



BE RWANDA WISE · DOING BUSINESS IN RWANDA

The guide for foreign and Rwandan investors

Chapter 3 of 11

Tax & Compliance

Rwanda taxes companies under a 2022 income tax law, a 2023 VAT law and a 2023 tax procedures law, all reshaped by the package of seven tax laws gazetted on 29 May 2025 and by a run of Ministerial Orders in April and September 2026 on transfer pricing, VAT on online supplies, electronic invoicing, corporate residence and certified accounts. This chapter sets out the rules as they stand at 10 October 2026 for a Rwandan company with foreign or local shareholders, a branch of a foreign company, their suppliers and lenders abroad, and their expatriate and local staff.

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/tax-and-compliance/>

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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.

Tax & Compliance

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AT A GLANCE

Governing law

- [Law N° 027/2022 of 20/10/2022 establishing taxes on income, as amended by Law N° 051/2023 of 05/09/2023 and Law N° 014/2025 of 27/05/2025](#)
- [Law N° 049/2023 of 05/09/2023 establishing value added tax, as amended by Law N° 009/2025 of 27/05/2025](#)
- [Law N° 020/2023 of 31/03/2023 on tax procedures](#)
- [Ministerial Order N° 003/26/10/TC of 29/04/2026 on transfer pricing, simplified accounting and losses carried forward beyond five tax periods](#)
- [Ministerial Orders N° 004/26/10/TC of 29/04/2026 \(VAT on online supplies\), N° 006/26/10/TC of 24/09/2026 \(electronic invoicing\) and N° 009/26/10/TC of 24/09/2026 \(residence and certified accounts\)](#)
- [Law N° 011/2025 of 27/05/2025 establishing the excise duty and Law N° 048/2023 of 05/09/2023 on the revenue of decentralized entities](#)
- [Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation \(tax incentives in the Annex\)](#)

Key figures

Standard corporate income tax rate	28% (since 14 September 2023)
Standard VAT rate	18%; registration above RWF 20 million a year or RWF 5 million in a quarter

Who you will deal with

- Rwanda Revenue Authority (RRA), the "Tax Administration" of the statutes: registration, returns, refunds, electronic invoicing, audits, customs and the collection of District taxes
- Commissioner General of RRA: advance rulings, administrative appeals, extensions and instalment plans
- Ministry of Finance and Economic Planning (MINECOFIN): tax policy, Ministerial Orders and the Tax Policy Committee
- Rwanda Development Board (RDB): the Registrar General issues the taxpayer identification number on registration, and RDB approves investors' customs exemptions
- Districts and the City of Kigali: owners of property tax, rental income tax and trading licence tax, which RRA collects for them
- East African Community Council of Ministers: the Common External Tariff, stays of application and duty remission

What changed in 2024–26

- 29 May 2025: Laws N° 009/2025 to N° 015/2025 were gazetted, raising capital gains tax from 5% to 10% and extending the withholding rule, which since 2022 has made the Rwandan company account for the tax on direct and indirect transfers of its shares, to licences, debt instruments, options, guarantees and similar assets, enacting a 1.5% digital services tax whose

Withholding tax on dividends, interest, royalties and service fees	15%, unless a treaty caps it lower (for example 7.5% on dividends under the China, Singapore and UAE treaties)
Capital gains tax on shares	10% (5% before 29 May 2025)
Top PAYE rate	30% above RWF 200,000 a month
Related-party debt and fees	Interest non-deductible beyond 4:1 debt to equity; fees capped at 2% of turnover
Accounts certified by an approved professional	Turnover of RWF 1 billion or more (from 25 September 2026)
Late-payment interest	0.5% to 1.5% a month, capped at 100% of the tax

implementing Order is still awaited, narrowing the VAT exemptions, replacing the excise law and introducing new fuel and vehicle levies.

- 1 July 2025: the 3% tourism tax on accommodation and the 0.2% environmental levy on imports packaged in plastic took effect; since about 29 August 2025, gaming companies pay 40% of wagers less winnings instead of corporate income tax.
- 29 April 2026: Ministerial Order N° 003/26/10/TC rewrote the transfer pricing rules, with a local file, a master file and a 15% beneficial tax regime test, and Ministerial Order N° 004/26/10/TC required non-resident suppliers of online services to register for VAT.
- 30 June 2026: the VAT exemption for industrial machinery, capital assets and raw materials ended, and Ministerial Order N° 004/26/10/TC bars its renewal; from 1 August 2026 RRA's VAT Deferral Facility lets eligible manufacturers and miners defer import VAT on qualifying machinery.
- 25 September 2026: Ministerial Order N° 006/26/10/TC replaced the 2013 electronic billing machine rules, and Ministerial Order N° 009/26/10/TC set a broad effective-management test for corporate residence and a RWF 1 billion turnover threshold for certified accounts.

Who this applies to. Rwanda's tax laws make no distinction by the nationality of a company's owners: a Rwandan company with foreign shareholders pays the same 28% corporate income tax, charges the same 18% VAT, files the same returns and faces the same penalties as one owned by Rwandans. The differences lie in the cross-border flows. Dividends, interest, royalties and service fees paid to a non-resident bear 15% withholding tax unless a treaty reduces it; a branch pays 15% on profits it repatriates; a non-resident selling shares in a Rwandan company pays 10% capital gains tax, withheld by the company; and dealings with foreign group companies fall under the transfer pricing rules. Investors registered with RDB under the Investment Code, whether foreign or Rwandan, may qualify for preferential rates and exemptions, and some withholding tax rates differ for residents of the East African Community.

How Rwanda taxes a business

A company registered in Rwanda is taxed in the same way whoever owns it. It pays corporate income tax on its worldwide profit, charges and recovers value added tax, withholds pay-as-you-earn (PAYE) from its employees and withholding tax from many of its payments, pays customs duties and excise at the border, and pays property tax and trading licence tax to its District. A foreign company that trades in Rwanda through a branch or other permanent establishment pays corporate income tax on the profit of that establishment. There is no separate tax regime for foreign-owned companies; the incentives in the Investment Code are open to any investor registered with the Rwanda Development Board (RDB), foreign or Rwandan.

The national taxes are administered by the **Rwanda Revenue Authority (RRA)**, which the statutes call the Tax Administration, through its e-tax portal. RRA also runs customs and the Electronic Single Window, certifies the electronic invoicing systems every business must use, and collects the decentralised taxes on behalf of the Districts and the City of Kigali. Tax policy, and the Ministerial Orders that fill in the detail of each law, come from the Ministry of Finance and Economic Planning (MINECOFIN). The taxpayer identification number (TIN) is issued by the Registrar General when the company is registered, so tax compliance begins on the day the company exists; the recurring deadlines are gathered in [Compliance calendar after registration](#).

Profits and turnover: corporate income tax and VAT

Corporate income tax is charged at 28% under Article 48 of Law N° 027/2022 of 20/10/2022 establishing taxes on income, as amended by Law N° 051/2023 of 05/09/2023, which cut the rate from 30% and came into force on 14 September 2023. Newly listed companies pay 20% or 25% for five years, deposit-taking microfinance institutions pay 0%, small businesses pay 3% of turnover and micro-enterprises a flat annual amount. Expenses are deductible if incurred for the business, but donations above 1% of turnover, related-party management, technical and royalty fees above 2% of turnover, and interest on related-party loans above four times paid-up equity are not. Losses carry forward for five years. Since 25 September 2026, Ministerial Order N° 009/26/10/TC treats a foreign-incorporated company as resident if any one of four links to Rwanda exists, and requires accounts certified by an RRA-approved professional where turnover reaches RWF 1 billion. See [Corporate income tax](#), and [Investment incentives](#) for the preferential rates and tax holidays.

VAT is charged at 18%, or 0% on exports and other zero-rated supplies, under Law N° 049/2023 of 05/09/2023, as amended by Law N° 009/2025 of 27/05/2025, which removed several exemptions and set end dates for others. A business registers once its turnover exceeds RWF 20 million in a year or RWF 5 million in a quarter, files quarterly up to RWF 200 million of turnover and monthly above it, and must issue every invoice from an RRA-certified electronic invoicing system under Ministerial Order N° 006/26/10/TC. Non-resident suppliers of online services must register under Ministerial Order N° 004/26/10/TC, failing which the bank or payment provider withholds the VAT. See [VAT and electronic invoicing](#).

Money leaving Rwanda: withholding tax, treaties and transfer pricing

When a Rwandan company pays dividends, interest, royalties or service fees to a non-resident, it withholds 15% under Article 60 of the income tax law and pays it within 15 days after the month of payment. A branch pays the same 15% on profits it repatriates. Lower rates apply to listed securities held by residents of Rwanda or the East African Community, to Treasury bonds of three years or more, and to some investors registered under the Investment Code. Rwanda's tax treaties, which RRA lists on its website, reduce the rate where the recipient produces a tax residence certificate with the withholding tax return. The rates, exemptions, the mechanics of withholding and the treaty network are in [Withholding taxes and tax treaties](#).

Dealings with related parties must be priced at arm's length. Ministerial Order N° 003/26/10/TC of 29/04/2026 requires a transfer pricing policy, a local file and a master file, extends the rules to any transaction with a person in a regime taxing at 15% or less, requires documentation to be produced within seven days of a request, and offers advance pricing agreements; smaller taxpayers below the thresholds in Article 19 are relieved of the documentation duty but not of the arm's length rule. These rules, and Rwanda's position outside the OECD Inclusive Framework, are covered in [Transfer pricing and international tax](#).

People, assets and goods

Individuals resident in Rwanda, which includes anyone with a permanent residence or habitual abode there or present for 183 days in a tax period, are taxed on worldwide income. Employers withhold PAYE monthly or quarterly at 0%, 10%, 20% and 30%, with the top rate applying above RWF 200,000 a month, and add the value of a company car and housing at 10% and 20% of cash pay. Expatriates are taxed under the same rules as Rwandans, and the employer also pays pension, maternity and occupational hazard contributions to the Rwanda Social Security Board (RSSB). See [Personal income tax, PAYE and expatriates](#).

Capital gains on direct and indirect transfers of shares, in Rwanda or abroad, have been taxed since the 2022 income tax law, with the tax withheld by the Rwandan company whose shareholders change, and since 29 May 2025 the rate is 10% (previously 5%) and the withholding rule also reaches licences, debt instruments, options, guarantees and similar assets; a 1.5% digital services tax has been enacted but awaits its implementing Order; excise duty, tourism tax and a series of levies apply to particular goods and services; and property tax, rental income tax and trading licence tax are paid to the Districts. These are in [Capital gains, property and other taxes](#). Goods imported into Rwanda bear the East African Community Common External Tariff of 0%, 10%, 25% or 35%, together with 18% import VAT and a 5% withholding tax on the CIF value of commercial imports, with exemptions for registered investors processed through the Electronic Single Window: see [Customs and EAC trade](#).

Compliance, audits and disputes

Law N° 020/2023 of 31/03/2023 on tax procedures governs registration, records, assessments, audits, appeals and recovery. Records must be kept for ten years. An audit starts with seven working days' notice and leads to a draft rectification note, to which the taxpayer has 30 days to reply after a comprehensive or transfer pricing audit and five days after an issue-oriented or refund audit. A taxpayer

may appeal to the Commissioner General within 30 days of the assessment; if the Commissioner General does not decide within the time the law allows, the appeal is deemed upheld. The case may then go to amicable settlement or to court within 30 days. Late payment carries interest of 0.5% to 1.5% a month, capped at the amount of the tax, and late declaration a fine of 20% to 60% of the tax. The detail is in [Tax administration, audits and disputes](#), and challenges in court are also covered in [Regulatory, tax and public law disputes](#).

How to use this chapter

A new investor should read [Corporate income tax](#) and [VAT and electronic invoicing](#) first, because registration for both, and the electronic invoicing system, are needed from the first sale. Before agreeing any management fee, loan or licence with a foreign parent, read [Withholding taxes and tax treaties](#) and [Transfer pricing and international tax](#) together: the 15% withholding tax, the 2% cap on related-party fees, the 4:1 debt-to-equity limit and the documentation rules all bite on the same payments. Employers of expatriates should read [Personal income tax, PAYE and expatriates with Social security and RSSB contributions](#). Exit planning starts on entry: the 10% capital gains tax on direct and indirect share transfers is in [Capital gains, property and other taxes](#), and importers should read [Customs and EAC trade](#). [Tax administration, audits and disputes](#) explains what happens when RRA asks questions. Each section ends with the related Be Rwanda Wise FAQs, the official sources and a question you can put to Rwandabot, the AI legal-information chatbot, about your own facts. Figures are stated at 10 October 2026. Several dates fall within the next two years, among them the step in the pension contribution rate on 1 January 2027 and the end of the VAT exemptions for energy equipment and electric vehicles on 30 June 2028, and the digital services tax still awaits its Order, so check the position again before relying on it for a later transaction.

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Corporate income tax: the 28% rate, residence and the effective-management test, permanent establishment, deductions and their limits, depreciation, losses, quarterly prepayments, certified accounts and the small-business regimes

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WHAT YOU NEED TO KNOW

- Corporate income tax is charged at 28% of taxable business profit, rounded down to the nearest RWF 1,000, under Article 48 of Law N° 027/2022 of 20/10/2022 establishing taxes on income as amended by Law N° 051/2023 of 05/09/2023, in force since 14 September 2023; a company newly listed in Rwanda pays 20% (at least 40% of shares sold to the public) or 25% (at least 30%) for five years.
- A company is resident in Rwanda if it is established under Rwandan law or has its place of effective management in Rwanda (Article 4), and Ministerial Order N° 009/26/10/TC of 24/09/2026 (whose four conditions already appeared in the 2019 Order) deems effective management to be in Rwanda if day-to-day management is there, shareholders' meetings are held there, its books are kept there or its main shareholders or directors are resident there.
- Under Article 25, donations above 1% of turnover, management, technical and royalty fees paid to non-resident related persons above 2% of turnover, and interest on related-party loans above four times paid-up equity are not deductible.
- Losses carry forward for five tax periods, oldest first, and are forfeited on a change of more than 25% in the ownership of an unlisted company unless the change is an internal reorganisation keeping shareholders of at least three years' standing (Article 31); Ministerial Order N° 003/26/10/TC allows longer carry-forward on application at least 60 days before year end.
- Quarterly prepayments are due by 30 June, 30 September and 31 December (Article 33), the annual return and balance by 31 March, and from 25 September 2026 a taxpayer with turnover of RWF 1,000,000,000 or more must have its financial statements certified by a professional approved by the Rwanda Revenue Authority (RRA).

Who pays corporate income tax, and on what

Corporate income tax (CIT) is levied under Law N° 027/2022 of 20/10/2022 establishing taxes on income (the Income Tax Law), published in the Official Gazette n° Special of 28/10/2022 and in force on publication. It replaced Law N° 016/2018 and has been amended twice in ways that matter to companies: by **Law N° 051/2023 of 05/09/2023**, which cut the rate to 28% and rewrote the filing rules in Article 9, and by **Law N° 014/2025 of 27/05/2025**, gazetted on 29 May 2025, which recast the list of

exempt persons, the capital gains tax and the taxation of gaming, and inserted the digital services tax. The Rwanda Revenue Authority (RRA), referred to in the statutes as the Tax Administration, administers the tax through its e-tax portal.

A company **resident** in Rwanda is taxed on its business profit from all sources, in Rwanda and abroad, with a credit for foreign income tax under Article 7. A **non-resident** company is taxed only on the profit of its permanent establishment in Rwanda. Dividends received by a resident company from another resident company are excluded from the recipient's profit, so profits are not taxed twice inside Rwanda, and unrealised foreign exchange gains on loans are also outside the base. Article 6 defines Rwandan-source income broadly: it includes activities performed in Rwanda by anyone, activities performed abroad by a Rwandan resident, digital services, and, unless the service is consumed abroad, payments by residents for services performed outside Rwanda. A foreign supplier paid by a Rwandan customer therefore has Rwandan-source income even if it never sends staff to Kigali, which is why the withholding tax described in [Withholding taxes and tax treaties](#) applies to many cross-border fees.

Certain persons are exempt from CIT under Article 45, as replaced by Law N° 014/2025: the Government, the City of Kigali and the Districts, the National Bank of Rwanda (BNR), qualifying non-profit organisations, international organisations, qualified pension funds, the social security body, the Development Bank of Rwanda, the Agaciro Development Fund, the Business Development Fund (BDF; on 31 July 2025 the Government decided to integrate BDF into the Development Bank of Rwanda (BRD), which took over BDF's services at the end of 2025, but no amendment of Article 45 reflecting the merger had been located at 16 October 2026), special purpose vehicles (unless their revenue exceeds their expenses), common-benefit foundations, resident trustees on the income of foreign trusts and, since the gaming rules took effect about 29 August 2025, companies carrying out gaming activities other than the national lottery, which instead pay a tax of 40% of wagers less winnings each month.

Residence and the effective-management test

Under Article 4 of the Income Tax Law, a person other than an individual is resident in Rwanda during a tax period if it is established under Rwandan law or if it has its **place of effective management** in Rwanda at any time during that period. The article leaves it to a Ministerial Order to say where effective management lies, and that Order is now **Ministerial Order N° 009/26/10/TC of 24/09/2026**, published in the Official Gazette n° Special of 25/09/2026 and in force on publication. Its four conditions are not new: they already appeared in the 2019 Ministerial Order on income tax. Article 2 of the Order deems a company to have its place of effective management in Rwanda if it meets **any one** of four conditions: its day-to-day control or management is carried out in Rwanda; its shareholders' meetings are held in Rwanda; its books of account are kept in Rwanda; or its main shareholders or directors are resident in Rwanda.

The test is wider than the international norm, which looks for the place where key management and commercial decisions are in substance taken. Read literally, a company incorporated in Mauritius, Dubai or Delaware whose books are kept by a Kigali accountant, whose annual meeting is held in Kigali, or whose principal shareholder lives in Rwanda is resident in Rwanda and taxable here on its worldwide profit. That matters to regional holding companies, to founders who relocate to Kigali, and to groups that centralise bookkeeping in a Rwandan shared-service team. A treaty with the other state may contain a tie-breaker, but Rwanda has treaties with only a limited number of states, and RRA has not

published guidance on how the Order will be applied. Groups that intend a foreign company to remain non-resident should keep its books, meetings and management outside Rwanda and document that they do.

Permanent establishment: when a foreign company is taxed in Rwanda

A foreign company that does not become resident is still taxable on the profit of a **permanent establishment** (PE) in Rwanda. Article 5 defines a PE as a known fixed place of business through which the business is wholly or partly carried out, and lists a place of management, a branch, a factory or workshop, a mine, quarry or other place of exploitation of natural resources, and a construction, assembly or supervision site. It adds a **services PE**: a place where services, including consulting services, are provided through employees or other personnel for more than 90 days in any twelve-month period, continuously or intermittently. A foreign company also has a PE if a person acting on its behalf has authority to negotiate or conclude contracts in its name, or plays the principal role leading to their conclusion.

Storage, display or delivery facilities, stocks held for processing by others, purchasing or information-gathering offices and other activities of a preparatory or auxiliary character do not create a PE, and nor does an independent broker or agent acting in the ordinary course of its business, unless it works wholly or almost wholly for the foreign company on non-arm's length terms. Control of a Rwandan subsidiary does not of itself make the subsidiary a PE of its parent. An insurer that collects premiums or insures risks in Rwanda through a person other than an independent broker or agent has a PE, reinsurance apart. A PE is taxed at 28% on its attributable profit and, under Article 60, its profits repatriated to the head office bear a further 15% withholding tax ([FAQ 67](#)); the choice between a branch and a subsidiary is discussed in [Branches of foreign companies](#).

Corporate income tax rates and regimes at 10 October 2026

Taxpayer	Rate or tax	Source
Resident company or PE of a non-resident (standard rate)	28% of taxable profit, rounded down to the nearest RWF 1,000	Article 48, as amended by Law N° 051/2023
Company newly listed on a Rwandan capital market, selling at least 40% of its shares to the public	20% for five years from listing	Article 48(2)(a)
Company newly listed, selling at least 30% of its shares to the public	25% for five years from listing	Article 48(2)(b)
Deposit-taking microfinance institution	0% for five years, renewable under conditions in Ministerial Order N° 008/26/10/TC of 24/09/2026	Article 46

Taxpayer	Rate or tax	Source
Small business (annual turnover above RWF 12 million up to RWF 20 million)	3% of turnover, or the real regime by irrevocable three-year election	Articles 14 and 49
Micro-enterprise (annual turnover up to RWF 12 million)	Flat amount from nil to RWF 300,000 a year by turnover band	Articles 14 and 49
Gaming company (other than the national lottery)	Exempt from CIT; 40% of wagers less winnings, paid monthly within 15 days	Articles 45 and 50 as replaced by Law N° 014/2025
Investor registered with RDB in an eligible activity	0%, 3%, 15% or 25%, or a tax holiday of up to seven years, on the conditions in the Annex to the Investment Code	Article 69 of the Income Tax Law; Law N° 006/2021

Computing taxable profit: what is deductible and what is not

Taxable profit is accounting profit adjusted under the Income Tax Law. Expenses are deductible if they are incurred for the purpose of the business, supported by documents and actually incurred; payments recorded as liabilities that remain unpaid six months after the end of the tax period are treated as paid for withholding tax purposes under Article 60, so the withholding tax becomes due even if the creditor has not been paid. **Article 25** lists what may not be deducted: dividends and other distributions; reserves and provisions not allowed by the law; fines and penalties; donations, except to non-profit organisations within a limit of 1% of turnover; income tax and recoverable VAT; personal consumption; entertainment, except general sporting activities for employees; and 20% of overheads such as telephone, water, electricity and fuel whose business and private use cannot practically be separated.

Three limits target groups. First, management, technical service and royalty fees paid to a **non-resident related person** are deductible only up to 2% of the taxpayer's turnover in aggregate. Second, **interest** on loans between related persons, and realised foreign exchange losses on such loans, are not deductible to the extent that total related-party loans exceed four times paid-up equity, which excludes provisions, reserves and retained earnings; commercial banks, insurers and other financial institutions are outside this rule. Third, unrealised foreign exchange losses are never deductible. There is no general cap on interest by reference to earnings. All related-party pricing must also meet the arm's length standard and be documented under Ministerial Order N° 003/26/10/TC, explained in [Transfer pricing and international tax](#).

Depreciation and losses

Under Articles 27 and 28, buildings, heavy industrial equipment and machinery are depreciated individually on a straight-line basis at 5% a year, and intangible assets bought from third parties and information and communication systems with a life of ten years or more at 10%. Other assets are pooled: computers and short-life information systems at 50% and other business assets at 25% of the pool's

written-down value, and a pool worth RWF 500,000 or less may be written off. Investors registered under the Investment Code in eligible sectors may claim 50% accelerated depreciation in the first year on qualifying assets, as described in [Investment incentives](#).

