholder who discloses false shareholding or beneficial ownership

information commits an offence punishable by three to five years' imprisonment and a fine of RWF 5,000,000 to RWF 10,000,000 (Article 352, as amended). Hidden nominee arrangements are therefore both a title risk and a criminal-law risk (Beneficial ownership and transparency).

Tax: clearance, history and the cost of the deal

The Rwanda Revenue Authority (RRA) issues a **tax clearance certificate** online for RWF 5,000, normally within about 15 minutes, valid for three months and only once any arrears have been cleared. It is a useful closing deliverable, but it proves only that no arrears were recorded on the day of issue. It does not stop RRA auditing earlier years: under Law n° 020/2023 of 31/03/2023 on tax procedures, the power to audit lapses five years from 1 January after the tax period, or ten years where information was concealed with intent to evade tax (Tax administration, audits and disputes). Tax due diligence therefore looks at the returns, assessments, objections and payments for at least five years, with particular attention to corporate income tax deductions, transfer pricing on related-party charges, withholding taxes on payments abroad, VAT and electronic invoicing compliance, and the PAYE and social security base.

Three tax points affect the structure and price directly. First, the seller's capital gains tax of 10% on a share sale is withheld and paid by the target within 15 days after the month of the transfer, and the target is the taxpayer RRA will pursue if it is not paid, including for earlier transfers of its shares; the buyer should ask for evidence that every past transfer was declared. Second, under Article 31 of Law n° 027/2022 of 20/10/2022 establishing taxes on income, a change of more than 25% in ownership cancels unused tax losses, so the target's deferred tax asset is usually lost. Third, if the target enjoys incentives as a registered investor under Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation, the buyer should confirm that the certificate is valid, that annual reports were filed and that the conditions of the incentive continue after closing (Investment incentives).

Land, security and other assets

Land in Rwanda is registered by unique parcel identifier (UPI) on a national, largely digital register kept by the National Land Authority (NLA). For each parcel, the buyer should obtain the title extract, confirm that the registered holder is the target, check the tenure (freehold or emphyteutic lease), the lease term and expiry, and the designated land use, and confirm that land tax and property tax have been declared and paid, because unpaid land tax blocks a transfer. A target that is a Rwandan company with foreign shareholders holds land as a Rwandan legal person; whether NLA treats it as a foreigner for tenure purposes should be confirmed if the deal depends on freehold. Planning, building and occupancy permits and environmental certificates are not on the land register and must be requested (Land registration, titles and due diligence).

Security interests are registered with the Office of the Registrar General: security over movable assets under Law N° 34/2013 of 24/05/2013 on security interests in movable property, and mortgages under Law N° 10/2009 of 14/05/2009 on mortgages, as modified by Law N° 13/2010, on the electronic mortgage registration system. Registered security ranks by date of registration, and secured creditors rank immediately after the costs of insolvency proceedings (Articles 208 and 212 of the insolvency law). Search the target by name and each parcel by UPI, obtain the facility agreements and confirm whether

the deal triggers change-of-control, negative-pledge or prepayment clauses. Intellectual property registrations, also kept by the Office of the Registrar General, should be checked for ownership, renewal and licences granted.

Employees, social security and immigration

Employment liabilities rarely appear on a register. Review the employment contracts and rules of procedure for compliance with Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda, any collective agreement, pending disputes and labour inspector reports. Price the cost of any planned restructuring: notice of 15 or 30 days depending on service (Article 24), terminal benefits on economic dismissal of at least two to seven times the average monthly salary for employees with 12 months' service or more (Article 31), and damages for unfair dismissal of three to six months' salary, or up to nine months' net salary after ten years' service (Article 30) (Termination, severance and redundancy).

Confirm that contributions to the Rwanda Social Security Board (RSSB) and PAYE have been declared and paid on the full remuneration, because social security ranks ahead of taxes and unsecured creditors in an insolvency (Article 212). For expatriate staff, check work and residence permits issued by the Directorate General of Immigration and Emigration (DGIE) and whether they are tied to the target as employer (Work permits and residence permits).

Licences, competition exposure and regulatory history

Most targets of interest to foreign investors hold a sector licence from the National Bank of Rwanda (BNR), the Capital Market Authority (CMA), the Rwanda Utilities Regulatory Authority (RURA), the Rwanda Mines, Petroleum and Gas Board (RMB) or a ministry (FAQ 91). For each licence, check its holder, term, conditions and compliance reports, any sanctions, and the rule on change of control. In a bank, the rule is strict: a direct or indirect holding of 5% or more acquired without BNR's prior authorisation is void and carries no votes or dividends (Articles 2(r) and 21 of Law n° 044/2024), so every past change in the ownership chain must be matched to a BNR approval.

Competition law is now part of the risk review. Under Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, in force since 4 March 2026, the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) can call in a below-threshold merger within 12 months of completion (Article 11(3)), and failing to notify a notifiable merger, concluding a prohibited agreement or abusing a dominant position each carries a fine of up to 5% of the preceding year's turnover (Article 66). Review the target's past acquisitions and joint ventures, its agreements with competitors, and its distribution and supply contracts for minimum resale price maintenance, restrictions on online sales and exclusive dealing (Articles 4, 5 and 9). An online seller needed an e-commerce licence under Article 44, with existing operators given six months from publication of the Law on 4 March 2026 to comply (Article 73) (Merger control and competition law).

Data protection is a regulatory item and a process item. Under Law N° 058/2021 of 13/10/2021 relating to the protection of personal data and privacy, controllers and processors must register with the National Cyber Security Authority (NCSA) (Article 29), and personal data may be stored outside Rwanda

only with a registration certificate authorising it (Article 50). Check the target's registration, and plan the data room so that employee and customer personal data are disclosed only as far as needed and, where viewed from abroad, on a lawful transfer ground under Article 48 (Personal data protection).

Insolvency red flags and integrity

Where the target or the seller is under financial strain, the buyer needs to know whether earlier transactions could be unwound. Under Law N° 075/2021 of 06/12/2021 relating to insolvency, an insolvency practitioner can apply to set aside preferences given in the year before commencement of proceedings (Article 215), transactions in that year for significantly less than the value the company gave, where it was or became unable to pay its debts (Article 216), and charges given for existing debts, with a presumption that a company giving a charge in the last six months was unable to pay its debts (Article 217). The court may also order related companies to contribute to each other's debts or pool their assets (Articles 125 and 126). Ask for the certificate of non-bankruptcy, recent management accounts and a creditor ageing list, and treat an asset purchase from a distressed seller with particular care.

Integrity checks cover the target, its directors and its counterparties. Published judgments can be searched in the online repository; individuals' criminal record certificates are issued through Irembo. Anti-money-laundering and sanctions screening of the seller and its beneficial owners is expected by Rwandan banks, which will ask about the source of purchase funds (Anti-money laundering and sanctions compliance). Property left in a company when it is struck off vests in the State (Article 286 of the Companies Law), so assets that come from a dormant or removed group company need a clear chain of title.

Running due diligence without jumping the gun

Where buyer and target compete, the exchange of information in due diligence can itself breach competition law. The COMESA Competition and Consumer Protection Regulations, 2025 list, among the signs that a merger has been implemented before approval, the exchange of strategic information between the merging parties for purposes other than valuation or on a need-to-know basis during due diligence, in ways compromising their strategic independence (Regulation 43(5)(d)). Rwanda's own law makes a notifiable merger suspensory until RICA decides (Article 14(2) of Law n° 011/2026). Competitively sensitive data, such as current prices, margins, customer terms and bids, should therefore go only to a clean team of advisers or non-commercial staff, under a written protocol, until clearance.

Due diligence request list for a Rwandan target

The documents a buyer should ask for, in addition to the public searches. Adapt the list to the sector and the size of the deal.

- [ ] **Constitution and registers**
  Certificate of incorporation, memorandum and articles as amended, register of shares and debentures, shareholder index, directors' interests register, internal register of beneficial owners and five years of annual returns.

- [ ] **Share history**
  Every allotment resolution with proof of filing within 15 days, pre-emption offers or waivers, transfer forms, board resolutions registering transfers and share certificates.
- [ ] **Shareholder arrangements**
  Shareholders' and joint venture agreements, options, pledges of shares and any nominee or trust arrangements.
- [ ] **Tax**
  Five years of returns and assessments, objections and appeals, tax clearance certificate, capital gains tax declarations on past share transfers and the investment certificate if any.
- [ ] **Land and property**
  Title extracts by UPI, leases, land and property tax receipts, building and occupancy permits and environmental certificates.
- [ ] **Finance and security**
  Facility agreements, guarantees, registered security and mortgages, and change-of-control or negative-pledge clauses.
- [ ] **Licences**
  Every sector licence with its conditions, compliance reports and the regulator's change-of-control rule; BNR approvals for each holder of 5% or more in a bank.
- [ ] **Material contracts**
  Customer, supplier, distribution and agency contracts, with change-of-control, exclusivity, resale price and online-sales clauses.
- [ ] **Employees**
  Contracts, rules of procedure, collective agreements, payroll, RSSB and PAYE declarations, disputes, and work permits for expatriates.
- [ ] **Competition and consumer**
  Past acquisitions and joint ventures with any notifications, agreements with competitors, RICA correspondence and any e-commerce licence.
- [ ] **Data and IT**
  NCSA registration as controller or processor, privacy notices, data transfer authorisations and incidents.
- [ ] **Disputes and insolvency**
  Litigation and arbitration schedule, certificate of non-bankruptcy, creditor ageing and transactions with related parties in the last year.

WORKED EXAMPLE

Turning findings into price and protection

A South African buyer has agreed in principle to pay RWF 4,000,000,000 for 100% of a Rwandan distribution company. Due diligence produces the findings below. Illustrative figures only.

Tax losses	The target carries RWF 300,000,000 of losses. The 100% change cancels them under Article 31, so the RWF 84,000,000 of tax they could have saved at 28% is removed from the valuation.
Unpaid capital gains tax	A 2024 transfer of 20% of the shares was never declared. On a gain of RWF 250,000,000 at the 5% rate then in force, the target owes RWF 12,500,000 plus penalties and interest. The parties agree a specific indemnity from the seller and an escrow of RWF 25,000,000.
Social security arrears	Allowances were left out of the RSSB base for two years. The estimated arrears of RWF 18,000,000 are paid before closing as a condition precedent.
Defective records	The shareholder index has not been updated since 2023 and a 2022 allotment resolution was never filed. The seller rectifies the registers and files before closing; the exposure to fines of RWF 500,000 to RWF 2,000,000 is covered by the general indemnity.
Distribution contracts	Twelve dealer agreements impose minimum resale prices, prohibited by Article 5 of Law n° 011/2026. The seller amends them before closing to recommended prices marked as such.
Price outcome	RWF 4,000,000,000 − RWF 84,000,000 (losses) = RWF 3,916,000,000, with RWF 25,000,000 in escrow for the capital gains tax issue and the RSSB arrears paid by the target before closing.

Had the target been a bank, a missing BNR approval for the 2024 transfer would have made that holding void, and the buyer would have needed BNR's regularisation before signing.

Under the old 5% rate the undeclared tax is smaller than under the 10% rate that applies to transfers from 29 May 2025, which is why the date of each past transfer matters.

Questions investors ask

Can I search who owns a Rwandan company?

Yes, for registered shareholders. Article 278 of the Companies Law lets any person, on payment of the prescribed fee, inspect the register of companies and the list of shareholders kept by the Registrar General and obtain authenticated copies. The central beneficial ownership register is open only to competent authorities, so the buyer must obtain the target's internal register from the seller.

Does a tax clearance certificate protect a buyer of Rwandan shares?

Only partly. The RRA certificate, which costs RWF 5,000 and is valid for three months, confirms that no arrears were recorded when it was issued. RRA can still audit earlier periods for five years from 1 January after the tax period, or ten years if information was concealed, so buyers rely on tax warranties and indemnities as well.

How do I check whether a Rwandan company's assets are mortgaged or pledged?

Search the security registers kept by the Office of the Registrar General: security over movables registered under Law N° 34/2013, and mortgages on the electronic mortgage registration system by parcel UPI. Registered security ranks by date of registration. Also obtain the target's facility agreements, which may contain negative pledges and change-of-control clauses that a register does not show.

Can earlier transactions of a Rwandan target be undone if it becomes insolvent?

Yes. Under Articles 215 to 217 of the insolvency law, an insolvency practitioner can ask the court to set aside preferences, transactions at an undervalue and certain charges given in the year before proceedings began, with a presumption of inability to pay for transfers and charges made in the last six months. Buyers of assets from distressed sellers face the same risk.

May a buyer share competitors' prices during due diligence?

Not freely. Notifiable mergers cannot be implemented before clearance, and the COMESA Regulations of 2025 treat exchanges of strategic information beyond what valuation requires as a sign of early implementation. Current prices, margins and customer terms should go only to a clean team under a written protocol until RICA and any regional authority have cleared the deal.

Why do Rwandan share registers need checking against filings?

Because compliance has been weak: the OECD Global Forum reported in 2024 that 159 of 232 companies inspected were non-compliant. A missing filing, an unoffered pre-emption right or an unregistered transfer can undermine the seller's title. Each issue and transfer of the shares being sold should be traced to its resolution, filing and register entry.

THE 2027 HORIZON

- RICA Regulations under Law n° 011/2026 setting merger thresholds had not been published at 10 October 2026; once they are, buyers can tell whether a target's past acquisitions should have been notified.
- The OECD Global Forum's findings on shareholder records point to continued inspections by the Office of the Registrar General, which should improve the reliability of registers over time.
- Whether RRA publishes guidance on the capital gains tax withheld by targets, including on undeclared transfers made before 29 May 2025, will affect how buyers price historical exposure.
- No published procedure for a single general encumbrance search across land, movables and other registers had been found at 10 October 2026; until one exists, searches remain register by register.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Registrar General	*Umwanditsi Mukuru*	*Registraire général*	Head of the Office of the Registrar General at RDB, who keeps the company and security registers and administers insolvency proceedings.
Beneficial owner	*Ugenewe inyungu ku migabane*	*Bénéficiaire effectif*	The natural person who ultimately owns or controls a company, recorded in its internal register and filed with the Registrar General.
Annual return	*Inyandiko ngarukamwaka*	*Déclaration annuelle*	The yearly filing reporting a company's shareholders, allotments, transfers, directors and secretary.
Tax clearance certificate	*Icyemezo cy'ubudakemwa*	*Quitus fiscal*	RRA's certificate that no tax arrears are recorded, valid for three months.
Security interests in movable property	*Ubugwate ku mutungo wimukanwa*	*Sûretés mobilières*	Security over movable assets under Law N° 34/2013, registered with the Office of the Registrar General.
Mortgage	*Ubugwate*	*Hypothèque*	Security over immovable property, registered on the electronic mortgage registration system.
Voidable preference	—	*Préférence annulable*	A payment or transfer favouring one creditor in the year before insolvency, which the court may set aside (Article 215 of the insolvency law).

English	Kinyarwanda	French	Meaning
Transaction at undervalue	—	*Opération à prix sous-évalué*	A transaction in the year before insolvency for significantly less than the value given, which may be set aside (Article 216).
Insolvency	*Igihombo*	*Insolvabilité*	Inability to pay debts as they fall due, or assets below liabilities and stated capital, under Law N° 075/2021.

FOREIGN V RWANDAN INVESTOR

The registers, fees and rules described here are the same for every buyer, and a foreign buyer has the same right as a Rwandan one to inspect the register of companies and list of shareholders. Due diligence differs in practice for foreign buyers in three ways. Searches are run in Rwanda and many official documents are in Kinyarwanda, so a Rwandan advocate is normally engaged to run them and to translate. A foreign buyer viewing personal data from abroad receives a cross-border transfer under Article 48 of Law N° 058/2021, which needs a lawful ground. And a buyer from a member state of the East African Community (EAC) or the Common Market for Eastern and Southern Africa (COMESA) that competes with the target is the most likely to face regional gun-jumping rules on information exchange. Land tenure is the one substantive difference: if the target's land is freehold and the buyer plans to take it by an asset purchase, a foreign buyer can take only a lease or concession.

WATCH OUT FOR

- Relying on the public list of shareholders alone: the target's own register, annual returns and every allotment and transfer document must agree with it.
- Treating a tax clearance certificate as a tax warranty: it confirms arrears on one day, not the five open years RRA can still audit.
- Undeclared capital gains tax on earlier transfers of the target's shares, which the target, not the old seller, must answer for.
- A bank target whose ownership chain includes an unapproved 5% holding: the holding is void and the deal cannot proceed until BNR regularises it.
- Distribution contracts with minimum resale prices or online-sales bans, prohibited by Article 5 of Law n° 011/2026.
- Sharing current prices and customer terms with a competing buyer before clearance, which COMESA treats as a sign of implementation.

OFFICIAL SOURCES

- RDB, Office of the Registrar General: Official Gazette n° 04 ter of 08/02/2021, Law N° 007/2021 governing companies (Articles 75, 111, 114, 278 and 286) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- RDB, Office of the Registrar General: Law n° 019/2023 amending Law N° 007/2021 (Articles 116, 116 ter, 143, 326, 327 and 352 as amended) — https://org.rdb.rw/wp-content/uploads/2023/04/Law-amending-Company-Law-55-107.pdf
- Rwanda Revenue Authority: About Tax Clearance Certificate (TCC) — https://www.rra.gov.rw/en/domestic-tax-services/other-services/about-tax-clearance-certificate-tcc
- Official Gazette n° Special of 30/12/2021: Law N° 075/2021 relating to insolvency (Articles 125, 126, 212 and 215 to 217) — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-12-30-no-Special.pdf
- RDB, Office of the Registrar General: Law N° 34/2013 on security interests in movable property — https://org.rdb.rw/wp-content/uploads/2020/09/Law-on-Security-on-movable-property.pdf
- COMESA Competition and Consumer Commission: Competition and Consumer Protection Regulations, 2025 (Regulation 43) — https://comesacompetition.org/wp-content/uploads/2026/03/COMESA-Competition-and-Consumer-Protection-Regulation-2025.pdf

Deal documents and closing mechanics: the share purchase agreement and transfer form, notarisation, apostille and e-signatures, governing law and arbitration, regulatory conditions and gun-jumping, the 10% capital gains tax withheld by the target, warranties and escrow, financial assistance, employees, and the statutory clocks after closing

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Title to shares in a Rwandan company passes only when the buyer is entered in the register of shareholders on delivery of a share transfer form signed by both parties (Article 75 of Law N° 007/2021 of 05/02/2021 governing companies), so the board resolution registering the transfer and the updated register are core closing deliverables.
- Capital gains tax at 10% of the gain on a direct or indirect sale of shares in a Rwandan company, in Rwanda or abroad, is withheld, declared and paid by the Rwandan company whose shareholders change within 15 days after the month of the transfer (Articles 35 to 37 of Law n° 027/2022 of 20/10/2022, as amended by Law n° 014/2025 of 27/05/2025 from 29 May 2025).
- A notifiable merger may not be implemented until the competition authority decides, within 45 days of a complete notification extendable once by 15 (Article 14 of Law n° 011/2026 of 26/02/2026), and COMESA and EAC filings are also suspensory, so each clearance is a condition precedent and integration must wait.
- A Rwandan company may give financial assistance for the purchase of its own shares only within Articles 186 to 190 of the Companies Law, including a reasoned directors' resolution and certificate and a disclosure document sent to shareholders 10 to 30 days before the assistance is given, although the shareholders of a private company may opt out of the Article 188 procedure by unanimous resolution (Article 209).
- After closing, the register of shares must be updated within 7 days, the shareholder index within 14 days and a change of beneficial owner notified to the Registrar General within 14 days (Articles 114, 115 and 116 of the Companies Law, as amended by Law n° 019/2023 of 30/03/2023).
- Arbitration of commercial disputes is governed by Law N° 005/2008 of 14/02/2008 on arbitration and conciliation in commercial matters and is commonly administered by the Kigali International Arbitration Centre (KIAC); in 2015 the Supreme Court declined to give effect to an exclusive London court clause, so forum clauses need care.

The document set in a Rwandan acquisition

Rwandan law does not prescribe the contents of a share or asset purchase agreement, so the main transaction documents follow international practice: the **share purchase agreement** (or asset purchase agreement), a disclosure letter against the warranties, any escrow agreement, transitional services and intellectual property licences, new service contracts for key managers, and, where the buyer will hold less than 100%, a new shareholders' agreement and amended articles. The general law of contract is Law N° 45/2011 of 25/11/2011 governing contracts, and the parties' freedom to agree terms is limited mainly by mandatory rules on land, employment, tax, currency, competition and consumers (Commercial contracts in Rwanda).

Around the agreement sit the documents the Companies Law and regulators require: the **share transfer form** signed by seller and buyer and the share certificate, if one was issued (Article 75); the target board's resolution to register the transfer; any shareholder special resolution approving a major transaction with the independent financial adviser's opinion (Article 197); waivers of pre-emption or consent rights under the articles; resignations of outgoing directors and written consents of new ones, keeping at least one director resident in Rwanda (Articles 154 and 157); updated registers and beneficial ownership filings; regulators' approval letters; and the capital gains tax declaration. In an amalgamation, the amalgamation proposal, the incorporation documents of the amalgamated company and the directors' solvency certificates take the place of the transfer form (Articles 200 to 203).

Notarisation, apostille, signatures and language

The Office of the Registrar General (ORG) at the Rwanda Development Board (RDB) accepts documents notarised in Rwanda by the RDB notary, District and Sector notaries or private notaries authorised by the Ministry of Justice, and, for documents made abroad, notarisation by a public notary, a Rwandan embassy or the ministry of foreign affairs of the country concerned. Resolutions of a foreign corporate party should be originals signed before the notary, and only certified copies are needed of the certificate of incorporation and articles. Rwanda has been a party to the Apostille Convention since 5 June 2024 (except with Germany, which objected to Rwanda's accession, so German documents still need consular legalisation); RDB's published requirements do not yet mention the apostille, so parties preparing documents abroad commonly satisfy both routes. ORG has not published whether the share transfer form itself must be notarised; foreign signatories usually have their signatures notarised so that the form is accepted without question (Registering a company with RDB step by step).

Electronic signatures are admissible and have the same probative value as other evidence under Article 42 of Law N° 062/2024 of 20/06/2024 governing evidence, but attribution must be proved unless the signature is a secure one (Article 43), so documents that will be filed or relied on against third parties are often still signed by hand or with a qualified signature. Rwandan laws are published in Kinyarwanda, English and French, recent laws being drafted in English and adopted in Kinyarwanda, and filings with the Registrar General may be made in any official language. An English-language agreement is therefore normal; documents in other languages need certified translation before they are filed.

Governing law, forum and disputes

Parties to a commercial contract may choose its governing law and forum, subject to public policy and mandatory Rwandan rules, and many foreign buyers choose English law for the share purchase agreement. Whatever law governs the contract, Rwandan law governs the things that make the deal effective: the transfer of title to the shares by entry in the register (Article 75), the corporate approvals, land, employment, tax, merger control and sector approvals. A foreign-law agreement should therefore be drafted with Rwandan closing mechanics in mind, and the parties should expect a Rwandan court to apply Rwandan mandatory law regardless of the choice.

Forum needs particular care. In Great Lakes Cement v Damco Tanzania (RCOMA0162/12/CS, 12 June 2015), the Supreme Court did not give effect to an exclusive London jurisdiction clause where the parties had not shown that the London court was competent and convenient, having regard to cost and the value of the claim. Arbitration is the more reliable choice. Law N° 005/2008 of 14/02/2008 on arbitration and conciliation in commercial matters governs arbitration seated in Rwanda, the Kigali International Arbitration Centre (KIAC) administers domestic and international cases, and Rwanda is a party to the New York Convention, so awards made abroad are enforceable in Rwanda and KIAC awards abroad. Where the seller is a State body, Ministerial Instructions No 612/08.11 of 16/04/2014 bar officials from agreeing to international arbitration outside KIAC or to ad hoc arbitration (Article 14). Disputes about the price of shares bought out from dissenting shareholders go to arbitration by statute (Article 242 of the Companies Law). The clauses and enforcement are in Arbitration law and KIAC and The court system and choice of forum.

Conditions precedent and the period between signing and closing

Most Rwandan deals of any size have a gap between signing and closing, filled by **conditions precedent**. The usual list is: clearance by the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) under Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, which is suspensory under Article 14(2) and is deemed given if RICA does not decide within 45 days of a complete notification, or 60 days if extended; clearance by the Common Market for Eastern and Southern Africa (COMESA) Competition and Consumer Commission or the East African Community (EAC) Competition Authority where their tests are met; the prior authorisation of the National Bank of Rwanda (BNR) for a holding of 5% or more in a bank (Article 21 of Law n° 044/2024 of 30/05/2024 governing banks) and other sector regulators' consents; waivers of pre-emption, consent and change-of-control rights; the buyer's and, on an asset sale, the seller's major-transaction approvals; and, for a public company, the 30-day notice under Article 244 of the Companies Law. The agreement should fix a long-stop date that allows for the regional timetables, which can run to 120 days in COMESA, and say what happens if a regulator imposes conditions such as divestiture or behavioural remedies under Article 16 of Law n° 011/2026 (Merger control and competition law).

Conduct-of-business covenants protect the buyer between signing and closing, but they must not hand the buyer control before clearance. The COMESA Regulations of 2025 treat as signs of implementation the integration of infrastructure, information systems, corporate identity or marketing, moving, hiring or dismissing employees in connection with the merger, the buyer's influence over any competitive aspect of the target's business, and exchanges of strategic information beyond valuation needs (Regulation

43(5)). Covenants should be limited to protecting value, such as no extraordinary disposals, dividends or new debt, with consent not to be unreasonably withheld, and integration planning should be done by clean teams.

Price, payment and the capital gains tax

Article 35 of Law n° 027/2022 of 20/10/2022 establishing taxes on income charges capital gains tax on the **direct or indirect** sale or transfer of shares carried out in Rwanda or abroad; the gain is the sale or transfer price less the acquisition value. Since 29 May 2025, Law n° 014/2025 of 27/05/2025 has set the rate at **10%**, up from 5%, and extended the tax to licences, debt instruments, options, guarantees and similar assets. For shares, the tax is withheld by the **resident company** whose shareholding structure has been altered or whose shareholders have changed, as the original 2022 text already provided; for the other assets, by the seller or buyer. The company, shareholder or buyer declares and pays within 15 days after the month in which the sale or transfer occurred (Article 37, as replaced in 2025).

The mechanism puts the target in the middle of a transaction to which it is not a party. The target receives none of the price, so the agreement should require the seller to fund the tax, usually by a retention from the price paid to the target or into escrow before the deadline, and should require the seller to provide documentary evidence of its acquisition value; without it, RRA may treat the whole price as gain. On an **indirect transfer**, such as the sale of a foreign holding company, the Rwandan subsidiary must still account for the tax, the Income Tax Law gives no apportionment rule for the value attributable to the Rwandan company, and the parties should agree the computation, and ideally confirm it with RRA, before closing. A resident corporate seller that holds shares as a business asset is taxed on the gain in its corporate return at 28%, and the law does not say how tax withheld by the target is credited to it. Gains on shares listed on a Rwandan securities exchange and on collective investment scheme units are exempt (Article 38); the Investment Code exempts registered investors except on commercial immovable property, but its interaction with the 2025 amendment has not been confirmed by RRA; and a seller resident in a treaty state may claim treaty relief (Capital gains, property and other taxes).

The price itself may be paid in Rwanda or abroad and in foreign currency, subject to the foreign exchange rules and to the banks' documentation requirements. A non-resident seller paid in Rwanda relies on the repatriation guarantee in Article 12 of Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation, which applies once tax obligations are met, so evidence of the capital gains tax payment is part of the seller's closing file (Repatriating profits and capital). On an asset purchase, add the 2% or 2.5% tax on the sale of immovable property under Law N° 048/2023 of 05/09/2023, VAT on taxable supplies unless the restructuring exemption applies, and registration of each land transfer.

Warranties, indemnities and escrow

There is no Rwandan statute on warranties in share sales, so the protection the buyer gets is the protection it negotiates. Rwandan-specific warranties usually cover: the accuracy of the registers, annual returns and beneficial ownership filings; the validity of every issue and transfer of the shares; tax, including capital gains tax on earlier transfers of the target's own shares; social security contributions to the Rwanda Social Security Board (RSSB) and PAYE; land tenure, lease terms, land and

property tax and building permits; sector licences and compliance; data protection registration with the National Cyber Security Authority (NCSA); and competition compliance, including notification of past mergers. Specific indemnities are used for identified exposures, such as an undeclared capital gains tax liability, an RSSB under-declaration or a pending labour claim, because a warranty claim requires proof of loss whereas an indemnity reimburses the identified liability.

Escrow arrangements can be held by a bank in Rwanda or abroad. Where the seller is foreign and will have no assets in Rwanda after closing, an escrow or retention is often the only practical security for warranty and indemnity claims. This guide has not identified a statutory limitation period specific to warranty claims; the agreement should fix its own claims periods, typically longer for tax to match RRA's five-year audit window, or ten years for concealment, under Law n° 020/2023 of 31/03/2023 on tax procedures.

Acquisition finance and financial assistance

A buyer that borrows to fund the acquisition will want security over the target's assets or a guarantee from the target. That is **financial assistance** for the purchase of the target's own shares, which Articles 186 to 190 of the Companies Law permit only on conditions. Under Article 188, the directors must first resolve, with full reasons, that the assistance is in the company's best interests, that its terms are fair and reasonable to the company and to shareholders not receiving it, and that it benefits those shareholders; those voting in favour sign a certificate; and the company sends each shareholder a disclosure document, after which the assistance may be given not less than 10 and not more than 30 days later. A shareholder or the company may apply to the court to restrain it (Article 189). Assistance given in breach is not invalid for that reason, but it is treated as unfairly prejudicial conduct with the remedies in Article 230 (Article 190), and assistance outside Article 186 is treated as a distribution, which must meet the solvency test. A private company may, however, give financial assistance without following Article 188 if its shareholders have opted out of that requirement by unanimous resolution under Article 209, generally or for the particular transaction; the solvency test and the directors' duties still apply. Lenders therefore ask, as a condition precedent to drawdown, either for the full Article 188 procedure or for a certified copy of the unanimous opt-out resolution.

Security over movables is registered with the Office of the Registrar General under Law N° 34/2013 of 24/05/2013 on security interests in movable property, and mortgages over land on the electronic mortgage registration system; priority runs from registration. Shareholder loans to the target are subject to the 4:1 debt-to-equity limit on deductible related-party interest in Article 25 of the Income Tax Law (Transfer pricing and international tax), and loans from abroad to the rules in Offshore loans and external borrowing.

Employees at closing

On a share purchase, the employer does not change and employment contracts continue unaffected; any post-closing restructuring follows the ordinary rules. On an asset purchase or amalgamation, Article 15 of Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda keeps contracts in progress valid with the new employer where the enterprise's legal status is modified, while Article 16 requires the employee's consent to a transfer from one employer to another; written consents on unchanged terms remove the uncertainty. A dismissal for economic reasons or reorganisation requires the employer to

inform the employees' representatives and then the labour inspector in writing (Article 21), and an employee with 12 months' service is entitled to terminal benefits of at least two to seven times the average monthly salary by length of service, paid within seven working days (Article 31). Notice is 15 days for less than a year's service and 30 days thereafter (Article 24). The cost of any planned redundancies should be agreed between the parties before signing (Termination, severance and redundancy).

Statutory clocks around signing and closing

Event	Time limit	Who acts	Source
Notify a notifiable merger to RICA	Within 30 days of the decision to merge	The merging enterprises	Article 11(2) of Law n° 011/2026
RICA publishes notice of the review	Within 10 days of a complete notification	RICA	Article 12 of Law n° 011/2026
RICA decision	45 days from a complete notification, extendable once by up to 15; deemed approval if late	RICA	Article 14 of Law n° 011/2026
COMESA decision	120 days from notification, extendable	COMESA Competition and Consumer Commission	Regulation 44 of the COMESA Regulations, 2025
Notice of intention to acquire a control block of a public company	At least 30 days before acquiring 50% or more; offer within 60 days after	The acquirer	Article 244 of the Companies Law
Board refusal or delay of a share transfer	Resolution within 30 working days of receipt; notice to both parties within 5 working days	Target board	Article 75 of the Companies Law
Financial assistance	Not less than 10 nor more than 30 days after the disclosure document	Target board	Article 188 of the Companies Law
Register of shares and shareholder index	7 days and 14 days after the change	Target	Articles 114 and 115, as amended
Beneficial ownership change	Within 14 days	Target, to the Registrar General	Article 116, as amended
Capital gains tax on shares	Declare and pay within 15 days after the month of the transfer	Target company	Article 37 of the Income Tax Law, as replaced in 2025
Change, suspension or termination of investment operations	Written notice at least 30 days before	Registered investor, to RDB	Article 27 of the Investment Code
Tax clearance certificate	Valid for three months from issue	Seller obtains from RRA	RRA service charter

Closing day and the month after

1. **Confirm conditions**
   Collect the RICA, COMESA, EAC and sector approvals or evidence of deemed approval, the waivers under the articles and any major-transaction resolutions; check the tax clearance certificate is still within its three months.

2. **Exchange documents**
   The seller delivers the signed transfer form and share certificate, director resignations, the target's registers and seals, and new directors' consents; the buyer delivers the price net of the agreed capital gains tax retention and escrow.

3. **Register the transfer**
   The target board resolves to register the transfer and enters the buyer in the register of shares, then updates the register within 7 days and the index within 14 days.

4. **File with the Registrar General**
   Notify the change of beneficial owner within 14 days and director changes with the required consents; on an amalgamation, deliver the documents within 10 working days of the resolution (Article 203).

5. **Pay the capital gains tax**
   The target declares and pays the 10% tax from the funds provided by the seller by the 15th day of the month after the transfer, and gives the seller the receipt.

6. **Notify regulators and RDB**
   Report completion to any regulator whose approval required it, write to RDB if the target is a registered investor, and update bank mandates, licences and NCSA registration details.

7. **Integrate**
   Only now begin integration of systems, branding and staff, and start any restructuring through the Article 21 information procedure.

Rwanda-specific clauses for the share purchase agreement

Clauses that a standard international form will not contain and that a Rwandan deal usually needs.

- [ ] **Capital gains tax mechanism**
  Seller funds the 10% tax through a retention paid to the target before the deadline, provides evidence of acquisition value and indemnifies any shortfall, penalties and interest.

- [ ] **Indirect transfer cooperation**
  On an offshore sale, an agreed computation of the gain attributable to the Rwandan company and the seller's undertaking to fund and cooperate with the target's filing.

- [ ] **Regulatory conditions**
  RICA, COMESA, EAC, BNR and sector approvals as conditions precedent, a long-stop date allowing up to 120 days for COMESA, and an allocation of remedies risk.
- [ ] **Gun-jumping limits**
  Conduct-of-business covenants limited to value protection, and a clean-team protocol for competitively sensitive information.
- [ ] **Register and filing deliverables**
  Board resolution registering the transfer, updated registers, beneficial ownership filing and director consents, keeping a resident director.
- [ ] **Historic share title**
  Warranties that every issue and transfer complied with Articles 57 to 59 and 75, was filed in time and had any required BNR or regulator approval.
- [ ] **Employees and RSSB**
  Warranties on contributions and PAYE, a specific indemnity for identified arrears, and agreed cost-sharing for planned redundancies.
- [ ] **Dispute resolution**
  Arbitration under the KIAC or another institution's rules with a stated seat, rather than an exclusive foreign court clause.

WORKED EXAMPLE

Funding the capital gains tax on an offshore sale

A European fund sells its Mauritius holding company, whose only asset is 100% of a Rwandan company, to a Kenyan buyer. The parties agree that RWF 6,000,000,000 of the price is attributable to the Rwandan company, whose shares the Mauritius company acquired for RWF 4,200,000,000. The agreement is signed on 2 November 2026 and RICA receives a complete notification on 20 November 2026. Illustrative figures and dates; treaty relief is not assumed.

RICA timetable	Notification within 30 days of signing (by 2 December 2026) is met. The 45-day decision period from 20 November runs to 4 January 2027, or 19 January 2027 if RICA extends by 15 days; silence at the deadline is deemed approval.
Closing	Clearance is received on 22 December 2026 and the deal closes on 11 January 2027. The Rwandan company's indirect shareholder has changed, so it must account for the tax.
Gain and tax	RWF 6,000,000,000 − RWF 4,200,000,000 = RWF 1,800,000,000. Capital gains tax at 10% = RWF 180,000,000, due by 15 February 2027.
Funding	The buyer retains RWF 180,000,000 from the price and pays it to the Rwandan company on closing, which declares and pays RRA in February 2027 and gives the receipt to both parties.

Comparison with the old rate	Had the transfer taken place before 29 May 2025, the tax at 5% would have been RWF 90,000,000.
Escrow	A further RWF 300,000,000 is held in escrow for 24 months for warranty claims, with tax claims open for five years under a separate indemnity.

If the parties had not agreed the RWF 6,000,000,000 attribution, the Rwandan company would have had to compute the gain itself; confirming the computation with RRA before closing reduces the risk of a later assessment.

The Kenyan buyer should also check whether the deal is notifiable to COMESA or the EAC, which would push the long-stop date further out.

Questions investors ask

Can a Rwandan share purchase agreement be governed by English law?

Yes, parties to a commercial contract may choose the governing law, subject to public policy and mandatory Rwandan rules. Rwandan law still governs the transfer of title by entry in the register, corporate approvals, land, employment, tax and merger control. For disputes, arbitration under KIAC or another institution's rules is safer than an exclusive foreign court clause.

Must a share transfer form be notarised in Rwanda?

The Office of the Registrar General has not published a rule requiring it. Documents signed abroad for filing are notarised by a public notary, a Rwandan embassy or the foreign ministry, and Rwanda has applied the Apostille Convention since 5 June 2024 (except with Germany, which objected to Rwanda's accession, so German documents still need consular legalisation). Many parties have foreign signatures on the transfer form notarised so that it is accepted without question.

How is capital gains tax handled when a foreign holding company is sold?

The sale is an indirect transfer within Article 35 of the Income Tax Law, so the Rwandan company whose indirect shareholder changes must declare and pay 10% of the gain within 15 days after the month of the transfer. The agreement should fix the value attributable to the Rwandan company and require the seller to fund the payment.

Can the target guarantee the buyer's acquisition loan?

Only within Articles 186 to 190 of the Companies Law on financial assistance: a reasoned directors' resolution that the assistance is in the company's interests and fair to other shareholders, a directors' certificate, and a disclosure document sent to shareholders 10 to 30 days before the assistance is given. A private company's shareholders may instead opt out of that procedure unanimously (Article 209).

What happens if we close before RICA clears the deal?

A notifiable merger cannot be implemented until RICA decides (Article 14(2) of Law n° 011/2026). Failing to notify a notifiable merger carries a fine of up to 5% of the preceding year's turnover, and COMESA's fine for breach of its merger rules reaches 10% of COMESA turnover. Clearance should be a condition precedent and integration should wait.

When must the buyer update the target's registers after closing?

The register of shares within 7 days of the transfer and the shareholder index within 14 days, under Articles 114 and 115 of the Companies Law as amended in 2023. A change of beneficial owner must be entered in the internal register and notified to the Registrar General within 14 days. Late filings attract fines of RWF 200,000 to RWF 500,000.

THE 2027 HORIZON

- RICA Regulations under Article 14(3) of Law n° 011/2026, establishing simplified and phased merger review procedures, were awaited at 10 October 2026 and will shorten the conditions period for simple deals.
- The review of Law N° 005/2008 on arbitration and of the KIAC Rules reported to be under way may change the drafting of arbitration clauses in 2027 agreements.
- Instructions of the Registrar General on electronic transfer of title to shares, provided for in Article 77 of the Companies Law, had not been located; publication would allow electronic closings.
- Practice notes from RRA on the computation of gains on indirect transfers, and on crediting tax withheld by a target to a resident corporate seller, would remove two of the main uncertainties in pricing Rwandan deals.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Transfer of shares	*Ihererekanya ry'imigabane*	*Cession d'actions*	The passing of title to shares by entry of the transferee in the register of shareholders (Article 75).
Share transfer form	*Inyandiko y'ihererekanya ry'imigabane*	*Formulaire de cession d'actions*	The form signed by transferor and transferee and delivered to the company to register a transfer.
Financial assistance	*Inkunga y'amafaranga*	*Assistance financière*	A loan, guarantee or security given by a company for the purchase of its own shares, permitted only under Articles 186 to 190.
Amalgamation	*Ikomatanya ry'amasosiyete*	*Fusion de sociétés*	The statutory combination of two or more companies into one under Articles 198 to 206.

English	Kinyarwanda	French	Meaning
Suspensive condition	—	*Condition suspensive*	A condition, such as a regulatory approval, that must be met before the obligations to close take effect.
Capital gains tax	*Umusoro ku gaciro kiyongereye*	*Impôt sur la plus-value*	The 10% tax on the gain from a direct or indirect sale of shares, withheld by the resident company.
Solvency test	—	*Test de solvabilité*	The test a company must meet before a distribution or assistance treated as one, and that directors certify on an amalgamation.
Arbitration	*Ubukemurampaka*	*Arbitrage*	Private dispute resolution under Law N° 005/2008, commonly administered by KIAC.

FOREIGN V RWANDAN INVESTOR

The documents and closing rules are the same for Rwandan and foreign parties, but foreign parties carry more of the formalities. A foreign seller or buyer signs resolutions before a notary or obtains an apostille, provides certified translations of documents not in an official language, and identifies its beneficial owners. A foreign seller is taxed at 10% on the gain through the target, including on an indirect sale of an offshore holding company, can claim relief only if resident in a treaty state, and needs evidence of the tax paid to repatriate proceeds held in Rwanda. A Rwandan resident corporate seller holding the shares as a business asset is instead taxed on the gain in its corporate return at 28%. Nationals and companies of East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) states are treated as foreign for these purposes; their deals are simply more likely to need a regional merger filing.

WATCH OUT FOR

- An agreement silent on capital gains tax: the target must pay within 15 days after the month of the transfer from funds it never received.
- An offshore sale with no agreed value attributable to the Rwandan company, leaving the target to compute the gain alone.
- An exclusive foreign court clause in place of arbitration, after a Supreme Court decision declined to give effect to one.
- Target guarantees or security for acquisition debt without the Article 188 resolution, certificate and 10-to-30-day disclosure period, or a unanimous private-company opt-out under Article 209.
- Integration steps, staff moves or price coordination before RICA, COMESA or EAC clearance.
- A tax clearance certificate obtained more than three months before closing, which has expired.

OFFICIAL SOURCES

- RDB, Office of the Registrar General: Official Gazette n° 04 ter of 08/02/2021, Law N° 007/2021 governing companies (Articles 75, 79, 186 to 190, 200 to 205 and 244) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- Rwanda Revenue Authority: Law n° 014/2025 amending Law n° 027/2022 establishing taxes on income (Article 37 as replaced) — https://www.rra.gov.rw/fileadmin/user_upload/Law_amending_the_2022_Income_Tax_May_2025.pdf
- Rwanda Revenue Authority: Law n° 027/2022 of 20/10/2022 establishing taxes on income, Official Gazette n° Special of 28/10/2022 (Articles 25, 31, 35 to 38) — https://www.rra.gov.rw/fileadmin/user_upload/OG_n___Special_of_28.10.2022_Imisoro_ku_musaruro_Taxes_on_income_01.pdf
- RDB, Office of the Registrar General: business registration requirements (notarisation of documents) — https://org.rdb.rw/business-registration/requirements/
- Rwanda Law Reform Commission: Law n° 011/2026 relating to competition and consumer protection (Articles 11 to 16) — https://www.rlrc.gov.rw/fileadmin/user_upload/RLRC/Laws_of_Rwanda_v2/Domestic_laws/Laws_in_force/10._Business/10.8._Organization_of_commercial_Activities/10.8.6._Consumer_protection/10.8.6.1._Competition_and_consumer_protection__Law_No_011-2026_of_2026.pdf
- COMESA Competition and Consumer Commission: Competition and Consumer Protection Regulations, 2025 (Regulations 42 to 44) — https://comesacompetition.org/wp-content/uploads/2026/03/COMESA-Competition-and-Consumer-Protection-Regulation-2025.pdf

Merger control and competition law: Law n° 011/2026 in force since 4 March 2026, what counts as a merger and as control, the 30-day notification and 45-day suspensory review, the substantive and public-interest tests, remedies and appeals, COMESA and EAC filings, cartels, vertical restraints, abuse of dominance and the 5% fine

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection came into force on its publication in the Official Gazette on 4 March 2026 and repealed Law n° 36/2012 of 21/09/2012 (Articles 74 and 76); it applies to any economic activity that has an effect on competition or consumers in the Rwandan market (Article 3).
- A merger is a lasting change of control by merger, acquisition of control through shares, assets, contract or other means, or the creation of a full-function joint venture; control includes more than half of the share capital, business or assets, decisive influence over votes or the board, or material influence over commercial policy (Article 10).
- Notifiable mergers must be notified within 30 days of the decision to merge, by reference to combined turnover or asset thresholds to be set by Regulations of the competition authority; below-threshold mergers can be called in within 12 months of completion (Article 11).
- The authority publishes notice of a notified merger within 10 days and decides within 45 days of a complete notification, extendable once by up to 15 days; the merger cannot be implemented before the decision, but is deemed approved if the authority misses the deadline (Articles 12 and 14).
- Failing to notify a notifiable merger, breaching merger conditions, concluding a prohibited horizontal or vertical agreement or abusing a dominant position is punishable by an administrative fine not exceeding 5% of the enterprise's annual turnover in the preceding year (Article 66).
- Under the COMESA Competition and Consumer Protection Regulations, 2025, adopted on 4 December 2025, mergers meeting the regional tests must be notified before implementation, are reviewed within 120 days and carry fines of up to 10% of COMESA turnover for breach (Regulations 41, 42 and 44).