A tax loss may be deducted from the business profit of the next **five tax periods**, earlier losses first (Article 31). Foreign-source losses cannot be set against Rwandan profit. If the direct or indirect ownership of the share capital or voting rights of a company whose shares are not traded on a recognised exchange changes by more than 25% by value or number during a tax period, the company loses its losses brought forward, unless the change results from an internal reorganisation that keeps all the shareholders and those shareholders have held their shares for at least three years. A buyer of a loss-making Rwandan company should therefore assume the losses will not survive the acquisition. A taxpayer that expects not to use its losses within five years may apply under Articles 33 and 34 of Ministerial Order N° 003/26/10/TC to carry them forward for longer: the application is made at least 60 days before the end of the tax period, RRA's silence counts as approval for one year, the extension cannot exceed a further five years in total, and the applicant must not have distributed profits or been found guilty of tax evasion in the previous five years.

Prepayments, returns and certified accounts

CIT is paid in advance during the year. Under **Article 33**, a taxpayer pays quarterly prepayments by 30 June, 30 September and 31 December, each equal to the previous year's tax divided by the previous year's turnover, multiplied by the turnover of the current quarter, less any withholding tax suffered in that quarter, including the 5% paid at customs on commercial imports. A taxpayer with a different approved accounting year pays by the last day of its sixth, ninth and twelfth months, and a business in its second year computes the previous year's turnover on an annualised basis. The annual return and the balance of tax are due by **31 March** of the following year under Article 9 as replaced by Law N° 051/2023, and a return must be filed even if the result is a loss.

Article 9 also requires financial statements to be certified by a qualified professional approved by RRA where turnover reaches the threshold set by a Ministerial Order. Since 25 September 2026, Article 3 of **Ministerial Order N° 009/26/10/TC** sets that threshold at **RWF 1,000,000,000** of annual turnover. Authorised distributors of beer, lemonades, soda, juice and cement, petrol and petroleum products dealers, forex bureau owners, air ticket dealers, tour operators, farming and livestock cooperatives and independent agents are not bound unless their income, rather than their turnover, exceeds the threshold. A taxpayer above the threshold may apply to RRA to file provisionally by 31 March, with uncertified statements and payment of the tax, and then submit its return and certified statements within three months (Article 9(3)). No annual return is needed by a person whose turnover is below RWF 2,000,000, whose only income is employment income, or whose only income is investment income already taxed by withholding (Article 9(5)). The wider calendar is in [Compliance calendar after registration](#).

Small businesses, incentives and the anti-abuse rule

Businesses with modest turnover are taken out of the profit-based system. Under Articles 14 and 49, a **micro-enterprise** with turnover up to RWF 12 million pays a flat annual amount by band: nil up to RWF 2 million, RWF 60,000 from RWF 2 million to 4 million, RWF 120,000 from RWF 4 million to 7 million, RWF

210,000 from RWF 7 million to 10 million and RWF 300,000 from RWF 10 million to 12 million. A **small business** with turnover above RWF 12 million up to RWF 20 million pays 3% of turnover, but may elect for the real regime if it keeps accounts; the election is irrevocable for three years, and Article 32 of Ministerial Order N° 003/26/10/TC sets the simplified accounting method it may use. Road transport operators pay flat amounts set in the Annex to the Income Tax Law, without prejudice to the real regime.

Article 69 of the Income Tax Law gives effect to the tax reductions and exemptions in Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation (the Investment Code), available to investors registered with the Rwanda Development Board (RDB) that meet the sector and size conditions in its Annex (FAQ 31). Article 68 contains a **general anti-abuse rule**: where an arrangement has as its principal purpose obtaining a tax benefit, lacks commercial substance in whole or in part, creates rights and obligations that would not arise between persons at arm's length, or may result in the abuse of the tax laws, RRA may determine the tax by disregarding or recharacterising it. Incentive structures and holding arrangements should therefore have business reasons that can be shown on paper.

DECISION GUIDE

Which corporate tax regime applies to my company?

A decision guide for a company or branch carrying on business in Rwanda. Answer in order; the first outcome reached is the usual starting point, to be confirmed against the full conditions.

Q1 Is the entity a non-resident without a permanent establishment in Rwanda, under Article 5 and the effective-management test in Ministerial Order N° 009/26/10/TC?

Yes No Rwandan CIT return; its Rwandan-source fees, interest, royalties and dividends bear 15% withholding tax at source, reduced by any applicable treaty. See section 3.3.

No Continue to Q2.

Q2 Is annual turnover RWF 20 million or less?

Yes Micro-enterprise flat amount up to RWF 12 million, or 3% of turnover above RWF 12 million, unless a small business elects the real regime for three years.

No Continue to Q3.

Q3 Is the entity exempt under Article 45, a deposit-taking microfinance institution, a gaming company or newly listed on a Rwandan exchange?

Yes Apply the special rule: exemption, 0% for microfinance institutions, the 40% gaming tax, or 20% or 25% for five years after listing.

No Continue to Q4.

Q4 Is the company registered with RDB and does it meet the conditions of an Investment Code regime (0%, 3%, 15%, 25% or a tax holiday)?

Yes Apply the preferential rate for as long as the conditions are met, and keep the evidence for audit. See Investment incentives in Chapter 1.

No Standard rate of 28% on taxable profit, with quarterly prepayments and an annual return by 31 March.

The annual corporate income tax cycle for a calendar-year company

1 Register and obtain the TIN

The Registrar General at RDB issues the taxpayer identification number on registration. Register any changes with RRA within seven days and set up access to RRA's e-tax portal.

2 Pay the three quarterly prepayments

By 30 June, 30 September and 31 December, declare and pay a prepayment computed under Article 33 from last year's tax-to-turnover ratio and this quarter's turnover, less withholding tax suffered in the quarter.

3 Apply for any loss extension before year end

If losses risk expiring, apply under Ministerial Order N° 003/26/10/TC at least 60 days before 31 December; silence by RRA counts as approval for one year.

4 Close the accounts and prepare transfer pricing files

Prepare the financial statements and, where the thresholds are met, the transfer pricing policy, local file and master file, which must be ready by the filing deadline.

5 Certify the accounts if turnover is RWF 1 billion or more

Have the financial statements certified by a professional approved by RRA. If certification cannot be completed by 31 March, apply for provisional filing and submit the certified statements within three months.

6 File and pay by 31 March

File the annual return through e-tax and pay the balance of tax after deducting prepayments and creditable withholding tax. Keep the records for ten years.

WORKED EXAMPLE

Computing the 2026 tax of a Kigali manufacturer with a foreign parent

A Rwandan subsidiary of a Kenyan group, not registered for any Investment Code incentive, has 2026 turnover of RWF 3,000,000,000 and accounting profit of RWF 400,000,000. All figures are illustrative and assume the expenses are otherwise deductible and priced at arm's length.

Management fee to the parent	Fee charged RWF 90,000,000; 2% of turnover is RWF 60,000,000; RWF 30,000,000 is added back under Article 25.
Donations	Donations to a registered non-profit of RWF 40,000,000; 1% of turnover is RWF 30,000,000; RWF 10,000,000 is added back.
Interest on the shareholder loan	Related-party loans RWF 2,000,000,000; paid-up equity RWF 400,000,000, so four times equity is RWF 1,600,000,000. The excess of RWF 400,000,000 is 20% of the loans; on a pro rata reading, 20% of interest of RWF 160,000,000, RWF 32,000,000, is added back.
Entertainment	Client entertainment of RWF 5,000,000 is added back.
Taxable profit before losses	$\text{RWF } 400,000,000 + 30,000,000 + 10,000,000 + 32,000,000 + 5,000,000 = \text{RWF } 477,000,000$.
Losses brought forward	A 2023 loss of RWF 50,000,000, within the five-year window and with no ownership change above 25%, reduces taxable profit to RWF 427,000,000.
Tax at 28%	$\text{RWF } 427,000,000 \times 28\% = \text{RWF } 119,560,000$.
Prepayments made	2025 tax of RWF 100,000,000 on turnover of RWF 2,500,000,000 gives a ratio of 4%; quarterly turnover of RWF 750,000,000 gives RWF 30,000,000 a quarter, paid on 30 June, 30 September and 31 December 2026: RWF 90,000,000 in total, before any withholding tax credits.
Balance and filing	$\text{RWF } 119,560,000 - 90,000,000 = \text{RWF } 29,560,000$, payable with the return by 31 March 2027. Turnover exceeds RWF 1,000,000,000, so the financial statements must be certified by an RRA-approved professional.

The 15% withholding tax on the management fee and the interest is a separate obligation of the subsidiary, due within 15 days after the month of payment (section 3.3); disallowing part of the fee does not remove the withholding tax on it.

Had the parent's books or board meetings been in Kigali, the parent itself could have become resident under Ministerial Order N° 009/26/10/TC.

Questions investors ask about corporate income tax

What is the corporate income tax rate in Rwanda in 2026?

The standard rate is 28% of taxable profit under Article 48 of Law N° 027/2022 as amended by Law N° 051/2023, in force since 14 September 2023. Newly listed companies pay 20% or 25% for five years, deposit-taking microfinance institutions pay 0%, small businesses pay 3% of turnover, and investors registered under the Investment Code may qualify for 0%, 3%, 15% or 25%.

Can a company incorporated abroad be resident in Rwanda for tax purposes?

Yes. Under Article 4 of the Income Tax Law and Ministerial Order N° 009/26/10/TC of 24/09/2026 (whose four conditions already appeared in the 2019 Order), a foreign company is resident if any one of these applies: its day-to-day management is in Rwanda, its shareholders' meetings are held there, its books are kept there, or its main shareholders or directors are resident there. A resident company is taxed on worldwide profit.

When does a foreign company create a permanent establishment in Rwanda?

When it has a fixed place of business such as a branch, office, factory or site in Rwanda, provides services through personnel present for more than 90 days in any twelve months, or has a dependent agent who concludes contracts or plays the principal role in concluding them. Preparatory and auxiliary activities do not create a permanent establishment.

Are management fees paid to a foreign parent deductible?

Only up to a limit. Article 25 disallows management, technical service and royalty fees paid to non-resident related persons to the extent they exceed 2% of turnover in aggregate. The deductible part must also be at arm's length and documented, and 15% withholding tax applies to the whole payment unless a treaty reduces it.

How long can tax losses be carried forward?

Five tax periods, earliest first, under Article 31. Losses are forfeited if ownership of an unlisted company changes by more than 25%, except in an internal reorganisation keeping long-standing shareholders. A taxpayer may apply at least 60 days before year end under Ministerial Order N° 003/26/10/TC to extend the period by up to five further years.

When are corporate income tax returns due, and must the accounts be audited?

Prepayments are due by 30 June, 30 September and 31 December, and the annual return and balance by 31 March. Since 25 September 2026, a taxpayer with turnover of RWF 1 billion or more must have its financial statements certified by an RRA-approved professional, with an option to file provisionally and submit certified statements within three months.

THE 2027 HORIZON

- Returns for the 2026 tax period, due by 31 March 2027, are the first annual returns to be filed after Ministerial Order N° 009/26/10/TC took effect on 25 September 2026; RRA's approach to the RWF 1 billion certification threshold, and the modalities for approving qualified professionals that Article 3(3) leaves to the head of RRA, should be watched.
- RRA has published no guidance on applying the four-limb effective-management test; the first audits of foreign holding companies with Rwandan directors or bookkeeping will show how literally it is read.
- The 2026/27 budget statement in June 2026 referred to rationalising tax exemptions; no amending law had been gazetted by 10 October 2026, so the Investment Code rates remain in force until one is.
- Rwanda is not on the OECD/G20 Inclusive Framework member list and has no global minimum tax legislation; a change would affect groups using the 0% and 3% Investment Code regimes.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Corporate income tax	<i>Umusoro ku nyungu z'amasosiyete</i>	<i>Impôt sur les bénéfices des sociétés</i>	The tax on the business profit of companies and other entities (Articles 43 to 55 of the Income Tax Law).
Tax Administration	<i>Ubuyobozi bw'imisoro</i>	<i>Administration fiscale</i>	The statutes' name for the Rwanda Revenue Authority.
Permanent establishment	<i>Icyicaro gihoraho</i>	<i>Établissement stable</i>	A fixed place of business, services presence or dependent agent through which a non-resident is taxable in Rwanda (Article 5).
Place of effective management	<i>Icyicaro cy'ubuyobozi nyabwo</i>	<i>Lieu de direction effective</i>	The link that makes a foreign-incorporated company resident in Rwanda (Article 4; Ministerial Order N° 009/26/10/TC).
Loss carried forward	<i>Iyimuragihombo</i>	<i>Report des pertes</i>	The deduction of a tax loss from the profit of later tax periods (Article 31).
Quarterly prepayment	—	<i>Acomptes trimestriels</i>	Advance payments of income tax due by 30 June, 30 September and 31 December (Article 33).
Depreciation	<i>Ubwicungure</i>	<i>Amortissement</i>	The annual deduction for the cost of business assets (Articles 27 and 28).
Tax clearance certificate	<i>Icyemezo cy'ubudakemwa</i>	<i>Quitus fiscal</i>	RRA's certificate that a taxpayer is compliant; its holder is exempt from certain withholding taxes (Article 65).

English	Kinyarwanda	French	Meaning
Anti-abuse rules	—	<i>Règles anti-abus</i>	The general power to disregard or recharacterise tax avoidance arrangements (Article 68).

FOREIGN V RWANDAN INVESTOR

The CIT rules do not distinguish by the nationality of shareholders: a Rwandan company owned by a French group pays 28% on the same base, files the same return and claims the same Investment Code incentives as one owned by Rwandans, and investors from the East African Community and COMESA are treated no differently for CIT. The differences arise elsewhere. A foreign company operating through a branch pays 28% plus 15% withholding tax on profits repatriated, where a Rwandan company pays nothing further when profits stay in Rwanda; a foreign parent's management fees and shareholder interest meet the 2% and 4:1 limits, which apply only to non-resident related persons in the case of fees; and a foreign holding company with Rwandan directors, meetings or books can become resident under the effective-management test. A Rwandan investor holding shares in another Rwandan company receives dividends free of further CIT.

WATCH OUT FOR

- Keeping a foreign holding company's books in Kigali, holding its general meeting in Rwanda or appointing Rwanda-resident directors without considering Ministerial Order N° 009/26/10/TC, which makes it resident if any one of those applies.
- Buying a loss-making Rwandan company in the expectation of using its losses: a change of more than 25% in ownership forfeits them.
- Management, technical and royalty fees to the foreign parent above 2% of turnover, and related-party loans above four times paid-up equity, which leave part of the cost non-deductible while withholding tax remains due on the full amount.
- Turnover crossing RWF 1,000,000,000 without an RRA-approved professional engaged to certify the accounts before 31 March.
- Prepayments computed from a low prior-year tax ratio in a year of rapid growth, leaving a large balance and cash shortfall on 31 March.
- Foreign staff on a project in Rwanda for more than 90 days in twelve months, which creates a services permanent establishment for their employer.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income, Articles 4, 5, 9, 25, 27, 31, 33, 45, 48, 49 and 68 — https://www.rra.gov.rw/fileadmin/user_upload/Income_Tax_Law_of_2022.pdf
- Official Gazette n° Special of 14/09/2023: Law N° 051/2023 of 05/09/2023 amending Law N° 027/2022 (28% rate; Article 9) — https://www.rra.gov.rw/fileadmin/user_upload/LAW_AMENDING_THE_INCOME_TAX_LAW_of_2022.pdf
- Official Gazette n° Special of 29/05/2025 (MINIJUST): Law N° 014/2025 of 27/05/2025 amending Law N° 027/2022 — <https://www.minijust.gov.rw/index.php?eID=dumpFile&t=f&f=130496&token=4b9d4de9658212b7aaeeb5c8a42c823a7b879d7b>
- Ministry of Finance and Economic Planning: Government of Rwanda integrates BDF into BRD (press release, 31 July 2025) — <https://minecofin.gov.rw/index.php?eID=dumpFile&f=136285&t=f&token=76206af4525281f21c5ce0d3bf16e2d1804952a9>
- Rwanda Revenue Authority: Ministerial Order N° 009/26/10/TC of 24/09/2026 (permanent residence, effective management, certification threshold) — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_orders-Financial_statements.pdf
- Rwanda Revenue Authority: Ministerial Order N° 003/26/10/TC of 29/04/2026 (transfer pricing, simplified accounting, losses) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/Ministerial_Order_on_Simplified_Accounting_Method_April_2026.pdf
- Rwanda Revenue Authority: Basic Information on Rwanda Taxation System (November 2025) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/BASIC_INFORMATION_version_2025.pdf

VAT and electronic invoicing: the 18% and 0% rates, registration and returns, the exemptions after Law N° 009/2025, input tax and refunds, imported services, VAT on online supplies by non-residents, and the 2026 electronic invoicing rules

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

- Value added tax is charged at 18%, or 0% on zero-rated supplies such as exports of goods and services, minerals sold on the domestic market and international transport, under Articles 4 and 7 of Law N° 049/2023 of 05/09/2023 establishing value added tax.
- A person whose taxable turnover exceeded RWF 20,000,000 in the previous year or RWF 5,000,000 in the preceding quarter must register within seven days (Article 11 of Law N° 020/2023 of 31/03/2023 on tax procedures), and VAT is declared and paid within 15 days after each quarter where annual turnover is RWF 200,000,000 or less and after each month above that (Articles 28 and 29 of the VAT Law).
- Law N° 009/2025 of 27/05/2025, in force on 29 May 2025, replaced the list of exemptions in Article 8: the exemption for industrial machinery, capital assets and raw materials ended on 30 June 2026 (since 1 August 2026 RRA's VAT Deferral Facility lets eligible manufacturers and miners defer import VAT on qualifying machinery instead), and those for energy supply equipment and imported pure electric vehicles end on 30 June 2028.
- A business that buys services from abroad accounts for VAT itself under Article 14 and may deduct it only if the Minister has authorised the purchase as a service not available in Rwanda, while Ministerial Order N° 004/26/10/TC of 29/04/2026 requires non-resident suppliers of online goods and services to register, failing which the paying bank or payment provider withholds the VAT.
- Every person carrying on a taxable activity must issue an invoice from an electronic invoicing system certified by the Rwanda Revenue Authority (RRA) to every buyer (Article 17 of Law N° 020/2023), under conditions now set by Ministerial Order N° 006/26/10/TC of 24/09/2026; a VAT-registered seller that fails to issue one faces a fine of ten times the VAT evaded (Article 88).

The VAT framework at 10 October 2026

VAT is governed by **Law N° 049/2023 of 05/09/2023 establishing value added tax** (the VAT Law), published in the Official Gazette n° Special of 14/09/2023 and in force on publication, which replaced Law N° 37/2012. It was amended by **Law N° 009/2025 of 27/05/2025**, one of the seven tax laws gazetted on 29 May 2025, which replaced the list of exempt goods and services in Article 8. Registration, invoicing, assessment and penalties are governed by Law N° 020/2023 of 31/03/2023 on tax procedures (the Tax Procedures Law). Ministerial Orders fill in the detail: Ministerial Order N°

001/25/10/TC of 16/04/2025 lists the financial and insurance services that are exempt, Ministerial Order N° 003/24/03/TC of 08/03/2024 governs authorisation to deduct VAT on foreign services, Ministerial Order N° 004/26/10/TC of 29/04/2026 governs online supplies, and Ministerial Order N° 006/26/10/TC of 24/09/2026 governs electronic invoicing.

VAT is charged on taxable goods and services supplied in Rwanda, including online supplies, and on taxable imports (Article 3). The rate is **18%**, or **0%** for zero-rated supplies (Article 4). All goods supplied by a taxpayer in Rwanda are taxable unless exempt. A service is supplied in Rwanda, under Article 6, where the provider and the recipient are both resident in Rwanda, or where either of them is resident in Rwanda and the service is useful to the recipient in Rwanda. Business assets sold by a taxpayer are taxable unless input tax was denied on them, assets held on deregistration bear the tax, and goods taken for personal use are taxed. A public procuring entity withholds the VAT on all payments to VAT-registered winning bidders and pays it to RRA itself (Article 5(3)). The tax point is the earliest of the invoice, payment (other than advance payments in construction), delivery of goods, performance of the service or an application to deregister (Article 12).

Registration, returns and payment

Under **Article 11 of the Tax Procedures Law**, a person carrying on taxable activities whose turnover exceeded **RWF 20,000,000** in the previous fiscal year, or **RWF 5,000,000** in the preceding quarter, must register for VAT within seven days from the end of that year or quarter, unless its business is exempt. A person below the thresholds may register voluntarily, which suppliers to VAT-registered customers and exporters often do in order to recover input tax. Registration is made with the Registrar General at the Rwanda Development Board (RDB), and RRA registers a person that meets the threshold but fails to register, notifying it immediately. Changes are notified within seven days, and RRA issues the registration certificate electronically (Article 30 of the VAT Law). An enterprise with several branches registers once, under one taxpayer identification number (Article 31).

Under **Article 28 of the VAT Law**, a taxpayer whose annual turnover is RWF 200,000,000 or less declares VAT quarterly within 15 days after the end of each quarter, and may opt for monthly declarations; a taxpayer above RWF 200,000,000 declares monthly within 15 days after the end of each month. A return must be filed for every period, whether or not there were sales, tax to pay or a refund to claim. Payment is due within the same 15 days (Article 29), and VAT on imports is due when the goods enter the customs point. Some secondary sources describe monthly filing as the default with a quarterly option; the law makes quarterly filing the default for taxpayers at or below RWF 200,000,000, and the same threshold governs quarterly PAYE under Article 21 of the Tax Procedures Law.

Zero-rating and the exemptions after Law N° 009/2025

A **zero-rated** supply bears VAT at 0% but the supplier recovers its input tax. Article 7 zero-rates exported goods and their auxiliary services, exported services, minerals sold on the domestic market, international transport of goods entering Rwanda and transport of goods in transit with related services, the commission on all-inclusive tour packages, goods sold in duty-free shops and in shops for the security organs, and goods and services for diplomats, international organisations, donor-funded non-

governmental organisations and donor-funded projects under agreements with Rwanda. An **exempt** supply bears no VAT, but the supplier cannot recover input tax on it, so an exemption is a cost for a business with significant inputs.

Article 8, as replaced by Law N° 009/2025, keeps exemptions for health and medical services and listed pharmaceuticals, equipment for persons with disabilities and sanitary pads; listed educational materials and services, supplied physically or online; books, newspapers and journals; passenger transport by licensed operators in vehicles of 14 seats or more, by air, and persons or goods by boat, and household waste transport; the sale or lease of land, the sale of residential buildings and residential lets of more than 90 days; finance leases by licensed institutions; financial and insurance services listed by Ministerial Order; unprocessed agricultural and livestock products and processed maize, rice and milk other than powdered milk; agricultural and livestock insurance and listed agricultural inputs; gaming; imports by licensed special economic zone users; defence and security supplies; aircraft and their parts; restructuring transfers between related residents; and securitisation transfers. Exemptions that existed under the 2023 list for the land transport of goods, mobile phones and SIM cards, information and communication technology equipment and services, and imported hybrid vehicles are not in the new list; only imported pure electric vehicles, their batteries and charging equipment remain exempt, until 30 June 2028. Law N° 009/2025 amended Article 8 only, so Article 7(1)(i), which zero-rates locally assembled electric and hybrid vehicles, their batteries and charging equipment, remains in the text, although the Ministry of Finance and Economic Planning (MINECOFIN) announced in February 2025 that VAT would be reintroduced for all hybrid vehicles; an assembler should confirm RRA's position.