The 2026 law and the authority that applies it

Rwanda replaced its competition statute in 2026. **Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection** (the Competition Law) was published in the Official Gazette n° Special of 04/03/2026 and came into force on that date (Article 76), repealing Law n° 36/2012 of 21/09/2012 relating to competition and consumer protection (Article 74). The Law applies to any economic activity carried out by any means, related to business, that has an effect on consumers or on competition in the Rwandan market (Article 3(1)), so a transaction between two foreign companies can be caught if their Rwandan activities are affected. It does not apply to collective bargaining and trade union activity, to elements of an agreement relating exclusively to the use, licensing or assignment of intellectual property rights, or to activities expressly authorised or required under international treaties ratified by Rwanda (Article 3(2)).

The Law confers its powers on "the Regulatory Authority", defined as the State organ in charge of competition and consumer protection (Article 2(q)). That organ is the **Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA)**, established by Law N° 31/2017 of 25/07/2017, which receives merger notifications, applications for authorisation of restrictive agreements, and complaints, and investigates cartels and abuse of dominance. Policy rests with the Ministry of Trade and Industry. The Law leaves much of the detail to RICA Regulations: the merger notification thresholds, forms and fees (Article 11(4)), simplified and phased review procedures (Article 14(3)), leniency (Article 58), cooperation agreements (Article 59), criteria for authorising restrictive agreements (Article 6(2)) and for assessing abuse (Article 9(3)), and the State subsidy threshold (Article 69). None of those Regulations had been published on RICA's website at 10 October 2026 (FAQ 87).

What is a merger, and what is control

Under Article 10(1), a **merger** occurs where a lasting change in control results from (a) the merger of two or more previously independent enterprises or parts of them; (b) the acquisition of control by one or more enterprises, whether through the purchase of assets, contractual arrangements or any other means of direct or indirect control of the whole or parts of one or more enterprises; or (c) the creation of a **full-function joint venture** which, on a lasting basis, performs the functions of an autonomous enterprise. An asset deal that transfers a business or part of one is therefore a merger as much as a share deal, and so is a long-term management or operating contract that hands over control.

Article 10(2) sets three alternative tests of **control**. A person controls an enterprise if he or she (a) holds more than one half of its issued share capital, business or assets; (b) can exercise decisive influence, directly or indirectly, over decisions on the management and use of its assets, by casting a majority of the votes at a general meeting or controlling them, by being able to appoint or veto the appointment of a majority of the board, or by exercising decisive influence over the composition, voting or decisions of the board or shareholders' meetings; or (c) can exercise **material influence over the commercial policy** of the enterprise, directly or indirectly, including its strategic or commercial objectives. The third test is wide. A minority investor with veto rights over the business plan, budget or senior appointments may acquire material influence, so private equity and joint venture investments below 50% need to be assessed, and a move from joint to sole control is itself a new acquisition of control (Joint ventures, shareholder agreements and exit rights).

When and how to notify RICA

Enterprises notify their merger by reference to their **combined annual turnover or the value of their assets** (Article 11(1)), and must do so within **30 days** of the date of their decision to merge (Article 11(2)). The decision to merge is not defined; signing the binding agreement is the safest reference point, and parties who sign a binding term sheet should treat that as the trigger. The thresholds, the form and content of the notification and the fees are to be prescribed by RICA Regulations (Article 11(4)). Because those Regulations had not been published at 10 October 2026, there was no statutory figure against which to test a deal, and the Competition Law contains no transitional provision on merger thresholds. Before March 2026, RICA accepted merger notifications through the IremboGov "Merger Notification" service, which IremboGov's support page, last modified on 18 September 2025, described as free of charge with a 30-day processing time and an online certificate; whether that service has been adapted to the 2026 Law was not known. The prudent course for any acquisition of control with a Rwandan dimension is to consult RICA in writing before signing and to notify if RICA so indicates.

Even a merger below the thresholds is not safe. Where RICA suspects that it may eliminate or lessen competition or harm the public interest, it may require the parties to notify within **12 months of completion**, without a fee (Article 11(3)). Within **10 days** of receiving a complete notification, RICA publishes on its website notice of the start of its review, naming the parties, their activities and markets and the nature of the merger, and inviting comments within a stated period (Article 12). Parties should therefore expect the deal to become public at that point, and should agree with their counterparty how confidential information in the filing will be handled (Article 53 protects confidential information obtained by RICA).

The review: timetable, test and outcomes

RICA must decide within **45 days** of receiving a complete notification, a period it may extend once by up to **15 days** on written notice to the parties (Article 14(1)). The review is **suspensory**: the parties cannot implement the merger until RICA has issued its decision, but if RICA fails to notify its decision within the time limit, the merger is **deemed approved** (Article 14(2)). Simplified and phased procedures are promised by Regulations (Article 14(3)).

The substantive question is whether the merger is likely to **eliminate or lessen competition** (Article 13(1)). RICA takes into account the structure of the relevant market; actual and potential competition from domestic and international firms; the parties' market position and financial power and whether the merger creates or strengthens a dominant position; countervailing power; market dynamics, growth and innovation; alternatives for suppliers and users; barriers to entry; the interests of customers and consumers; and whether the merger generates efficiencies, innovation or sustainability (Article 13(2)). Even where a merger substantially lessens competition, RICA approves it if it is likely to produce economic or technological efficiencies, contributes significantly to an ecologically sustainable or climate-neutral economy, brings pro-competitive gains that outweigh the harm, or is justified on public interest grounds, including where an enterprise is falling into insolvency, the merger maintains or promotes exports or employment in Rwanda, enhances industrial competitiveness, or protects micro and small enterprises (Article 13(3)).

RICA may approve unconditionally, approve with conditions, or deny the merger (Article 15). Conditions may be structural, such as divestitures or exit from a joint venture, or behavioural, such as licensing intellectual property, granting access to key assets, data or technology, non-discrimination between customers or suppliers, or ending exclusive agreements, or a combination (Article 16). The decision is notified in writing and published on RICA's website (Article 18), and RICA may revoke it if it was based on incorrect information for which a party was responsible, was obtained by fraud, or its conditions are breached (Article 19).

Appeals and sanctions

A party dissatisfied with a RICA decision may apply to RICA in writing for **reconsideration** within 30 days of notification of the decision, and RICA must respond within 30 days (Article 62). The party may appeal to the new **Independent Appeal Committee** within 30 days of receiving RICA's written decision, or within 30 days after RICA's time to respond to a reconsideration has expired, and may then bring an action before the competent court within 30 days of the Committee's decision (Article 63). Neither an appeal nor a court action suspends RICA's decision unless the Committee or the court orders otherwise (Article 63(4)), and an unappealed decision becomes final and enforceable (Article 65). The Committee's organisation is to be set by a Ministerial Order (Article 64), which had not been located at 10 October 2026.

Under Article 66, an enterprise that concludes a prohibited horizontal or vertical agreement, abuses a dominant position, fails to comply with conditions attached to a merger approval, or fails to make a mandatory merger notification or refuses a notification required by RICA, commits a fault and is liable to an administrative fine **not exceeding 5% of its annual turnover** in the year preceding the fault. An enterprise operating for less than a year is fined on the turnover of its months of operation (Article 68). Commentators described the repealed law's fines as 5% to 10% of turnover, so the 2026 Law sets a cap rather than a floor. Obstructing an investigation or giving false or incomplete information is punished separately under Article 67 by banded fines ranging from RWF 30,000 to RWF 500,000 according to turnover, doubled for a repeat within two years and quadrupled for a third.

Regional merger control: COMESA and the EAC

Rwanda is a member of the **Common Market for Eastern and Southern Africa (COMESA)**. The COMESA Competition and Consumer Protection Regulations, 2025, adopted by the COMESA Council on 4 December 2025 and reported to have entered into force the next day, replaced the 2004 Regulations. Under Regulation 41(5), a merger is notifiable if at least one party operates in two or more Member States, the target operates in one or more, the combined COMESA turnover or assets of all parties meet the prescribed threshold and those of at least one acquiring and one target party each meet a prescribed threshold, unless each party has more than a prescribed share of its COMESA turnover or assets in one and the same Member State. Joint ventures intended to operate in two or more Member States have their own test (Regulation 41(6)), and mergers in digital markets are notifiable on a transaction-value test (Regulation 41(7)). The figures sit in COMESA Rules rather than the Regulations; practitioners report combined COMESA turnover or assets of USD 60 million, USD 10 million each for at least one acquirer and one target, a two-thirds single-country exception, a digital transaction value of USD 250 million, and a fee of 0.1% of combined COMESA turnover or assets capped at USD 300,000.

COMESA notification must precede implementation, and no merger may be implemented without approval or a derogation, save for public bids and stock-exchange purchases notified in advance whose voting rights are not exercised (Regulation 42). The Commission decides within **120 days**, extendable (Regulation 44); breach is punishable by fines of up to 10% of the parties' COMESA turnover (Regulation 41(12)). Regulation 49 gives the Commission exclusive jurisdiction over mergers meeting the thresholds and declares national notification of them contrary to the spirit of the Regulations; Member States that still require national notification lose their share of COMESA filing fees (Regulation 42(5)). The Competition Law contains no express rule deferring to COMESA, and its Article 70 leaves cooperation to a Prime Minister's Order not yet located, so parties to a COMESA-notifiable deal with Rwandan effects should ask RICA whether a national filing is also expected.

Rwanda is also a Partner State of the **East African Community (EAC)**, whose Competition Authority, according to practitioners, began mandatory and suspensory merger review on 1 November 2025 under the EAC Competition (Mergers and Acquisitions) Regulations, 2025. The official texts could not be opened for this guide. As reported, a merger is notifiable where combined EAC turnover or assets reach USD 35 million and at least two parties each have USD 20 million, unless each achieves two-thirds in one Partner State; fees are USD 45,000, USD 70,000 or USD 100,000 by size band; review takes 120 business days; and gun-jumping fines reach 10% of EAC turnover. The COMESA and EAC authorities signed a memorandum of understanding on 10 June 2025, but no allocation protocol was in place, so a deal can need both regional filings as well as a Rwandan one.

Rwanda, COMESA and EAC merger control compared

Issue	Rwanda: Law n° 011/2026	COMESA: Regulations, 2025	EAC: Mergers Regulations, 2025 (as reported)
In force	4 March 2026	Adopted 4 December 2025	Merger review from 1 November 2025
What is caught	Lasting change of control, including material influence and full-function joint ventures (Article 10)	Acquisition of control and joint ventures with a regional dimension (Regulation 41)	Mergers and acquisitions with an EAC dimension
Thresholds	Combined turnover or assets, figures awaiting RICA Regulations	Regional presence tests in Regulation 41(5); figures in the Rules (reported: USD 60 million combined; USD 10 million each; two-thirds exception)	Reported: USD 35 million combined; two parties with USD 20 million each; two-thirds exception
When to file	Within 30 days of the decision to merge	Before implementation	Before implementation
Suspensory	Yes; deemed approval if RICA misses the deadline	Yes, with a public-bid derogation	Yes

Issue	Rwanda: Law n° 011/2026	COMESA: Regulations, 2025	EAC: Mergers Regulations, 2025 (as reported)
Review period	45 days, plus up to 15	120 days, extendable	Reported: 120 business days
Fee	To be set by RICA Regulations; call-ins free	Reported: 0.1% of combined turnover or assets, cap USD 300,000	Reported: USD 45,000 to USD 100,000
Sanction	Up to 5% of preceding year's turnover (Article 66)	Up to 10% of COMESA turnover (Regulation 41(12))	Reported: up to 10% of EAC turnover
Below thresholds	Call-in within 12 months of completion	Commission may require notification before implementation (Regulation 41(10))	Not verified

Beyond mergers: cartels, distribution agreements and dominant firms

Article 4 prohibits **horizontal agreements** that have or are likely to have as their object or effect the elimination, prevention or lessening of competition, including price-fixing, limits on production or sales, collusive tendering and bid-rigging, market or customer allocation, collective refusals to buy or sell, and collective denial of access to an essential facility. Agreements between companies wholly owned or controlled by the same shareholder or parent are outside the rule (Article 4(4)). Article 5 prohibits anticompetitive **vertical agreements**, expressly including agreements whose object is to prevent the effective use of the internet to buy or sell, and agreements to maintain a minimum resale price; a supplier may recommend a resale price only if the recommendation is non-binding and the goods bear the stated price with the words "recommended price" next to it (Article 5(4)). An enterprise may apply for time-limited authorisation of an otherwise prohibited agreement that produces efficiencies, gives customers a fair share of the benefit, imposes only indispensable restrictions and does not eliminate competition (Articles 6 and 7). Distribution, agency and franchise agreements should be reviewed against these rules (Technology transfer, franchising and licensing).

Dominance is assessed by market position, entry conditions, economies of scale and network effects, potential competition and countervailing buyer power (Article 8). Article 9 prohibits the abuse of a dominant position that may appreciably affect the Rwandan market, including unfair prices, limiting production, discrimination, tying and bundling, refusal to supply, refusal of access to an essential facility, **predatory pricing** below average variable or marginal cost, exclusive purchasing obligations or rebates, and margin squeeze. RICA investigates on complaint or on its own initiative, normally within 90 days, extendable (Article 51), may enter premises, copy and seize documents and interview staff (Article 55), and may order interim measures including cessation of the conduct (Article 56). A leniency mechanism for enterprises that disclose evidence and cooperate (Article 58) and cooperation agreements for enterprises that admit the facts (Article 59) await RICA Regulations. The Law also requires an e-commerce licence (Article 44) and a licence for multi-level marketing (Article 72), and State organs must notify RICA in advance of subsidies above a threshold RICA will set (Article 69).

DECISION GUIDE

Do I need to file, and where?

A first screen for an acquisition, joint venture or other transaction with a Rwandan dimension. It identifies the filings to investigate; the thresholds must then be checked against the current texts.

Q1 **Will one or more enterprises acquire a lasting change of control, including material influence over commercial policy, or create a full-function joint venture?**

- **Yes** It is a merger under Article 10 of Law n° 011/2026. Continue.
- **No** No merger filing; check the agreement itself against Articles 4 and 5 if the parties are competitors or in a supply chain.

Q2 **Does the transaction have an effect on competition or consumers in the Rwandan market?**

- **Yes** The Rwandan Law applies. Until RICA Regulations set thresholds, consult RICA before signing and notify within 30 days of the decision to merge if required.
- **No** No Rwandan filing, but check COMESA and the EAC if the parties operate elsewhere in the region.

Q3 **Does at least one party operate in two or more COMESA Member States and the target in at least one, with COMESA turnover or assets above the prescribed thresholds?**

- **Yes** Notify the COMESA Commission before implementation, unless each party has more than the prescribed share of its COMESA turnover in one Member State; ask RICA whether a national filing is also expected.
- **No** No COMESA filing on the general test; check the digital-market transaction-value test.

Q4 **Do the parties' EAC turnover or assets meet the EAC thresholds as currently published?**

- **Yes** Notify the EAC Competition Authority before implementation and plan for parallel COMESA and Rwandan reviews.
- **No** No EAC filing.

Q5 **Is any filing required?**

- **Yes** Make each clearance a condition precedent, set a long-stop date that allows 120 days for regional review, and do not integrate before clearance.
- **No** Record the analysis: RICA may still call in the merger within 12 months of completion.

Notifying a merger to RICA

1. **Assess control and Rwandan effect**
   Apply the three control tests in Article 10(2) and identify the parties' Rwandan turnover and assets for the year before the deal.

2. **Consult RICA**
   While thresholds await RICA Regulations, write to RICA before signing describing the parties, markets and transaction, and ask whether notification is required and in what form.

3. **Prepare the notification**
   Use the form RICA prescribes, or the IremboGov merger notification service if RICA directs, with the agreement, corporate documents, turnover and asset figures, market definitions and shares, and a non-confidential version.

4. **File within 30 days**
   Submit within 30 days of the decision to merge (Article 11(2)) and pay any fee RICA has prescribed; keep proof of the date on which RICA treats the notification as complete.

5. **Publication and comments**
   RICA publishes notice of its review within 10 days of the complete notification and invites comments (Article 12); prepare for questions from competitors and customers.

6. **Await the decision**
   Do not implement. RICA decides within 45 days, extendable once by up to 15; silence at the deadline is deemed approval (Article 14).

7. **Comply or challenge**
   Implement any conditions under Article 16; seek reconsideration within 30 days (Article 62), then appeal to the Independent Appeal Committee and the court within 30 days each (Article 63).

WORKED EXAMPLE

What a missed filing and a COMESA fee could cost

A Ugandan beverage group operating in Uganda, Kenya and Rwanda acquires 60% of a Rwandan competitor. The group's Rwandan subsidiary had annual turnover of RWF 12,000,000,000 in 2026; the parties' combined COMESA turnover is USD 150,000,000. Illustrative figures; COMESA fee figures as reported by practitioners.

Control	60% is more than half of the share capital, so it is an acquisition of control under Article 10(2)(a) and a merger.
Rwandan filing	RICA indicates that it expects notification. Filing is due within 30 days of signing; the deal cannot close before RICA decides, within 45 days plus a possible 15.

Maximum Rwandan fine if not notified	5% × RWF 12,000,000,000 = RWF 600,000,000 for the subsidiary that failed to notify, based on its preceding year's turnover (Article 66).
COMESA test	The acquirer operates in three Member States and the target in one; the combined turnover exceeds the reported USD 60,000,000 threshold, and neither party earns more than two-thirds of its COMESA turnover in a single Member State. The deal is COMESA-notifiable.
COMESA fee	0.1% × USD 150,000,000 = USD 150,000, below the reported cap of USD 300,000.
Timetable	With COMESA's 120-day review running in parallel, the parties set a long-stop date six months after signing.

If the group had acquired 40% with vetoes over the budget and senior appointments, it would still have needed to consider whether it acquired material influence under Article 10(2)(c).

If the target's competitor had complained after a closing without notification, RICA could also have required notification within 12 months of completion, in addition to any fine.

Questions investors ask

Which law governs merger control in Rwanda in 2026?

Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, in force since its publication on 4 March 2026. It repealed Law n° 36/2012, requires notifiable mergers to be notified within 30 days of the decision to merge, and makes them suspensory for up to 45 days, extendable by 15. The Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) applies it.

What are the Rwandan merger notification thresholds?

The Competition Law ties notification to combined annual turnover or asset value but leaves the figures, forms and fees to RICA Regulations under Article 11(4). Those Regulations had not been published at 10 October 2026, so parties to an acquisition of control with Rwandan effects should consult RICA before signing. RICA can call in below-threshold mergers within 12 months.

Can a minority stake be a merger in Rwanda?

Yes. Under Article 10(2) of Law n° 011/2026, control includes the ability to exercise material influence over a company's commercial policy, including its strategic or commercial objectives, as well as decisive influence through votes or board appointments. A minority investor with vetoes over the budget, business plan or senior appointments should assess whether its investment is a notifiable merger.

What happens if RICA does not decide in time?

The merger is deemed approved. Article 14 requires RICA to decide within 45 days of a complete notification, extendable once by up to 15 days with written notice, and provides that if RICA fails to notify its decision within that time the merger is deemed approved. Until then, the parties cannot implement the merger.

Do I need to file with COMESA as well as RICA?

Possibly. A merger is COMESA-notifiable under Regulation 41(5) of the COMESA Regulations, 2025 if parties operate in two or more Member States and regional turnover thresholds are met, unless each party earns most of its regional turnover in one state. COMESA claims exclusive jurisdiction, but the Rwandan Law contains no deferral rule, so ask RICA too.

Are minimum resale prices allowed in Rwandan distribution agreements?

No. Article 5 of Law n° 011/2026 prohibits vertical agreements aimed at maintaining a minimum resale price and agreements that prevent the effective use of the internet for sales. A supplier may only recommend a resale price, if the recommendation is non-binding and the goods show the stated price with the words recommended price beside it.

THE 2027 HORIZON

- RICA Regulations under Law n° 011/2026 on merger thresholds, forms and fees (Article 11(4)), simplified and phased review (Article 14(3)), leniency (Article 58), cooperation agreements (Article 59), authorisation criteria (Article 6(2)), abuse criteria (Article 9(3)) and the State subsidy threshold (Article 69) were expected but undated at 10 October 2026.
- A Ministerial Order on the Independent Appeal Committee (Article 64) and a Prime Minister's Order on cooperation between RICA and other competition bodies (Article 70) had not been located; the second may settle how Rwanda treats COMESA- and EAC-notifiable deals.
- COMESA's Practice Note No. 1 of 2026 of 14 January 2026 addresses transition and joint ventures under the 2025 Regulations; further practice notes and the Rules setting thresholds and fees should be watched.
- An allocation protocol between the COMESA and EAC authorities, following their memorandum of understanding of 10 June 2025, was reported as not yet in place; until it is, dual regional filings remain a risk.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Merger (of enterprises)	*Kwibumbira hamwe kw'ibigo by'ubucuruzi*	*Fusion d'entreprises*	A lasting change of control by merger, acquisition of control or a full-function joint venture (Article 10).

English	Kinyarwanda	French	Meaning
Notification of merger	*Imenyekanisha ryo kwibumbira hamwe*	*Notification de fusion*	The filing made to RICA within 30 days of the decision to merge (Article 11).
Regulatory Authority	*Urwego Ngenzuramikorere*	*Autorité de régulation*	The State organ in charge of competition and consumer protection under Law n° 011/2026, in practice RICA.
Full-function joint venture	—	*Coentreprise de plein exercice*	A joint venture that performs all the functions of an autonomous enterprise on a lasting basis; its creation is a merger.
Dominant position	*Ubwiganze ku isoko*	*Position dominante*	Market power assessed under Article 8; its abuse is prohibited by Article 9.
Horizontal agreement	*Amasezerano ntambike*	*Accord horizontal*	An agreement between competitors; price-fixing, bid-rigging and market sharing are prohibited (Article 4).
Vertical agreement	*Amasezerano mpagarike*	*Accord vertical*	An agreement between firms at different levels of the supply chain; resale price maintenance and online-sales bans are prohibited (Article 5).
Independent Appeal Committee	*Akanama k'Ubujurire Kigenga*	*Comité de recours indépendant*	The body created by Article 64 to hear appeals against RICA decisions.
Competition	*Ihiganwa mu bucuruzi*	*Concurrence*	Rivalry between enterprises in a market, protected by Law n° 011/2026.

FOREIGN V RWANDAN INVESTOR

Competition law does not distinguish by nationality: the same control tests, thresholds, timetables and fines apply to a Rwandan group and a foreign one, and the Competition Law reaches foreign-to-foreign transactions that affect the Rwandan market. Nationality matters through geography. A buyer from Kenya, Uganda, Tanzania, Burundi or another member state of the East African Community (EAC) or the Common Market for Eastern and Southern Africa (COMESA) is the most likely to meet the regional tests, because it already operates in more than one member state, and so may face COMESA and EAC filings as well as a Rwandan one, with 120-day regional timetables and fees in tens of thousands of dollars. A buyer from outside the region acquiring only a Rwandan business will usually face only the Rwandan regime. A Rwandan buyer with no regional operations acquiring a Rwandan competitor faces RICA alone, but RICA's public-interest grounds, including employment and the protection of small enterprises, are the same for all.

WATCH OUT FOR

- Treating the absence of published thresholds as meaning no filing is needed: consult RICA, which can also call in a deal within 12 months of completion.
- Missing the 30-day deadline, which runs from the decision to merge and not from closing.
- Minority investments with veto rights, which may confer material influence over commercial policy and so be mergers.
- Assuming a COMESA filing removes the Rwandan one: the Rwandan Law contains no deferral rule, and the EAC may also have jurisdiction.
- Distribution contracts with minimum resale prices or bans on online sales, prohibited by Article 5 and punishable by fines of up to 5% of turnover.
- Appealing and assuming the decision is suspended: appeals have no suspensive effect unless the Committee or court orders it.

OFFICIAL SOURCES

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- RICA: laws, regulations and orders pages (checked 10 October 2026) — https://rica.gov.rw/default-7e8652fad5/laws
- RICA: Competition and consumer protection services — https://rica.gov.rw/competition-consumer-protections-services
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Public companies, the Rwanda Stock Exchange and takeovers: the 2012 Takeovers Regulations and the 25% mandatory offer, the Companies Law 50% control-block rule, offer timetable, target board duties, 5% disclosure, insider dealing and the 2026 CMA corporate governance Regulations

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Takeover offers for companies listed in Rwanda are governed by the Capital Markets (Takeovers) Regulations N°10, 2012 (Official Gazette n° 27bis of 02/07/2012), made under Law N°01/2011 of 10/02/2011 regulating capital market in Rwanda as modified by Law N°45/2018 of 13/08/2018 and enforced by the Capital Market Authority (CMA) under Law N° 057/2021 Bis of 18/09/2021.
- Acquiring 25% or more of the voting rights of a listed company, alone or in concert, obliges the acquirer to offer for every class of equity shares, in cash or with a cash alternative at not less than the highest price paid in the preceding six months, conditional only on reaching more than 50% of the votes (Articles 38, 41 to 43 of the Takeovers Regulations).
- Article 244 of Law N° 007/2021 of 05/02/2021 governing companies separately requires anyone intending to acquire a control block of 50% or more of a public company to notify the company at least 30 days in advance and, within 60 days of acquiring it, to offer for the remaining shares at not less than the weighted average price paid in the previous six months, on pain of losing the votes on that class.
- The offer document is posted within 15 days of the offer (20 days for a securities exchange offer), the target board replies within 14 days with independent financial advice, the offer stays open for at least 30 days, and results go to the CMA and the Rwanda Stock Exchange within 24 hours (Articles 14, 16, 17 and 29 of the Takeovers Regulations).
- Insider dealing is punishable by three to five years' imprisonment and a fine of RWF 80,000,000 to RWF 100,000,000 under Article 69 of Law N°01/2011 as replaced by Law N°45/2018, and the English text of Article 46 of the Takeovers Regulations requires a holder crossing 5% of the votes, upwards or downwards, to announce it by 9.00 a.m. on the next trading day.
- Regulations No 002/CMA/2026 of 02/10/2026 relating to the capital market corporate governance came into force on 2 October 2026, repealing the 2012 Code: listed company boards have 7 to 11 directors, at least half non-executive and one third independent, the chief executive cannot chair the board, and material information must be published immediately (Articles 6, 17, 39 and 52).

The legal framework for listed and public companies

Rwanda's public markets are regulated by **Law N°01/2011 of 10/02/2011 regulating capital market in Rwanda** (Official Gazette n° 13bis of 28/03/2011), as modified by Law N°45/2018 of 13/08/2018, which rewrote the insider and offence provisions. The regulator is the Capital Market Authority (CMA), re-established by Law N° 057/2021 Bis of 18/09/2021, which replaced Law N° 11/2011 of 18/05/2011; the 2012 Takeovers Regulations still refer to the CMA under its former founding law, but the powers carry over. The CMA licenses market intermediaries, approves offer documents and prospectuses, supervises disclosure and investigates market abuse. The Rwanda Stock Exchange (RSE) operates the market. On 9 October 2026 it listed ten equities with a total market capitalisation of RWF 6,728,252,759,081, across Main, SME, Fixed Income, Green and multi-currency segments; foreign-currency securities are governed by CMA Directive N° 01/2025 of 30/10/2025 on multicurrency denominated securities. Settlement runs through the central securities depository under Law n° 016/2025 of 02/06/2025 governing the central securities depository, qualified financial contracts and netting agreements.

Three sets of rules apply to a change of control of a listed company. The **Capital Markets (Takeovers) Regulations N°10, 2012** (Official Gazette n° 27bis of 02/07/2012) apply to the conduct of all takeover offers, whether voluntary or mandatory, made for listed companies (Article 1), and remain on the CMA's list of regulations in force at 10 October 2026. **Law N° 007/2021 of 05/02/2021 governing companies** contains its own mandatory-offer rule for public companies in Article 244, which reaches unlisted public companies as well. And from 2 October 2026 **Regulations No 002/CMA/2026 of 02/10/2026 relating to the capital market corporate governance** set the board, committee and disclosure rules for listed companies and issuers. Competition clearance under Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, and COMESA or EAC filings where their thresholds are met, apply on top (Merger control and competition law); a listed bank also needs the National Bank of Rwanda (BNR)'s prior authorisation for any acquisition of 5% of its capital or votes under Law n° 044/2024 of 30/05/2024 governing banks (Article 21).

The two mandatory-offer rules compared

Point	Takeovers Regulations N°10, 2012	Companies Law, Article 244
Companies covered	Listed companies (Article 1)	Public companies, listed or not
Trigger	Acquiring 25% or more of the voting rights, alone or in concert, including by a series of purchases (Article 41)	Acquiring, with affiliated persons, 50% or more of the total voting rights (a control block)
Advance notice	Announcement within 24 hours of the triggering acquisition (Article 8(d))	Written notice to the company of the intention to acquire, at least 30 days before acquiring the control block
Who must receive the offer	Holders of each class of equity share capital, voting or not, and of any voting non-equity class in which the offeror holds shares (Article 41)	Holders of any class of voting share capital in which the acquirer or concert parties hold shares

Point	Takeovers Regulations N°10, 2012	Companies Law, Article 244
Minimum price	Cash, or a cash alternative, at not less than the highest price paid in the preceding six months (Article 43)	Not less than the weighted average price paid for the shares in the six months before acquiring the control block
Offer period	At least 30 days from posting (Article 17); cash alternative open 14 days after the offer becomes unconditional (Article 43)	At least 30 days from sending the offer; whole process completed within 120 days of the notice
Conditions	Only the more-than-50% acceptance condition (Articles 38 and 42)	None stated
Sanction	CMA directions and supervisory powers (Article 47)	No right to vote any shares of the class concerned

When an offer becomes mandatory

Under **Article 41 of the Takeovers Regulations**, an offer is required when any person acquires shares carrying 25% or more of the voting rights of a listed company, whether in one purchase or through a series of transactions over time, and when persons acting in concert who together hold less than 25% buy more shares and so take their collective holding to 25% or more. The offer must be extended to the holders of each class of equity share capital, whether or not the class carries votes, and offers for different classes must be comparable. Article 3 presumes concert between a company and its parent, subsidiaries and associated companies; a company and its directors and their close relatives; a company and its pension funds and employee share schemes; a fund manager and the discretionary funds it manages; an adviser and its client; the directors of a target where an offer is imminent; and partners. The presumption can be rebutted, but the burden is on the parties, so a consortium should be assessed before any member buys.

The offer is tightly constrained. It must be in cash, or carry a cash alternative, at not less than the **highest price** paid by the offeror or any concert party for voting rights in the target during the preceding six months (Article 43). It may be conditional only on the offeror ending up with more than 50% of the votes (Article 42(a)), and no acquisition that triggers a mandatory offer may be made if the offer would depend on a shareholder vote of the offeror or on any other condition, consent or arrangement (Article 42(b)). Between the offeror's board resolution to make an offer and the posting of the offer document, the offeror and its concert parties may not place nominees on the target board or exercise the target's votes without CMA consent (Article 44). The CMA may grant exemptions under Article 48, including for a strategic investment tied to management or technical support, a management buy-out by a majority of the employees, a restructuring the CMA approves, an acquisition of a company in financial distress, an enforcement of pledged securities and the maintenance of domestic shareholding for strategic reasons; exemptions are published in two national daily newspapers.

Article 244 of the Companies Law adds a second test for public companies. A person who intends, alone or with affiliated persons (companies it controls, an individual's family and persons acting in concert), to acquire a control block of 50% or more of any class of a public company's shares must give the company written notice at least 30 days before acquiring it. Within 60 days of the acquisition, the

acquirer must offer to all holders of that class at not less than the weighted average price it paid during the six months before acquiring the block, with an acceptance period of at least 30 days, and the whole process must be completed within 120 days of the notice. An acquirer who ignores the rule may not vote any shares of the class. For a listed company crossing 50%, both regimes apply, and in practice the offeror applies whichever rule is stricter on each point: the earlier notice under Article 244, the higher price under Article 43 of the Regulations, and the Regulations' timetable and documents.

A takeover offer for a listed company, step by step

1. **Clear the regulatory path before crossing 25%**

   Because a mandatory offer can carry no condition other than acceptances (Article 42), obtain any merger clearance under Law n° 011/2026 (suspensory review of 45 days, extendable once by 15), COMESA or EAC approval and, for a bank, BNR authorisation before the triggering purchase.

2. **Approach the target board in writing**

   Article 5 requires the intention to make an offer to be made first in writing to the target board, stating the securities, the total consideration, how and when the offer may be accepted and how any consideration securities rank.

3. **Announce within 24 hours**

   The target announces a firm intention notified to it, or rumour and unusual price or volume movement after an approach; the offeror announces where its own actions caused the movement or immediately after a triggering acquisition (Article 8). Announcements appear in at least two national daily newspapers (Article 23).

4. **Appoint advisers and confirm funds**

   The target retains an independent financial adviser and a licensed Transaction Adviser (Article 9); the offeror's financial adviser or another third party confirms that resources are available to satisfy full acceptance (Article 6).

5. **Obtain CMA approval of every document**

   All documents are filed with the CMA and may not be released until approved; the final copy goes to the CMA and the RSE (Article 22).

6. **Post the offer document**

   Within 15 days of the offer, or 20 days for a securities exchange offer, dated no more than two days before dispatch (Article 14), with the Schedule 1 information (Article 15).

7. **Target board reply**

   Within 14 days of posting, the target sends its board's recommendation, the written advice on whether the offer is fair and reasonable, and the Schedule 2 information (Article 16); an agreed deal may use a composite document.

8 **Keep the offer open and announce results**

At least 30 days from posting (Article 17); at least 15 days after it becomes unconditional (Article 19); results to the CMA and the RSE within 24 hours of each closing date and published the next day (Article 29).

The target board: advice, neutrality and responsibility for documents

Once a bona fide offer has been communicated to the target board, or the board has reason to believe one is imminent, Article 11 forbids the board, without the approval of shareholders in general meeting, to take any action that could frustrate the offer or deny shareholders the chance to decide on its merits. The Article lists the usual defensive steps: issuing shares or options, issuing convertible securities, buying or selling assets of a material amount or outside the ordinary course of business, entering into contracts, including service contracts, outside the ordinary course, and buying back or redeeming shares or giving financial assistance for their purchase. Where the company is already contractually bound to take such a step, the CMA must be consulted. Directors of both companies, when advising shareholders, must act only as directors, disregarding their own or their family's shareholdings, and have regard only to the interests of shareholders, employees and creditors (Article 10).

The quality of information is regulated as strictly as a prospectus. Every document must satisfy the highest standards of accuracy and be adequately and fairly presented (Article 24), and must state that all directors jointly and severally accept full responsibility for it (Article 25). Profit forecasts are the directors' responsibility, with a report from the financial advisers and specific assumptions disclosed (Article 26), and any asset valuation must be carried out or confirmed by an independent, professionally qualified valuer whose consent is included (Articles 27 and 28). All shareholders of a class must receive equal treatment as to consideration and information, and no special deal may be struck with some holders without the CMA's prior written consent (Article 4). An adviser with a connection to either party that creates or is likely to create a conflict of interest may not advise the target (Article 9).

Conditions, revisions and how long an offer can last

A voluntary offer must, unless the CMA consents otherwise, be conditional on the offeror and its concert parties holding more than 50% of the votes, and may set a higher acceptance level (Article 38). It may not be subject to **subjective conditions** whose satisfaction depends on the offeror's judgment or lies within its control (Article 37), and once made it cannot be withdrawn without the CMA's consent unless an express condition has failed (Article 12). The offeror may improve the consideration or extend the offer period; every shareholder, including those who have already accepted, receives the improved terms, and a revised offer stays open for at least 30 days from its dispatch (Article 13). If the offeror or a concert party buys target shares during the offer above the offer price, it must raise the offer to the highest price paid and announce the purchase through the exchange (Article 35). Acceptors may withdraw at any time before the offer closes, following the procedure in the offer document (Article 21).

Article 20, headed 'Final day', provides in all three language versions that, except with the CMA's consent, an offer 'may remain open after' 60 days from posting. The heading and the reference to consent indicate that 60 days is meant as an outer limit, and offerors usually plan on that basis and seek the CMA's consent for anything longer. After an offer that has lapsed or been withdrawn without

becoming unconditional, the offeror and its concert parties may not make a new offer for 12 months without the CMA's consent (Article 39); after an offer that succeeded, a person holding effective control may not make a second offer within six months of the close (Article 40). The Regulations contain no **squeeze-out** procedure for compulsorily acquiring the shares of a residual minority, and none was found in the Companies Law, so an offeror that reaches 90% or more should not assume it can take the company to 100%; a delisting or a scheme approved under the amalgamation rules (Articles 198 to 206 of the Companies Law, which require listed companies to comply with capital market rules under Article 199) is the usual way to deal with remaining holders.

Stakebuilding, disclosure and insider dealing

The English text of **Article 46** of the Takeovers Regulations requires a person whose holding of shares carrying voting rights in a listed company, or rights over such shares, reaches 5% or more but less than 25%, or falls from 5% or more to below 5%, to announce the acquisition or disposal and the total holding not later than 9.00 a.m. on the trading day after the transaction, stating the number of shares, the prices, the identity of the persons dealing and the resulting total; holdings of persons acting by agreement are aggregated. The Kinyarwanda and French texts of the same Article refer instead to a band of 10% to 35%. Until the CMA resolves the discrepancy, the prudent course is to disclose at 5%, which satisfies all three versions.

Stakebuilding before an announcement is limited by Article 31: no one who holds confidential price-sensitive information about an actual or contemplated offer may deal in the target's securities between the time an approach is contemplated and its announcement. Purchases by the offeror itself for the purposes of the offer are excepted, unless the offeror or a concert party is a director or employee of the target. During the offer period the offeror and its concert parties may not sell target shares without the CMA's consent and 24 hours' public notice (Article 32), and if talks end, persons privy to them may not deal before the termination is announced (Article 34). Confidentiality must be preserved and a false market prevented (Article 7).

Outside the offer rules, **insider dealing** is a criminal offence. Law N°45/2018 replaced the definition of insider in Article 41 of Law N°01/2011 and the penalty in Article 69: dealing on inside information is punishable by three to five years' imprisonment and a fine of RWF 80,000,000 to RWF 100,000,000, and refusing to cooperate with the CMA's investigators by one to two years and a fine of RWF 3,000,000 to RWF 5,000,000 (new Article 72 bis). Under Article 39(3) of Regulations No 002/CMA/2026, material information relevant to the value of shares or to investors must be published immediately, so leaks during negotiations can force an early announcement.

Governance of listed and public companies from 2 October 2026

Regulations No 002/CMA/2026 came into force on publication in the Official Gazette n° Special of 02/10/2026 (Article 52) and repeal the Capital Market Corporate Governance Code n° 09, 2012 (Article 50). They apply to listed companies and issuers of securities to the public, and their scope clause also lists companies intending to issue securities to the public, public companies, State-owned companies, private companies and small and medium enterprises (Article 3); how far the CMA will apply them to companies with no securities in the market is not yet clear. The board has at least 7 and at most 11 directors (3 to 5 for an SME), at least half non-executive and at least one third independent, and

independent directors are paid only sitting allowances (Article 6). Independence is reassessed by the audit committee after nine years (Article 12). The chief executive cannot be chair, the chair must meet the independence criteria, and the division of their responsibilities is written into the board charter (Article 17). Nominating, remuneration and audit committees are provided for (Articles 21 to 25).

Shareholder rights are strengthened. General meeting documents, including proposed resolutions and voting rules, are posted on the company's website; resolutions on separate issues may not be bundled; remote participation and voting in absentia should be provided for in the articles; and minutes are published within ten days of the meeting (Article 34). Voting follows the principle of one share, one vote within each class (Article 35). The annual report identifies major shareholders, including beneficial owners, and the financial statements follow international standards and are audited under International Standards on Auditing (Article 39). For a foreign acquirer of a listed company, these rules shape the post-closing board: an investor with 60% cannot fill the board with executives, and must plan for independent directors, an independent chair and committee structures. The private-company governance rules that apply below the market are in Directors, governance and the company secretary.

Listing as an entry or exit route: the tax position

Listing on the RSE has tax consequences that make it attractive both for a founder's exit and for a portfolio investor. Gains on the sale of shares and other securities listed on the Rwandan securities exchange, and on shares or units of collective investment schemes, are exempt from capital gains tax under **Article 38 of Law n° 027/2022 of 20/10/2022 establishing taxes on income**, whereas a sale of unlisted shares is taxed at 10% of the gain since 29 May 2025 under Law n° 014/2025 of 27/05/2025, collected through the resident company whose shareholding changed (Capital gains, property and other taxes). Dividends and interest paid to an investor in a company listed on the RSE bear a preferential withholding tax of 5% rather than the general 15% under Article 60 of Law N° 027/2022 of 20/10/2022 where the recipient is a resident of Rwanda or of the East African Community; point XI of the incentives annexed to Law N° 006/2021 of 05/02/2021 on investment promotion and facilitation also grants a 5% rate on dividends and interest paid to an investor in an RSE-listed company without stating a residence condition, so an investor resident outside the EAC should confirm with RRA whether it can rely on point XI (FAQ 23). A company newly listed on a Rwandan capital market pays corporate income tax at 20% for five years if it sells at least 40% of its shares to the public, or 25% if it sells at least 30% (Article 48(2) of the Income Tax Law, as amended by Law N° 051/2023 of 05/09/2023), instead of the standard 28%.

The exemption in Article 38 refers to listed securities on the Rwandan exchange; whether a privately negotiated block trade in listed shares settled outside the exchange is covered should be confirmed with the Rwanda Revenue Authority (RRA) before signing. Proceeds of a sale of listed shares by a foreign investor may be repatriated under Article 12 of Law N° 006/2021 of 05/02/2021 on investment promotion and facilitation once taxes are settled (FAQ 61), and the bank will ask for documents showing the source of funds (Repatriating profits and capital).

WORKED EXAMPLE

Crossing 25% in a listed company

A South African group holds 18% of a company listed on the RSE with 100,000,000 shares, bought over the past year at prices up to RWF 210. It agrees to buy a further 8% from a founder at RWF 240 a share. Illustrative figures.

Holding after the purchase	18% + 8% = 26% of the votes: Article 41 of the Takeovers Regulations is triggered.
Minimum offer price	Highest price paid in the preceding six months: RWF 240 (Article 43). The earlier RWF 210 purchases do not lower it.
Shares subject to the offer	100,000,000 − 26,000,000 = 74,000,000 shares.
Maximum cash needed	74,000,000 × RWF 240 = RWF 17,760,000,000, which the offeror's financial adviser must confirm is available (Article 6).
Condition	Only that the group ends up with more than 50% of the votes (Article 42); it cannot make the offer conditional on its own shareholders' approval or on regulatory consents, so clearances are obtained before buying the 8%.
Timetable	Announcement within 24 hours of the purchase (Article 8(d)); offer document within 15 days (Article 14); target reply within 14 days of posting (Article 16); offer open at least 30 days (Article 17).
If acceptances reach 55%	The group passes 50%; if the company is a public company, Article 244 of the Companies Law also applies to the control block, so the 30-day advance notice and the weighted-average price floor should have been built into the plan from the start.
Founder's tax	The gain on listed shares is exempt under Article 38 of the Income Tax Law; confirm with RRA if the 8% block is transferred off the exchange.

Had the group stopped at 24.9%, no offer would have been required, but the 5% disclosure under Article 46 would already have applied.

If the 26% purchase was made from a bank listed on the RSE, BNR authorisation would also have been needed before closing.

Questions investors ask

At what shareholding must a buyer make a mandatory offer for a Rwandan listed company?

At 25% of the voting rights. Article 41 of the Capital Markets (Takeovers) Regulations N°10, 2012 requires a person who acquires 25% or more, alone or with persons acting in concert, to offer for every class of equity shares, in cash or with a cash alternative at not less than the highest price paid in the previous six months. Article 244 of the Companies Law adds a separate 50% rule for public companies.

Can a mandatory offer be made conditional on regulatory approvals?

No. Article 42 of the Takeovers Regulations allows only the condition that the offeror ends up with more than 50% of the votes, unless the CMA consents otherwise, and forbids a triggering acquisition if the offer depends on other consents. Merger clearances from the competition authority, COMESA or the EAC, and BNR approval for a bank, should therefore be obtained before crossing 25%.

How long does a takeover offer in Rwanda take?

Allow about two to three months. The offer document is posted within 15 days of the offer (20 for a share exchange), the target replies within 14 days, the offer stays open for at least 30 days, and for at least 15 days after it becomes unconditional. Article 20 treats 60 days from posting as the final day unless the CMA consents to a longer period.

When must a shareholding in a listed company be disclosed?

Under the English text of Article 46 of the Takeovers Regulations, by 9.00 a.m. on the trading day after a holding reaches 5% of the votes, or falls below 5%, with the prices and the resulting total. The Kinyarwanda and French texts refer to 10%, so disclosing at 5% is the safe course. Material information must also be published immediately under Regulations No 002/CMA/2026.

Is there a squeeze-out of minority shareholders after a takeover?

No statutory squeeze-out was found in the Takeovers Regulations or the Companies Law. An offeror that wins 90% or more cannot assume it can compel the remaining holders to sell. Remaining minorities are usually dealt with by an amalgamation under Articles 198 to 206 of the Companies Law, with the dissenters' buy-out rights that follow, or by delisting with CMA and RSE involvement.

Are gains on Rwanda Stock Exchange shares taxed?

Generally not. Article 38 of Law n° 027/2022 establishing taxes on income exempts gains on shares and other securities listed on the Rwandan securities exchange and on collective investment scheme units from capital gains tax, which otherwise applies at 10% since 29 May 2025. Confirm the treatment of an off-market block trade with the Rwanda Revenue Authority.