Selected VAT treatments after Law N° 009/2025

Supply	Treatment at 10 October 2026	Source
Exports of goods and services; minerals sold on the domestic market	Zero-rated	Article 7, VAT Law
Energy supply equipment on the energy ministry's list	Exempt until 30 June 2028	Article 8(1)(i) and (3)(a)
Imported pure electric vehicles, batteries and charging equipment	Exempt until 30 June 2028	Article 8(1)(x) and (3)(c)
Industrial machinery, capital assets and raw materials on the industry list	Exemption ended on 30 June 2026; no renewal beyond that date; since 1 August 2026 eligible taxpayers may defer import VAT on Chapter 84 and 85 machinery under the VAT Deferral Facility	Article 8(1)(s) and (3)(b); Article 23(2), Ministerial Order N° 004/26/10/TC; RRA VAT Deferral Facility Guidelines
Transport of goods by land; mobile phones and SIM cards; ICT equipment and services	No longer in the exemption list; taxable at 18%	Law N° 009/2025

Supply	Treatment at 10 October 2026	Source
Passenger transport in vehicles of 14 seats or more, by air, and passengers or goods by boat	Exempt	Article 8(1)(e)
Sale or lease of land; sale of residential buildings; residential lets over 90 days	Exempt	Article 8(1)(f)
Financial and insurance services listed by Ministerial Order N° 001/25/10/TC	Exempt	Article 8(1)(g)
Imports by a licensed special economic zone user	Exempt	Article 8(1)(p)

Input tax: what can be recovered, and when

A taxpayer making taxable supplies may credit the input tax paid on taxable purchases and imports used for those supplies (Article 17). Where inputs serve both taxable and exempt supplies, only the proportion relating to taxable supplies is recoverable. Input tax is claimed with a VAT invoice from the electronic invoicing system for local purchases, or customs documents proving payment for imports (Article 19). If the documents are not held when the return is filed, the credit may be taken in a later return, provided the documents are not more than 12 months old (Article 17(6)). A newly registered taxpayer may claim input tax on stock held at registration in its first return (Article 18).

Article 20 denies input tax on passenger vehicles and their spare parts, repair and maintenance, unless the business sells or rents passenger vehicles or runs a driving school; on goods for entertainment, unless entertainment is the business; on accommodation, unless the business provides accommodation or the accommodation is for persons travelling away from home for the business; and on 40% of the VAT on goods and services whose business and personal use cannot be separated.

Services bought from abroad and online supplies by non-residents

A taxpayer that acquires a service from a person outside Rwanda is treated as if it had supplied the service to itself, under the **reverse charge** in Article 14: it declares output tax for the period in which the service was delivered, and the receipt justifying the payment abroad serves as the VAT invoice. It may deduct that output tax as input tax only where the service is **not available in Rwanda**, meaning that no one on the local market can provide an identical or similar service, and only with the Minister's prior authorisation under Ministerial Order N° 003/24/03/TC. In practice, VAT on most imported services, such as management, consulting and software support from a foreign group company, is a cost on top of the 15% withholding tax explained in [Withholding taxes and tax treaties](#).

Ministerial Order N° 004/26/10/TC of 29/04/2026 brings online supplies to consumers into the net. A supplier outside Rwanda of taxable goods or services provided online to customers in Rwanda must register for VAT, or appoint a representative with a business in Rwanda to do so (Article 4); the Order

sets no turnover threshold. A supply is made in Rwanda if the recipient is in Rwanda and benefits there, if it is consumed in Rwanda, or if the recipient's payment method, billing or home address, internet address, country code, SIM card or bank account is in Rwanda (Article 5). The tax point is the earliest of delivery, payment and the invoice or receipt (Article 6). A registered supplier or its representative files and pays by the 15th of the month after each tax period (Article 9). Where the supplier is not registered, the financial institution that processes the payment withholds the VAT and pays it by the 15th of the following month (Articles 8 and 9). A consumer may ask RRA for a refund within 60 days of payment if the price was returned or reduced (Article 7). A supplier in Rwanda of online services must register for VAT and present a certificate of registration from the Rwanda Utilities Regulatory Authority (RURA) (Article 4(3)). Suppliers were given three months from publication to comply (Article 25). The separate 1.5% digital services tax is described in [Capital gains, property and other taxes](#).

Refunds and the consumer reward

Where input tax exceeds output tax, the surplus is refunded (Article 26). The claim must be made in the period to which it relates, and RRA refunds within **30 days** from the day after the declaration or, where it decides that a comprehensive audit is needed before refunding, within 30 days from the day after the audit report. The refund is paid only where the VAT on the purchases matches the tax paid to RRA by the suppliers, so a supplier's failure to declare its sales can hold up the customer's refund. Investors registered under Law N° 006/2021 on Investment Promotion and Facilitation are entitled to refunds within 15 days of RRA receiving the documents, except in VAT-exempt sectors, as described in [Investment incentives](#); the 15-day period is not a general rule. Exporters, whose sales are zero-rated, are the most frequent refund claimants.

To encourage customers to ask for invoices, Article 27 grants a final consumer who presents an electronic invoice a reward on the VAT shown on it; RRA's guidance states the reward as 10% of the VAT, under Ministerial Order N° 002/25/10/TC of 16/04/2025. Embassies and international organisations recover VAT under the agreements with their states or organisations (Article 26(2)).

Electronic invoicing under Ministerial Order N° 006/26/10/TC

Article 17 of the Tax Procedures Law requires every person carrying on a taxable activity to issue invoices generated by an **electronic invoicing system certified by RRA**, and Article 18 obliges every user to have such a system, issue an electronic invoice to every buyer whether or not the buyer asks for it, show the real name of the goods and the tax rate (or, for unregistered sellers, the price), notify RRA of a system failure within six hours and not delete invoices without good reason. **Ministerial Order N° 006/26/10/TC of 24/09/2026**, published on 25 September 2026 and in force on publication, replaced Ministerial Order N° 002/13/10/TC of 31/07/2013 on the certified electronic billing machine (EBM). Under Article 3 of the new Order a user must obtain the system RRA specifies, or hold a valid service contract with a licensed supplier of an alternative system; keep it at the point of sale where customers can see it; display a notice with its name, address and TIN, the Sales Data Controller (SDC) serial number, whether it is VAT-registered, and the statement "do not pay if an invoice is not issued"; approve invoices initiated by buyers; generate delivery notes for stock moved within the company; ask RRA to deactivate the system when the business stops; issue certified cancellation receipts; report theft within

12 hours and damage within six hours, obtaining a new system within five working days if trading continues; and issue manual invoices in duplicate while the system is down, printing the electronic invoices once it is restored.

A business invoicing from an enterprise resource planning (ERP) system must integrate it with the electronic invoicing system as RRA prescribes (Article 4). Where the seller cannot issue an invoice, the buyer may initiate it and the seller must approve it (Article 5). Each invoice must show at least the seller's name and TIN, a buyer identification number (a TIN, a telephone number or nine zeroes), the place of sale, the buyer's telephone number, invoice and transaction type, an unbroken serial number, the description, quantity and price of goods or services, the total, the tax rates, the means of payment, any discount and the SDC data (Article 6). A person not required to file an annual income tax return need not use the system for every transaction, but must approve buyer-initiated invoices (Article 8). RRA monitors compliance by data analytics and by inspectors in business centres (Article 9). The same Order sets the procedure for a taxpayer in financial hardship to apply for a waiver of penalties and interest, which the Minister may grant, with any waiver of principal tax decided by the Cabinet (Articles 10 and 11), and grants a person who reports tax evasion 5% of the principal tax recovered, up to RWF 10,000,000 (Article 12).

VAT and invoicing penalties in Law N° 020/2023

Breach	Administrative fine	Article
VAT-registered seller sells without issuing an electronic invoice	10 times the VAT evaded; 20 times if repeated within two years	88
Person other than a VAT-registered taxpayer fails to issue a required electronic invoice	Twice the value of the transaction; doubled if repeated within two years	84
Unregistered person issues an electronic invoice with an under-valued price or quantity	Twice the value of the under-valued transaction; doubled if repeated within two years	84
Breach of the obligations of a user of the electronic invoicing system (Article 18)	RWF 200,000; RWF 400,000 if repeated within two years	89
Trading without registering for VAT when required	50% of the VAT due for the whole period of operation	87
Unregistered person issues a VAT invoice	100% of the VAT shown, plus payment of that VAT	87
Incorrect VAT invoice issued to reduce VAT payable or increase input credit	100% of the VAT payable	87

DECISION GUIDE

Do I charge VAT on this supply?

A decision guide for a business supplying goods or services. Answer in order.

Q1 Is the business registered for VAT, or has its turnover passed RWF 20 million in the last year or RWF 5 million in the last quarter?

Yes Continue to Q2. If not yet registered, register within seven days of the end of that year or quarter.

No No VAT is charged, but an invoice must still be issued from the electronic invoicing system; voluntary registration is possible.

Q2 Is the supply made in Rwanda under Article 6 (for services, a Rwandan resident on either side and the service useful to the recipient in Rwanda) or under Article 5 of Ministerial Order N° 004/26/10/TC for online supplies?

Yes Continue to Q3.

No Outside the scope of Rwandan VAT; check whether it is an export that is zero-rated.

Q3 Is the supply on the exemption list in Article 8 as replaced by Law N° 009/2025, and, for time-limited items, is the date before the end date?

Yes Exempt: charge no VAT, and do not recover the related input tax.

No Continue to Q4.

Q4 Is it zero-rated under Article 7 (exports, minerals sold locally, international transport, tour package commission, diplomatic and donor-funded supplies)?

Yes Charge 0% and recover input tax; keep export and customs evidence.

No Charge 18% on an electronic invoice and declare it in the quarterly or monthly return.

Electronic invoicing compliance checklist

What an RRA inspector or data review will test under Ministerial Order N° 006/26/10/TC and Article 18 of Law N° 020/2023.

☐ **Certified system at each sales point**

An RRA-specified system, or a valid contract with a licensed supplier, installed where customers can see it, with ERP systems integrated as RRA prescribes.

- ☐ **Customer notice displayed**
Name, address, TIN, SDC serial number, VAT status and the words "do not pay if an invoice is not issued".
- ☐ **Invoice to every buyer**
Every sale invoiced, whether or not the buyer asks, with the real description of the goods, the tax rate and the buyer identification number.
- ☐ **Buyer-initiated invoices approved**
A process to approve invoices initiated by buyers promptly.
- ☐ **Stock movements documented**
Delivery notes generated from the system for transfers between stores or branches.
- ☐ **Incident reporting**
Failures reported within six hours, damage within six hours and theft within 12 hours, with manual duplicate invoices while the system is down.
- ☐ **Cancellations controlled**
Certified cancellation receipts and no deletions without good reason.

WORKED EXAMPLE

A quarterly VAT return for a Kigali IT reseller

A VAT-registered IT reseller with annual turnover of about RWF 150,000,000 files quarterly. Figures for July to September 2026 are illustrative and exclude VAT unless stated.

Domestic sales of hardware and software	RWF 60,000,000 × 18% = output VAT of RWF 10,800,000. ICT equipment is no longer exempt after Law N° 009/2025.
IT services to a client in Uganda	RWF 20,000,000, an exported service: zero-rated, output VAT nil.
Local purchases of stock with electronic invoices	RWF 30,000,000 + VAT of RWF 5,400,000, recoverable as input tax.
Purchase of a passenger car for the managing director	VAT of RWF 3,000,000, denied under Article 20(a).
Cloud services from a foreign group company	RWF 10,000,000: reverse charge output VAT of RWF 1,800,000 under Article 14. No ministerial authorisation, because similar services exist locally, so no matching input credit; the RWF 1,800,000 is a cost.
VAT payable for the quarter	RWF 10,800,000 + 1,800,000 – 5,400,000 = RWF 7,200,000.
Deadline	Return and payment by 15 October 2026, within 15 days after the quarter.

The payment for the cloud services also bears 15% withholding tax under Article 60 of the Income Tax Law unless a treaty or exemption applies.

If exports grew to exceed domestic sales, the reseller would be in a refund position, payable within 30 days of the declaration unless RRA audits first.

Questions investors ask about VAT and invoicing

When must a business register for VAT in Rwanda?

When taxable turnover exceeded RWF 20 million in the previous year or RWF 5 million in the preceding quarter, registration is due within seven days from the end of that year or quarter under Article 11 of Law N° 020/2023. Businesses below the threshold may register voluntarily, which lets them charge VAT and recover input tax.

Are VAT returns monthly or quarterly?

Under Article 28 of Law N° 049/2023, a taxpayer with annual turnover of RWF 200 million or less files quarterly within 15 days after the quarter and may opt for monthly filing; above RWF 200 million, filing is monthly within 15 days after the month. Nil returns are compulsory.

Is VAT charged on services bought from a foreign company?

Yes. Under Article 14 of the VAT Law the Rwandan buyer accounts for VAT on imported services through the reverse charge. It can deduct that VAT only if the Minister has authorised the purchase as a service not available in Rwanda under Ministerial Order N° 003/24/03/TC, so for most imported services the VAT is a cost.

Do foreign streaming, software and platform companies have to register for VAT in Rwanda?

Yes. Ministerial Order N° 004/26/10/TC of 29/04/2026 requires non-resident suppliers of online goods and services to customers in Rwanda to register, or appoint a representative, with no turnover threshold. If they do not, the bank or payment provider withholds the 18% VAT and pays it to RRA by the 15th of the following month.

How long does a VAT refund take?

RRA must refund within 30 days from the day after the declaration under Article 26 of the VAT Law, or within 30 days of the audit report if it audits first. Investors registered under the Investment Code are entitled to refunds within 15 days of RRA receiving the documents, except in VAT-exempt sectors.

What happens if a shop does not issue an electronic invoice?

A VAT-registered seller that sells without issuing an electronic invoice is fined ten times the VAT evaded, and twenty times if it happens again within two years, under Article 88 of Law N° 020/2023. Other breaches of the user's obligations cost RWF 200,000, or RWF 400,000 on repetition.

THE 2027 HORIZON

- Ministerial Order N° 006/26/10/TC took effect on 25 September 2026; RRA's prescribed manner for integrating ERP systems and its data-analytics compliance programme under Article 9 will shape enforcement through 2027.
- The digital VAT regime under Ministerial Order N° 004/26/10/TC has applied since its three-month compliance window ended in late July 2026; the first full year of bank withholding on payments to unregistered foreign platforms will show how the integration between RRA and financial institutions works.
- The June 2026 budget statement for 2026/27 proposed further measures, including stronger electronic invoicing enforcement and rationalised exemptions; no amending VAT law had been gazetted by 10 October 2026.
- The exemptions for energy supply equipment and for imported pure electric vehicles, batteries and charging equipment end on 30 June 2028 under Article 8(3) as replaced by Law N° 009/2025; projects relying on them should plan purchases accordingly.
- The Order setting the scope of the 1.5% digital services tax enacted in May 2025 had not been published by 10 October 2026.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Value added tax (VAT)	<i>Umusoro ku nyongeragaciro</i>	<i>Taxe sur la valeur ajoutée</i>	The 18% tax on supplies and imports of goods and services (Law N° 049/2023).
Input tax	<i>Umusoro ku kiranguzo</i>	<i>Taxe en amont</i>	VAT paid on purchases and imports that a registered taxpayer may credit (Articles 17 to 20).
Zero-rated goods and services	—	<i>Biens et services imposés au taux zéro</i>	Supplies taxed at 0% with full recovery of input tax (Article 7).
Exempted goods and services	<i>Ibintu na serivisi bisonewe</i>	<i>Biens et services exonérés</i>	Supplies outside VAT, with no recovery of related input tax (Article 8).
Tax point	—	<i>Moment d'imposition</i>	The time VAT becomes due: the earliest of invoice, payment, delivery or performance (Article 12).

English	Kinyarwanda	French	Meaning
Acquisition of foreign services	—	<i>Achat de services étrangers</i>	Imported services on which the buyer self-accounts for VAT under the reverse charge (Article 14).
Electronic invoice	<i>Inyemezabuguzi ikozwe mu buryo bw'ikoranabuhanga</i>	<i>Facture électronique</i>	An invoice generated by an RRA-certified electronic invoicing system (Article 17, Law N° 020/2023).
Sales Data Controller (SDC)	—	<i>Contrôleur des données de ventes</i>	The unique serial number attributed to a taxpayer by a certified electronic invoicing system (Ministerial Order N° 006/26/10/TC).
Buyer-initiated invoice	—	<i>Facture initiée par l'acheteur</i>	An invoice started by the buyer when the seller cannot issue one, which the seller must approve (Article 5 of the 2026 Order).

FOREIGN V RWANDAN INVESTOR

VAT does not depend on who owns the business: a foreign-owned Rwandan company registers, charges, recovers and files exactly as a Rwandan-owned one, and imports from East African Community partner states bear import VAT like any other imports. Two rules fall mainly on foreign groups. A Rwandan company that buys services from a foreign parent or supplier self-accounts for 18% VAT under the reverse charge and usually cannot recover it, and a non-resident that sells online services to Rwandan consumers must register or appoint a representative under Ministerial Order N° 004/26/10/TC, or see its payments taxed at source by the banks. The 15-day refund under the Investment Code is available to any registered investor, foreign or Rwandan; zero-rating for diplomats, international organisations and donor-funded projects depends on the purchaser's status, not the supplier's nationality.

WATCH OUT FOR

- Assuming that VAT on management, IT or consulting services from a foreign group company can be recovered: without the Minister's authorisation for a service not available in Rwanda, it is a cost.
- Pricing contracts on the basis of the pre-2025 exemptions for goods transport, mobile phones, SIM cards or ICT equipment, all now taxable at 18%.
- Planning imports of industrial machinery or raw materials on a VAT-exempt basis after 30 June 2026, when that exemption ended without renewal, instead of budgeting 18% import VAT or, for an eligible manufacturer or miner, applying for the VAT Deferral Facility before the goods arrive.
- Running sales through an ERP or e-commerce system that is not integrated with the certified electronic invoicing system, which exposes a registered seller to a fine of ten times the VAT on each unreported sale.
- Claiming input tax on supplier invoices more than 12 months old, or on suppliers that have not declared their sales, which can block a refund.
- Foreign platforms treating the absence of a turnover threshold in Ministerial Order N° 004/26/10/TC as meaning small sales are exempt.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Law N° 049/2023 of 05/09/2023 establishing value added tax, Articles 3 to 31 — https://www.rra.gov.rw/fileadmin/user_upload/LAW_ESTABLISHING_VALUE_ADDED_TAX.pdf
- Official Gazette n° Special of 29/05/2025 (MINIJUST): Law N° 009/2025 of 27/05/2025 amending Law N° 049/2023 — <https://www.minijust.gov.rw/index.php?eID=dumpFile&t=f&f=130496&token=4b9d4de9658212b7aaeeb5c8a42c823a7b879d7b>
- Rwanda Revenue Authority: Law N° 020/2023 of 31/03/2023 on tax procedures, Articles 11, 17, 18, 84 and 87 to 89 — https://www.rra.gov.rw/fileadmin/user_upload/NEW_TAX_PROCEDURES_LAW_2023.pdf
- Rwanda Revenue Authority: Ministerial Order N° 004/26/10/TC of 29/04/2026 (VAT on online supplies, invoice adjustment, industrial exemption) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/Ministerial_Order_VAT_on_Online_Services_April_2026.pdf
- Rwanda Revenue Authority: Commissioner General Guidelines for the Implementation of the VAT Deferral Facility (in force 1 August 2026) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/CG__s_Guidelines_For_Implementation_of_VAT-July_2026.pdf
- Rwanda Revenue Authority: Ministerial Order N° 006/26/10/TC of 24/09/2026 on the electronic invoicing system, waiver of tax and award for reporting evasion — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_order_EBM.pdf
- Rwanda Revenue Authority: Ministerial Order N° 003/24/03/TC of 08/03/2024 (foreign services not available in Rwanda) — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_Order_about_Foreign_services.pdf

Withholding taxes and tax treaties: the 15% tax on dividends, interest, royalties, service fees and branch profits, the 5%, 3% and 30% rates, exemptions and the tax clearance certificate, declaring within 15 days, and claiming treaty rates with a tax residence certificate

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WHAT YOU NEED TO KNOW

- Under Article 60 of Law N° 027/2022 of 20/10/2022 establishing taxes on income, a resident payer, including a tax-exempt one, withholds 15% of the amount excluding VAT on dividends, interest, royalties, service fees including management and technical fees (transport excepted), performers' fees, profits converted into shares, profits repatriated by a branch, payments on behalf of non-resident contractors and reinsurance premiums paid to non-resident insurers.
- The rate is 5% on dividends and interest from securities listed on a capital market paid to residents of Rwanda or the East African Community and on interest from Treasury bonds of at least three years (Article 60), 5% of the CIF value of commercial imports (Article 62), 3% of the invoice on public tenders, or 15% if the supplier is unregistered or has not filed (Article 63), and 30% on board members' allowances (Article 59).
- Persons whose business profit is exempt, holders of a tax clearance certificate issued by the Rwanda Revenue Authority (RRA) and newly registered taxpayers in their first tax period are exempt from the withholding taxes in Articles 60, 62 and 63 (Article 65).
- Withholding tax is declared and paid within 15 days after the month in which it was withheld (Article 64), a payer that fails to withhold is personally liable for the tax, penalties and interest (Article 66), and records are kept for ten years (Article 67).
- Treaty rates are granted after RRA validates the payee's tax residence certificate, which the payer submits with the withholding tax declaration (Articles 22 and 101 of Law N° 020/2023 of 31/03/2023 on tax procedures); RRA publishes treaties with 16 jurisdictions, and the texts with China, Singapore and the United Arab Emirates cap dividends at 7.5%.

How withholding tax works in Rwanda

Rwanda collects much of its income tax at source. The payer of certain amounts deducts tax, declares it and pays it to the Rwanda Revenue Authority (RRA), and the recipient either treats the deduction as a final tax, as a non-resident without a permanent establishment does, or credits it against its own income tax, as a resident taxpayer does. The rules are in Chapter IV of **Law N° 027/2022 of 20/10/2022 establishing taxes on income** (the Income Tax Law): employment income (Articles 56 to 58, covered in

Personal income tax, PAYE and expatriates), board fees (Article 59), the general 15% withholding tax (Article 60), gaming winnings (Article 61), imports (Article 62) and public tenders (Article 63), with declaration, exemptions, liability and records in Articles 64 to 67. Capital gains tax on share transfers, withheld under Article 37 as replaced by Law N° 014/2025 of 27/05/2025, is covered in [Capital gains, property and other taxes](#).