THE 2027 HORIZON

- The Takeovers Regulations date from 2012 and still refer to the CMA's 2011 founding law; no replacement had been published at 10 October 2026. A revision would be the natural place to resolve the Article 46 language discrepancy and the wording of Article 20.
- A draft Capital Market Business Bill circulated in August 2025, reported to add a regulatory sandbox, Islamic securities and recognition of foreign rating agencies, would replace Law N°01/2011; its enactment had not been confirmed at 10 October 2026.
- Regulations No 002/CMA/2026 apply from 2 October 2026; listed companies will report against them in their first annual reports for 2026 and should expect CMA guidance on how far Article 3(b) reaches companies with no listed securities.
- Implementing Regulations under Law n° 011/2026, which will set Rwanda's merger notification thresholds and fees, had not been published; once they are, a takeover timetable can be planned around a known filing test.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Capital market	*Isoko ry'imari n'imigabane*	—	The market in which shares, bonds and other securities are issued and traded, regulated by Law N°01/2011.
Capital Market Authority (CMA)	*Urwego rw'u Rwanda rushinzwe Isoko ry'Imari n'Imigabane*	—	The regulator of securities, issuers and market intermediaries, established by Law N° 057/2021 Bis.
Takeover offer	*Igurwa ry'imigabane yose ya sosiyete ifite imigabane ku isoko*	*Offre publique d'achat*	An offer to acquire the shares of a listed company, voluntary or mandatory, governed by the 2012 Takeovers Regulations.
Mandatory takeover offer	—	*Offre publique d'achat obligatoire*	The offer that must follow an acquisition of 25% or more of the voting rights of a listed company (Article 41).
Persons acting in concert	*Abantu bakorana*	*Personnes agissant de concert*	Persons cooperating to obtain or consolidate control, whose holdings are aggregated; presumed in the cases in Article 3.
Offeror	*Ugura*	*Initiateur*	The person by or on whose behalf a takeover offer is made.
Offeree company	—	*Société visée*	The listed company whose shares are the subject of the takeover offer.

English	Kinyarwanda	French	Meaning
Independent director	—	*Administrateur indépendant*	A non-executive director meeting the independence criteria in Article 7 of Regulations No 002/CMA/2026; at least one third of a listed company's board.
Obligation to make a tender offer	—	*Obligation d'offre d'achat*	The duty under Article 244 of the Companies Law of a person acquiring a control block of 50% or more of a public company to offer for the remaining shares of the class.

FOREIGN V RWANDAN INVESTOR

The takeover, disclosure and insider dealing rules make no distinction by nationality: a foreign offeror, a Rwandan offeror and an EAC offeror face the same 25% trigger, the same price rules and the same timetable, and the CMA's exemption power in Article 48 includes, among its listed grounds, 'the maintenance of domestic shareholding for strategic reasons', which shows that the CMA may take account of domestic ownership when deciding whether to waive an offer. The differences are fiscal and practical. Dividends and interest paid to an investor in a company listed on the RSE bear the preferential 5% withholding tax in the Investment Code's annex, which as published contains no residence condition, whereas dividends from an unlisted Rwandan company paid abroad bear 15% unless a treaty reduces it; foreign investors may hold and trade multicurrency securities under CMA Directive N° 01/2025; and a foreign offeror's documents and funding confirmations will be scrutinised for source of funds by banks and the CMA. Sector caps apply to all buyers alike, notably the BNR's 25% single-holder limit and 5% prior-authorisation threshold for banks.

WATCH OUT FOR

- Building a stake through an affiliate or a friendly fund: the Article 3 presumptions aggregate holdings, and the 25% trigger counts the concert group, not each member.
- Crossing 25% before merger, COMESA, EAC or BNR clearances are in hand: a mandatory offer cannot be made conditional on them, and Law n° 011/2026 forbids implementing a notifiable merger before approval.
- Overlooking Article 244 of the Companies Law in a listed or unlisted public company: missing the 30-day advance notice costs the acquirer its votes on the class.
- Relying on the 10% figure in the Kinyarwanda and French texts of Article 46: disclose at 5%.
- Assuming a squeeze-out exists: plan for a residual minority, or for an amalgamation with dissenters' buy-out rights.
- Treating Regulations No 002/CMA/2026 as optional for a newly acquired listed subsidiary: the board composition, independent chair and website disclosure rules apply from 2 October 2026.

OFFICIAL SOURCES

- Capital Market Authority: Capital Markets (Takeovers) Regulations N°10, 2012 (Official Gazette n° 27bis of 02/07/2012) — https://www.cma.rw/fileadmin/user_upload/capital_market_takeover_regulation.pdf
- Capital Market Authority: Regulations No 002/CMA/2026 of 02/10/2026 relating to the capital market corporate governance — https://www.cma.rw/fileadmin/user_upload/og_n___special_of_02.10.2026__imiyoborere_y_isosiyete_y_ubucuruzi_yo_mu_rwego_rw_isoko_ry_imari_n_imigabane.pdf
- Capital Market Authority: Law N°45/2018 of 13/08/2018 modifying Law N°01/2011 regulating capital market in Rwanda (insiders and offences) — https://www.cma.rw/fileadmin/user_upload/Law_modifying_Law_governing_CMA.pdf
- RDB, Office of the Registrar General: Law N° 007/2021 governing companies, Official Gazette n° 04 ter of 08/02/2021 (Articles 198 to 206 and 244) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income (Articles 38 and 48) — https://www.rra.gov.rw/fileadmin/user_upload/OG_n___Special_of_28.10.2022_Imisoro_ku_musaruro_Taxes_on_income_01.pdf
- Rwanda Stock Exchange: listed securities and market data — https://www.rse.rw/

Joint ventures, shareholder agreements and exit rights: structuring a Rwandan joint venture company, what belongs in the articles and what in the shareholders' agreement, nominee directors under Article 147, pre-emption, drag, tag, put and call options, statutory buy-out and unfair prejudice remedies, deadlock and the 2026 merger rules for joint ventures

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Law N° 007/2021 of 05/02/2021 governing companies does not regulate shareholders' agreements; transfers are made 'subject to the incorporation documents' (Article 75), a private company must restrict the transfer of its shares and is limited to 100 shareholders excluding employees (Articles 7 and 8), and rights of first refusal, tag-along, drag-along, put and call options and deadlock clauses therefore rest on the articles and the contract.
- Article 59 gives private company shareholders a pro rata pre-emption right on new shares, open for three months unless the incorporation documents say otherwise, and the documents may negate, limit or modify it; there is no statutory pre-emption right on transfers of existing shares.
- Under Article 147, a director of a company carrying out a joint venture between its shareholders may, if expressly permitted by the incorporation documents, act in the best interests of a shareholder even where that is not in the best interests of the company.
- A shareholder who votes against a special resolution approving a major transaction, an amalgamation, a change of status or capacity or an alteration of class rights may require the company to buy its shares at a fair and reasonable price, with disputes on price referred to arbitration and an interim price paid within five working days (Articles 106 to 108 and 240 to 246).
- The creation of a full-function joint venture that performs, on a lasting basis, the functions of an autonomous enterprise is a merger under Article 10(1)(c) of Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, notifiable within 30 days of the decision and reviewed within 45 days, extendable once by 15 days (Articles 11 and 14).
- A partner's exit by sale of unlisted shares bears capital gains tax at 10% of the gain since 29 May 2025, withheld and paid by the joint venture company within 15 days after the month of transfer under Law n° 014/2025 of 27/05/2025, and a change of more than 25% in ownership forfeits the company's tax losses unless an exception applies (Article 31 of the Income Tax Law).

Choosing the joint venture vehicle

Most foreign investors who share a Rwandan business with a partner do so through a **private company limited by shares** incorporated under Law N° 007/2021 of 05/02/2021 governing companies, as amended by Law N° 019/2023 of 30/03/2023. It gives limited liability, a separate legal person that can hold land rights, licences and an investment certificate, and a familiar share-based structure for dividing control and profit. A private company must have at least one director ordinarily resident in Rwanda, must restrict the transfer of its shares, may not have more than 100 shareholders, not counting current and former employees, and may not invite the public to subscribe (Articles 7 and 8). Those features suit a joint venture: the transfer restriction is mandatory, so the only question is what form it takes.

Other vehicles exist. Law N° 008/2021 of 16/02/2021 governing partnerships, as amended by Law N° 018/2023, provides general, limited and limited liability partnerships, which may suit professional or fund structures; a purely contractual joint venture, with no new entity, is common for a single construction or supply contract, but leaves each party directly exposed and can create a permanent establishment for a foreign party (Transfer pricing and international tax). There is no general cap on foreign shareholding in a Rwandan company, and a 100% foreign-owned company is possible, but sector rules may require Rwandan participation or regulator approval of shareholders; the vehicle choice is discussed more fully in Choosing a business vehicle. Where the joint venture will register under the Investment Code for incentives, RDB must be told within 30 days before any change in the nature of the investment, its suspension or termination (Article 27 of Law N° 006/2021 of 05/02/2021 on investment promotion and facilitation).

Articles and shareholders' agreement: what belongs where

The Companies Law does not regulate **shareholders' agreements**, and nothing in it prevents them. It is also relevant evidence of control when the company records and files its beneficial owners with the Office of the Registrar General (ORG), because Article 116 bis, inserted in 2023, looks at voting rights and the right to appoint or remove a majority of the directors as well as at shareholdings. But an agreement binds only its parties, while the incorporation documents bind the company, its board and every future shareholder. The Law repeatedly makes its default rules subject to the incorporation documents: transfers are made 'subject to the incorporation documents of a company' (Article 75); the board may refuse or delay registration of a transfer only where the Law or the documents expressly allow, by a resolution adopted within 30 working days setting out its reasons in full and sent to both parties within five working days (Article 75); non-transferable shares pass only by operation of law, transmission or repurchase unless the documents provide otherwise (Article 80); and the pre-emption right on new shares may be negated, limited or modified by the documents (Article 59).

The practical rule is therefore to **mirror** in the articles every provision the parties need the company to respect: the transfer restrictions and the right of first refusal, the drag-along and tag-along mechanics, the board composition and the right of each partner to appoint and remove directors, quorum requirements, reserved matters, and the authority under Article 147 for nominee directors to act for their appointer. Matters that concern only the partners, such as funding commitments, non-compete covenants, business plans, the pricing formula for options and dispute resolution, may stay in the agreement, which can also oblige each party to vote its shares to give effect to it. Reserved matters can

be protected by a special resolution, which needs 75% of the votes cast unless the documents set a higher majority or unanimity, so a partner holding more than 25% has a statutory veto over the matters in Article 191, including altering the incorporation documents, an amalgamation, liquidation and removal from the register. A private company may opt out of certain statutory requirements by unanimous resolution under Article 209, but not of the directors' report or the annual meeting.

Control and exit mechanisms in a Rwandan joint venture

Mechanism	Where it lives	Statutory anchor	Point to watch
Right of first refusal on transfers	Articles and agreement	Articles 7, 8 and 75 (private company must restrict transfer)	No statutory pre-emption on transfers; the board can refuse registration only where the articles expressly allow
Pre-emption on new shares	Statute, modified by the articles	Article 59: pro rata, three months, then issue to others within three months at the same price	Disapplication or dilution protection must be written into the articles
Board appointment rights and reserved matters	Articles and agreement	Articles 154 and 160 (directors appointed and removed by ordinary resolution); Article 191 (special resolution matters)	A shareholder majority can remove any director at a general meeting under Article 160, so appointment rights need a voting undertaking and mirrored articles
Nominee directors acting for their appointer	Articles	Article 147, joint venture clause	Only effective if expressly permitted by the incorporation documents
Tag-along and drag-along	Articles and agreement	None; contractual	Drag needs a power of attorney and an articles provision so that the company registers the transfer
Put and call options	Agreement; company buy-back terms in the articles	Articles 176 to 185 for buy-backs; Article 185 makes a contract for the company to repurchase specifically enforceable subject to the solvency test	Exercise may be a notifiable merger (change to sole control) and triggers 10% capital gains tax
Statutory buy-out on dissent	Statute	Articles 106 to 108 and 240 to 246	Available only on the listed special resolutions; price disputes go to arbitration
Deadlock and dispute resolution	Agreement and articles	Law N° 005/2008 of 14/02/2008 on arbitration and conciliation in commercial matters; Article 104 of Law N° 075/2021 (just and equitable liquidation)	Without a deadlock clause the remedy is court-ordered liquidation or an unfair prejudice claim

Nominee directors and their duties

A director's fundamental duty is to act in good faith in a manner he or she believes on reasonable grounds to be in the best interests of the company, with reasonable diligence (Article 147). That duty sits uneasily with a joint venture in which each partner appoints directors to protect its own interests. Article 147 resolves the tension in three cases. A director of a wholly owned subsidiary may act in the best interests of the holding company if the incorporation documents expressly permit it. A director of a subsidiary that is not wholly owned may do so if the documents expressly permit it and the shareholders other than the holding company have agreed in advance. And, most relevant here, **a director of a company carrying out a joint venture between the shareholders** may, when acting in connection with the joint venture and if expressly permitted by the incorporation documents, act in the best interests of a shareholder or shareholders, even where that is not in the best interests of the company. Without that express permission in the articles, a nominee director who votes as the appointing partner instructs, against the company's interest, risks breaching the duty.

The permission does not displace other duties. Directors must not act in a way that unfairly prejudices or unfairly discriminates against any shareholder (Article 148), must not let the company take an unreasonable risk of failing the solvency test (Article 150), and must disclose their interests in transactions and observe the rules on related-party dealings (Articles 167 and 168). Failure to comply with Articles 167 and 168, among others, is expressly treated as unfairly prejudicial conduct under Article 230. A joint venture that buys from or sells to one partner should therefore set out in the agreement how conflicted directors participate, and record each related-party contract in the register of interests. Board structure, the resident director requirement and the company secretary are covered in Directors, governance and the company secretary.

Statutory exit rights for a minority partner

The Companies Law gives a minority shareholder a limited but useful **buy-out right**. Under Article 106, a shareholder who voted all its shares against, or did not sign, a special resolution altering the incorporation documents to impose or remove a restriction on the company's business, or approving a **major transaction** or an amalgamation, may require the company to purchase its shares. Article 240 extends the right to special resolutions affecting the rights attached to shares and changing the company's status between public and private. A major transaction is the acquisition of assets worth 10% or more of the company's assets, or the disposal of, or the incurring of obligations worth, more than half of them; giving security alone does not count (Article 196). Major transactions also need the prior opinion of an independent professional financial adviser on their fairness, a board decision and a special resolution at a general meeting (Article 197).

The procedure appears twice in the Law, with different periods. Articles 107 and 108 give the shareholder 15 days from notice of the resolution to ask for the purchase, the board 30 days to answer, and seven days to state a price. Articles 241 and 242 give the shareholder ten working days from the announcement of the vote, the directors 20 working days to agree to buy, arrange a third-party buyer, apply to court for an exemption or abandon the action, and five working days to nominate a fair and reasonable price. Until the inconsistency is resolved, a shareholder should act within the shorter period, ten working days, and a company should answer within the shorter period too. If the shareholder objects to the price within ten working days, the company refers the price to **arbitration** forthwith and pays the

nominated price as an interim payment within five working days; the arbitrator fixes a fair and reasonable price with interest on any balance or excess (Article 242). A third-party purchaser steps into the company's shoes, with the company indemnifying the seller if it fails to pay (Article 243). The court may exempt the company where the purchase would be disproportionately damaging, cannot reasonably be funded, or the notice was not in good faith, but only after reasonable endeavours to find a third-party buyer (Article 245), and an insolvent company cannot be made to buy (Article 246).

Beyond the buy-out, a shareholder, a beneficial owner or a director may apply to the competent court where the company's affairs have been or are likely to be conducted in a manner that is unfairly prejudicial, and the court may order the purchase of shares, compensation, regulation of the company's future conduct, the appointment of a receiver or liquidation (Article 230). Failure to comply with the allotment and pre-emption rules (Articles 58 to 61), the rules on interested transactions (Articles 167 and 168), the buy-back rules (Article 177), financial assistance (Article 186), special resolution matters (Article 191) or major transactions (Article 197) is deemed unfairly prejudicial. A shareholder or director may also seek leave to bring a derivative action in the company's name (Articles 231 to 234). These claims are heard by the Commercial Court under Law N° 30/2018 of 02/06/2018 determining the jurisdiction of courts (Article 81), unless the parties have agreed to arbitrate.

Using the statutory buy-out right as a dissenting partner

1. **Check that the resolution qualifies**
   The special resolution must approve a major transaction, an amalgamation, a change of status, a change to the company's capacity or business restrictions, or an action affecting class rights (Articles 106 and 240).

2. **Vote all your shares against it**
   Cast every vote attached to the shares registered in your name, or held for the same beneficial owner, against the resolution, or do not sign a written resolution; abstaining partially loses the right.

3. **Serve written notice promptly**
   Ask the company in writing to purchase all your shares within ten working days of the announcement of the result (Article 241), the shorter of the two periods in the Law.

4. **Receive the board's decision**
   Within 20 working days the directors agree to buy, find a third-party buyer, apply to court for an exemption, or decide not to proceed with the action (Article 241).

5. **Receive and test the price**
   Within five working days of agreeing to buy, the directors nominate a fair and reasonable price (Article 242); obtain your own valuation.

6. **Object within ten working days if necessary**
   A written objection sends the price to arbitration; the company must pay the nominated price within five working days as an interim price, with a balance and interest if the arbitrator fixes a higher figure.

7 **Complete the transfer and the tax**

Shares bought by the company are cancelled (Articles 184 and 242); the gain is subject to 10% capital gains tax, which the company withholds and pays within 15 days after the month of transfer.

Drag, tag, put and call options: making them work

Rwandan statute contains none of the usual exit clauses, so their effectiveness depends on drafting. A **right of first refusal** works best as a restriction in the articles that the board is expressly empowered to enforce by refusing registration under Article 75. A **tag-along** right obliges a selling majority to procure that the buyer offers the same terms to the minority; it is a contractual promise and should be backed by a provision in the articles that the board will not register a transfer that breaches it. A **drag-along** right, by which a majority accepting a third-party offer can require the minority to sell on the same terms, needs a clause in the articles, a power of attorney from each shareholder allowing the transfer form to be signed on its behalf, and a mechanism for paying the consideration into a designated account. Shares transfer only on entry in the register, on a signed transfer form with the certificate (Article 75), and the register must be updated within seven days and the index within 14 days (Articles 114 and 115, as amended).

Put and call options between the partners are ordinary contracts. Where the company itself is to buy shares, the buy-back rules apply: offers must be general or special offers following board resolutions and certificates (Articles 176 to 179), any shareholder or the company may ask the court to restrain an unfair acquisition (Article 180), and acquired shares are cancelled with notice to the Registrar General within 15 days (Article 184). A contract for the company to buy its own shares is specifically enforceable, except where performance would make the company fail the solvency test or leave only redeemable shares outstanding (Article 185), so a put against the company is only as good as its solvency. Price formulas based on multiples of earnings, net assets or an independent valuation should specify the valuer, the accounting date and the treatment of shareholder loans.

Two regulatory consequences follow any exit. First, the exercise of an option that moves the joint venture from joint to sole control is itself a change of control under Article 10 of Law n° 011/2026 and may be notifiable before completion (Merger control and competition law); for a bank, crossing 5% or any supervisory threshold needs the National Bank of Rwanda (BNR)'s prior authorisation under Law n° 044/2024 of 30/05/2024 governing banks. Second, the tax: a sale of unlisted shares bears **capital gains tax at 10%** of the gain since 29 May 2025, charged on direct or indirect transfers in Rwanda or abroad and withheld and paid by the resident company whose shareholding changed within 15 days after the month of transfer (Article 37 of Law n° 027/2022, as replaced by Law n° 014/2025); and a change of more than 25% in the ownership of an unlisted company forfeits its unused tax losses unless the change is an internal reorganisation keeping all shareholders of at least three years' standing (Article 31). Option prices should be set net of, or with an adjustment for, both (Capital gains, property and other taxes).

Joint ventures and competition law

Under **Article 10 of Law n° 011/2026**, in force since 4 March 2026, a merger includes the creation of a full-function joint venture which, on a lasting basis, performs the functions of an autonomous enterprise (Article 10(1)(c)), as well as any acquisition of control over the whole or part of an enterprise. Control includes holding more than half the capital, business or assets, the ability to exercise decisive influence through a majority of votes or the power to appoint or veto a majority of the board, and 'material influence over the commercial policy' (Article 10(2)). Veto rights over the budget, business plan or senior appointments may therefore give each partner control, making the joint venture jointly controlled. A notifiable merger must be filed within 30 days of the decision to merge; the authority decides within 45 days of a complete notification, extendable once by up to 15 days; the review is suspensory, and approval is deemed if the deadline is missed (Articles 11 and 14). Rwanda's notification thresholds and fees are to be set by Regulations of the competition authority, which had not been published at 10 October 2026, and transactions below the thresholds can be called in within 12 months of completion (Article 11(3)).

A joint venture with a regional footprint must also be tested against the **COMESA** Competition and Consumer Protection Regulations, 2025, approved by the COMESA Council on 4 December 2025 and reported by practitioners to be in force from 5 December 2025, which contain a specific joint venture test (Regulation 41(6)) and, according to practitioners, treat a joint venture as full-function where it is intended to operate for three years or more, and against the EAC merger regime applied since 1 November 2025. Both regional regimes are suspensory. A joint venture that is not full-function, such as a joint purchasing or research arrangement between competitors, is assessed instead under the prohibition of anti-competitive horizontal agreements in Article 4 of Law n° 011/2026, which bans price fixing, output limitation, bid rigging and market allocation; agreements with efficiency benefits may be authorised for a limited period under Articles 6 and 7. Non-compete and exclusivity clauses in the joint venture agreement should be no wider than the joint venture's business requires.

Deadlock and dispute resolution

A 50:50 joint venture, or one with wide reserved matters, will deadlock unless the documents provide a way out. The usual sequence is escalation to senior executives, then mediation, then a buy-sell mechanism: a 'Russian roulette' clause, in which one partner names a price at which the other must either buy or sell; a 'Texas shoot-out', with sealed bids; or a put or call at a valuation fixed by an independent expert. Each needs a clear trigger, a defined deadlock matter, time limits and a funding period, and should be mirrored in the articles so that the company registers the resulting transfer.

Disputes between partners are commonly referred to arbitration under Law N° 005/2008 of 14/02/2008 on arbitration and conciliation in commercial matters, often at the Kigali International Arbitration Centre (KIAC), or to a foreign seat; the parties' choice of governing law and forum is generally respected in commercial matters (FAQ 72; Arbitration law and KIAC). Without a contractual mechanism, the fallback remedies are blunt. A shareholder may ask the court to put the company into liquidation where it is 'just and equitable' to do so (Article 104 of Law N° 075/2021 of 06/12/2021 relating to insolvency), or bring an unfair prejudice claim under Article 230 of the Companies Law, where the court may order one partner to buy the other out. Both take time and destroy value, which is why the deadlock clause deserves as much negotiation as the business plan.

DECISION GUIDE

Which exit route is open to a joint venture partner?

A decision guide for a partner wishing to leave a Rwandan joint venture company. Answer in order; the first route reached is usually the quickest, not the only one.

Q1 **Does the shareholders' agreement or the articles give you a put option, a deadlock buy-sell or a right to require a sale?**

Yes Exercise it in accordance with its terms and time limits; check whether the buyer's move to sole control needs a merger filing under Law n° 011/2026 and arrange the 10% capital gains tax withholding by the company.

No Continue to Q2.

Q2 **Can you sell to a third party, subject to the right of first refusal and the board's power to refuse registration in the articles?**

Yes Offer the shares to the other partner first if the articles so require, then sell; the board may refuse registration only where the articles expressly allow, within 30 working days and with reasons (Article 75).

No Continue to Q3.

Q3 **Is the company proposing a special resolution on a major transaction, an amalgamation, a change of status or capacity, or class rights?**

Yes Vote all your shares against it and give notice within ten working days to require the company to buy your shares at a fair and reasonable price, with arbitration on price (Articles 240 to 242).

No Continue to Q4.

Q4 **Are the company's affairs being conducted in a way that is unfairly prejudicial to you, or is the company in irretrievable deadlock?**

Yes Apply to the Commercial Court under Article 230 for an order that your shares be bought, or under Article 104 of Law N° 075/2021 for liquidation on just and equitable grounds; check any arbitration clause first.

No Negotiate an agreed exit: a sale to the partner, a buy-back under Articles 176 to 179, or a listing if the company could qualify.

WORKED EXAMPLE

A put option exercised in a Kigali joint venture

A Kenyan manufacturer holds 60% and a Rwandan distributor 40% of a Kigali joint venture company. In year five the Rwandan partner exercises a put option requiring the Kenyan partner to buy its 40% at an independently valued equity value of RWF 2,000,000,000. The Rwandan partner paid RWF 300,000,000 for its shares. Illustrative figures.

Put price	40% × RWF 2,000,000,000 = RWF 800,000,000.
Gain	RWF 800,000,000 − RWF 300,000,000 = RWF 500,000,000.
Capital gains tax	10% × RWF 500,000,000 = RWF 50,000,000, withheld and paid by the joint venture company within 15 days after the end of the month of transfer (Law n° 014/2025).
Net proceeds to the seller	RWF 800,000,000 − RWF 50,000,000 = RWF 750,000,000, before any credit the seller may claim against its own income tax.
Control change	The Kenyan partner moves from joint control (the Rwandan partner had vetoes over the budget) to sole control: a merger under Article 10 of Law n° 011/2026, to be assessed against the competition authority's thresholds once published and, if notifiable, cleared before completion.
Tax losses	Ownership changes by 40%, more than 25%, so the company's unused tax losses of, say, RWF 120,000,000 are forfeited under Article 31 of the Income Tax Law; the parties may adjust the price.
Filings	Transfer form and certificate to the company; register updated within 7 days and index within 14 days; beneficial ownership change filed within 14 days; RDB told if the company is a registered investor and the change alters its investment.

If the company itself had been obliged to buy the shares, Article 185 would have made the obligation enforceable only if the company could pay and still pass the solvency test.

Whether the Investment Code's capital gains exemption for registered investors still applies after Law n° 014/2025 should be confirmed with the Rwanda Revenue Authority before relying on it.

Questions investors ask

Are shareholders' agreements enforceable in Rwanda?

Yes, as contracts between the parties. Law N° 007/2021 governing companies does not regulate them, but they bind only their signatories. Provisions the company must respect, such as transfer restrictions, board appointment rights, drag-along and pre-emption, should be mirrored in the articles, which bind the company and future shareholders and are what the board relies on when registering transfers under Article 75.

Can a joint venture director vote in the interests of the partner that appointed him?

Only if the articles expressly allow it. Article 147 of the Companies Law permits a director of a company carrying out a joint venture between its shareholders to act in the best interests of a shareholder, even against the company's interest, where the incorporation documents expressly so provide. The director remains bound by the solvency duty and the rules on conflicts of interest.

Is there a statutory right of first refusal on share transfers in a Rwandan company?

No. Article 59 gives private company shareholders a pre-emption right on newly issued shares only. A right of first refusal on transfers of existing shares must be written into the articles, which a private company must use to restrict transfers under Articles 7 and 8, and the board may refuse registration only where the articles expressly permit it.

Can a minority shareholder force the company to buy its shares?

Yes, in limited cases. A shareholder who votes all its shares against a special resolution approving a major transaction, an amalgamation, a change of status or capacity, or an alteration of class rights may require the company to buy them at a fair and reasonable price, with arbitration if the price is disputed (Articles 106 and 240 to 246). Otherwise, the court can order a buy-out for unfair prejudice under Article 230.

Does a joint venture need competition clearance in Rwanda?

It may. The creation of a full-function joint venture that operates on a lasting basis as an autonomous enterprise is a merger under Article 10 of Law n° 011/2026. A notifiable merger must be filed within 30 days of the decision and cannot be implemented before approval, which comes within 45 days, extendable by 15. The thresholds await Regulations; COMESA and EAC filings may also be needed.

What tax does a partner pay when it sells out of a Rwandan joint venture?

Capital gains tax at 10% of the gain on unlisted shares, since 29 May 2025, charged whether the sale is direct or indirect and in Rwanda or abroad, and withheld and paid by the joint venture company within 15 days after the month of transfer. A change of more than 25% in ownership also forfeits the company's tax losses under Article 31 of the Income Tax Law.

THE 2027 HORIZON

- The competition authority's Regulations under Article 11 of Law n° 011/2026, setting merger thresholds, fees, forms and a simplified procedure, had not been published at 10 October 2026; they will decide which joint venture formations and option exercises need a Rwandan filing.
- A protocol allocating jurisdiction between the COMESA Competition and Consumer Commission and the EAC Competition Authority, which signed a memorandum of understanding on 10 June 2025, had not been adopted; until it is, a joint venture may need filings in both regional regimes.
- No amendment to the shareholder remedies in Law N° 007/2021 had been published; the inconsistent buy-out periods in Articles 107 and 241 remain until the legislature or the courts resolve them.
- The review of Law N° 005/2008 on arbitration has been reported as expected before 2027; any change will affect how joint venture deadlock and price disputes are arbitrated.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Pre-emption right	—	*Droit de préemption*	A private company shareholder's right to take new shares pro rata before they are offered to others (Article 59).
Transfer of shares	*Ihererekanya ry'imigabane*	*Cession d'actions*	The transfer of ownership of shares by entry in the register on a signed transfer form, subject to the incorporation documents (Article 75).
Fundamental duty of a director	—	*Devoir fondamental d'un administrateur*	The duty to act in good faith in the company's best interests, which the articles may modify for joint venture directors (Article 147).
Major transaction	*Igikorwa gihambaye*	*Transaction capitale*	An acquisition of assets worth 10% or more, or a disposal or obligation worth more than half, of the company's assets (Article 196).
Amalgamation	*Ikomatanya ry'amasosiyete*	*Fusion de sociétés*	The combination of two or more companies into one under Articles 198 to 206, which needs competition approval before implementation.
Buy-out	*Igururwa*	*Rachat*	A dissenting shareholder's right to require the company to purchase its shares (Articles 240 to 246).

English	Kinyarwanda	French	Meaning
Unfair prejudice	—	*Préjudice injuste*	Conduct of the company's affairs prejudicial to a shareholder, director or security holder, for which the court may order a buy-out or liquidation (Article 230).
Derivative action	*Ikirego kiziguye*	*Action oblique*	An action brought by a shareholder or director in the company's name, with the court's leave (Articles 231 to 234).
Full-function joint venture	—	*Coentreprise de plein exercice*	A joint venture performing on a lasting basis all the functions of an autonomous enterprise; its creation is a merger under Article 10(1)(c) of Law n° 011/2026.
Special resolution	*Umwanzuro udasanzwe*	*Résolution spéciale*	A shareholder decision requiring 75% of votes cast, or more if the documents say so; needed for the matters in Article 191.

FOREIGN V RWANDAN INVESTOR

The company law rules on joint ventures are the same for foreign and Rwandan partners: each has the same pre-emption, buy-out and unfair prejudice rights, and Article 147 applies whatever the nationality of the appointing shareholder. The differences arise around the company. Sector licensing rules may require a minimum Rwandan or local shareholding or the regulator's approval of a foreign partner, so a foreign party's exit to another foreigner can need consent that a sale to a Rwandan would not. A foreign seller bears Rwandan capital gains tax at 10% on an indirect as well as a direct transfer, collected through the joint venture company, subject to any tax treaty; a Rwandan seller pays the same rate. A foreign partner's sale proceeds or liquidation proceeds may be repatriated under Article 12 of the Investment Code once taxes are paid (FAQ 61), so the original capital contribution should have been brought in through a bank and documented. Competition filings turn on turnover and assets in the relevant market, not on nationality, but a foreign partner with regional operations is more likely to meet the COMESA or EAC thresholds.

WATCH OUT FOR

- Leaving key protections only in the shareholders' agreement: the board registers transfers and counts votes under the articles, so mirror transfer restrictions, appointment rights and the Article 147 permission there.
- Nominee directors following their appointer's instructions without an express Article 147 clause in the articles.
- Missing the ten-working-day window to demand a statutory buy-out, or voting only part of a holding against the resolution.
- Exercising a call or put that changes control without checking the merger filing rules and the bank or sector regulator's approval.
- Pricing an exit without allowing for the 10% capital gains tax withheld by the company and the forfeiture of tax losses on a change of more than 25% in ownership.
- A 50:50 structure with no deadlock mechanism: the default remedies are a court-ordered liquidation or an unfair prejudice claim.

OFFICIAL SOURCES

- Official Gazette n° 04 ter of 08/02/2021 (RDB copy): Law N° 007/2021 governing companies, Articles 7, 8, 59, 75, 106 to 108, 147, 176 to 185, 191, 196, 197, 230 and 240 to 246 — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- RICA: Law n° 011/2026 of 26/02/2026 relating to competition and consumer protection, Official Gazette n° Special of 04/03/2026 (Articles 4, 10, 11 and 14) — https://rica.gov.rw/fileadmin/user_upload/RICA/Publications/Laws/OG_n___Special_of_04.03.2026__Ihiganwa_mu_bucuruzi_no_kurengera_umuguzi__1___1___1_.pdf
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- Official Gazette n° Special of 30/12/2021: Law N° 075/2021 relating to insolvency (Article 104) — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-12-30-no-Special.pdf
- COMESA Competition and Consumer Protection Regulations, 2025 — https://comesacompetition.org/wp-content/uploads/2026/03/COMESA-Competition-and-Consumer-Protection-Regulation-2025.pdf

Liquidation, striking off and deregistration: closing a solvent Rwandan company by voluntary liquidation under Law N° 075/2021 or removal from the register under the Companies Law, the liquidator's duties and deadlines, striking off by the Registrar General, State vesting and restoration, RRA de-registration, RDB notice, employees and repatriating what is left

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Voluntary liquidation of a company that is not insolvent is governed by Law N° 075/2021 of 06/12/2021 relating to insolvency (Article 2(4)); the shareholders appoint a liquidator by special resolution (Article 191(5) of Law N° 007/2021 governing companies; Article 103 of Law N° 075/2021), the liquidator must be a licensed insolvency practitioner, and the liquidation commences on the date of appointment (Article 102).
- The liquidator gives public notice and delivers a copy to the Registrar General within 5 working days, sends a preliminary report to creditors and shareholders within 20 working days and interim reports every six months, and completes the liquidation by delivering a final report, final accounts and a statement that the company is ready to be removed from the register (Articles 106, 109 to 112).
- A solvent company that has ceased business, paid all known creditors and distributed its surplus, or that has no surplus assets and no pending liquidation application, may instead be removed from the register on a special resolution, with a written no-objection notice from the Rwanda Revenue Authority (RRA) (Articles 208 and 281 of Law N° 007/2021).
- Before removal, the Registrar General notifies the company, registered secured parties and the RRA, gives public notice within 30 days and allows at least 20 working days for objections (Article 282); after removal the company ceases to exist, former directors' and shareholders' liabilities continue, and undistributed property, including leasehold property, vests in the State (Articles 280 and 286).
- A removed company may be restored by the Registrar General after a notice in two daily newspapers with at least 30 days for objections, or by the court, but not once ten years have passed since removal (Articles 287 and 288 as amended by Law N° 019/2023 of 30/03/2023).
- On liquidation, what remains after liabilities are paid is treated as a dividend in the company's last tax period (Article 55 of Law n° 027/2022 establishing taxes on income); the company is de-registered for tax on RRA's E-tax portal once returns are filed and the balance is zero, and a registered investor must inform RDB in writing within 30 days before terminating its operations (Article 27 of Law N° 006/2021).

The routes out, and which law governs each

Closing a Rwandan company involves two statutes. **Law N° 075/2021 of 06/12/2021 relating to insolvency** (Official Gazette n° Special of 30/12/2021), in force since 30 December 2021, governs liquidation of both insolvent companies and companies that are not insolvent: its scope expressly includes 'voluntary liquidation of a company and a partnership that are not insolvent' (Article 2(4)). **Law N° 007/2021 of 05/02/2021 governing companies**, as amended by Law N° 019/2023 of 30/03/2023, governs the removal of a company from the register of companies, the consequences of removal and restoration (Articles 208 and 280 to 289). A solvent wind-down therefore runs under the insolvency law even though nobody is insolvent, and ends under the Companies Law when the Registrar General strikes the company off.

In practice there are four routes. A **members' voluntary liquidation**, in which the shareholders appoint a licensed insolvency practitioner to realise the assets, pay the creditors and distribute the balance, suits a company with assets, contracts, employees or creditors to deal with. A **removal on request** under Articles 208 and 281, with no liquidator, suits a company that has already stopped trading, paid everyone and distributed its assets. A **striking off by the Registrar General** under Article 281 happens

to companies that stop filing, and is a risk rather than a method. And a company that cannot pay its debts goes through the insolvency procedures described in Insolvency and restructuring. A company that wishes to pause rather than close may register as **dormant** by special resolution and keep filing annual returns (Articles 263 to 268; Compliance calendar after registration).

Ways to close or suspend a Rwandan company

Route	Who starts it	Legal basis	Suits	Key condition
Voluntary liquidation (solvent)	Shareholders by special resolution, or the directors if the articles permit	Law N° 075/2021, Articles 2(4) and 102 to 135; Companies Law Article 191(5)	Companies with assets to realise, creditors to pay or employees to dismiss	A licensed insolvency practitioner who consents in writing
Removal of a solvent company on request	Shareholders by special resolution, or the board if the articles permit	Companies Law, Articles 191(6), 208 and 281(3)	Companies that have already ceased business and settled everything	Liabilities discharged and surplus distributed, or no surplus and no creditor seeking liquidation; RRA written no-objection
Striking off by the Registrar General	Registrar General	Companies Law, Article 281(2)	Not a planned route	Ceased business with no reason to continue, unpaid fees, or no annual return
Court-ordered liquidation	Company, director, shareholder, creditor or Registrar General	Law N° 075/2021, Article 104	Insolvency, serious non-compliance or deadlock	Inability to pay debts, persistent breach of the Companies Law, or just and equitable grounds
Dormancy	Shareholders by special resolution	Companies Law, Articles 263 to 268	A pause rather than an exit	No significant accounting transactions; annual returns continue; not for banks

Voluntary liquidation: appointment, notice and effects

Putting a company into liquidation is a power reserved to the shareholders by **special resolution** (Article 191(5) of the Companies Law), which needs 75% of the votes cast unless the articles set a higher majority. Under Article 103 of the insolvency law, a liquidator is appointed by the shareholders by special resolution, by the directors or any other person if the incorporation documents require or permit it, or by the court, and the appointment has no effect unless the person has consented in writing. A company is put into liquidation by the appointment of a liquidator, and the liquidation commences on the date of appointment (Article 102). The liquidator **must be an insolvency practitioner**, and no one may act as one unless licensed (Article 231); acting without qualification is an offence punishable by six months

to two years' imprisonment and a fine of RWF 500,000 to RWF 2,000,000, or one of these penalties (Article 263). A creditor of the company or of a related company, and anyone who has been a shareholder, director or auditor of the company or a related company within the previous two years, may not be its liquidator (Article 232), so the group's finance director or the company's auditor cannot take the role. Creditors may ask the court to replace the appointed liquidator within 15 working days on reasonable grounds (Article 103).

Within **five working days** of starting, the liquidator gives public notice of the liquidation, stating the commencement date, the liquidator's full name and office address, and delivers a copy to the Registrar General (Article 106); from then on every invoice, order and business letter must state 'in liquidation' after the company's name. The effects are immediate (Article 107): the liquidator takes custody and control of the company's property; the officers remain in office but lose their powers except as the Law permits; no enforcement or legal process may be started or continued against the company without the liquidator's written consent or a court order, although a secured creditor may still take possession of and realise its security; no share may be transferred and no shareholder's rights or liabilities altered; shareholders may not exercise their powers under the articles; and the articles may not be changed, except that the liquidator may move the registered office. Present and former directors, the secretary and employees must disclose all the company's property and disposals outside the ordinary course of business and deliver property and records to the liquidator (Article 117).

Running the liquidation: reports, claims and distribution

The liquidator's duties are to collect, realise and distribute the assets or their proceeds; take custody of all the assets; keep the company's money separate; keep full accounts and records of the liquidation for at least **ten years** after it ends; and allow inspection by a committee of inspection and, if the court orders, by a creditor or shareholder (Article 113). Within 20 working days of commencement, the liquidator sends every known creditor and shareholder a report on the state of the company's affairs, proposals for conducting the liquidation and its estimated completion date, with a notice of their right to require a creditors' meeting (Article 110); within 20 working days after each six-month period, an interim report goes to creditors, shareholders and the Registrar General (Article 111). Two or more creditors or shareholders may require a meeting, on at least five working days' notice, including to appoint a committee of inspection of at least three members (Articles 128 and 130). The liquidator may disclaim onerous property, such as an unprofitable lease, leaving the counterparty to claim as a creditor (Article 116), and may require anyone with knowledge of the company's affairs to give information (Article 115).

Claims are valued at the commencement date and interest after commencement is not admissible (Article 204); mutual debts are set off (Article 206); and an unsecured creditor may claim without formality unless the liquidator requires a statutory declaration (Article 207). A rejected claimant may submit a revised claim within ten working days and apply to the court within 21 working days of receiving the liquidator's written reasons (Article 209). In a solvent liquidation all creditors are paid in full, but the statutory order in Article 212 still governs the sequence, beginning with the costs of the liquidation and the liquidator's fees. The surplus is then distributed among the shareholders in accordance with the incorporation documents and the applicable laws (Article 213). Before the end, the liquidator sends creditors and shareholders a completion report with the final report and accounts and a summary of the grounds on which they may object to removal of the company from the register (Article 112). The liquidation is complete when the liquidator delivers to the Registrar General a final

report, final accounts and a statement that all known assets have been disclaimed, realised or distributed, all proceeds distributed, and the company is ready to be removed; the liquidator then ceases to hold office (Article 109), and the Registrar General removes the company (Article 281(5)).

A solvent wind-down, in order

1. **Board review and solvency check**
   Confirm the company can pay all its debts in full; if not, the insolvency procedures apply instead. Draw up a closure budget covering employees, tax, landlords and contracts.

2. **Notify RDB if a registered investor**
   Inform RDB in writing within 30 days before terminating operations, stating the change (Article 27 of Law N° 006/2021); RDB acts on the investment certificate under Article 28.

3. **Deal with the workforce**
   For dismissals on economic grounds, inform employee representatives and then the labour inspector in writing, give notice of 15 or 30 days according to service, pay terminal benefits of at least two months' average salary within seven working days (Labour Law Articles 21, 22, 24 and 31), and inform DGIE when a foreign employee's contract ends.

4. **Pass the special resolution**
   Shareholders resolve to liquidate and appoint a licensed insolvency practitioner who has consented in writing (Companies Law Article 191(5); insolvency law Articles 102 and 103).

5. **Public notice within five working days**
   The liquidator publishes notice and delivers a copy to the Registrar General (Article 106); 'in liquidation' appears on all documents.

6. **Preliminary report within 20 working days**
   Sent to every known creditor and shareholder with the right to call a creditors' meeting (Article 110); interim reports follow every six months (Article 111).

7. **Realise assets and settle claims**
   Collect debts, sell assets, disclaim onerous contracts, admit or reject claims (Articles 113, 116, 204 to 209), pay RSSB contributions and file the final tax returns.

8. **Tax on the distribution**
   Treat the surplus as a dividend in the final tax period (Article 55 of the Income Tax Law), withhold tax where due and obtain RRA's liquidation-related clearances.

9. **Distribute and repatriate**
   Pay the surplus to the shareholders under the articles (Article 213); a foreign shareholder may repatriate it under Article 12 of the Investment Code with bank documentation of the source of funds.

10 **Final report and removal**

Deliver the final report, final accounts and statement to the Registrar General (Article 109); the company is removed (Article 281(5)) and de-registered for tax on RRA's E-tax portal.

Removal from the register without a liquidator

A company that has already wound down its business may skip the liquidation. Article 191(6) reserves to the shareholders, by special resolution, the power to apply for the company, when solvent, to be removed from the register, and Article 208 sets two alternative grounds: that the company has ceased to carry on business, has discharged in full its liabilities to all known creditors and has distributed its surplus assets in accordance with its incorporation documents or the insolvency law; or that the company has **no surplus assets** after paying its debts in full or in part and no creditor has applied to the court for an order putting it into liquidation. The request is made in the form approved by the Registrar General, by a shareholder authorised by special resolution or by the board where the articles permit (Article 281(3)), and must be accompanied by a written notice from the **Rwanda Revenue Authority stating that it has no objection** to the removal (Article 281). RDB's online page on company deregistration was unavailable when checked for this guide, so the supporting documents ORG currently expects, beyond the special resolution and the RRA's no-objection, and any fee, should be confirmed with the Office of the Registrar General (ORG) before filing; a recent tax clearance certificate is commonly supplied as well.

The Registrar General does not remove the company at once. Under Article 282, notice of the intended removal goes to the company, to every secured party with a registered interest in its property and to the RRA, and public notice is given within 30 days, stating the grounds and a date for objections at least **20 working days** after the notice. Any person may object on the grounds that the company is still carrying on business, is a party to legal proceedings, is in receivership or liquidation, owes an undischarged claim to the objector, has a right of action the objector wishes to pursue, or that removal would not be just and equitable (Article 283). An objection on the first three grounds stops the removal unless it is withdrawn, untrue or vexatious; on the others, the objector must within 30 days show that it has applied to the court for liquidation or for an order that the company not be removed, failing which the Registrar General proceeds (Articles 284 and 285). The second ground in Article 208, removal with no surplus after paying debts 'in full or in part', is not a way to escape creditors: an unpaid creditor can object and seek liquidation, and directors' liability survives removal.