Withholding tax is the tax a foreign investor meets most often. Every dividend, interest payment, royalty and service fee that a Rwandan subsidiary pays to its foreign parent or to a foreign supplier is within Article 60, and so are the profits a branch sends to its head office. The tax is computed on the gross amount excluding VAT, and it is due whether the payment is made in Rwanda or abroad, in cash or in kind, and whether or not the payer itself is exempt from income tax ([FAQ 66](#)).

The 15% withholding tax under Article 60

Article 60 lists ten categories of payment subject to the **15%** rate: (1) dividends, except dividends between resident companies covered by Article 47(2) and distributions to holders of shares or units in collective investment schemes; (2) interest, except interest on deposits of at least one year with financial institutions, interest on loans from a foreign development finance institution exempt from income tax in its home country, and interest that banks and deposit-taking microfinance institutions in Rwanda pay to foreign banks and financial institutions; (3) royalties; (4) service fees, including management and technical service fees, except transport services; (5) payments to craftspersons, musicians, artists, players and for sporting, cultural or leisure activities, paid directly or indirectly; (6) goods sold in Rwanda; (7) profit after tax or retained earnings converted into shares, except in a financial institution whose paid-up capital is below the minimum required by the National Bank of Rwanda (BNR); (8) **profits repatriated from Rwanda**; (9) payments in cash or in kind made by a resident on behalf of a non-resident contractor in addition to its contractual remuneration, such as accommodation or travel; and (10) reinsurance premiums paid to non-resident insurers, except insurers that have signed agreements with the Government.

Three features catch investors out. First, the opening paragraph of Article 60 links the levy to payments to persons who are not registered with RRA, or who are registered but have no recent income tax declaration, and Article 65 exempts holders of a tax clearance certificate; a non-resident with no Rwandan registration is squarely within it, while a compliant domestic supplier holding a tax clearance certificate is paid gross. Second, an amount recorded as a liability that reduces taxable income is treated as paid if it remains outstanding six months after the end of the tax period, so accrued interest and fees owed to a parent cannot be deferred indefinitely to postpone the tax. Third, the rule applies equally to payments by a non-resident's permanent establishment in Rwanda, and a branch's repatriated profits bear 15% on top of the 28% corporate income tax ([FAQ 67](#)), which is one reason most investors prefer a subsidiary ([Branches of foreign companies](#)).

Withholding tax rates at 10 October 2026 (domestic law)

Payment	Rate	Source
Dividends, interest, royalties, service, management and technical fees, performers' fees, capitalised profits, repatriated branch profits, reinsurance premiums to non-residents	15% of the amount excluding VAT	Article 60
Dividends and interest on securities listed on a capital market, paid to a resident of Rwanda or the East African Community	5%	Article 60
Interest on Treasury bonds with a maturity of at least three years	5%	Article 60
Goods imported for commercial use	5% of the CIF value, paid at customs before release and credited against income tax	Article 62
Payments to winning bidders in public tenders	3% of the invoice excluding VAT; 15% if the supplier is unregistered or has not filed its previous income tax return	Article 63
Allowances to board members and members of similar organs	30%	Article 59
Gaming winnings (winnings less amount wagered)	25% since about 29 August 2025	Article 61 as replaced by Law N° 014/2025
Payments by investors on the Investment Code's 3% regimes and by licensed financial-services investors on the 15% regime (dividends, interest, royalties)	0%	Annex to Law N° 006/2021, part X
Interest on foreign loans, dividends, royalties and service fees paid by a specialised park developer	10%	Annex to Law N° 006/2021, part XII

Exemptions and the tax clearance certificate

Article 65 exempts three groups from the withholding taxes in Articles 60, 62 and 63: persons whose business profit is exempt from tax; persons holding a **tax clearance certificate** (quitus fiscal) issued by RRA; and persons newly registered during the tax period concerned. RRA may revoke a tax clearance certificate at any time if its conditions cease to be met, so a payer relying on it should check that it is current when it pays. The exemptions are designed for Rwandan taxpayers: a non-resident company with no Rwandan registration cannot hold a tax clearance certificate, so payments to it bear the tax unless a treaty or a specific exclusion applies.

Withholding tax suffered by a Rwandan taxpayer is not lost. The tax withheld from a registered person that had not previously declared, the 5% paid on imports and the 3% on public tenders are all deducted from the taxpayer's income tax when it files and pays, and the quarterly prepayment formula in Article 33 deducts withholding tax suffered in the quarter, as explained in [Corporate income tax](#). For a non-resident without a permanent establishment, the 15% is in practice a final tax in Rwanda, and its value depends on whether the investor's home state gives credit for it.

Declaring, paying and keeping records

Under **Article 64**, a person who withholds tax under Articles 59, 60, 61 and 63 must declare it and pay it through RRA's procedures within **15 days after the month** in which the tax was withheld; the 5% on imports is paid at customs before the goods are released. Under **Article 66**, a person required to withhold tax who fails to do so is personally liable to pay the tax not withheld, together with penalties and interest on arrears. The cost of a missed withholding therefore falls on the Rwandan payer, which cannot easily recover it from a foreign recipient that has already been paid in full. Under **Article 67**, and Article 22 of Law N° 020/2023 of 31/03/2023 on tax procedures (the Tax Procedures Law), the payer keeps records of each payment and the tax withheld for ten years after the end of the tax period and sends copies to the Commissioner General as prescribed.

Payments abroad also pass through the banking system. Banks commonly ask for evidence that the underlying transaction is genuine and that withholding tax has been paid before they execute a transfer of dividends, interest or fees, and Article 12 of Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation guarantees repatriation once tax obligations in Rwanda are fulfilled. The banking side is described in [Repatriating profits and capital](#) and [Offshore loans and external borrowing](#).

Rwanda's tax treaties

RRA's "International Agreements" page publishes the texts of double taxation agreements with **16 jurisdictions**: Angola, Barbados, Belgium (with an amending Protocol), Benin, China, Congo (Brazzaville), the Czech Republic, Jersey, Luxembourg, Mauritius, Morocco, Qatar, Singapore, South Africa, Turkey and the United Arab Emirates. It also publishes the Convention on Mutual Administrative Assistance in Tax Matters, to which Rwanda is a party. The page gives no dates of entry into force, so an investor should confirm that a treaty is in force and has effect for the year of payment before relying on it. Commercial sources report that agreements with Hong Kong and Botswana were ratified in 2026 and

also list the Democratic Republic of the Congo and Korea; none of these appeared on RRA's list at 10 October 2026, and the Democratic Republic of the Congo, sometimes cited as a treaty partner, is not on it.

The treaties are broadly modelled on the OECD and United Nations model conventions, with two features that matter for groups. Most contain a separate article allowing the source state to tax **management, professional or technical fees** at a capped rate, so a service fee paid to a treaty resident usually remains taxable in Rwanda even if the provider has no permanent establishment here, but at the treaty rate rather than 15%. And each reduced rate applies only where the recipient is the **beneficial owner** of the income, so a conduit company interposed in a treaty state to collect income for others should not expect relief, and the anti-abuse rule in Article 68 of the Income Tax Law applies to arrangements whose principal purpose is a tax benefit. Treaties also allocate the right to tax gains on shares, which affects the 10% capital gains tax on indirect transfers, and sit alongside the investment treaties described in [Investment guarantees, treaties and reporting](#).

Maximum source-state rates in selected treaties (from the texts published by RRA)

Treaty partner	Dividends	Interest	Royalties	Management, professional or technical fees
China	7.5%	8%	10%	10% (technical fees)
Singapore	7.5%	10%	10%	10%
United Arab Emirates	7.5%	10%	10%	10%
Mauritius	10%	10%	10%	12%
South Africa	10% (company holding at least 25% of the capital); 20% otherwise, so the 15% domestic rate applies	10%	10%	10% (technical fees)
Other listed treaties	Check the treaty text on RRA's page	Check the treaty text	Check the treaty text	Check the treaty text

Claiming the treaty rate

Treaty relief is not automatic. Under **Article 101 of the Tax Procedures Law**, the benefits of an agreement for the avoidance of double taxation are granted after validation of the recipient's certificate of residence for tax purposes, in the manner RRA determines, and the Commissioner General issues directives on the procedure, mutual agreement and assistance in collection. Under **Article 22**, where payments concern residents of countries with tax treaties with Rwanda, the payer produces a tax residence certificate of the payee issued by the competent authority of the treaty state, and submits it together with the related withholding tax declaration. A payer that withholds at a treaty rate without a valid certificate on file runs the risk of being assessed for the difference under Article 66, with penalties and interest.

The certificate should cover the period in which the payment is made, name the recipient exactly as in the contract and invoice, and be renewed as the treaty state's practice requires; for regular payments such as interest and fees, it is sensible to obtain a certificate for each calendar year before the first payment. Where tax has been withheld at 15% because the certificate arrived late, the position should be raised with RRA promptly, and disputes about the application of a treaty may be taken up under the treaty's mutual agreement procedure and the Commissioner General's directives.

DECISION GUIDE

Which rate applies to this payment abroad?

A decision guide for a Rwandan payer making a payment to a non-resident. Answer in order.

Q1 Is the payment a dividend, interest, royalty, service or management fee, performer's fee, reinsurance premium, branch profit repatriation or other item listed in Article 60?

Yes Continue to Q2.

No Article 60 may not apply; check whether the payment is employment income (PAYE), board fees (30%) or proceeds of a share sale (capital gains tax, section 3.6).

Q2 Is it excluded by Article 60 itself, such as interest on a loan from a tax-exempt foreign development finance institution, bank interest to a foreign bank, or a transport service?

Yes No withholding tax under Article 60; keep the evidence of the exclusion with the payment records.

No Continue to Q3.

Q3 Does the payer benefit from an Investment Code rate (0% on the 3% and financial-services regimes, 10% for park developers) or is the payment on listed securities or long Treasury bonds?

Yes Apply 0%, 5% or 10% as the Annex or Article 60 provides, and keep the RDB certificate and conditions on file.

No Continue to Q4.

Q4 Is the recipient the beneficial owner and a resident of a treaty state, with a current tax residence certificate?

Yes Withhold at the treaty rate if lower than 15%, submitting the certificate with the withholding tax declaration within 15 days after the month.

No Withhold 15% of the amount excluding VAT and declare and pay within 15 days after the month.

File for each cross-border payment

What RRA and the paying bank are likely to ask to see.

☐

Contract and invoice

A written intercompany or supplier agreement and an invoice describing the service, loan or licence and the amount excluding VAT.

☐

Withholding tax declaration and receipt

The e-tax declaration and proof of payment within 15 days after the month of payment.

☐

Tax residence certificate

For a treaty rate, a current certificate from the treaty state's tax authority, submitted with the declaration.

☐

Exemption evidence

For an exclusion or Investment Code rate, the lender's status, the RDB investment certificate or the listing evidence.

☐

Transfer pricing support

For related-party payments, the local file and benchmarking under Ministerial Order N° 003/26/10/TC.

☐

VAT reverse charge

For imported services, the reverse-charge entry in the VAT return under Article 14 of Law N° 049/2023.

WORKED EXAMPLE

Payments by a Rwandan subsidiary to its Mauritius parent

A Rwandan company owned by a Mauritius holding company with real operations pays its parent a dividend, interest on a shareholder loan and a management fee in March 2027. The parent is the beneficial owner and supplies a current Mauritius tax residence certificate. Figures are illustrative.

Dividend	RWF 500,000,000. Domestic rate 15% = RWF 75,000,000; treaty rate 10% = RWF 50,000,000.
Interest on the shareholder loan	RWF 80,000,000. Domestic 15% = RWF 12,000,000; treaty 10% = RWF 8,000,000. The deduction for the subsidiary is limited if related-party loans exceed four times paid-up equity.
Management fee	RWF 100,000,000 excluding VAT. Domestic 15% = RWF 15,000,000; treaty 12% under the management or professional fees article = RWF 12,000,000. The subsidiary also self-accounts for 18% VAT on the imported service.
Total withholding tax	With treaty relief RWF 70,000,000; without it RWF 102,000,000.

Filing	Declared and paid with the residence certificate by 15 April 2027, within 15 days after the month of payment.
If the parent were a shell	A Mauritius company with no staff or activity that passed the income to another group company would not be the beneficial owner, and RRA could deny the treaty rates and apply 15% under Article 68.

The management fee is deductible for the subsidiary only up to 2% of its turnover in aggregate with other related-party technical fees and royalties, but withholding tax applies to the whole fee.

Dividends are paid from after-tax profit; no further Rwandan tax is due on them beyond the withholding tax.

Questions investors ask about withholding tax and treaties

What is the withholding tax rate on dividends paid to a foreign shareholder?

15% under Article 60 of Law N° 027/2022, unless a treaty or the Investment Code reduces it. Dividends on securities listed on a capital market paid to residents of Rwanda or the East African Community bear 5%. Treaty texts published by RRA cap dividends at 7.5% for China, Singapore and the UAE and 10% for Mauritius.

Is withholding tax due on management fees paid to a foreign parent?

Yes. Service fees, including management and technical fees, bear 15% under Article 60, and most of Rwanda's treaties allow the source state to tax such fees at a capped rate, for example 10% or 12%. The fee is also subject to the 2% of turnover deduction cap and to VAT under the reverse charge.

Which countries have tax treaties with Rwanda?

RRA publishes treaties with Angola, Barbados, Belgium, Benin, China, Congo (Brazzaville), the Czech Republic, Jersey, Luxembourg, Mauritius, Morocco, Qatar, Singapore, South Africa, Turkey and the United Arab Emirates. Commercial sources report 2026 ratifications with Hong Kong and Botswana that were not yet on RRA's list at 10 October 2026.

How is a treaty rate claimed in Rwanda?

The Rwandan payer obtains a tax residence certificate for the recipient from its home tax authority and submits it with the withholding tax declaration, under Article 22 of Law N° 020/2023; Article 101 grants treaty benefits after RRA validates the certificate. Without it, the payer should withhold 15%.

When must withholding tax be paid, and what if we forget?

Within 15 days after the month in which the tax was withheld, under Article 64 of the Income Tax Law. A payer that fails to withhold is personally liable for the tax, penalties and interest under Article 66, even though the recipient has been paid in full.

Do Rwandan suppliers suffer withholding tax too?

A Rwandan supplier holding a current tax clearance certificate, a newly registered taxpayer in its first period and a person with exempt business profit are exempt under Article 65. Payments to unregistered or non-filing suppliers bear 15%, and public tenders bear 3%, or 15% for unregistered or non-filing suppliers, under Article 63.

THE 2027 HORIZON

- Commercial sources report that Rwanda ratified treaties with Hong Kong in February 2026 and Botswana in July 2026; investors in those jurisdictions should watch for their publication on RRA's page and for confirmation of the dates from which they have effect.
- RRA's list of Ministerial Orders includes Ministerial Order N° 007/24/10/TC of 30/09/2024 on Common Reporting Standard guidelines, and Rwanda is a party to the Convention on Mutual Administrative Assistance in Tax Matters, so information on foreign accounts and payments will increasingly be exchanged with treaty partners.
- Rwanda is not a member of the OECD/G20 Inclusive Framework; no change to the treaty network's anti-abuse provisions through a multilateral instrument had been announced by 10 October 2026.
- The 2026/27 budget statement referred to rationalising tax exemptions; any change to the Investment Code's 0%, 5% and 10% withholding rates would require amending legislation, none of which had been gazetted by 10 October 2026.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Withholding tax	<i>Umusoro ufatirwa</i>	<i>Impôt retenu à la source</i>	Tax deducted by the payer and paid to RRA on the recipient's behalf (Articles 59 to 67).
Tax clearance certificate	<i>Icyemezo cy'ubudakemwa</i>	<i>Quitus fiscal</i>	RRA's certificate of compliance, which exempts its holder from withholding under Articles 60, 62 and 63 (Article 65).
Agreement for the avoidance of double taxation	<i>Amasezerano yo kuvanaho gusoresha kabiri no gukumira inyerezwa ry'umusoro</i>	<i>Accords pour éviter la double imposition et prévenir la fraude fiscale</i>	A tax treaty allocating taxing rights and capping source-state rates (Article 101, Law N° 020/2023).
Tax residence certificate	—	<i>Attestation de résidence fiscale</i>	The treaty state's certificate that the payee is resident there, submitted with the withholding tax declaration (Article 22, Law N° 020/2023).
Profits repatriated	—	<i>Bénéfices rapatriés</i>	Branch profits sent abroad, subject to 15% withholding tax (Article 60(8)).

English	Kinyarwanda	French	Meaning
Dividend income	<i>Inyungu ku migabane</i>	<i>Dividendes</i>	Distributions of profit to shareholders (Article 40).
Royalties	—	<i>Redevances</i>	Payments for the use of intellectual property and similar rights (Article 41).
Public tenders	<i>Amasoko ya Leta</i>	<i>Marchés publics</i>	Government contracts on which 3% is withheld from payments (Article 63).
Board members' allowances	—	<i>Jetons de présence</i>	Fees to directors and members of similar organs, taxed at 30% (Article 59).

FOREIGN V RWANDAN INVESTOR

Withholding tax is where the treatment of foreign and Rwandan investors differs most. A Rwandan company receiving a dividend from another Rwandan company suffers no withholding tax, and a Rwandan supplier with a tax clearance certificate is paid its fees gross, while a foreign parent or supplier with no Rwandan registration suffers 15% on dividends, interest, royalties and fees unless a treaty reduces it. A foreign company operating through a branch pays 15% on profits repatriated. Residents of the East African Community receive the 5% rate on dividends and interest from listed securities, rather than 15%, and treaty rates depend on the recipient's residence, not nationality. The Investment Code's 0%, 5% and 10% rates turn on the payer's status as a registered investor and are available whether its shareholders are foreign or Rwandan.

WATCH OUT FOR

- Paying a foreign invoice without withholding: under Article 66 the Rwandan payer bears the tax, penalties and interest itself.
- Applying a treaty rate without a current tax residence certificate filed with the withholding tax declaration.
- Accruing interest or fees to a parent and leaving them unpaid: six months after year end they are treated as paid and the withholding tax falls due.
- Interposing a holding or finance company in a treaty state with no substance, which fails the beneficial ownership test and invites Article 68.
- Relying on an out-of-date treaty list: check RRA's International Agreements page and the treaty's entry-into-force date for the year of payment.
- Forgetting the 15% on profits capitalised into shares and on in-kind payments made for a non-resident contractor, such as hotel and travel costs.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income, Articles 59 to 68 — https://www.rra.gov.rw/fileadmin/user_upload/Income_Tax_law_of_2022.pdf
- Rwanda Revenue Authority: Law N° 020/2023 of 31/03/2023 on tax procedures, Articles 22 and 101 — https://www.rra.gov.rw/fileadmin/user_upload/NEW_TAX_PROCEDURES_LAW_2023.pdf
- Rwanda Revenue Authority: International Agreements (treaty texts and the Convention on Mutual Administrative Assistance) — https://www.rra.gov.rw/en/details?tx_news_pi1%5Baction%5D=detail&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Bnews%5D=1105&cHash=e8a3fb266e44e956a5c45ba989fc4b79
- Official Gazette n° Special of 29/05/2025 (MINIJUST): Law N° 014/2025 of 27/05/2025 (Article 61, gaming winnings) — <https://www.minijust.gov.rw/index.php?eID=dumpFile&t=f&f=130496&token=4b9d4de9658212b7aaeeb5c8a42c823a7b879d7b>
- Capital Market Authority: Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation (Annex, withholding tax incentives) — https://cma.rw/fileadmin/user_upload/Investment-code-2021.pdf

Personal income tax, PAYE and expatriates: the residence tests, what counts as employment income, benefits in kind, the PAYE scale and filing, second employers and casual labourers, annual returns, exempt persons, short-term assignments and the social security charges on payroll

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

- An individual is resident in Rwanda, and taxed on worldwide income, if he or she has a permanent residence or habitual abode in Rwanda, is a Rwandan representing Rwanda abroad, is present for 183 days or more in the tax period, or is present in the tax period and averaged more than 122 days in each of the two preceding periods (Article 4 of Law N° 027/2022 of 20/10/2022 establishing taxes on income); Ministerial Order N° 009/26/10/TC treats the home, apartment, hotel or other quarters where a person usually stays as a permanent residence.
- Employers withhold PAYE under Article 56 at 0% on monthly taxable employment income up to RWF 60,000, 10% to RWF 100,000, 20% to RWF 200,000 and 30% above, with 15% for casual labourers above the first RWF 60,000 and 30% for any employer other than the first (Article 57).
- Under Article 18, a car made available to an employee is valued at 10% and housing at 20% of cash employment income, a loan above three months' salary at the interest saved compared with the National Bank of Rwanda rate, and rent or a car paid directly by the employer is taxed as cash.
- PAYE is declared and paid within 15 days after the end of each quarter by employers with annual turnover of RWF 200,000,000 or less, which may opt for monthly filing, and within 15 days after each month by larger employers (Article 57 of the Income Tax Law; Article 21 of Law N° 020/2023 of 31/03/2023 on tax procedures).
- Employment income from a non-resident employer received by a non-resident individual for services in Rwanda is exempt unless the services relate to the employer's permanent establishment in Rwanda (Article 16(5)); the mandatory pension contribution is 12% of the contribution base, shared equally, from 1 January 2025, rising to 14% on 1 January 2027 under Presidential Order N° 086/01 of 12/12/2024.

Who pays personal income tax in Rwanda

Individuals are taxed under Chapter II of **Law N° 027/2022 of 20/10/2022 establishing taxes on income** (the Income Tax Law) on three kinds of income: employment income, business profit and investment income. A **resident** individual is taxed on income from all sources, in Rwanda and abroad,

and may credit foreign income tax on foreign income under Article 7, up to the Rwandan tax on that income and on evidence such as a foreign return or withholding certificate. A **non-resident** is taxed only on Rwandan-source income, which under Article 6 includes services and employment performed in Rwanda. Most employees never file a return: the employer withholds pay-as-you-earn (PAYE) under Articles 56 and 57, and that withholding settles the tax. Business profit of an individual is taxed on an annual scale or under the micro and small business regimes, and investment income such as dividends and interest is generally taxed by final withholding at source, as described in [Withholding taxes and tax treaties](#).

Rwanda has no separate regime for expatriates. A foreign manager in Kigali is taxed on the same scale, with the same benefits in kind and the same employer obligations, as a Rwandan colleague, and the Rwanda Revenue Authority (RRA) applies the same residence tests to both ([FAQ 59](#) covers the related risk of misclassifying contractors). What differs is the timing: when an expatriate becomes resident, whether a short-term visitor is taxable at all, and how the home-country tax and social security position interacts with Rwanda's.