Striking off by the Registrar General, and what follows removal

The Registrar General also removes companies on his or her own initiative where satisfied that a company has ceased to carry on business with no proper reason to continue in existence, has failed to pay fees due under the Law, or has not filed its annual return (Article 281(2)), after the same notice procedure. The scale is considerable: the OECD Global Forum's 2024 review records 7,810 companies removed by 30 June 2024, with 5,622 inactive companies still on the register. A foreign company's branch is removed where it does not reply within three months to an enquiry from the Registrar General

or gives notice that it has ceased business in Rwanda (Article 256), and where a foreign company goes into liquidation or is dissolved in its home country, its authorised agent in Rwanda must notify the Registrar General (Article 118 of the insolvency law).

Removal has three consequences that investors often overlook. First, **the company ceases to exist**, but the liability of any former director or shareholder, or any other person, for acts or omissions before removal continues and may be enforced as if the company had not been removed (Article 280); tax and labour claims against directors can therefore survive. Second, any property not distributed or disclaimed before removal, including **leasehold property** and other rights vested in the company, is treated as unclaimed and **vests in the State** (Article 286). A forgotten bank account, a land lease or an intellectual property registration in the name of a struck-off company passes to the State; the Registrar General may disclaim onerous property, and a person who would have been entitled to the property may apply to the court for it to be vested in them or for compensation. Third, the company's records must be filed with the Registrar General within 30 days of the company ceasing to exist, by its secretary, directors or liquidator (Article 111, as amended).

Restoration to the register

Removal can be reversed, within limits. Under Article 287 as amended by Law N° 019/2023, the Registrar General may restore a company, on his or her own initiative or on application by a shareholder, director, creditor or liquidator who pays the prescribed fee, where satisfied that after removal the company was still carrying on business or another reason existed for it to continue, was a party to legal proceedings, or was subject to an insolvency process. The applicant pays for a notice in two daily newspapers with wide circulation, stating the company, the applicant and the grounds, with a date for objections not less than 30 days after the notice; an objection within that period prevents restoration by the Registrar General. Before restoring, the Registrar General requires the company to comply with the obligations it had failed to meet before removal.

The court may also restore a company under Article 288 as amended, on application by a former shareholder, director, creditor, party to legal proceedings, person with an undischarged claim, liquidator, the Registrar General or anyone with the court's leave, on wider grounds, including that it is just and equitable, and may give directions to place the company as nearly as possible in the position it would have been in had it not been removed. Since the 2023 amendment, **no company may be restored once ten years have elapsed since it was deregistered**, either by the Registrar General or by the court. Restoration is the route to recover property that vested in the State, pursue a claim in the company's name or defend proceedings, but it brings back the obligation to file every missed return and annual return.

Tax, RDB, employees and the money that is left

Tax. Changes affecting tax registration must be reported to the RRA within seven days (Article 11 of Law n° 020/2023 of 31/03/2023 on tax procedures). RRA de-registration is applied for on the E-tax portal: the taxpayer must be up to date with all returns and accounts, at a zero balance, and the business must be non-operational; for a company dissolved by a competent authority, a certificate of liquidation is needed, and RRA states that the liquidation certificate should be issued before the company's de-registration. The answer is immediate, and de-registration takes effect on the issue of the de-

registration letter. A taxpayer with arrears that chooses to proceed receives a 'Semi-Dormancy' approval letter and the full de-registration letter only when the arrears are paid. De-registration may be made tax by tax, for example ending VAT while PAYE continues during the wind-down. The tax clearance certificate, which costs RWF 5,000, is valid for three months and is issued online once arrears are cleared, is a separate document often needed for the removal request.

Under **Article 55 of Law n° 027/2022 of 20/10/2022 establishing taxes on income**, on the liquidation of a business entity, after payment of liabilities and 'distribution of shares', the remainder is considered as dividends on shares in the last tax period of the entity's existence (Capital gains, property and other taxes). A payment treated as a dividend to a non-resident shareholder bears withholding tax at 15% unless a treaty or an Investment Code rate reduces it (Withholding taxes and tax treaties). The Law does not define how much of a liquidation distribution is a return of capital rather than a deemed dividend, and the point should be agreed with the RRA before the final distribution.

RDB and repatriation. A registered investor must inform RDB in writing within 30 days before it suspends or terminates its investment operations, and an interested person affected by the termination may also notify RDB (Article 27 of Law N° 006/2021 of 05/02/2021 on investment promotion and facilitation). Proceeds from the liquidation of an investment may be transferred abroad once tax obligations are met (Article 12; FAQ 61), and the bank will ask for documents showing the source of the funds and the tax position (Repatriating profits and capital). **Employees and RSSB.** Closure is an economic termination: employee representatives and then the labour inspector must be informed in writing, notice given, and terminal benefits paid within seven working days (Articles 21, 22 and 31 of Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda; Termination, severance and redundancy). No published RSSB procedure for closing an employer account was found; all contributions should be declared and paid to the date of the last payroll and the closure confirmed with the Rwanda Social Security Board (RSSB) in writing.

DECISION GUIDE

Liquidate, request removal, or neither?

A decision guide for the shareholders of a Rwandan company that has decided to close. Answer in order; the outcome is the usual route, not the only one.

Q1 **Can the company pay all its debts in full as they fall due, and are its assets worth more than its liabilities?**

Yes It is solvent. Continue to Q2.

No Do not use a solvent route: consider compromise, administration, reorganisation or insolvent liquidation under Law N° 075/2021, and remember the directors' solvency duty in Article 150 of the Companies Law.

Q2 **Does the company still hold assets, contracts, land rights, employees or creditors to be dealt with?**

Yes Use a voluntary liquidation: special resolution, licensed insolvency practitioner, notice within five working days, and removal on delivery of the final report (Articles 102 to 113).

No Continue to Q3.

Q3 **Has the company ceased business, paid every known creditor, distributed any surplus and obtained the RRA's written no-objection?**

Yes Request removal from the register under Articles 208 and 281 by special resolution, and allow at least 20 working days for objections after the Registrar General's notice.

No Finish the clean-up first: file outstanding returns, pay the balance to zero, close bank accounts and transfer or surrender land and IP rights, or they may vest in the State on removal.

Q4 **Might the shareholders want to reuse the company within a few years?**

Yes Consider registering it as dormant instead, and keep filing annual returns and beneficial ownership information.

No Proceed with removal and keep the records for ten years.

WORKED EXAMPLE

Distributing what is left after a voluntary liquidation

A Rwandan subsidiary of a Mauritian holding company is closed by voluntary liquidation. The parent paid RWF 500,000,000 for its shares. The liquidator realises RWF 1,500,000,000; liabilities, including tax and terminal benefits, are RWF 400,000,000 and the liquidator's fees and costs RWF 30,000,000. Illustrative figures.

Realisations	RWF 1,500,000,000.
Costs and fees first	RWF 1,500,000,000 − RWF 30,000,000 = RWF 1,470,000,000 (Article 212(1)).
Creditors paid in full	RWF 1,470,000,000 − RWF 400,000,000 = RWF 1,070,000,000 surplus (Article 213).
Deemed dividend, narrow reading	If the RWF 500,000,000 paid in for the shares is treated as a return of capital, the deemed dividend under Article 55 is RWF 570,000,000.
Deemed dividend, wide reading	If the whole remainder is treated as a dividend, it is RWF 1,070,000,000.

Withholding at 15% (domestic rate)	Narrow: 15% × RWF 570,000,000 = RWF 85,500,000. Wide: 15% × RWF 1,070,000,000 = RWF 160,500,000. The difference of RWF 75,000,000 shows why the treatment must be agreed with the RRA in advance.
Withholding at the treaty rate	The treaty text with Mauritius published by RRA caps dividend withholding at 10%: narrow 10% × RWF 570,000,000 = RWF 57,000,000; wide 10% × RWF 1,070,000,000 = RWF 107,000,000, if the parent qualifies for the treaty.
Repatriation	The net amount is transferred to the parent under Article 12 of the Investment Code, against bank documentation of the original capital inflow and the tax paid.
Closing steps	Final report, accounts and statement to the Registrar General; removal under Article 281(5); E-tax de-registration once the balance is zero.

Treaty relief depends on the parent being resident in Mauritius and meeting the treaty conditions, and an Investment Code withholding rate may apply if the subsidiary was a qualifying registered investor; check both before the distribution.

If the subsidiary had still held a land lease or a trademark at removal, it would have vested in the State under Article 286.

Questions investors ask

Which law governs the voluntary liquidation of a solvent company in Rwanda?

Law N° 075/2021 of 06/12/2021 relating to insolvency, which expressly covers voluntary liquidation of companies that are not insolvent (Article 2(4)). The Companies Law supplies the shareholders' power to liquidate by special resolution (Article 191) and the rules on removal from the register and restoration (Articles 208 and 280 to 289).

Who can act as liquidator of a Rwandan company?

Only a licensed insolvency practitioner (Articles 102 and 231 of Law N° 075/2021), who must consent in writing. A creditor of the company, or anyone who has been its shareholder, director or auditor, or that of a related company, in the previous two years, is disqualified (Article 232). Acting without a licence is punishable by six months to two years' imprisonment and a fine of up to RWF 2,000,000.

Can a company be closed without appointing a liquidator?

Yes, if it has ceased business, paid all known creditors and distributed its surplus, or has no surplus and no creditor seeking liquidation. The shareholders pass a special resolution and request removal under Articles 208 and 281, attaching the RRA's written no-objection notice. The Registrar General gives notice and allows at least 20 working days for objections.

What happens to property left in a company that is struck off?

It vests in the State as unclaimed property, including leasehold property and other rights, unless the company held it on trust for someone else (Article 286 of the Companies Law). A person entitled to it may apply to the court, or seek restoration of the company within ten years. Transfer or surrender land leases, bank balances and intellectual property before removal.

How is a company de-registered for tax in Rwanda?

Online through the RRA's E-tax portal. All returns must be filed, the balance must be zero and the business non-operational; a dissolved company also needs its certificate of liquidation. The answer is immediate and takes effect on the de-registration letter. If arrears remain, RRA issues a Semi-Dormancy letter until they are paid.

Can a struck-off Rwandan company be restored?

Yes, within ten years. The Registrar General may restore it on application by a shareholder, director, creditor or liquidator, after a notice in two daily newspapers allowing at least 30 days for objections, and the court may restore it on wider grounds. The company must first make good the filings it missed, and no restoration is possible after ten years (Articles 287 and 288 as amended).

THE 2027 HORIZON

- The Ministerial Order under Article 231 of Law N° 075/2021, determining the organisation, licensing and fees of insolvency practitioners, had not been located at 10 October 2026; until the licensing framework is clear, confirm each proposed liquidator's licence with the Office of the Registrar General.
- No amendment to the liquidation provisions of Law N° 075/2021 or the removal provisions of Law N° 007/2021 had been published at 10 October 2026.
- RDB's online page for company deregistration was unavailable when checked; the ORG may republish the procedure and forms, and the current version should be used for any request.
- Continued removals of non-filing companies are likely following the OECD Global Forum's findings; owners of inactive companies should file or close them deliberately rather than wait to be struck off.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Liquidation	*Iyegeranya*	*Liquidation*	The process by which a liquidator realises a company's assets, pays its creditors and distributes the surplus; it commences on the liquidator's appointment (Article 102).

English	Kinyarwanda	French	Meaning
Liquidator	*Ushinzwe iyegeranya n'igabagabanya ry'umutungo*	*Liquidateur*	The licensed insolvency practitioner appointed to carry out the liquidation (Articles 102 and 103).
Provisional liquidator	—	*Liquidateur provisoire*	A liquidator appointed by the court pending a liquidation application to preserve the assets (Article 105).
Notice of liquidation	—	*Avis de liquidation*	The public notice the liquidator gives, and delivers to the Registrar General, within five working days (Article 106).
Committee of inspection	—	*Comité d'inspection*	A committee of at least three creditors or shareholders, or their representatives, that works with the liquidator (Article 130).
Onerous property	—	*Biens onéreux*	Unprofitable contracts or property that is unsaleable or gives rise to liabilities, which the liquidator may disclaim (Article 116).
Removal from the register	—	*Radiation du registre*	Striking a company off the register of companies; the company then ceases to exist (Articles 280 and 281).
Restoration to the register	—	*Rétablissement au registre*	Reinstatement of a removed company by the Registrar General or the court, barred after ten years (Articles 287 and 288 as amended).
Registrar General	*Umwanditsi Mukuru*	*Registraire général*	The head of the Office of the Registrar General within RDB, who keeps the register and is the chief administrator in insolvency proceedings.
Special resolution	*Umwanzuro udasanzwe*	*Résolution spéciale*	A shareholder decision requiring 75% of votes cast, needed to liquidate or to apply for removal of a solvent company (Article 191).

FOREIGN V RWANDAN INVESTOR

The liquidation and removal rules are the same for foreign-owned and Rwandan-owned companies: the same licensed liquidator, the same notices and the same ten-year restoration bar. The differences lie in what follows. A Rwandan resident company shareholder receiving the deemed dividend on liquidation may be outside the 15% withholding under the exception in Article 60 for dividends between resident companies covered by Article 47(2), while a foreign parent bears 15% unless a treaty or an Investment Code rate applies, so the treatment of the liquidation surplus matters more to foreign investors. A foreign shareholder must also repatriate the proceeds through a bank, which will want to trace the original capital inflow and see proof that taxes were paid, and a foreign group closing a branch rather than a subsidiary deals with the branch removal rules in Article 256 and remains liable for the branch's debts, because a branch is not a separate legal person. Foreign directors who leave Rwanda remain exposed to claims that survive removal under Article 280, and the insolvency law forbids any person to leave Rwanda to avoid obligations to a company in liquidation (Article 123).

WATCH OUT FOR

- Appointing the group finance director, the auditor or a creditor as liquidator: Article 232 disqualifies them, and only a licensed insolvency practitioner may act.
- Requesting removal before the RRA balance is zero: Article 281 requires the RRA's written no-objection, and arrears lead only to a Semi-Dormancy letter.
- Leaving a land lease, bank account, vehicle or trademark in the company's name at removal: it vests in the State under Article 286.
- Assuming removal ends directors' exposure: Article 280 preserves their liability for acts before removal.
- Forgetting the RDB notice within 30 days before termination for a registered investor, or the labour inspector notice for economic dismissals.
- Distributing the surplus before agreeing with the RRA how much is a deemed dividend under Article 55.

OFFICIAL SOURCES

- Official Gazette n° Special of 30/12/2021: Law N° 075/2021 of 06/12/2021 relating to insolvency (Articles 2, 102 to 135, 204 to 213, 231, 232 and 263) — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-12-30-no-Special.pdf
- RDB, Office of the Registrar General: Law N° 007/2021 governing companies (Articles 191, 208 and 280 to 289) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- RDB, Office of the Registrar General: Law N° 019/2023 amending Law N° 007/2021 (Articles 287 and 288 as amended: ten-year restoration bar) — https://org.rdb.rw/wp-content/uploads/2023/04/Law-amending-Company-Law-55-107.pdf
- Rwanda Revenue Authority: Apply for de-registration — https://www.rra.gov.rw/en/domestic-tax-services/registration-de-registration/apply-for-de-registration
- Rwanda Revenue Authority: About the Tax Clearance Certificate — https://www.rra.gov.rw/en/domestic-tax-services/other-services/about-tax-clearance-certificate-tcc
- Official Gazette n° 04 bis of 08/02/2021: Law N° 006/2021 on investment promotion and facilitation (Articles 12 and 27) — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-02-08-no-4bis.pdf

Insolvency and restructuring: Law N° 075/2021 on insolvency, the tests and who may apply, the moratorium and secured creditors, compromise, provisional administration and administration, court reorganisation and rescue finance, insolvent liquidation and the ranking of claims, clawback, directors' exposure and cross-border recognition

Reviewed 10 October 2026 · Prepared by a commercial lawyer with over 30 years' international experience · Legal and tax information, not legal advice · How we check · Open in the app

WHAT YOU NEED TO KNOW

- Law N° 075/2021 of 06/12/2021 relating to insolvency (Official Gazette n° Special of 30/12/2021) came into force on 30 December 2021, repealed Law n° 23/2018 of 29/04/2018 relating to insolvency and bankruptcy, applies to cases pending at that date, and covers companies, partnerships, individuals, protected cell companies and cross-border insolvency (Articles 2, 271, 273 and 274).
- Insolvency proceedings commence where the debtor cannot pay its debts as they fall due in the normal course of business, or its assets are less than its liabilities plus its stated capital; creditors, the debtor, its directors, shareholders, the Registrar General and the National Bank of Rwanda or the capital market regulator may apply to the court (Articles 3(25), 7 and 8).
- Commencement stays individual actions, executions, contract terminations and disposals of the debtor's assets, but not secured creditors' rights unless the debtor applies with a reorganisation plan, in which case the plan is due within three months and the stay on secured claims may not exceed six months (Articles 11 and 12).
- In court reorganisation, the plan is prepared within 45 days of the order and approved by at least 75% of the creditors in each class taking part in the vote; dissenting creditors must receive at least what they would get in liquidation; the stay on secured claims lasts six months from the application, renewable at most three times; and approved rescue finance is paid ahead of other unsecured debts (Articles 85, 87, 89, 91 and 100).
- Article 212 ranks payment as follows: costs of the estate and practitioners' fees; secured creditors; holders of retention rights for improvements; funeral and testamentary expenses; employees' wages for six months, leave pay and severance; social security contributions; Government taxes; unsecured creditors.
- A practitioner may set aside preferences and transactions at undervalue made within one year before commencement, with a presumption of inability to pay for transfers in the last six months and an exception for ordinary-course payments made within 45 days of the debt (Articles 215 to 217); continuing to run the business after a practitioner's appointment is punishable by six months to one year's imprisonment and a fine of RWF 1,000,000 to RWF 2,000,000 (Article 270).

The 2021 insolvency law and who runs the process

Law N° 075/2021 of 06/12/2021 relating to insolvency replaced Law n° 23/2018 of 29/04/2018 relating to insolvency and bankruptcy on its publication on 30 December 2021 (Articles 273 and 274), and all cases then pending are heard under it, although procedural steps already taken remain valid (Article 271). It applies to voluntary mechanisms used by a company, partnership or individual to avoid insolvency, to insolvency of companies, partnerships and individuals, to the liquidation of insolvent and of solvent companies and partnerships, to insolvency practitioners and to cross-border insolvency, and governs insolvency matters not provided for in other laws (Article 2). No amendment had been published at 10 October 2026.

Three actors run the system. The **Commercial Court**, which has jurisdiction over insolvency cases under Article 81 of Law N° 30/2018 of 02/06/2018 determining the jurisdiction of courts, is solely competent to appoint an insolvency practitioner (Article 9) and supervises reorganisation and liquidation. The **Registrar General**, head of the Office of the Registrar General (ORG) within the Rwanda Development Board (RDB), is 'the chief administrator responsible for insolvency proceedings': he or she keeps the insolvency file, may investigate, may intervene in any insolvency case, informs the prosecution of offences against the debtor's property and appoints provisional administrators (Article 4), and may appoint a practitioner provisionally to prevent loss, or where a court appointee is not approved by creditors, resigns or fails (Article 9). The **insolvency practitioner**, acting as provisional administrator, administrator, liquidator, supervisor or trustee, must be licensed (Article 231). For banks, insurers and capital market licensees, the National Bank of Rwanda (BNR) or the Capital Market Authority (CMA) is the 'regulatory authority' with standing to apply (Article 3(25)), alongside their own supervisory powers.

Tests, applications and the effect of opening proceedings

Insolvency proceedings commence when the debtor is **unable to pay its debts when they fall due** in the normal course of business, or when its **assets are less than its liabilities plus its stated capital** (Article 7). The second limb is unusual: a company whose net assets have fallen below its stated capital meets the test even if it is still paying its debts. An application for a company is filed with the competent court by creditors, the debtor, its directors or any of them, the Registrar General, the shareholders or partners, or the regulatory authority (Article 8). Secured creditors are summoned before the court decides. A creditor must show its interest, its claim and why proceedings should commence. The application includes a detailed list of debts and claims and the relevant financial and accounting reports (Article 10). Where the assets plainly cannot cover the costs, the court does not appoint a practitioner but declares the debtor insolvent and orders the Registrar General to distribute what assets there are (Article 8).

From commencement, the **moratorium** in Article 11 stays the starting or continuation of individual actions concerning the debtor's assets, rights and liabilities, the execution of judgments against its property, a counterparty's right to terminate any contract with the debtor, and the right to transfer, mortgage or otherwise dispose of the debtor's assets; the court may ease these measures. Under Article 12 the rights of **secured creditors** and holders of retention rights are not stayed, unless the debtor shows with its application an intention to submit a reorganisation plan; then all claims, secured ones included, are stayed from the date of application, the plan must be submitted within three months, the stay may not exceed six months in total, and if the court has not decided by then the secured creditor may enforce (Mortgages, security and the real estate business). Suppliers of electricity, water and

telecommunications may not cut off supply, or demand payment of pre-commencement arrears as a condition of supply (Article 13). Leases continue, employment contracts and labour law must be observed, and the administrator or liquidator may terminate a contract not fully performed by both sides, leaving the counterparty with an unsecured claim (Article 14).

The procedures in Law N° 075/2021

Procedure	Who starts it	Key time limits	Approval and effect	Articles
Debt arrangement	An individual debtor	Interim order, then a creditors' meeting	Arrangement order binding creditors	15 to 30
Compromise with creditors	The debtor, an insolvency practitioner or a creditor of a company or partnership	Public and individual notice at least 10 working days before the meeting; challenge within 20 working days of notice of approval	75% of the votes of creditors taking part, in each class; binds all creditors notified	31 to 40
Provisional administration	Request to the Registrar General by the debtor, directors, a practitioner, a creditor, shareholders or the regulator	Registrar General appoints within 5 working days; creditors' meeting on appointment within 5 working days; meeting on proposals within 20 working days	Creditors resolve on an administration deed, the end of the administration or liquidation	41 to 59
Administration	Execution of the administration deed	Deed executed within 21 days of the meeting unless the court extends	Deed binds the company, its officers, shareholders and creditors	60 to 83
Reorganisation	Court order on application by the debtor, directors, a creditor, the Registrar General or the regulator	Plan within 45 days of the order; meeting within 15 working days of the plan; secured stay 6 months, renewable up to 3 times	75% of creditors taking part in each class; dissenters at least liquidation value	84 to 96
Business rescue finance	The debtor, after a procedure has commenced	Challenge within 20 working days of approval	Simple majority of votes cast; paid ahead of other unsecured debts	97 to 101
Liquidation	Shareholders, directors where the articles permit, or the court	Notice within 5 working days; report within 20 working days; interim reports every 6 months	Assets realised and distributed under Article 212; company removed from the register	102 to 135

Procedure	Who starts it	Key time limits	Approval and effect	Articles
Bankruptcy	Application concerning an individual	Set by the court and the trustee	Trustee realises the estate; discharge	166 to 203

Compromise and administration

A **compromise** is the lightest corporate tool. The debtor, a practitioner or a creditor may propose a plan (Article 31) listing the assets and those held as security, a current financial statement prepared by a certified public accountant, the classes of creditors and their claims, how each class will be paid, and what each class would probably receive in a liquidation (Article 32). Public notice and individual notice to each known creditor must be given at least ten working days before the meeting, and from the notice all proceedings against the debtor's property are stayed unless the court decides otherwise, although a secured creditor may still enforce its charge (Article 33). The compromise is approved by **75% of the votes of all creditors taking part** in the vote, class by class; approval by one class is presumed conditional on approval by every other class voting, unless the resolution says otherwise (Article 35). Once approved it binds the company and every creditor to whom notice was given (Article 39). Within 20 working days of notice of approval, a creditor entitled to vote may ask the court to release it on grounds of insufficient notice, material irregularity, or unfair prejudice to a dissenting creditor or its class (Article 40).