Residence: the five tests

Under **Article 4** an individual is resident in Rwanda in a tax period if he or she fulfils any one of five conditions: (1) has a **permanent residence** in Rwanda; (2) has a **habitual abode** in Rwanda; (3) is a Rwandan representing Rwanda abroad; (4) is present in Rwanda during the tax period for a period or periods amounting in aggregate to **183 days or more**; or (5) is present in Rwanda during the tax period and was present for periods averaging **more than 122 days** in each of the two preceding tax periods. For individuals the tax period is always the calendar year (Article 8); only entities subject to corporate income tax may obtain the Minister's approval for a different twelve-month period.

Article 4 delegates the meaning of permanent residence to a Ministerial Order. **Ministerial Order N° 009/26/10/TC of 24/09/2026**, in force since 25 September 2026, provides in Article 1 that a natural person's home or house, apartment, hotel or other residential quarters in Rwanda where the person usually stays is his or her permanent residence. Read with the first limb of Article 4, this means an expatriate who moves into a Kigali apartment on a long assignment can be resident from arrival, without waiting for the 183-day count. The fifth limb catches regular visitors: a regional director who spends 130 days a year in Kigali for two years is resident in the third year as soon as he or she is present, even for a short visit. A resident is taxed on worldwide income, so an expatriate who keeps investments or rental property at home must consider both systems and any treaty between them.

What counts as employment income

Under **Article 15**, employment income covers all payments by an employer to an employee in cash or in kind in relation to the work: wages, salary, leave pay, sick pay, medical allowances, payment in lieu of leave, sitting allowances, commissions, bonuses and gratuities; cost-of-living, subsistence, housing, entertainment and travel allowances; the discharge or reimbursement of the employee's expenses; payments for exceptional conditions; redundancy and termination payments; pensions; and any other payment for past, present or future employment. Allowances paid in cash are therefore taxable in full, however they are labelled.

Article 16 excludes from taxable employment income the reimbursement of expenses incurred wholly for the employer's business (or that would be deductible in computing the employee's business income); the employer's contributions for the employee to the public social security institution; pensions paid by that institution or a qualified pension fund; employment income of a non-Rwandan employee paid by a foreign Government or a non-governmental organisation under an agreement with the Government of Rwanda for aid services; and employment income paid by a **non-resident employer to a non-resident individual** for services in Rwanda, unless the services relate to a permanent establishment of the employer in Rwanda. **Article 17** exempts, under the relevant agreements, foreign representatives of their countries, nationals of a foreign state employed in its embassy, legation, consulate or mission who hold diplomatic passports, and non-citizen employees of international organisations; where such an employer is not required to withhold, the employee declares and pays within 15 days after each month (Article 58).

Benefits in kind

Article 18 brings benefits in kind into taxable employment income at fixed values. The availability and use of a **motor vehicle** is valued at 10% of the employee's employment income excluding benefits in kind. **Housing**, meaning premises for residential occupation with or without furniture and household equipment, is valued at 20% of employment income excluding benefits in kind. A **loan**, including a salary advance, exceeding three months' salary is valued at the difference between the interest the employee would have paid at the rate the National Bank of Rwanda (BNR) offers to commercial banks and the interest actually paid. Benefits given to a person related to the employee without services in return, and benefits a company gives one of its members, are treated in the same way.

The fixed percentages apply only where the employer makes the car or premises available. Where the employer **pays the rent of a house or the cost of a car directly** for the employee, the amount paid is taxed as cash income under Article 15. For an expatriate on a high rent in Kigali, the difference is material, and the choice between an employer-leased house and a rent paid on the employee's behalf should be made with the tax effect in mind.

Income tax scales for individuals

Monthly taxable employment income (PAYE, Article 56)	Rate	Annual taxable income from business (Article 14)	Rate
RWF 0 to 60,000	0%	RWF 0 to 720,000	0%
RWF 60,001 to 100,000	10%	RWF 720,001 to 1,200,000	10%
RWF 100,001 to 200,000	20%	RWF 1,200,001 to 2,400,000	20%
Above RWF 200,000	30%	Above RWF 2,400,000	30%
Casual labourer	0% on the first RWF 60,000 a month, then 15%	Small business (turnover above RWF 12 million up to RWF 20 million)	3% of turnover, or the real regime by election

Monthly taxable employment income (PAYE, Article 56)	Rate	Annual taxable income from business (Article 14)	Rate
Second or later employer	30% on all employment income it pays	Micro-enterprise (turnover up to RWF 12 million)	Flat amount from nil to RWF 300,000

PAYE: withholding, filing and payment

Under **Article 57**, every individual or entity that pays employees in cash or in kind must withhold PAYE and, within 15 days following the end of each month or quarter as the relevant law provides, declare and pay it through RRA's procedures and give each employee a statement of the income paid and tax withheld. Article 21 of Law N° 020/2023 of 31/03/2023 on tax procedures (the Tax Procedures Law) sets the period: an employer whose annual turnover is **RWF 200,000,000 or less** declares and pays PAYE quarterly within 15 days after the quarter, and may opt for monthly declarations; an employer above that threshold declares monthly within 15 days after the month. The PAYE scale in Article 56 applies to each month's taxable income separately, so a bonus paid in one month is taxed largely at 30%.

An employee with two jobs is taxed on the full scale only by the **first employer**: every other employer withholds at a flat 30% (Article 57). A **casual labourer**, an employee who performs work on an occasional basis, is taxed at a special rate of 15%, with the first RWF 60,000 a month at 0% (Article 56). Allowances to board members are taxed separately at 30% under Article 59. PAYE is declared through e-tax together with the employer's other monthly or quarterly obligations, and the social security contributions are declared to the Rwanda Social Security Board (RSSB) by the 15th of the following month, as described in [Wages, minimum wage and payroll](#).

Annual returns and other income

Under Article 9 of the Income Tax Law, as replaced by Law N° 051/2023 of 05/09/2023, a person whose only income is employment income, or investment income that has borne withholding tax, or whose turnover is below RWF 2,000,000, is not required to file an annual return. A resident who receives employment income from **more than one employer**, or incidental employment income, may nevertheless file an annual return to claim a refund of tax overpaid (Article 9(6)), which matters for an employee whose second employer withheld at 30% while his or her total income would have been taxed at lower rates on the full scale.

An individual with business income files an annual return by 31 March and is taxed on the annual scale in Article 14: 0% up to RWF 720,000, 10% to RWF 1,200,000, 20% to RWF 2,400,000 and 30% above, unless the micro or small business regime applies. Rental income received by individuals is taxed under the decentralised tax system administered for the Districts, and capital gains on shares under Articles 35 to 38; both are described in [Capital gains, property and other taxes](#).

Expatriates: arrival, short assignments and departure

Before an expatriate starts work in Rwanda, three questions decide the tax position. The first is **who employs and pays the individual**. Where a Rwandan company or branch employs or pays the individual, it withholds PAYE from the first month. Where a foreign company continues to employ and pay the individual during a short visit, Article 16(5) exempts the income as long as the individual is non-resident and the services do not relate to a permanent establishment of the employer in Rwanda; once the individual becomes resident, or the employer has a permanent establishment, the exemption falls away. The second is **whether the assignment creates a permanent establishment** for the foreign employer: under Article 5, services provided through personnel present for more than 90 days in any twelve-month period create a services permanent establishment, which brings the employer within Rwandan corporate income tax as described in [Corporate income tax](#). The third is **residence**, under the five tests above.

Many groups agree a net salary with expatriates and bear the Rwandan tax, in which case the employer must gross up the salary so that the tax it pays is itself included in taxable income. Immigration is separate from tax: a foreign employee needs a work permit from the Directorate General of Immigration and Emigration (DGIE), described in [Work permits and residence permits](#), and holding a permit has no effect on the residence tests. On departure, the employer's final payroll includes termination payments, which are employment income under Article 15; an individual who has income other than employment income must still file his or her annual return for the year of departure.

Social security contributions alongside PAYE

Every employee, Rwandan or foreign, must be registered with RSSB, and the employer's contributions for the employee are not taxable employment income under Article 16(2). Under **Presidential Order N° 086/01 of 12/12/2024**, the mandatory pension contribution doubled to **12%** of the contribution base from 1 January 2025, shared equally between employer and employee (6% each), and rises to 14% on 1 January 2027, 16% in 2028, 18% in 2029 and 20% in 2030, subject to actuarial review. The base is gross pay including benefits in kind at the values in Ministerial Order N° 008/24/10/TC of 03/12/2024, which brought the transport allowance into the base. Employers also pay maternity leave contributions of 0.6% (0.3% each), an employer-only occupational hazards contribution of 2%, and withhold the employee's community-based health insurance contribution of 0.5% of net salary under Prime Minister's Order N° 001/03 of 16/02/2026.

Under Article 4 of Law N° 05/2015 of 30/03/2015 governing the organisation of pension schemes, an employee seconded to Rwanda for twelve months or less may remain in the home scheme, and a longer posting brings the expatriate into the Rwandan scheme from the start of the posting. The detail, including registration within seven working days of hiring and the penalty of 1.5% a month on late contributions, is in [Social security and RSSB contributions](#).

DECISION GUIDE

Is PAYE due on this individual's pay in Rwanda?

A decision guide for an employer or group mobility team. Answer in order.

Q1 Is the individual a diplomat, a national of a foreign state working in its mission with a diplomatic passport, a non-citizen employee of an international organisation, or a non-Rwandan aid worker paid under an agreement with the Government?

Yes Exempt from employment income tax under Articles 16(4) and 17; where the employer is not required to withhold, any taxable income is self-declared within 15 days after the month.

No Continue to Q2.

Q2 Is the individual employed or paid by a Rwandan company, a Rwandan branch or other permanent establishment?

Yes PAYE applies from the first payment on the Article 56 scale, or at 30% if the employer is not the first employer, with benefits in kind under Article 18.

No Continue to Q3.

Q3 Is the individual resident in Rwanda under Article 4 (permanent residence or habitual abode, 183 days, or the 122-day average), or do the services relate to a permanent establishment of the foreign employer, including a services presence of more than 90 days in twelve months?

Yes The Article 16(5) exemption does not apply: the income is taxable in Rwanda and arrangements must be made to withhold and pay the tax.

No The employment income is exempt under Article 16(5); keep a day count and evidence of the employer's non-resident status.

Putting an expatriate on the Rwandan payroll

1 Confirm the employer and the contract

Decide whether the Rwandan entity employs the individual or the foreign employer second him or her, and record it in a written contract; the Labour Law requires a written contract for a foreign employee.

2 Obtain the work permit

Apply to DGIE for the work permit and residence permit before work starts; a permit does not itself determine tax residence.

3 Register with RSSB

Register the employee with RSSB within seven working days of hiring and decide, for a secondment of twelve months or less, whether the home scheme continues.

4 Set the pay package

Value the car at 10% and employer-provided housing at 20% of cash pay, treat rent or car costs paid directly as cash, and gross up any net-of-tax salary.

5 Withhold and file

Apply the Article 56 scale each month, file and pay PAYE within 15 days after the month or quarter, and pay RSSB contributions by the 15th of the following month.

6 Track days and residence

Keep a day count against the 183-day and 122-day tests, and note when the individual takes a permanent residence in Rwanda under Ministerial Order N° 009/26/10/TC.

WORKED EXAMPLE

Monthly PAYE for an expatriate general manager in Kigali

A Rwandan subsidiary employs a foreign general manager on a cash salary of RWF 5,000,000 a month, provides a company car and leases a house in its own name for her. She is the subsidiary's first and only employer in Rwanda. Figures are illustrative.

Cash salary	RWF 5,000,000.
Car benefit	$10\% \times \text{RWF } 5,000,000 = \text{RWF } 500,000$ (Article 18).
Housing benefit	$20\% \times \text{RWF } 5,000,000 = \text{RWF } 1,000,000$, because the company provides the premises.
Monthly taxable income	$\text{RWF } 5,000,000 + 500,000 + 1,000,000 = \text{RWF } 6,500,000$.
PAYE	RWF 0 on the first 60,000; $10\% \times 40,000 = \text{RWF } 4,000$; $20\% \times 100,000 = \text{RWF } 20,000$; $30\% \times 6,300,000 = \text{RWF } 1,890,000$. Total RWF 1,914,000 a month.
Alternative: rent paid directly	If the subsidiary instead paid her landlord RWF 1,500,000 a month for a house in her name, that amount would be taxed as cash: taxable income of at least RWF 7,000,000 and PAYE of at least RWF 2,064,000, RWF 150,000 more each month, before any increase in the car value computed on the higher cash income.
Pension	6% from her and 6% from the subsidiary on the contribution base, which includes benefits in kind at the values in Ministerial Order N° 008/24/10/TC; on the cash salary alone that is RWF 300,000 each, rising to 7% each (RWF 350,000) from January 2027.

Filing

The subsidiary's turnover exceeds RWF 200 million, so PAYE for October 2026 is declared and paid by 15 November 2026.

She becomes resident from arrival because the house is a permanent residence under Ministerial Order N° 009/26/10/TC, so her foreign investment income is also taxable in Rwanda, with credit for foreign tax.

If her salary were agreed net of tax, the subsidiary would have to gross it up, increasing both PAYE and the corporate deduction.

Questions investors ask about PAYE and expatriates

When does a foreign employee become tax resident in Rwanda?

When any one of the Article 4 tests is met: a permanent residence or habitual abode in Rwanda, 183 days' presence in the tax period, or presence in the period after averaging more than 122 days in each of the two previous periods. Since 25 September 2026 a home, apartment or hotel where the person usually stays counts as a permanent residence.

What are the PAYE rates in Rwanda?

Under Article 56 of Law N° 027/2022, monthly taxable employment income is taxed at 0% up to RWF 60,000, 10% to RWF 100,000, 20% to RWF 200,000 and 30% above. Casual labourers pay 15% above the first RWF 60,000, and any employer other than the first withholds a flat 30%.

How are company cars and housing taxed?

Under Article 18, a car made available to an employee is valued at 10%, and housing at 20%, of cash employment income, and the value is added to taxable pay. If the employer pays the rent or car costs directly for the employee instead, the amount paid is taxed as cash income.

Is PAYE filed monthly or quarterly?

Employers with annual turnover of RWF 200 million or less declare and pay PAYE quarterly within 15 days after the quarter, and may opt for monthly filing, under Article 21 of Law N° 020/2023. Larger employers file monthly within 15 days after each month.

Is a foreign consultant visiting Rwanda for a few weeks taxable?

Not if the consultant is employed and paid by a non-resident employer, remains non-resident and the services do not relate to a permanent establishment of the employer in Rwanda: Article 16(5) exempts that income. A services presence of more than 90 days in twelve months creates a permanent establishment and removes the exemption.

Do expatriates pay RSSB pension contributions?

Yes. All employees in Rwanda, nationals and foreigners, are covered. The pension contribution is 12% of the base, 6% each from employer and employee, from 1 January 2025, rising to 14% on 1 January 2027 under Presidential Order N° 086/01 of 12/12/2024. Short secondments of up to twelve months may stay in the home scheme.

THE 2027 HORIZON

- The pension contribution rises from 12% to 14% of the contribution base on 1 January 2027, and then by two percentage points a year to 20% in 2030, under Presidential Order N° 086/01 of 12/12/2024; payroll budgets and net-salary agreements for 2027 should allow for it.
- Ministerial Order N° 009/26/10/TC, in force since 25 September 2026, is the first Order under the 2022 Income Tax Law to define permanent residence (Ministerial Order N° 003/19/10/TC of 29/04/2019 did so under the previous law); its effect on expatriates who arrived during 2026 will be seen in returns and audits for the 2026 tax year.
- No amendment to the PAYE bands in Article 56 had been gazetted by 10 October 2026; the June 2026 budget statement did not announce one.
- Employers should watch for RRA guidance on the treatment of employees working remotely from Rwanda for foreign employers, which the residence and permanent establishment rules already reach but no Order addresses specifically.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Residence	<i>Aho umuntu atuye</i>	<i>Résidence</i>	The status that makes an individual taxable on worldwide income (Article 4).
Habitual abode	—	<i>Résidence habituelle</i>	One of the five residence tests in Article 4.
Permanent residence	—	<i>Résidence permanente</i>	The home, apartment, hotel or quarters where a person usually stays (Ministerial Order N° 009/26/10/TC).
Pay as you earn (PAYE)	<i>Umusoro ufatirwa ku musaruro ukomoka ku murimo</i>	<i>Impôt retenu à la source sur le revenu de l'emploi</i>	Tax withheld by the employer on employment income (Articles 56 and 57).
Benefits in kind	<i>Umusaruro utangwa mu bintu</i>	<i>Avantages en nature</i>	Non-cash benefits added to taxable pay at fixed values (Article 18).
Casual labourer	<i>Nyakabyizi</i>	<i>Employé occasionnel</i>	An employee working on an occasional basis, taxed at 15% above RWF 60,000 a month.

English	Kinyarwanda	French	Meaning
Personal income tax	—	<i>Impôt sur le revenu de la personne physique</i>	Income tax on individuals, charged on the scales in Articles 14 and 56.
Tax period	<i>Igihe cy'umusoro</i>	<i>Période imposable</i>	The period for which tax is computed, normally the calendar year (Article 8).
Permanent establishment	<i>Icyicaro gihoraho</i>	<i>Établissement stable</i>	A presence of a foreign employer in Rwanda, including services through personnel for more than 90 days in twelve months, that removes the Article 16(5) exemption.

FOREIGN V RWANDAN INVESTOR

Personal income tax does not depend on nationality. A foreign employee and a Rwandan employee in the same post pay the same PAYE on the same benefits, and East African Community and COMESA nationals are treated no differently. Residence, not citizenship, decides whether foreign income is taxed, with one exception: a Rwandan representing Rwanda abroad remains resident. The rules that in practice affect foreigners more are the exemptions for diplomats, staff of international organisations and aid workers paid under agreements with the Government (Articles 16 and 17), the exemption for short-term visitors employed by non-resident employers (Article 16(5)), and the RSSB rules on secondments. Rwandan and foreign employees alike are covered by RSSB, so a foreign-owned company's payroll costs include the same 12% pension, maternity, occupational hazards and health insurance charges.

WATCH OUT FOR

- Assuming an expatriate is non-resident until day 183: a Kigali home or long-stay apartment can make him or her resident from arrival under Ministerial Order N° 009/26/10/TC.
- Regional managers who average more than 122 days a year in Rwanda over two years, who become resident in the third year from their first day of presence.
- Paying an expatriate's rent directly to the landlord, which is taxed as cash rather than at the 20% housing value.
- Foreign staff on a Rwandan project for more than 90 days in twelve months: their employer acquires a permanent establishment and the Article 16(5) exemption is lost.
- Second jobs and directorships: a second employer must withhold 30%, and board allowances bear 30% under Article 59.
- Budgeting 2027 payroll at the 2026 pension rate: the contribution rises to 14% on 1 January 2027.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income, Articles 4, 14 to 18 and 56 to 59 — https://www.rra.gov.rw/fileadmin/user_upload/Income_Tax_law_of_2022.pdf
- Official Gazette n° Special of 14/09/2023: Law N° 051/2023 of 05/09/2023 (Article 9, annual returns and refund claims) — https://www.rra.gov.rw/fileadmin/user_upload/LAW_AMENDING_THE_INCOME_TAX_LAW_of_2022.pdf
- Rwanda Revenue Authority: Law N° 020/2023 of 31/03/2023 on tax procedures, Article 21 (PAYE declaration periods) — https://www.rra.gov.rw/fileadmin/user_upload/NEW_TAX_PROCEDURES_LAW_2023.pdf
- Rwanda Revenue Authority: Ministerial Order N° 009/26/10/TC of 24/09/2026 (permanent residence) — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_orders-Financial_statements.pdf
- Rwanda Social Security Board: pension reform questions and answers (Presidential Order N° 086/01 of 12/12/2024) — <https://www.rssb.rw/>

Transfer pricing and international tax: the 2026 Transfer Pricing Order, related persons and beneficial tax regimes, arm's length methods, local file, master file and country-by-country report, the RWF 600 million exemption, advance pricing agreements, the 4:1 and 2% deduction limits, permanent establishment, effective management and the global minimum tax

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

- Article 32 of Law N° 027/2022 of 20/10/2022 establishing taxes on income requires related persons to document that their prices follow the arm's length principle, and Ministerial Order N° 003/26/10/TC of 29/04/2026, in force on publication, now sets the detailed transfer pricing rules.
- The 2026 Order extends transfer pricing to any transaction, related or not, with a person in a beneficial tax regime, defined to include a jurisdiction that taxes income at 15% or less (the 2020 Order used 20%).
- A taxpayer in a controlled transaction must have a transfer pricing policy, a local file and a master file, prepared by the income tax filing deadline and produced within seven days of a written request from the Rwanda Revenue Authority (RRA), unless its turnover is below RWF 600 million and its controlled transactions are below RWF 10 million each or RWF 100 million in total.
- Advance pricing agreements under Articles 25 to 31 of the 2026 Order last three years, renewable once, and are available to taxpayers with turnover of at least RWF 600 million and controlled transactions of at least RWF 100 million, on payment of a non-refundable fee of RWF 6,000,000.
- Under Article 25 of the Income Tax Law, related-party interest on loans above four times paid-up equity, and management, technical and royalty fees paid to non-resident related persons above 2% of turnover, are not deductible; failure to provide transfer pricing information carries a fine of 5% of the value of the transaction under Article 86 of Law N° 020/2023 of 31/03/2023 on tax procedures.

The framework at 10 October 2026

Transfer pricing in Rwanda rests on a short statutory rule and a detailed ministerial order. **Article 32 of Law N° 027/2022 of 20/10/2022 establishing taxes on income** (the Income Tax Law) requires related persons involved in controlled transactions to have documents justifying that their prices and profits follow the arm's length principle; where they do not provide them, or the documents do not justify the prices, the Rwanda Revenue Authority (RRA) adjusts the prices or profits. The same article allows a

taxpayer to request an advance pricing agreement and delegates the general rules to a Ministerial Order. That Order is now **Ministerial Order N° 003/26/10/TC of 29/04/2026 relating to transfer pricing, simplified accounting method and authorisation granted to a taxpayer to carry forward loss for more than five tax periods** (the 2026 Transfer Pricing Order), published in the Official Gazette n° Special of 29/04/2026 and in force on publication (Article 37). It covers in substance the ground of Ministerial Order N° 003/20/10/TC of 11/12/2020, although no express repealing article was found in the 2026 text.

Audits and penalties are governed by Law N° 020/2023 of 31/03/2023 on tax procedures (the Tax Procedures Law), which makes the transfer pricing audit a distinct audit type (Article 46) and places the burden of proof on the taxpayer in that audit (Article 60). Because the annual return for a calendar-year company is due by 31 March, the 2026 tax period is the first full year to be documented entirely under the 2026 Order. The corporate tax base on which adjustments bite is explained in Corporate income tax, and the withholding tax on payments abroad in Withholding taxes and tax treaties.

Who is related, and the beneficial tax regime rule

Article 3 of the Income Tax Law defines related persons broadly: any person who acts, or is likely to act, in accordance with the directives, opinion or wishes of another, whether communicated or not. It lists in particular an individual and close family members (ascendants, descendants and collateral relatives to at least the third degree), a person who participates directly or indirectly in the management, control or capital of another, a third person participating in the management, control or capital of both, and persons under direct or indirect common control. Unlike many systems, the Rwandan definition sets **no percentage threshold**: a minority shareholder with board influence, a common director or a contractual right of control can be enough.

The 2026 Order applies to transactions between a person in Rwanda and a related person in or outside Rwanda, to dealings between related non-residents that concern a permanent establishment in Rwanda, and to **deemed controlled transactions**: any transaction between a Rwandan resident and a person located in a beneficial tax regime, whether or not they are related (Article 3). Under Article 2(a), a beneficial tax regime is a jurisdiction that does not tax income or taxes it at no more than 15%, grants tax breaks to non-residents, does not require substantial economic activity, does not tax foreign income or taxes it at no more than 15%, or does not allow access to information on corporate structure and ownership. The 2020 Order used a 20% test, so the 2026 change narrows the rate limb, but the other limbs are wide. A purchase from an unrelated supplier in a zero-tax jurisdiction, or a loan from an unrelated lender there, must now be priced and documented as if it were intra-group.

Transactions covered, comparability and the methods

Article 5 lists the transactions that may be adjusted: sales, purchases and free transfers of goods; sales, leases and free transfers of tangible and intangible assets and rights to use them; services; financing transactions of every kind, including guarantees, advances, deferred payments and receivables; cost contribution arrangements; business restructurings between related persons, whether or not they affect profit at the time; and any other transaction that may affect profit or loss. Comparability is tested by the characteristics of the property or service, the functions performed, assets used and risks assumed, the contractual terms, the economic circumstances and the business strategies (Article 6). A

party that bears a risk under the contract but does not control it, or lacks the financial capacity to bear it, is not allocated the profit associated with it. Where arrangements differ from those that commercially rational independent persons would adopt, so that no acceptable price can be determined, RRA may disregard the transaction as structured (Article 7).

The Order recognises the comparable uncontrolled price method, the resale price method, the cost plus method, the transactional net margin method and the transactional profit split method, and allows an alternative method where none of these can reasonably be applied (Articles 9 to 14). The tested party is the one to which a method can be applied most reliably (Article 15). Where the comparability of a set of results is uncertain, a statistical approach is used and the **interquartile range** is the arm's length range; a result inside the range is not adjusted, and a result outside it is adjusted to the **median** (Article 16).

Comparables may be internal or external, and RRA may not rely on external comparables that are not available to the taxpayer (Article 20). Where no comparable is available in Rwanda, foreign comparables may be used case by case, adjusted for geographic differences such as consumer preferences, transport costs, the level of competition and accounting standards. In practice most Rwandan subsidiaries are benchmarked against regional or international databases, and the local file must explain why no Rwandan comparable was found.

Services, intangibles and the 2% fee limit

Intra-group service charges are the most frequent subject of adjustment. Under Article 21 of the 2026 Order a service fee is at arm's length only if a service was actually rendered, it gave or was expected to give the recipient economic or commercial value, an independent person would have paid for it or performed it in-house, and the amount matches what independent persons would agree. **Shareholder activities** are not chargeable: costs of the parent's own legal structure, shareholder meetings and supervisory board, its reporting and consolidation, and raising funds to acquire shares. Where services to several group companies cannot be separated, the total charge is allocated by reasonable allocation keys, which the documentation must explain. For intangibles, Article 22 looks beyond legal ownership to who performs and controls the development, enhancement, maintenance, protection and exploitation functions, contributes assets and bears risk, and allows RRA to treat actual results as presumptive evidence of the right price for hard-to-value intangibles.

A separate statutory cap applies whatever the transfer pricing analysis shows. Under Article 25(9) of the Income Tax Law, the aggregate of management fees, technical service fees and royalties paid to a **non-resident related person** is not deductible to the extent that it exceeds **2% of the taxpayer's turnover**. A fee may therefore be fully at arm's length, bear 15% withholding tax, and still be partly non-deductible. The payer must also consider VAT on imported services under the reverse charge (VAT and electronic invoicing) and the 15% withholding tax under Article 60 (FAQ 66).

Documentation, deadlines and the exemption

Article 17 of the 2026 Order requires every person involved in controlled transactions to have a **transfer pricing policy**, a **local file** and a **master file**, in addition to the books and records the tax laws require. The local file must contain, at least, an overview of the business, the group's legal and operational structure, the value drivers, the supply chain for the group's five largest products or services and any

other product above 5% of group turnover, the business strategy and any restructuring or intangible transfer in the current or preceding year, the taxpayer's key competitors in Rwanda, a description and functional analysis of each category of controlled transaction, the comparable search, the reasons for choosing the method and tested party, the financial data reconciled to the accounts, and a conclusion on arm's length compliance. The documentation also includes copies of material intercompany agreements, the third-party contracts and invoices where goods or services are sourced through a related party, the **controlled transactions schedule** in Annex 1, and the allocation keys used. Where the ultimate parent must prepare a **country-by-country report**, that report forms part of the documentation and is filed within 12 months after the last day of the group's reporting year.

The timing is strict. Documentation for a tax period, and the controlled transactions schedule, are prepared before the income tax declaration deadline and submitted to RRA (Article 18(1)); the full documentation must be produced within **seven days** of a written request (Article 18(2)); and the global legal structure of the group, showing all related persons, shareholdings and management, is filed with the first income tax declaration and updated when it changes. Article 16 of the Tax Procedures Law likewise requires a taxpayer with related-party transactions to accompany its annual declaration with the transfer pricing documentation.

Article 19 discharges a taxpayer from preparing the Article 17 documentation only if two conditions are met: annual turnover below **RWF 600,000,000**, and controlled transactions below **RWF 10,000,000** each or below **RWF 100,000,000** in aggregate. The exemption is from documentation, not from the arm's length principle, which still applies (Article 19(3)) ([FAQ 28](#)).

Advance pricing agreements

Articles 25 to 31 of the 2026 Order create Rwanda's first detailed procedure for advance pricing agreements (APAs). A taxpayer may apply before entering into controlled transactions or for transactions already in place, and may ask for the agreed terms to be rolled back to up to two prior tax years. A pre-application meeting is available. The application is made through a portal designated by RRA, which Article 35 required to be in place within three months of publication, that is by about the end of July 2026. To qualify, the taxpayer submits a written proposal to the Commissioner General, has controlled transactions of at least **RWF 100,000,000** and annual turnover of at least **RWF 600,000,000** (the turnover condition does not apply to a taxpayer that registered for corporate income tax in the same period), and pays a non-refundable processing fee of **RWF 6,000,000** (Article 28). The proposal includes the facts, the related parties, the proposed method and critical assumptions, any other country to be involved, and the Article 17 documentation.

RRA may request missing information at any stage, to be provided within 30 days or the application is treated as withdrawn. It may accept, modify or disregard the proposal, and must disregard it where the application aims at evasion or avoidance, the requirements are not met, or the transaction is under audit, investigation, administrative appeal or court proceedings (Article 29). Once the approach is agreed, RRA prepares the APA within 45 days of the final engagement, and the taxpayer must sign within 30 days of the invitation. Where Rwanda has a tax treaty with the related party's state, a bilateral or multilateral APA may be requested. An APA lasts **three years**, renewable once, and the taxpayer files an annual compliance report with each return (Article 30). It is cancelled on breach of its terms or critical

assumptions, at the request of a treaty partner, on a material change of law, where the facts deviate from those agreed, with 30 days' effect, or immediately where the taxpayer is involved in tax evasion (Article 31).

Interest, thin capitalisation and corresponding adjustments

Rwanda limits interest deductions by a **debt-to-equity ratio**, not by an EBITDA test. Under Article 25(10) of the Income Tax Law, interest on loans between related persons is not deductible to the extent that total loans exceed **four times paid-up equity**, measured excluding provisions, reserves and retained earnings on a balance sheet drawn up under generally accepted accounting principles; Article 25(11) applies the same limit to realised foreign exchange losses on those loans, and Article 25(12) disallows all unrealised exchange losses. Commercial banks, insurers and other financial institutions are outside the interest limit. Because retained earnings do not count as equity, a profitable company that funds growth with shareholder loans can drift above the ratio. The interest rate itself must also be at arm's length under the 2026 Order, which treats financing transactions and guarantees as controlled transactions; registration and repatriation of the loan are covered in [Offshore loans and external borrowing](#) (FAQ 64).

Where RRA adjusts a domestic controlled transaction, it may make a corresponding adjustment for the other Rwandan party (Article 23). Where a foreign tax authority adjusts a transaction with a Rwandan resident and taxes income already taxed in Rwanda, and that state has a treaty with Rwanda that reflects an intention to relieve economic double taxation, the Rwandan resident may ask RRA to examine the foreign adjustment and, if it is consistent with the arm's length principle, RRA makes a corresponding reduction in the Rwandan tax (Article 24). Without a treaty there is no route to relief, which makes the treaty position of the counterparty a practical transfer pricing question.

Residence, permanent establishment and foreign income

A company is resident in Rwanda if it is incorporated there or has its place of effective management there (Article 4 of the Income Tax Law). **Ministerial Order N° 009/26/10/TC of 24/09/2026**, in force on publication on 25 September 2026, deems a non-natural person to have its effective place of management in Rwanda if **any one** of four conditions is met: its day-to-day control or management is in Rwanda, its shareholders' meetings are held in Rwanda, its books of accounts are kept in Rwanda, or its main shareholders or directors are residents of Rwanda (Article 2). A foreign holding or trading company whose main directors live in Kigali, or whose books are kept by a Rwandan group company, may therefore be resident in Rwanda and taxable on its worldwide profit, subject to any treaty tie-breaker.

A non-resident is taxed on the profits of a permanent establishment (PE) in Rwanda. Article 5 includes a place of management, branch, factory, workshop, mine or quarry, a construction, assembly or supervisory site, and a **services PE** where services, including consulting, are provided through employees or other personnel for more than **90 days in any 12-month period**, continuously or intermittently. A person acting for a non-resident who has authority to negotiate or conclude contracts, or plays the principal role leading to their conclusion, creates a PE; storage, display, purchasing, information gathering and other preparatory or auxiliary activities do not, nor does an independent agent acting in the ordinary course, unless it acts wholly or almost wholly for one principal on non-arm's

length terms. Insurers (other than reinsurers) collecting premiums through dependent persons have a PE. Seconded and project teams are the usual source of unplanned PEs ([FAQ 59](#)); branch taxation is covered in [FAQ 67](#).

Residents are taxed on worldwide income, and Article 7 allows a credit for foreign tax on foreign income, supported by a foreign return or withholding certificate and limited to the Rwandan tax on that income. Article 6 treats as Rwandan-source income payments by a resident for services performed abroad unless they are consumed abroad, and income from digital services and from direct or indirect transfers of shares. The general anti-avoidance rule in Article 68 allows RRA to disregard or recharacterise an arrangement whose principal purpose is a tax benefit, that lacks commercial substance, that creates rights not normally created at arm's length, or that abuses the tax laws, and to deem persons related or the same person.

Rwanda and the international tax agenda

Rwanda's international position differs from that of most investment destinations in the region in one respect: it does not appear on the OECD/G20 Inclusive Framework on BEPS membership list (as updated on 5 December 2025), and no legislation implementing the OECD global minimum tax (an income inclusion rule, undertaxed profits rule or qualified domestic minimum top-up tax) was found in force at 10 October 2026. Rwanda is, however, listed by RRA as a party to the Convention on Mutual Administrative Assistance in Tax Matters, and RRA lists Ministerial Order N° 007/24/10/TC of 30/09/2024 on Common Reporting Standard guidelines, so financial account information and requests for information flow between Rwanda and its partners. The tax treaty network is set out in [Withholding taxes and tax treaties](#).

For a large multinational group the absence of a Rwandan minimum tax does not mean that the incentive rates of 0%, 3% or 15% in the Investment Code are final. Where the group's parent jurisdiction applies an income inclusion rule, low-taxed profit in Rwanda may be topped up in that jurisdiction, so the value of a Rwandan incentive should be modelled at group level before it drives the structure ([Investment incentives](#)). The 1.5% digital services tax enacted in 2025 awaits its implementing order ([Capital gains, property and other taxes](#)).

DECISION GUIDE

Must my Rwandan company prepare transfer pricing documentation?

Apply the questions to each tax period. The arm's length principle applies in every case; the questions decide only whether the full Article 17 documentation must exist.

Q1 Does the company have any transaction with a related person in or outside Rwanda, or any transaction, related or not, with a person in a jurisdiction taxing income at 15% or less or meeting another limb of the beneficial tax regime test?

Yes It has controlled or deemed controlled transactions. Continue to Q2.

No The 2026 Transfer Pricing Order does not apply to the period, but keep evidence of the counterparties' status, and still file the group structure with the first return if the company belongs to a group.

Q2 Was the company's annual turnover below RWF 600,000,000?

Yes Continue to Q3.

No Full documentation is required: transfer pricing policy, local file, master file, Annex 1 schedule and intercompany agreements, prepared by the return deadline.

Q3 Was each controlled transaction below RWF 10,000,000, or was the aggregate of controlled transactions below RWF 100,000,000?

Yes Exempt from the Article 17 documentation under Article 19, but prices must still be at arm's length and the company should keep enough evidence to show it.

No Full documentation is required, as for a company above the turnover threshold.

Transfer pricing file for a Rwandan subsidiary

What a foreign-owned company with controlled transactions should have ready before its annual return is filed by 31 March.

☐ **Related-person and low-tax map**

Every related person under Article 3 of the Income Tax Law and every counterparty in a beneficial tax regime, with the basis of the link and the transaction values.

☐ **Group legal structure**

Chart of all related persons, shareholdings and management, filed with the first return and updated when it changes.

☐ **Transfer pricing policy**

The group's written pricing policy for each category of transaction, consistent with the intercompany agreements.

- ☐ **Local file**
Business overview, functional analysis, comparable search, method and tested party, results against the interquartile range, reconciled to the accounts.
- ☐ **Master file and CbC report**
Obtained from the parent in time; the country-by-country report, where the parent must prepare one, filed within 12 months after the group's year-end.
- ☐ **Annex 1 schedule and agreements**
Controlled transactions schedule in the Annex 1 model form; signed intercompany agreements; third-party invoices for goods or services routed through a related party.
- ☐ **Benefit evidence for services**
Reports, time records and correspondence showing what was received, why it benefits the company and that it is not a shareholder activity.
- ☐ **Deduction limits**
Computation of the 2% limit on related non-resident fees and the 4:1 related-party debt-to-equity test, with the disallowed amounts in the return.
- ☐ **Seven-day pack**
The whole file assembled so that it can be produced within seven days of a written request from RRA.

Transfer pricing and international tax: the numbers (October 2026)

Item	Rule	Source
Arm's length duty and adjustment	Related persons must document arm's length prices; RRA adjusts if not	Article 32, Income Tax Law
Beneficial tax regime	No tax or rate of 15% or less, and other limbs; any transaction with such a person is deemed controlled	Articles 2 and 3, MO N° 003/26/10/TC
Arm's length range	Interquartile range; adjustment to the median	Article 16, MO N° 003/26/10/TC
Documentation	Policy, local file, master file, Annex 1 schedule; prepared by the return deadline; produced within 7 days of request	Articles 17 and 18, MO N° 003/26/10/TC
Documentation exemption	Turnover below RWF 600 million and controlled transactions below RWF 10 million each or RWF 100 million in total	Article 19, MO N° 003/26/10/TC
Country-by-country report	Where the parent must prepare one; filed within 12 months after the group's year-end	Article 17(3), MO N° 003/26/10/TC
APA	Turnover at least RWF 600 million; controlled transactions at least RWF 100 million; fee RWF 6,000,000; 3 years, renewable once; rollback up to 2 years	Articles 26, 28 and 30, MO N° 003/26/10/TC

Item	Rule	Source
Related non-resident fees	Management, technical and royalty fees above 2% of turnover not deductible	Article 25(9), Income Tax Law
Related-party interest	Not deductible on loans above 4 times paid-up equity (excluding reserves and retained earnings); banks and insurers excluded	Article 25(10)-(11), Income Tax Law
Penalty for missing or misleading information	5% of the value of the controlled transaction	Article 86, Tax Procedures Law
Services PE	Personnel providing services for more than 90 days in any 12 months	Article 5, Income Tax Law
Effective management	Any one of: day-to-day management, shareholders' meetings, books, or main shareholders or directors in Rwanda	Article 2, MO N° 009/26/10/TC

WORKED EXAMPLE

Fees, royalties and a shareholder loan in a Rwandan distributor

A Rwandan subsidiary of a Netherlands group distributes building materials. For its 2026 calendar year it has turnover of RWF 3,000,000,000, pays its Dutch parent a management fee of RWF 90,000,000 and a trademark royalty of RWF 30,000,000, and has a parent loan of RWF 2,500,000,000 at 10% interest. Paid-up share capital is RWF 500,000,000. The Netherlands is not on RRA's list of treaty partners, so no treaty relief is assumed. Illustrative figures only; the proportionate interest method is an assumption, as the law does not prescribe one.

Documentation	Turnover exceeds RWF 600 million, so the full local file, master file, policy and Annex 1 schedule must be ready by 31 March 2027 and produced within 7 days of any request.
2% fee limit	$2\% \times \text{RWF } 3,000,000,000 = \text{RWF } 60,000,000$ deductible. Fees and royalty total RWF 120,000,000, so RWF 60,000,000 is added back: extra CIT at 28% = RWF 16,800,000.
Withholding tax	$15\% \times \text{RWF } 120,000,000 = \text{RWF } 18,000,000$ withheld on payment and declared within 15 days after the month of payment, whether or not the fees are deductible.
4:1 test	$4 \times \text{RWF } 500,000,000 = \text{RWF } 2,000,000,000$ permitted related debt; excess RWF 500,000,000, or 20% of the loan.
Interest disallowed	Interest $\text{RWF } 250,000,000 \times 20\% = \text{RWF } 50,000,000$ not deductible: extra CIT at 28% = RWF 14,000,000. Withholding tax of 15% still applies to the full RWF 250,000,000 paid abroad.
Transfer pricing risk	If RRA found no evidence that the management services were received, it could also deny the remaining deductible RWF 60,000,000 and, if information were not provided, impose a fine of 5% of the transaction value: $5\% \times \text{RWF } 90,000,000 = \text{RWF } 4,500,000$.

Fixes for 2027

Capitalise part of the loan to raise paid-up equity, keep benefit evidence for the services, and consider whether the fee level is commercially justified given the 2% cap.

Retained earnings would not have helped the 4:1 test: only paid-up equity counts.

Had the parent been resident in a treaty state, withholding tax might have been reduced, but the 2% and 4:1 limits would apply unchanged.

Questions investors ask about transfer pricing and international tax

Which transfer pricing rules apply in Rwanda in 2026?

Article 32 of Law N° 027/2022 establishing taxes on income and Ministerial Order N° 003/26/10/TC of 29 April 2026, which came into force on publication. The Order covers related-party and beneficial-tax-regime transactions, methods, the interquartile range, documentation, the RWF 600 million exemption and advance pricing agreements. Audits and penalties follow Law N° 020/2023 on tax procedures.

When is transfer pricing documentation exempt in Rwanda?

Only when annual turnover is below RWF 600 million and controlled transactions are below RWF 10 million each or RWF 100 million in total, under Article 19 of the 2026 Transfer Pricing Order. Otherwise a transfer pricing policy, local file and master file are needed by the return deadline. Exempt taxpayers must still price at arm's length.

Is there a thin capitalisation rule in Rwanda?

Yes. Under Article 25 of the Income Tax Law, interest and realised foreign exchange losses on related-party loans are not deductible to the extent that total loans exceed four times paid-up equity, excluding reserves and retained earnings. Banks, insurers and other financial institutions are excluded. There is no EBITDA-based interest cap.

Can my Rwandan company deduct management fees paid to the parent?

Only if the services were actually received, benefit the company and are priced at arm's length, and only up to the statutory cap: management fees, technical fees and royalties paid to non-resident related persons are deductible up to 2% of turnover in aggregate. Withholding tax of 15% applies to the full payment unless a treaty reduces it.

Can a foreign company become tax resident in Rwanda?

Yes. A company is resident if its place of effective management is in Rwanda, and Ministerial Order N° 009/26/10/TC deems that to be so if any one condition is met: day-to-day management, shareholders' meetings or books of account in Rwanda, or main shareholders or directors resident in Rwanda. A resident is taxed on worldwide profit.

How do I obtain an advance pricing agreement in Rwanda?

Apply through RRA's designated portal with a written proposal to the Commissioner General, showing turnover of at least RWF 600 million and controlled transactions of at least RWF 100 million, and pay a non-refundable RWF 6,000,000 fee. An APA lasts three years, renewable once, may roll back two years, and needs an annual compliance report.

THE 2027 HORIZON

- Returns for the 2026 tax period, due by 31 March 2027 for calendar-year companies, are the first full cycle under the 2026 Transfer Pricing Order; RRA's use of the seven-day production rule and the 5% information fine in audits from 2027 will show how strictly the new documentation content is enforced.
- Whether RRA's APA portal, which the 2026 Order required within three months of 29 April 2026, is operating and how many applications it accepts should be checked before a group budgets for an APA.
- The Tax Policy Committee established by Ministerial Order N° 007/26/10/TC of 24/09/2026 is the body to watch for proposals on interest limitation, the beneficial tax regime list and any minimum tax response; no draft had been published at 10 October 2026.
- Rwanda's absence from the OECD Inclusive Framework list and from Pillar Two implementation should be re-checked yearly: a decision to join, or a domestic top-up tax, would change the value of the 0%, 3% and 15% incentive regimes for large groups.
- The digital services tax order under Article 50 bis of the Income Tax Law, still awaited, will define the substantial national presence test that overlaps with permanent establishment questions for digital businesses.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Transfer pricing	<i>Ihererekanya ry'ibiciro</i>	<i>Prix de transfert</i>	The prices and conditions of transactions between related persons, or with persons in a beneficial tax regime.
Arm's length principle	<i>Ihame ry'ihiganwa risesuye</i>	<i>Principe de pleine concurrence</i>	Conditions of a controlled transaction must match those of comparable transactions between independent persons.
Arm's length range	<i>Itera y'ihiganwa risesuye</i>	<i>Intervalle de pleine concurrence</i>	The range of comparable results; the interquartile range where comparability is uncertain, with adjustment to the median.