Provisional administration is a faster, Registrar-led rescue. The debtor, its directors, a practitioner, a creditor, the shareholders or the regulator may ask the Registrar General to appoint a provisional administrator, and the Registrar General must do so within five working days, failing which the applicant may go to court (Articles 41 and 42). The appointment takes effect only when the Registrar General holds the administrator's written consent and, importantly for lenders, the consent of any secured creditor holding a charge over the whole or substantially the whole of the company's property (Article 43). The administrator calls a creditors' meeting within five working days to consider the appointment, and creditors may replace the administrator (Article 44); within 20 working days the administrator puts proposals to a second meeting, with a report on the business and an opinion on whether creditors are better served by an administration deed, by ending the administration or by liquidation (Article 54). During provisional administration no liquidation application or resolution may proceed, any liquidator's powers are suspended, and enforcement of charges and other proceedings require the administrator's consent or a court order, without prejudice to a secured creditor's right to realise its security (Article 53). Approved proposals become an **administration deed** (Article 55) that must state the property available, the extent of the company's release, the order of distribution and the cut-off date for claims (Article 57). Dissenting creditors may go to court, which considers whether the company is likely to meet its future obligations and whether dissenters will receive at least as much as in liquidation (Article 56). If creditors vote for liquidation, or the deed is not executed in time, the shareholders are deemed to have resolved to wind up and to have appointed the administrator as liquidator (Article 79).

Court-supervised reorganisation and rescue finance

Reorganisation is the court procedure for a business worth saving. The debtor, its directors, a creditor, the Registrar General or the regulator may apply, with a certificate signed by the applicant that there is reason to believe the business can be rescued, and everyone likely to be affected is notified (Article 84). The court may order reorganisation and appoint a provisional administrator if satisfied that there is a reasonable prospect of rescue, that the company will likely meet its future obligations as they fall due, and that dissenting creditors will receive as much under the plan as in liquidation (Article 85). From commencement no proceedings, including enforcement, may be started or continued against the company or its property; for secured creditors the stay lasts **six months** from the application, renewable at most three times by the court on strictly evaluated indicators (Article 87). A secured creditor may apply for relief where its asset may lose value or be destroyed, it is not compensated for the loss of value, protection is not feasible, the asset is not needed for the rescue, or the plan is not approved within 30 days (Article 88).

The administrator prepares the **reorganisation plan within 45 days** of the order, after consulting creditors and directors (Article 89), convenes a meeting within 15 working days of completing it on at least ten working days' notice (Article 90), and the plan is approved by not less than 75% of the creditors, or of each class, taking part in the vote (Article 91). Creditors in the same class must be treated equally, and any difference needs the consent of every creditor in that class (Article 92). The administrator takes custody of the business and runs it with the aim of rescuing it in the interests of creditors and shareholders, keeps its money separate and keeps records for ten years (Article 93). Reorganisation ends when the plan is implemented, the creditors resolve to end it or to appoint a liquidator, the company fails to carry out the plan in time, or the court appoints a liquidator (Article 96).

Once a debt arrangement, compromise, administration or reorganisation has commenced, the debtor may seek **business rescue finance** from existing creditors or others to keep trading (Article 97). The practitioner calls a creditors' meeting with full details of the proposed finance (Article 98); approval needs a majority of the votes validly cast in each class (Article 99), and the approved finance is paid **in priority over other unsecured debts** (Article 100), though not ahead of secured creditors. A creditor may challenge the approval within 20 working days (Article 101). For a foreign parent or a fund willing to support a Rwandan subsidiary, this priority is the main protection the law offers for new money advanced during a rescue.

A court reorganisation, from application to plan

1. **Prepare the application**
   Debtor, directors, a creditor, the Registrar General or the regulator files with the Commercial Court, with the certificate that the business can be rescued, a detailed list of debts and claims and recent accounts (Articles 10 and 84).

2. **Notify affected persons and secured creditors**
   Everyone likely to be affected is notified (Article 84) and secured creditors are summoned before the court decides (Article 8).

3 **Court order and administrator**

The court orders reorganisation and appoints a provisional administrator if rescue is reasonably likely and dissenters will get at least liquidation value (Article 85).

4 **Stay takes effect**

No proceedings or enforcement against the company; secured claims stayed for six months from the application, renewable up to three times (Article 87).

5 **Arrange rescue finance if needed**

Creditors approve by majority of votes cast; the lender ranks ahead of unsecured creditors (Articles 97 to 100).

6 **Prepare the plan within 45 days**

The administrator consults creditors and directors and completes the plan (Article 89).

7 **Creditors' meeting**

Convened within 15 working days of the plan on at least ten working days' notice to each known creditor plus public notice (Article 90).

8 **Vote by class**

Approval needs 75% of creditors taking part in each class, with equal treatment within a class (Articles 91 and 92); if the plan is not approved within 30 days, secured creditors may seek relief from the stay (Article 88).

Insolvent liquidation, claims and the ranking of creditors

The court may appoint a liquidator on the application of the company, a director, a shareholder, a creditor or the Registrar General where the company is unable to pay its debts, has persistently or seriously failed to comply with the Companies Law, no longer has the essential features of a private or public company, or where it is just and equitable (Article 104), and may appoint a provisional liquidator to preserve the assets pending the hearing (Article 105). The liquidation then follows the procedure described in Liquidation, striking off and deregistration: notice within five working days, a report within 20 working days, interim reports every six months and removal after the final report. Sales of the business, of all equipment or stock, or of shares intended to create a lasting affiliation, are transactions of particular importance requiring the consent of the creditors' committee or, where there is none, of the creditors (Article 214). On the application of the liquidator, a creditor or a shareholder, the court may order a **related company** to contribute to the claims in the liquidation, or order the liquidations of related companies to proceed as if they were one (Article 125), having regard to the related company's part in management, its conduct towards creditors, its responsibility for the failure and how far the businesses were combined; reliance by creditors on the group link is not enough on its own (Article 126).

Claims are valued at the commencement date, without interest after commencement (Article 204), with set-off of mutual debts (Article 206); rejected claimants may revise within ten working days and go to court within 21 working days (Article 209). A secured creditor is entitled to separate satisfaction from its

collateral, its priority depends on the date of **registration** of its security rather than the date of the debt, and any shortfall ranks as unsecured (Article 208). The administrator then pays in the order set by **Article 212**, and any surplus goes to the shareholders under the articles (Article 213). Two features stand out. Employees rank above the State: six months' wages, accrued leave and severance come before both social security contributions and taxes. And practitioners' costs, including essential services supplied after commencement, come before secured creditors, so a secured lender bears its share of the costs of realisation.

Order of payment in insolvency (Article 212)

Rank	Claim	Notes
1	Costs of maintaining, conserving and selling assets; the administrator's fees and expenses; essential services supplied after commencement; wages of persons engaged in administering the estate; court costs	Paid first, including from secured asset proceeds (Article 208)
2	Secured creditors, according to their ranks, with interest calculated as prescribed	Priority by date of registration of the security (Article 208); shortfall ranks at 8
3	Creditors with a right to retain an item for improvements they made to it	For example, a repairer holding equipment
4	Funeral and testamentary expenses of a deceased debtor	Relevant to individual bankruptcy
5	Employees: six months' salary or wages, leave pay accrued in the preceding year, other paid leave up to three months, and severance due by law, agreement or regulation	Ranks ahead of RSSB and the RRA
6	Social security contributions	RSSB
7	Government taxes	RRA
8	Unsecured claims	Rescue finance approved under Article 99 is paid ahead of other unsecured debts (Article 100)

Clawback: transactions a practitioner can unwind

A **preference** is voidable on the practitioner's application where a transfer of the company's property was made on account of an existing debt, when the company could not pay its due debts, within the year before the commencement of the liquidation, and enabled the recipient to receive more than it would in the liquidation (Article 215). A transfer made in the six months before commencement is presumed, unless the contrary is proved, to have been made while unable to pay and for a debt not incurred in the ordinary course of business. Payments of debts incurred in the ordinary course of business and paid within 45 days after the debt was incurred are excluded. Transactions made with actual intent to

defraud creditors, known to the counterparty, are void whenever made. A **transaction at undervalue** within the year before commencement is voidable where the company received significantly less than it gave and was, or became as a result, unable to pay its debts, or was left with unreasonably small resources (Article 216). A **charge** given for an existing debt is voidable unless it secured new value given before the charge and the company was solvent immediately after, or replaced a charge given more than a year before; a charge given within six months before commencement is presumed to have been given while insolvent (Article 217).

The practitioner files a notice in court and serves it on the counterparty; the transaction is set aside after the 20th working day unless the counterparty applies to the court (Article 218). The court may order repayment of the benefit, return of property, release of a charge or security for the order, and the counterparty who gives up the benefit may prove as a creditor (Article 219). A third party who acquired the property for value and without knowledge keeps it, and recovery may be refused against a recipient who received in good faith and changed position (Article 220). For a buyer of distressed assets, these rules mean that a purchase at a fair, documented price, at arm's length and supported by a valuation is the main protection, and that a sale by a struggling seller in the year before its insolvency can be reopened.

Directors, shareholders and personal exposure

Directors carry the main personal risk. Under Article 150 of Law N° 007/2021 of 05/02/2021 governing companies, a director must not agree to the company entering a transaction that involves an unreasonable risk of failing the solvency test, or incurring an obligation unless he or she believes on reasonable grounds that the company will be able to perform it. Liability for acts before a company's removal from the register survives removal (Article 280). The insolvency law adds criminal offences: continuing in business or exercising managerial power knowing that a practitioner has been appointed is punishable by six months to one year's imprisonment and a fine of RWF 1,000,000 to RWF 2,000,000, or one of these penalties (Article 270); leaving Rwanda to avoid obligations, concealing or removing property, or destroying records during a liquidation is punishable by six months to two years and a fine of RWF 500,000 to RWF 2,000,000 (Articles 123 and 264); and misappropriating or concealing the debtor's property, or fraudulently posing as a creditor, by three to five years and a fine of RWF 3,000,000 to RWF 5,000,000 (Article 269). Directors, the secretary and employees must disclose and deliver the company's property and records (Article 117), the court may examine anyone with knowledge of the company's affairs on oath (Article 122) and issue search and seizure warrants (Article 124), and a liquidator may require information from anyone (Article 115).

Shareholders are generally exposed only to the loss of their investment, but a parent company can be caught by the related-company pooling and contribution orders in Articles 125 and 126, and by the clawback of payments and charges it received in the year before commencement. Practitioners are accountable too: a court may remove one for persistent or serious non-compliance, the Registrar General may then suspend the practitioner for up to five years (Article 234), and actions against a practitioner must be brought within three years after the proceedings end (Article 236).

Cross-border insolvency

Chapter XII adopts a **recognition model** similar to the UNCITRAL Model Law on Cross-Border Insolvency. A foreign representative appointed in a foreign collective proceeding for reorganisation or liquidation may apply directly to the competent Rwandan court for recognition (Articles 240 and 246), and the application itself causes an **automatic stay** on the debtor's property (Article 246). The application is supported by a certified copy of the foreign decision and a certificate from the foreign court, or other acceptable evidence, a statement of all known foreign proceedings and, if the court requires, a translation into an official language of Rwanda; legalised documents are presumed authentic and the registered office is presumed to be the centre of main interests (Articles 246 and 247). Recognition is decided as an urgent application, as a foreign **main** proceeding where the debtor's centre of main interests is in that State, or as a non-main proceeding where it has an establishment there (Article 248).

Recognition of a main proceeding suspends the right to transfer, encumber or dispose of the debtor's assets, but a stay operating against creditors in the foreign proceeding does not apply to creditors who reside or carry on business in Rwanda in respect of property in Rwanda, unless the stay results from proceedings taken in Rwanda (Article 249). Further relief may be granted on application and on recognition (Articles 251 and 252), subject to protection of local creditors (Article 253). Rwandan courts and the Registrar General may cooperate and communicate directly with foreign courts and representatives (Articles 255 to 257); after recognition of a foreign main proceeding, a Rwandan proceeding may be opened only if the debtor has assets in Rwanda, and its effects are confined to those assets (Article 258); recognition of a foreign main proceeding is, absent evidence to the contrary, proof that the debtor is insolvent (Article 261); and a creditor paid in one proceeding may not receive more in another until other creditors of the same rank have caught up (Article 262). Foreign creditors have the same rights as other creditors to commence and take part in Rwandan proceedings, and their claims rank as equivalent Rwandan claims (Article 244). Where a foreign company in liquidation abroad has assets in Rwanda, its local agent must notify the Registrar General, and the liquidator must advertise for creditors before distributing (Articles 118 and 119).

WORKED EXAMPLE

How the proceeds of an insolvent liquidation are shared

A Kigali manufacturer is placed in liquidation. Its factory equipment, charged to a bank to secure RWF 500,000,000, sells for RWF 450,000,000; other assets realise RWF 450,000,000. Costs and the liquidator's fees are RWF 60,000,000. Employees are owed RWF 40,000,000 within the Article 212 limits, RSSB RWF 15,000,000, the RRA RWF 120,000,000, and trade creditors RWF 600,000,000. Illustrative figures.

Total realisations	RWF 450,000,000 + RWF 450,000,000 = RWF 900,000,000.
Rank 1: costs and fees	RWF 60,000,000, taken from the other assets: RWF 450,000,000 − RWF 60,000,000 = RWF 390,000,000 left.

Rank 2: secured bank	Receives the RWF 450,000,000 equipment proceeds; its shortfall of RWF 500,000,000 − RWF 450,000,000 = RWF 50,000,000 ranks as unsecured (Article 208).
Rank 5: employees	RWF 40,000,000 paid in full: RWF 390,000,000 − RWF 40,000,000 = RWF 350,000,000 left.
Rank 6: RSSB	RWF 15,000,000 paid in full: RWF 335,000,000 left.
Rank 7: RRA	RWF 120,000,000 paid in full: RWF 215,000,000 left.
Rank 8: unsecured creditors	Claims of RWF 600,000,000 + RWF 50,000,000 = RWF 650,000,000 share RWF 215,000,000, a dividend of about 33.1%. The bank receives about RWF 16,500,000 on its shortfall; trade creditors about RWF 198,500,000.
Shareholders	Nothing: no surplus under Article 213.

If costs had been charged proportionately to the secured asset under Article 208, the bank would have received less and the unsecured dividend would have been higher; the allocation of costs should be agreed with the liquidator.

A payment of RWF 80,000,000 to a related supplier four months before commencement would be presumed a preference under Article 215 and could be recovered for all creditors.

Questions investors ask

When is a Rwandan company insolvent?

Under Article 7 of Law N° 075/2021 relating to insolvency, when it cannot pay its debts as they fall due in the normal course of business, or when its assets are less than its liabilities plus its stated capital. Creditors, the company, its directors or shareholders, the Registrar General and the National Bank of Rwanda or the CMA may apply to the Commercial Court.

Are secured creditors stayed when insolvency proceedings start in Rwanda?

Generally not. Article 12 leaves secured creditors free to enforce unless the debtor applies with an intention to submit a reorganisation plan; then the plan is due within three months and the stay lasts at most six months. In a court-ordered reorganisation the stay on secured claims runs six months from the application, renewable up to three times (Article 87).

What majority approves a reorganisation plan or compromise?

At least 75% of the votes of creditors taking part in the vote, in each class (Articles 35 and 91). Approval by one class is presumed conditional on approval by every other class voting. Creditors in the same class must be treated equally, and the court will not order a reorganisation unless dissenting creditors will receive at least what they would get in a liquidation.

Who is paid first in a Rwandan insolvency?

Under Article 212, the costs of the estate and the practitioner's fees, then secured creditors in order of registration, retention-right holders, funeral expenses, employees (six months' wages, leave and severance), social security contributions, Government taxes and finally unsecured creditors. Approved rescue finance ranks ahead of other unsecured debts.

How far back can an insolvency practitioner unwind payments?

One year before commencement, for preferences and transactions at undervalue (Articles 215 and 216). Transfers and charges in the last six months are presumed to have been made while the company was insolvent. Ordinary-course payments made within 45 days of the debt are protected, and transactions intended to defraud creditors are void whenever made.

Will a Rwandan court recognise a foreign insolvency proceeding?

Yes. A foreign representative may apply for recognition under Articles 246 to 248 of Law N° 075/2021, and the application itself triggers an automatic stay on the debtor's property. A proceeding in the State of the debtor's centre of main interests is recognised as a main proceeding, but creditors in Rwanda keep their rights over Rwandan property unless a Rwandan proceeding stays them.

THE 2027 HORIZON

- The Ministerial Order under Article 231 that determines the organisation, licensing and fees of insolvency practitioners had not been located at 10 October 2026; the pool of licensed practitioners and their fee scales remain to be confirmed with the Office of the Registrar General.
- No amendment to Law N° 075/2021 and no new insolvency bill had been published at 10 October 2026.
- Under Article 13(3) of Law n° 011/2026 relating to competition and consumer protection, in force since 4 March 2026, the competition authority may approve a merger that lessens competition on public-interest grounds including a failing firm; the implementing Regulations will show how that defence applies to distressed acquisitions.
- The draft amendment to Law N° 30/2018 on the jurisdiction of courts reviewed in 2024 and 2025 had not been enacted; any change to the Commercial Court's competence would affect where insolvency applications are filed.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Insolvency	*Igihombo*	*Insolvabilité*	Inability to pay debts as they fall due, or assets below liabilities plus stated capital (Articles 3 and 7).

English	Kinyarwanda	French	Meaning
Insolvency practitioner	—	*Praticien de l'insolvabilité*	A licensed individual who may act as provisional administrator, administrator, liquidator, supervisor or trustee (Articles 3 and 231).
Provisional administrator	*Umucungamutungo w'agateganyo*	*Administrateur provisoire*	The practitioner appointed by the Registrar General, within five working days of a request, to run a company in provisional administration (Articles 41 and 42).
Reorganisation	—	*Redressement*	The court-supervised rescue procedure in Articles 84 to 96, with a plan within 45 days approved by 75% of creditors in each class.
Compromise	—	*Compromis*	An arrangement between a company and its creditors approved by 75% of the votes cast in each class and binding on all notified creditors (Articles 31 to 40).
Business rescue finance	—	*Financement de sauvetage des activités commerciales*	New money approved by creditors during a rescue procedure and paid ahead of other unsecured debts (Articles 97 to 101).
Secured creditor	*Uberewemo umwenda ufite ingwate*	*Créancier garanti*	A creditor holding security, ranking second under Article 212 by date of registration of its security.
Voidable preference	—	*Préférence annulable*	A transfer in the year before commencement that favoured a creditor while the company was unable to pay its debts (Article 215).
Transaction at undervalue	—	*Opération à prix sous-évalué*	A transaction in the year before commencement in which the company received significantly less than it gave (Article 216).
Pooling of assets of related companies	—	*Mise en commun d'actifs des sociétés commerciales liées*	A court order that related companies contribute to, or be liquidated together with, a company in liquidation (Articles 125 and 126).

FOREIGN V RWANDAN INVESTOR

Law N° 075/2021 does not distinguish between Rwandan and foreign creditors or debtors: a foreign creditor has the same access to Rwandan proceedings and the same ranking as a local one (Article 244), and a foreign shareholder's position is the same as a Rwandan shareholder's. Three points matter more to foreign investors. First, a foreign parent that has supported its subsidiary through intra-group loans ranks as an unsecured creditor unless it took and registered security, and its repayments and charges in the year before commencement are exposed to clawback, while related-company pooling under Article 125 can reach the parent itself. Second, foreign group proceedings are not automatically effective in Rwanda: a foreign representative must seek recognition, and creditors in Rwanda keep their rights over Rwandan property unless a Rwandan proceeding stays them (Article 249). Third, documents filed in support of recognition may have to be translated into an official language of Rwanda and should be legalised so that they are presumed authentic (Articles 246 and 247). Foreign directors of a Rwandan company face the same solvency duty and criminal offences as Rwandan directors.

WATCH OUT FOR

- The balance-sheet test in Article 7 includes stated capital: a company can meet the insolvency test while still paying its bills, which matters for directors deciding whether to keep trading.
- Secured lenders who have not registered their security: priority depends on the date of registration, and an unregistered or late charge given within six months of commencement is presumed voidable.
- Lenders with a charge over substantially all the assets: their consent is needed for a provisional administrator's appointment to take effect (Article 43), which gives them a practical veto.
- Group treasury sweeps and intra-group repayments in the year before a subsidiary's failure: preferences can be recovered, and the court may order a related company to contribute (Articles 125 and 215).
- Appointing an unlicensed or conflicted practitioner: acting without qualification is an offence, and creditors, past directors, shareholders and auditors within two years are disqualified (Articles 232 and 263).
- Directors continuing to manage the business after a practitioner is appointed: it is a criminal offence under Article 270.

OFFICIAL SOURCES

- Official Gazette n° Special of 30/12/2021: Law N° 075/2021 of 06/12/2021 relating to insolvency — https://archive.gazettes.africa/archive/rw/2021/rw-government-gazette-dated-2021-12-30-no-Special.pdf
- Rwanda Law Reform Commission: Law N° 075/2021 relating to insolvency (laws in force) — https://www.rlrc.gov.rw/fileadmin/user_upload/RLRC/Laws_of_Rwanda_v2/Domestic_laws/Laws_in_force/10._Business/10.8._Organization_of_commercial_Activities/10.8.2._Companies/10.8.2.4._Insolvency__Law_no_075_of_2021.pdf
- RDB, Office of the Registrar General: Law N° 007/2021 governing companies (Articles 150 and 280) — https://org.rdb.rw/wp-content/uploads/2023/04/rw-government-gazette-dated-2021-02-08-no-4ter.pdf
- RDB, Office of the Registrar General: frequently asked questions (insolvency, non-bankruptcy certificates and security registration) — https://org.rdb.rw/faqs/
- RDB, Office of the Registrar General: Law N°34/2013 of 24/05/2013 on security interests in movable property — https://org.rdb.rw/wp-content/uploads/2020/09/Law-on-Security-on-movable-property.pdf