English	Kinyarwanda	French	Meaning
Controlled transaction	<i>Igikorwa kigenzurwa</i>	<i>Transaction contrôlée</i>	A transaction between related persons, or deemed controlled because one party is in a beneficial tax regime.
Tested party	<i>Umuntu wifashishwa mu igereranya ry'urwunguko</i>	<i>Partie testée</i>	The party to which a transfer pricing method can be applied most reliably.
Advance pricing agreement (APA)	<i>Amasezerano abanziriza igenwa ry'ibiciro</i>	<i>Accord préalable sur les prix</i>	An agreement with RRA, and possibly a treaty partner, fixing the transfer pricing approach for three years.
Corresponding adjustment	—	<i>Ajustement correspondant</i>	A reduction of Rwandan tax to match a foreign adjustment consistent with the arm's length principle, or an adjustment for the other domestic party.
Permanent establishment	<i>Icyicaro gihoraho</i>	<i>Établissement stable</i>	A fixed place of business, site, services presence of more than 90 days or dependent agent through which a non-resident is taxed in Rwanda.
Effective place of management	—	<i>Lieu de direction effective</i>	The test of corporate residence for a company not incorporated in Rwanda, defined by Ministerial Order N° 009/26/10/TC.
Transfer pricing audit	<i>Igenzura rirebana n'iherekanya ry'ibiciro</i>	<i>Audit des prix de transfert</i>	The audit type under Article 46 of the Tax Procedures Law in which the taxpayer bears the burden of proof.

FOREIGN V RWANDAN INVESTOR

The rules apply to any taxpayer with controlled transactions, Rwandan-owned or foreign-owned, and to domestic as well as cross-border dealings; a Rwandan group that moves profit between a 28% company and a 15% incentive company is as exposed as a foreign group. In practice the burden falls mainly on foreign-owned subsidiaries and branches, because their largest payments go abroad to related persons, and because the 2% fee cap, the treaty-based corresponding adjustment and the withholding tax apply only to payments to non-residents. EAC and COMESA nationality makes no difference: a Kenyan or Ugandan parent is a non-resident related person like any other, and RRA lists no treaty with Kenya, Uganda or Tanzania. The new effective-management test is the one rule that can catch a Rwandan entrepreneur's offshore holding company, which becomes Rwandan resident if he or she is its main resident director or shareholder.

WATCH OUT FOR

- Transactions with unrelated suppliers, lenders or customers in low-tax jurisdictions: under the 2026 Order they are deemed controlled and need pricing evidence.
- Documentation that exists only at group level: the local file must be Rwanda-specific and capable of production within seven days.
- Funding growth with shareholder loans while profits accumulate: retained earnings do not count as equity for the 4:1 test.
- Management fees within the arm's length range but above 2% of turnover; the excess is disallowed whatever the benchmark shows.
- Directors or bookkeeping of a foreign holding company based in Kigali, which can make it Rwandan resident under Ministerial Order N° 009/26/10/TC.
- Applying for an APA while the same transactions are under audit or appeal; the application will be disregarded.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Ministerial Order N° 003/26/10/TC of 29/04/2026 (transfer pricing, simplified accounting, loss carry-forward) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/Ministerial_Order_on_Simplified_Accounting_Method_April_2026.pdf
- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income (Articles 3 to 7, 25, 32 and 68) — https://www.rra.gov.rw/fileadmin/user_upload/Income_Tax_law_of_2022.pdf
- Rwanda Revenue Authority: Ministerial Order N° 009/26/10/TC of 24/09/2026 (residence, effective management, certification threshold) — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_orders-Financial_statements.pdf
- Rwanda Revenue Authority: Law N° 020/2023 of 31/03/2023 on tax procedures (Articles 46, 60 and 86) — https://www.rra.gov.rw/fileadmin/user_upload/NEW_TAX_PROCEDURES_LAW_2023.pdf
- Rwanda Revenue Authority: international agreements (tax treaties and the Convention on Mutual Administrative Assistance) — https://www.rra.gov.rw/en/details?tx_news_pi1%5Baction%5D=detail&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Bnews%5D=1105&cHash=e8a3fb266e44e956a5c45ba989fc4b79
- OECD: members of the Inclusive Framework on BEPS (updated 5 December 2025) — <https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/beps/inclusive-framework-on-beps-composition.pdf>

Capital gains, property and other taxes: the 10% capital gains tax and who withholds it, restructuring relief, the 1.5% digital services tax, immovable property tax, the tax on sale of immovable property, rental income tax, trading licence tax, excise duty under Law N° 011/2025, gaming tax and the 2025 levies

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

- Capital gains tax on the direct or indirect sale or transfer of shares, in Rwanda or abroad, has been withheld by the Rwandan company whose shareholders change, and paid within 15 days after the month of the transfer, since Articles 35 and 37 of Law N° 027/2022 of 20/10/2022 came into force; from 29 May 2025, Law N° 014/2025 of 27/05/2025 raised the rate from 5% to 10% and extended Article 37 to licences, debt instruments, options, guarantees and similar assets, on which the seller or buyer withholds.
- Gains on listed securities traded on a securities exchange operating in Rwanda and on units of collective investment schemes are exempt from capital gains tax under Article 38 of Law N° 027/2022, and Articles 53 and 54 exempt a transferring business entity from tax on gains realised in a merger, an acquisition of 50% or more of shares or assets, or a split.
- Article 50 bis of the Income Tax Law, inserted in 2025, imposes a 1.5% tax on the gross Rwandan-sourced revenue of any company supplying digital services with a substantial national presence, but the Ministerial Order defining its scope and procedure had not been published at 10 October 2026.
- Under Law N° 048/2023 of 05/09/2023, the Districts levy immovable property tax at up to RWF 80 per square metre of land and 0.1% to 0.5% of the market value of buildings, a 2% or 2.5% tax on property sales above RWF 5,000,000, rental income tax at 0% to 30% and an annual trading licence tax of RWF 100,000 to RWF 2,000,000 by turnover (with lower flat amounts for unregistered and transport activities), all collected by the Rwanda Revenue Authority (RRA).
- Law N° 011/2025 of 27/05/2025 establishing the excise duty, in force since 29 May 2025, taxes items including beer, spirits, tobacco, fuel, vehicles, cosmetics (15%), telephone communications (14% in the second year, 15% from the third) and commissions on financial transactions (15%), declared and paid within five days after each month.

The taxes beyond income tax and VAT

An investor in Rwanda meets three further groups of taxes. The first is **national taxes on capital and on specific activities** in the income tax law: capital gains tax, the digital services tax and the gaming tax, all reshaped by Law N° 014/2025 of 27/05/2025 amending Law N° 027/2022 of 20/10/2022 establishing taxes on income (the Income Tax Law), published in the Official Gazette n° Special of 29/05/2025. The second is **decentralised taxes**: immovable property tax, the tax on sale of immovable property, rental income tax and trading licence tax, which belong to the Districts and the City of Kigali under Law N° 048/2023 of 05/09/2023 determining the sources of revenue and property of decentralized entities (the Decentralised Revenue Law), but which the Rwanda Revenue Authority (RRA) assesses and collects for them. The third is **excise duty and levies**, rebuilt in the May 2025 tax package by Law N° 011/2025 on excise duty and four new levy laws.

None of these taxes depends on the investor's nationality. What changes the result is the form of the holding (direct or indirect, listed or unlisted), whether the investor holds an investment certificate from the Rwanda Development Board (RDB), and whether the asset is land, a building, a licence or a share. Land rights and their registration are dealt with in [Land tax, property tax and transfer costs](#); this section concentrates on the tax mechanics.

Capital gains tax: rate, scope and who withholds

Article 35 of the Income Tax Law charges capital gains tax on the **direct or indirect** sale or transfer of shares carried out **in Rwanda or abroad**; the gain is the difference between the acquisition value of the shares and the sale or transfer price. The duty to withhold is not new. Since the Income Tax Law came into force on 28 October 2022, the original Article 37 has required the **resident company** whose shareholding structure has been modified, or whose shareholders have changed, to withhold the tax on a direct or indirect sale or transfer of its shares and to declare and pay it within 15 days after the month of the transfer; only the rate, then 5% under Article 36, was different. Law N° 014/2025 changed two things from 29 May 2025: it raised the rate in Article 36 from 5% to **10%**, and it replaced Article 37 so that the withholding rule now refers also to licences, debt instruments, options, guarantees and similar assets, on which the **seller or buyer** withholds. The company, shareholder or buyer declares and pays the tax to RRA within **15 days after the month** in which the sale or transfer occurred. Law N° 014/2025 did not amend Article 35, the charging provision, which still refers only to shares; the wider reach to other assets therefore rests on the replaced Article 37 alone, and its application to a particular licence or debt transfer should be confirmed with RRA.

Three consequences follow. First, an **indirect transfer**, such as the sale of a foreign holding company that owns a Rwandan subsidiary, has been within the charge since 2022 even though no Rwandan party signs the sale agreement, and the Rwandan subsidiary is the person obliged to withhold and pay. Because it receives no part of the price, it needs contractual cooperation and funding from the seller or buyer; acquisition agreements for groups with Rwandan subsidiaries should provide for it. Second, the duty on a Rwandan company to account for tax on a change in its own shareholders makes the share register and RDB filings the practical trigger for RRA's attention (FAQ 98). Third, if the replaced Article 37 is applied as written, the transfer of a mining, telecoms or other regulatory licence, where the licensing law allows it, now carries a 10% charge on the gain, withheld by the seller or the buyer.

The capital gains provisions sit in the part of the Income Tax Law dealing with investment income, which Article 34 defines as income not taxed as business income. Article 35 applies "without prejudice to" Article 19, under which business profit includes the proceeds of sale of any business asset. On that reading, a Rwandan resident company that sells shares it holds as a business asset includes the proceeds in its business profit and is taxed in its corporate return at 28%, and the 10% tax is in substance the regime for sellers whose gain is not business income, such as individuals and non-resident sellers without a permanent establishment in Rwanda. The law does not state expressly how tax withheld by a target company is credited where the seller is a resident company, and that point should be agreed with RRA before closing. Treaty relief may be available where the seller is resident in a treaty state whose treaty allocates the gain to that state; the treaty list is in [Withholding taxes and tax treaties](#).

Exemptions and restructuring relief

Article 38 exempts gains on the sale or transfer of **listed shares and other securities on a securities exchange operating in Rwanda**, and gains on shares or units of **collective investment schemes**; listing on the Rwanda Stock Exchange therefore remains a route to a tax-free exit for portfolio holders ([Public companies and the Rwanda Stock Exchange](#)). The Annex to Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation (the Investment Code) exempts registered investors from capital gains tax, except on income from the sale of commercial immovable property, and exempts qualifying angel investors on primary-issue shares in start-ups held for at least two years. How the Investment Code exemption interacts with the 2025 extension of the tax to licences and other assets has not been clarified in any published ruling, and an investor relying on it should obtain RRA's confirmation ([Investment incentives](#)).

Articles 53 and 54 of the Income Tax Law give **restructuring relief**. A restructuring includes a merger of two or more entities, an acquisition or takeover of 50% or more of the shares or voting rights of a resident entity, an acquisition or transfer of 50% or more of the assets or liabilities of a resident entity, an acquisition of an entity's entire shares, assets or liabilities so that the acquirer replaces it, and the split of a resident entity into two or more resident entities. The transferring business entity is exempt from tax on gains and losses realised on the restructuring; the receiving entity takes over the assets and liabilities at book value, continues the transferor's depreciation, and inherits its reserves and provisions. The relief is framed for business entities; whether it covers a cash sale of a majority stake to a third party, or removes the 10% tax the target must withhold under Article 37, has not been addressed in any published RRA ruling, so a seller should not assume it without RRA's confirmation. Transfers of assets between related residents on a restructuring are also, on conditions, exempt from VAT ([VAT and electronic invoicing](#)).

Two related rules matter on an acquisition. Under Article 31, 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. Under Article 55, on liquidation, what remains after liabilities are paid is treated as a dividend in the company's final tax period, and is subject to dividend withholding tax rather than capital gains tax ([Liquidation, striking off and deregistration](#)).

The digital services tax: enacted, not yet operating

Law N° 014/2025 inserted Article 50 bis in the Income Tax Law. A company **supplying digital services in Rwanda with a substantial national presence** is subject to a tax of **1.5% of its gross revenues sourced from Rwanda** during the tax period. The text applies to any company, Rwandan or foreign; it is not confined to foreign platforms. Paragraph (2) reserves to a Ministerial Order the scope of taxable digital services, the definition of substantial national presence, registration, declaration and payment. No such Order appears on RRA's list of Ministerial Orders, and RRA was reported in May 2026 as describing the tax as pending implementation. Until the Order is published, the tax cannot in practice be declared or collected, and nothing in the 2025 law makes it retrospective once the Order appears.

The digital services tax should not be confused with **VAT on digital services**, which has operated since Ministerial Order N° 004/26/10/TC of 29/04/2026 and requires non-resident suppliers of software, platforms, streaming, online advertising and similar services to Rwandan customers to register or appoint a representative, failing which banks and payment providers withhold the VAT. That regime is explained in [VAT and electronic invoicing](#). Both regimes may apply to the same business.

Immovable property tax and the tax on property sales

Immovable property tax is payable by the owner, the usufructuary or the person deemed to be the owner, and an owner abroad may act through a proxy (Articles 6 and 9 of the Decentralised Revenue Law). Under Article 16 the rates are: **RWF 0 to 80 per square metre** of land; **0.5%** of the market value of a residential building and its plot (0.25% for residential buildings of three floors and 0.1% above three floors); **0.3%** for commercial buildings and plots; and **0.1%** for industrial buildings and for the premises of micro-enterprises and small businesses. Machinery and equipment attached to a commercial or industrial building are not included in its value. The per-square-metre land rate within each band is fixed by the District Council or the Council of the City of Kigali under Ministerial Order N° 002/23/10/TC of 24/11/2023; in Kigali's central business district the band is RWF 70 to 80 for commercial and industrial land, and the City raised many plots to RWF 80 in February 2025.

Exemptions in Article 12 include one owner-occupied dwelling, farm or forest land of two hectares or less, residential plots without basic infrastructure, condominium plots and common parts, and non-commercial State property. Values are set for **five-year cycles** (Article 13): a purchase price or valuation from the previous five years stands unless the value has changed by more than 20%, and an RRA counter-valuation prevails where it differs by more than 20%; values come from a certified valuer or mass appraisal. The taxpayer files a declaration by **31 December** of the first tax period, and the tax is paid by 31 December each year. Park developers registered under the Investment Code enjoy a five-year property tax exemption.

Article 17 imposes a separate **tax on the sale of immovable property**: 2% of the sale value of a property for commercial use sold by a seller registered for income tax, deductible in that seller's income tax computation, and 2.5% where the seller is not registered for income tax. The tax is charged on the value above **RWF 5,000,000**, and not on the price fixed once an auction has begun. The transfer itself and the new land certificate are fee-exempt under Presidential Order n° 075/01 of 04/12/2023, although notarial fees apply.

Rental income tax and trading licence tax

Rental income tax under Articles 39 to 46 of the Decentralised Revenue Law applies to rent earned by individuals and other persons outside corporate income tax. A company's rental income is part of its corporate taxable income under Article 51 of the Income Tax Law. The taxable amount is gross rent less a deemed 50% for maintenance and upkeep, plus actual bank interest on a loan to build or buy the property where the taxpayer proves it (Article 43). The annual rates are 0% up to RWF 180,000, 20% from RWF 180,001 to RWF 1,000,000 and 30% above. The declaration is filed and the tax paid by **31 January** of the following year, and a written lease, signed by both parties, must be lodged with the tax administration within 15 days of signature (Article 41). A foreign company renting a house for an expatriate from an individual landlord should therefore expect the landlord to be taxed on the rent, and should keep the written lease.

Trading licence tax (patente) is payable each year by every person carrying on a profit-oriented activity, with a declaration by **31 January** (Article 30) and a separate declaration for the head office and each branch, and for each District where business is carried on (Articles 32 to 34). The amount follows the turnover of the previous year under the Annex; a new business declares on the basis of its starting capital. Non-commercial public institutions, and micro-enterprises and small businesses during their first two years, are exempt (Article 36), and a business that stops trading during the year is refunded pro rata after audit (Article 38). Late payment of any decentralised tax carries interest of **1.5% a month**, a surcharge of 10% of the tax capped at RWF 100,000, and a penalty of 40% for late or false declarations (Article 51).

Trading licence tax by turnover (Annex to Law N° 048/2023)

Previous year's turnover	Annual tax	Quarterly equivalent
RWF 50,000,000,000 and above	RWF 2,000,000	RWF 500,000
RWF 25,000,000,000 to 50,000,000,000	RWF 1,500,000	RWF 375,000
RWF 1,000,000,000 to 25,000,000,000	RWF 1,000,000	RWF 250,000
RWF 200,000,000 to 1,000,000,000	RWF 500,000	RWF 125,000
RWF 20,000,000 to 200,000,000	RWF 280,000	RWF 70,000
RWF 12,000,000 to 20,000,000	RWF 160,000	RWF 40,000
RWF 7,000,000 to 12,000,000	RWF 120,000	RWF 30,000
RWF 2,000,000 to 7,000,000	RWF 100,000	RWF 25,000

Previous year's turnover	Annual tax	Quarterly equivalent
Activities not registered for income tax: urban / rural	RWF 60,000 / RWF 30,000	RWF 15,000 / RWF 7,500
Transport: per vehicle / per boat / per motorcycle	RWF 40,000 / RWF 20,000 / RWF 8,000	RWF 10,000 / RWF 5,000 / RWF 2,000

Excise duty after Law N° 011/2025

Law N° 011/2025 of 27/05/2025 establishing the excise duty repealed Law N° 050/2023 and came into force on publication on 29 May 2025. The tax period is the calendar month, and the manufacturer or supplier declares and pays within **five days** after the month (Article 9); excise on an imported product is paid together with customs duties (Customs and EAC trade). The Annex sets ad valorem and specific rates. Products with local content are favoured: beer bears 40% where at least 70% of its raw material (excluding water) is local and 65% otherwise; wine 40% where locally made and otherwise, as the Annex puts it, 70% of the value of a litre not exceeding RWF 40,000; spirits 60% where locally made and otherwise 70% of the value of a litre not exceeding RWF 150,000 (the Annex does not say whether the figure caps the value or the tax); and juice with at least 30% local raw materials 10%, against 39% for soft drinks.

Three entries affect businesses outside the drinks and tobacco trades. **Telephone communications** bear 12% in the first year after commencement, 14% in the second year and 15% from the third year; on a commencement date of 29 May 2025 the rate at 10 October 2026 is 14%, rising to 15% from 29 May 2027. The **amount or commission charged on financial transactions** bears 15%; the law states no deferred start, but commentators cite Ministry of Finance and Economic Planning (MINECOFIN) guidance applying it from 1 July 2027, so banks and payment businesses should confirm RRA's position before pricing products. **Vehicles** bear 5%, 10% or 15% by engine size (below 1,500 cc, 1,500 to 2,500 cc, above 2,500 cc), with hybrids banded by age (not more than three years, more than three and not more than eight, more than eight). Cosmetics and beauty products bear 15%, lubricants 37%, petrol RWF 183 and gas oil RWF 150 a litre.

Selected excise rates (Law N° 011/2025, at 10 October 2026)

Item	Rate
Beer: local / other	40% / 65%
Wine: local / other	40% / 70% of the value of a litre not exceeding RWF 40,000 (Annex wording)
Spirits: local / other	60% / 70% of the value of a litre not exceeding RWF 150,000 (Annex wording)
Soft drinks; juice with at least 30% local content	39%; 10%
Cigarettes; cigars	36% plus RWF 230 per pack; 160%

Item	Rate
Electronic cigarettes; cartridges	RWF 30,000 per unit; RWF 24,400 per unit
Petrol (premium); gas oil; lubricants	RWF 183 per litre; RWF 150 per litre; 37%
Vehicles: below 1,500 cc / 1,500-2,500 cc / above 2,500 cc	5% / 10% / 15% (hybrids by age)
Sweets; chocolate	RWF 322 per kg; RWF 1,930 per kg
Cosmetics and beauty products	15%
Telephone communications	12% (year 1), 14% (year 2), 15% (from year 3)
Commission on financial transactions	15% (start date to be confirmed)

Gaming tax and the 2025 levies

Since the gaming provisions took effect three months after publication of Law N° 014/2025, that is from about 29 August 2025, a company engaged in gaming activities, other than the national lottery, is exempt from corporate income tax and pays instead **40% of the difference between the total amount wagered and the winnings awarded**, declared and paid within 15 days after each month (Article 50). It withholds **25%** of the difference between each player's winnings and the amount wagered (Article 61). Gaming is also exempt from VAT.

Four levy laws of 27 May 2025 complete the package. Law N° 015/2025 imposes a **tourism tax on accommodation** of 3% of the accommodation price excluding VAT, from 1 July 2025, collected by the accommodation facility and paid within 15 days after the month. Law N° 010/2025 imposes an **environmental levy of 0.2% of the customs value** of imported items packaged in plastic materials, from 1 July 2025, collected at customs; one commercial guide states the rate as 2%, but the Gazette text says 0.2%. Law N° 012/2025 imposes a levy of RWF 50 a litre on petrol and gas oil for strategic petroleum reserves, and Law N° 013/2025 a **road maintenance levy** of 15% of the CIF value of fuel together with an annual levy on motor vehicles, paid by 31 December: RWF 50,000 for a car or jeep, RWF 100,000 for a pick-up or bus, RWF 120,000 for a truck and RWF 150,000 for a trailer.

Tax items to check before buying or selling a Rwandan company

The capital and local tax points a buyer or seller should settle at the term-sheet stage; the wider transaction process is in Chapter 8.

☐ Capital gains tax mechanics

Gain computation with evidence of acquisition value; who funds the 10% the target must pay within 15 days after the month; escrow or price retention.

☐ Indirect transfers

If a foreign holding company is sold, the Rwandan subsidiary's duty to withhold and pay, and the seller's undertaking to fund and indemnify it.

☐ Exemptions and relief

Listed-security, collective investment scheme, Investment Code or restructuring relief; RRA confirmation where the position is not settled.

☐ Tax losses

Whether the deal changes more than 25% of ownership and so cancels carried-forward losses under Article 31.

☐ Property tax status

Property tax and land tax declarations and receipts for each parcel for the current five-year valuation cycle; any RRA counter-valuation.

☐ Trading licence and rental taxes

Trading licence certificates for the head office and every branch and District; rental income tax position of landlords on key leases.

☐ Excise and levies

Excise returns filed within five days after each month, tourism tax and levy filings where relevant, and stock held under the old excise rates.

☐ Licences

Whether a regulatory licence moves with the deal, and whether the 10% tax applies to any licence transfer as distinct from the shares.

WORKED EXAMPLE

Selling a 40% stake in a Kigali company that owns its building

A United Kingdom company sells its 40% shareholding in an unlisted Rwandan logistics company to a Kenyan buyer for RWF 1,500,000,000. It subscribed for the shares for RWF 900,000,000, fully documented. The Rwandan company owns a commercial warehouse valued at RWF 800,000,000 and has tax losses carried forward. The United Kingdom is not on RRA's list of treaty partners, so no treaty relief is assumed. Illustrative figures only.

Gain	RWF 1,500,000,000 – RWF 900,000,000 = RWF 600,000,000.
Capital gains tax	10% × RWF 600,000,000 = RWF 60,000,000. Under the 5% rate in force before 29 May 2025 it would have been RWF 30,000,000.
Who pays, and when	The Rwandan company whose shareholders changed declares and pays. Transfer completed on 12 November 2026; payment due by 15 December 2026. The share purchase agreement retains RWF 60,000,000 from the price for the company.
Tax losses	A 40% change exceeds 25%, so the company's carried-forward losses lapse under Article 31; the buyer prices this in.
Property tax	Unaffected by the share sale: 0.3% × RWF 800,000,000 = RWF 2,400,000 a year, declared and paid by 31 December, plus land tax on the plot at the Kigali rate.
If the warehouse were sold instead	Tax on sale of immovable property: 2% × (RWF 800,000,000 – RWF 5,000,000) = RWF 15,900,000, deductible for the registered seller, plus corporate income tax on any gain in the company's business profit at 28%.
Trading licence tax	Unchanged by the sale; the company continues to declare by 31 January for its head office and each branch.

Had the seller held the shares through a Mauritius company and sold that company instead, the Rwandan company would still have had to account for the tax on the indirect transfer, subject to any relief under the Rwanda-Mauritius treaty.

Had the company been listed on the Rwanda Stock Exchange and the sale made on the exchange, the gain would have been exempt under Article 38.

Questions investors ask about capital gains, property and other taxes

What is the capital gains tax rate in Rwanda?

10% of the gain since 29 May 2025, under Law N° 014/2025, up from 5%. It applies to direct and indirect transfers of shares, in Rwanda or abroad, and now also to licences, debt instruments, options, guarantees and similar assets. Listed securities on a Rwandan exchange and collective investment scheme units are exempt.

Who pays capital gains tax when shares in a Rwandan company are sold?

The Rwandan company whose shareholders change withholds, declares and pays the tax within 15 days after the month of the transfer, including on an indirect transfer abroad, as it has had to since the 2022 Income Tax Law. For licences, debt instruments, options and guarantees, the seller or buyer accounts for it. Contracts should make the seller fund the payment.

Is Rwanda's digital services tax in force?

It is enacted but not operating. Article 50 bis of the Income Tax Law imposes 1.5% of Rwanda-sourced gross revenue on any company supplying digital services with a substantial national presence, but a Ministerial Order must define the scope, presence test and procedure, and none had been published at 10 October 2026.

How much property tax does a company pay on a building in Kigali?

Under Law N° 048/2023, 0.3% of the market value of a commercial building and its plot, 0.1% for industrial buildings and 0.5% for most residential property, plus land tax of up to RWF 80 per square metre set by the City of Kigali. Values are fixed for five-year cycles, and the tax is declared and paid by 31 December.

What tax applies when commercial property is sold in Rwanda?

A tax on sale of immovable property of 2% of the sale value above RWF 5,000,000 where the seller is registered for income tax, deductible in its return, or 2.5% where it is not. A company seller also includes any gain in its business profit. Land transfer and the new certificate are fee-exempt, but notarial fees apply.

Does a foreign company pay trading licence tax in Rwanda?

Yes, if it carries on a profit-oriented activity in Rwanda, through a subsidiary or a branch. The tax ranges from RWF 100,000 to RWF 2,000,000 a year by previous-year turnover, is declared by 31 January for each office and District, and new micro and small businesses are exempt for their first two years.

THE 2027 HORIZON

- The Ministerial Order under Article 50 bis that would bring the 1.5% digital services tax into operation has not been published; its definition of substantial national presence will decide which platforms, Rwandan and foreign, are caught.
- The excise rate on telephone communications rises from 14% to 15% from 29 May 2027, and the reported 1 July 2027 start of the 15% excise on financial transaction commissions should be confirmed against RRA's published position.
- The FY2026/27 budget announced in June 2026 referred to property valuation and the rationalisation of exemptions; no amending law had been gazetted at 10 October 2026, so the 2025 package remains the law.
- Kigali's land tax rates, raised in February 2025, are set annually by the City Council within the national bands; declarations due by 31 December 2026 should use the rates published for 2026.
- Whether RRA publishes a ruling on how the Investment Code capital gains exemption applies after the 2025 extension of the tax to licences and other assets.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Capital gains tax	<i>Umusoro ku gaciro kiyongereye</i>	<i>Impôt sur la plus-value</i>	The 10% tax on gains from direct or indirect transfers of shares and, since 2025, licences and similar assets.
Restructuring of business entities	—	<i>Restructuration des entités</i>	Mergers, 50% acquisitions and splits whose gains are exempt under Articles 53 and 54 of the Income Tax Law.
Taxation of digital services	—	<i>Imposition des services numériques</i>	The 1.5% tax on Rwanda-sourced gross revenue of digital service suppliers with a substantial national presence, awaiting its Order.
Immovable property tax	<i>Umusoro ku mutungo utimukanwa</i>	<i>Impôt sur les biens immobiliers</i>	The annual District tax on land per square metre and on buildings at a percentage of market value.
Tax on sale of immovable property	—	<i>Impôt sur la vente de biens immobiliers</i>	The 2% or 2.5% tax on the sale value of property above RWF 5,000,000.
Rental income tax	<i>Umusoro ku nyungu z'ubukode</i>	<i>Impôt sur le revenu locatif</i>	The District tax on rent earned by individuals and others outside corporate income tax.
Trading licence tax	<i>Umusoro w'ipatanti</i>	<i>Droit de patente</i>	The annual tax on each place of business, set by previous-year turnover.

English	Kinyarwanda	French	Meaning
Excise duty	<i>Umusoro ku byaguzwe</i>	<i>Droit d'accise</i>	The tax on listed goods and services under Law N° 011/2025, declared monthly.
Tourism tax on accommodation	<i>Umusoro w'ubukerarugendo ku icumbi</i>	<i>Impôt touristique sur l'hébergement</i>	The 3% tax on the accommodation price, excluding VAT, from 1 July 2025.
Environmental levy	—	<i>Redevance environnementale</i>	The 0.2% levy on the customs value of imported items packaged in plastic materials.

FOREIGN V RWANDAN INVESTOR

The taxes in this section do not distinguish by nationality: a Rwandan, an East African Community (EAC) or Common Market for Eastern and Southern Africa (COMESA) national and any other foreign investor pay the same capital gains tax, property tax, trading licence tax and excise. The differences come from the structure. A foreign investor is far more likely to hold through an offshore company, so the indirect-transfer rule, which makes the Rwandan subsidiary account for tax on a sale abroad, is mainly a foreign-investor issue; and only a seller resident in a treaty state can invoke a treaty to reduce the Rwandan charge. Conversely, a Rwandan resident company that sells shares it holds as a business asset is, on the reading of Articles 19 and 35 explained above, taxed on the gain through its corporate return at 28% rather than at the 10% rate. Land ownership rules do differ for foreigners, which affects who is the owner or usufructuary liable for property tax ([How foreign investors access land](#)).

WATCH OUT FOR

- An offshore sale of the holding company that leaves the Rwandan subsidiary liable for 10% capital gains tax it has no funds or information to pay.
- Relying on the Investment Code capital gains exemption for licence or debt transfers without RRA's confirmation after the 2025 changes.
- Ownership changes above 25% that silently cancel the target's carried-forward tax losses.
- Missing property tax and land tax declarations by 31 December; interest of 1.5% a month and the 40% penalty apply to decentralised taxes.
- Treating the digital services tax as live, or ignoring VAT on digital services, which is live.
- Pricing financial products without checking when the 15% excise on transaction commissions will be applied.

OFFICIAL SOURCES

- Ministry of Justice: Official Gazette n° Special of 29/05/2025 (Laws N° 009/2025 to N° 015/2025, including capital gains, digital services, gaming, excise and levies) — <https://www.minijust.gov.rw/index.php?elD=dumpFile&t=f&f=130496&token=4b9d4de9658212b7aaeeb5c8a42c823a7b879d7b>
- Rwanda Revenue Authority: Law N° 027/2022 of 20/10/2022 establishing taxes on income (Articles 19, 31, 34 to 38, 53 to 55) — https://www.rra.gov.rw/fileadmin/user_upload/Income_Tax_law_of_2022.pdf
- Rwanda Revenue Authority: Law N° 048/2023 of 05/09/2023 determining the sources of revenue and property of decentralized entities — https://www.rra.gov.rw/fileadmin/user_upload/LAW_DETERMINING_THE_SOURCES_OF_REVENUES_AND_PROPERTY_OF_DECENTRALIZED_ENTITIES.pdf
- Rwanda Revenue Authority: Ministerial Order N° 002/23/10/TC of 24/11/2023 on land tax rates per square metre — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_order_of_24.11.2023_about_rates_of_the_land.pdf
- Rwanda Revenue Authority: Basic Information on Rwanda Taxation System (November 2025) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/BASIC_INFORMATION_version_2025.pdf

Customs and EAC trade: the EAC Customs Management Act and the four-band Common External Tariff, customs valuation, the taxes collected at import (VAT, 5% withholding tax, excise and levies), investor exemptions on the Electronic Single Window, special economic zones, the Single Customs Territory, rules of origin and the AfCFTA, post-clearance audit and customs disputes

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

- Customs duties in Rwanda are governed by the East African Community Customs Management Act, 2004 (EACCMA), as amended, administered by the Rwanda Revenue Authority (RRA), and the EAC Common External Tariff (CET), which since 1 July 2022 has four bands of 0%, 10%, 25% and 35%.
- At import RRA also collects VAT at 18% under Law N° 049/2023, a 5% withholding tax on the CIF value of goods imported for commercial use under Article 62 of Law N° 027/2022 (creditable against income tax), excise under Law N° 011/2025, and since 1 July 2025 an environmental levy of 0.2% of the customs value of plastic-packaged imports under Law N° 010/2025.
- Registered investors' exemptions are processed on the Rwanda Electronic Single Window (ReSW), where the clearing agent declares with the sector code, the system generates an e-Exemption, the Rwanda Development Board (RDB) approves and RRA confirms; licensed special economic zone users' imports are exempt from VAT under Law N° 009/2025.
- The VAT exemption on industrial machinery and raw materials ended on 30 June 2026 and was not renewed (Ministerial Order N° 004/26/10/TC of 29/04/2026, Article 23(2)), while energy supply equipment and imported pure-electric vehicles remain VAT-exempt until 30 June 2028.
- Under the EACCMA, customs value is primarily the transaction value (Fourth Schedule), documents may be demanded within five years of importation (section 235), an application for review must be lodged with the Commissioner within 30 days of a decision (section 229), and duty refunds must be claimed within 12 months of payment (section 144).

The legal framework: EAC law applied by RRA

Rwanda is a Partner State of the East African Community (EAC) Customs Union, so its customs law is regional. The **East African Community Customs Management Act, 2004** (EACCMA), as amended, governs import and export procedures, valuation, transit, warehousing, exemptions, offences and

appeals, and applies in Rwanda without domestic re-enactment. The EAC Council of Ministers sets the **Common External Tariff** (CET) and gazettes stays of application, under which a Partner State applies a different rate for a year, and duty remission schemes for manufacturing inputs. The Rwanda Revenue Authority (RRA), through its Customs Services Department, administers the EACCMA in Rwanda, runs the clearance systems and collects the domestic taxes that fall due at import. The quotations of section numbers below are from RRA's published compilation of the EACCMA; amendments since that compilation should be checked for any point that is decisive.

Customs is where several Rwandan taxes meet. A commercial import typically bears customs duty under the CET, VAT under Law N° 049/2023 of 05/09/2023 establishing value added tax, a **5% withholding tax** on the CIF value under Article 62 of Law N° 027/2022 of 20/10/2022 establishing taxes on income (the Income Tax Law), excise duty under Law N° 011/2025 where the goods are listed, and, since 1 July 2025, the levies introduced in May 2025. An importer's landed cost, cash flow and refund position therefore depend as much on its VAT registration and income tax status as on the tariff.

The Common External Tariff

Since **1 July 2022** the CET has four bands, adopted by the EAC Council of Ministers in May 2022 and gazetted in EAC Gazette Vol. AT 1 No. 14 of 30 June 2022 (Legal Notice EAC/117/2022): **0%**, broadly for raw materials and capital goods; **10%** for intermediate goods; **25%** for finished goods; and a fourth band of **35%** for finished products in sectors the Partner States chose to protect. The rate for a particular product depends on its classification in the EAC tariff nomenclature, which follows the Harmonized System, so classification is the first question for any new import line. The same Gazette notice contained the stays of application and duty remission schemes for 2022/23, including, for Rwanda, remission on inputs for furniture, garments and footwear. Each year's June EAC Gazette renews, ends or adds such measures from 1 July, and the measures in force for the 2026/27 year should be checked in the current notice before a cost model is finalised.

Goods that originate in another EAC Partner State move into Rwanda free of customs duty, on proof of EAC origin, but bear Rwandan VAT, excise and the import withholding tax in the same way as goods from outside the region. Rwanda is also a member of the Common Market for Eastern and Southern Africa (COMESA) and ratified the African Continental Free Trade Area (AfCFTA) Agreement on 25 May 2018; the EAC's Category A tariff schedule under the AfCFTA was gazetted on 10 October 2022, and RRA issues certificates of origin through the Rwanda Trade Portal. Preferential rates under these agreements depend on meeting their rules of origin, which differ by agreement and product.

Customs valuation and its link to transfer pricing

Under the **Fourth Schedule to the EACCMA**, the customs value of imported goods is primarily the **transaction value**: the price actually paid or payable for the goods when sold for export to the Partner State, adjusted under paragraph 9. Where buyer and seller are related, the relationship is not in itself a ground for rejecting the price; customs examines the circumstances of the sale and accepts the transaction value if the relationship did not influence the price. Paragraph 9 adds to the price certain costs if not already included, among them **royalties and licence fees related to the goods** that the buyer must pay as a condition of their sale. Where the transaction value cannot be used, the Schedule provides fallback methods in a fixed order.

For a foreign-owned company that buys from its group, customs valuation and transfer pricing pull in opposite directions. Customs prefers a high import price, because duty and VAT are charged on it; the income tax rules prefer a price low enough to leave an arm's length profit in Rwanda. A year-end transfer pricing adjustment that increases the price paid for imported goods may also require a customs value adjustment, and a royalty paid to the parent for a trademark on imported goods may be dutiable. The two analyses should use the same functional facts ([Transfer pricing and international tax](#)).

Taxes collected at the border

VAT at 18% is charged on imports and is creditable as input VAT for a registered importer that makes taxable supplies; a VAT-exempt business bears it as a cost ([VAT and electronic invoicing](#)). The **withholding tax on goods imported for commercial use** is 5% of the CIF value, paid at customs before the goods are released, and deducted from the importer's income tax when the annual return is filed (Article 62). Under Article 65 of the Income Tax Law, persons whose business profit is exempt, holders of a **tax clearance certificate** issued by RRA, and taxpayers newly registered during the tax period are exempt from this withholding; RRA may revoke a clearance certificate at any time if its conditions cease to be met. For a regular importer with a good compliance record, the clearance certificate is therefore a material cash-flow benefit.

Excise duty on an imported product listed in the Annex to Law N° 011/2025 is paid together with customs duties (Article 9(2)); the rates are in [Capital gains, property and other taxes](#). The **environmental levy** under Law N° 010/2025 is 0.2% of the customs value of imported items packaged in plastic materials listed in its Annex, collected at the customs point from 1 July 2025; pharmaceutical products are outside it, and a Ministerial Order may widen or narrow the list. Fuel imports also bear the levy of RWF 50 a litre for strategic petroleum reserves under Law N° 012/2025 and the road maintenance levy of 15% of the CIF value of fuel under Law N° 013/2025.

Exemptions for investors, zones and priority goods

The Annex to Law N° 006/2021 of 05/02/2021 on Investment Promotion and Facilitation (the Investment Code) exempts from customs duties, under the EACCMA, products used in **export processing zones** by registered investors, and gives developers of specialised industrial or innovation parks VAT zero-rating and import tax exemptions on construction materials. Under Law N° 049/2023 as amended by Law N° 009/2025 of 27/05/2025, goods and services intended for a **special economic zone** and imported by a licensed zone user are exempt from VAT. Earlier descriptions of zone status as exempting from income tax, VAT and duties together, subject to an 80% export test, reflect the 2015 regime and should not be relied on; the zone rules are in [Special economic zones](#) (FAQ 39).

Two VAT exemptions affecting imports changed in 2025 and 2026. The exemption for **industrial machinery and raw materials** was time-limited by Law N° 009/2025 and ended on **30 June 2026**; Article 23(2) of Ministerial Order N° 004/26/10/TC of 29/04/2026 confirms that it is not renewed beyond that date. Manufacturers that imported equipment free of VAT until June 2026 now pay 18% at the border and recover it through their VAT returns, which shifts the question from exemption to the speed of refunds: 30 days in general, or 15 days for registered investors outside VAT-exempt sectors ([FAQ 37](#)). Energy supply equipment, and imported pure-electric vehicles with their charging equipment, remain VAT-exempt until **30 June 2028**. Since **1 August 2026** RRA's Commissioner General Guidelines

for the Implementation of the **VAT Deferral Facility** have let an eligible taxpayer in manufacturing, mining, mineral exploration or exploitation, or natural gas extraction for energy generation defer import VAT on capital goods and machinery in Chapters 84 and 85 of the EAC Common External Tariff (not passenger vehicles, office furniture or equipment, consumables or spare parts unless the Commissioner for Customs Services approves). The import VAT on each consignment must be at least RWF 10,000,000; an existing business must derive at least 90% of its turnover from taxable supplies, or 80% from exports if export-oriented, and have twelve months of compliant filing and payment with no outstanding tax unless it keeps to an approved payment plan; and the application is made to the Commissioner for Customs Services before the goods arrive. The deferred VAT is declared and reconciled in the monthly VAT return for the period following release, and on revocation it becomes payable at once with interest and penalties (Agribusiness incentives, tax, finance and insurance).

Clearance: ReSW, agents and the Single Customs Territory

Declarations are lodged electronically on the **Rwanda Electronic Single Window** (ReSW), which connects RRA with the permit-issuing agencies, and are made in practice through a customs clearing agent licensed by the Commissioner under section 145 of the EACCMA. After the declaration is lodged and the taxes are paid or secured, risk management routes it to a lane: **green** for release, **blue** for release followed by post-release checks, and **yellow** or **red** for documentary or physical verification before release.

Rwanda is landlocked, and most sea freight arrives through Mombasa or Dar es Salaam. Under the EAC **Single Customs Territory**, as RRA describes it, goods destined for Rwanda are declared once, at the port of Mombasa or Dar es Salaam, and the Rwandan taxes are assessed and secured there, so that goods move under customs control to Rwanda without repeated declarations at internal borders. RRA's description of the arrangement is undated, and practical arrangements at each corridor should be confirmed with the clearing agent.

Post-clearance audit, short levies and refunds

Release of the goods does not close the file. Under section 235 of the EACCMA a proper officer may, **within five years** of the date of importation, exportation, transfer or manufacture, require the owner of the goods or anyone holding documents about them to produce all books, records and documents and to answer questions on value, cost, origin and other matters; failure to comply is an offence and allows customs to refuse entry or delivery of other goods. Section 236 gives the Commissioner power to verify entries through examination of books, records, computer systems and commercial documents, to question any person involved and to inspect premises: in other words, a post-clearance audit. Where duty has been short levied or erroneously refunded, section 135 allows a demand within five years, or without time limit where the short levy was caused by fraud, and, in the compiled text, payment is due within 30 days of the demand, after which a penalty of 5% of the amount demanded and a further 2% for each month of default become payable.

Refunds run the other way on a short clock. Under section 144, duty paid in error, or on goods damaged, pillaged or destroyed while under customs control, is refunded only if the claim is presented within **twelve months** of payment. Domestic taxes collected at customs, such as VAT and the 5% withholding tax, are recovered through the VAT return and the income tax return rather than through customs refunds.

Challenging a customs decision

A person directly affected by a decision or omission of the Commissioner or another officer on customs matters lodges a written **application for review** with the Commissioner, stating the grounds, within **30 days** of the decision or omission (section 229(1) and (2) of the EACCMA); a late application may be accepted for absence, sickness or other reasonable cause. The Commissioner must communicate a reasoned decision within 30 days of receiving the application and any further information requested; if no decision is communicated in time, the Commissioner is **deemed to have allowed the application** (section 229(4) and (5)). Pending the review, the goods may be released on payment of the duty the Commissioner determines or on security for duty and penalties.

Section 230 provides for a further appeal within 45 days to a tax appeals tribunal established by each Partner State, subject to its national law. In Rwanda, Article 81 of Law N° 30/2018 of 02/06/2018 determining the jurisdiction of courts gives the Commercial Court jurisdiction over cases on taxes and duties, including EAC customs tax, and that is the forum to which a customs dispute proceeds after the Commissioner's decision. Domestic taxes collected at import, such as VAT and withholding tax, follow the procedure of Law N° 020/2023 on tax procedures instead ([Tax administration, audits and disputes](#)); the court system is described in [Regulatory, tax and public-law disputes](#).

DECISION GUIDE

Which customs or VAT relief might apply to this import?

A first screen for a commercial import. The first relief reached is the one to examine first; several may apply, and each has its own conditions.

Q1 Do the goods originate in another EAC Partner State, with proof of EAC origin?

Yes No customs duty. VAT at 18%, excise if listed and the 5% withholding tax still apply unless another relief below covers them.

No Continue to Q2.

Q2 Is the importer a licensed special economic zone user importing goods intended for the zone, or a registered investor using the goods in an export processing zone?

Yes VAT exemption for zone users under Law N° 009/2025; customs duty exemption for products used in export processing zones under the Investment Code Annex.
Declare with the correct exemption code on ReSW.

No Continue to Q3.

Q3 Does the importer hold an RDB investment certificate whose incentives cover the goods, or are the goods inputs under an EAC duty remission scheme gazetted for Rwanda?

Yes Apply for the e-Exemption through ReSW (RDB approval, RRA confirmation) or the remission scheme before shipment.

No Continue to Q4.

Q4 Are the goods energy supply equipment or a pure-electric vehicle with charging equipment, imported before 1 July 2028?

Yes VAT-exempt until 30 June 2028; customs duty and other taxes follow the general rules.

No Full CET rate, 18% VAT, excise if listed, and 5% withholding tax unless the importer holds a tax clearance certificate.

How to import equipment with an investor exemption

1 Confirm the entitlement

Check that the investment certificate from RDB, or the zone licence, covers the goods and that the tariff classification is agreed; obtain any permit needed from the sector agency.

2 Prepare the documents

Commercial invoice, packing list, bill of lading or airway bill, certificate of origin where a preference is claimed, and the investment certificate or zone licence.

3 Declare on ReSW

The licensed clearing agent lodges the declaration with the sector code; the system generates an e-Exemption request.

4 RDB approval and RRA confirmation

RDB approves the e-Exemption and RRA confirms it; taxes not covered by the exemption are paid or secured.

5 Lane and release

The declaration is routed green, blue, yellow or red; goods are released after any verification.

6 Keep the file for five years

Retain the exemption approval and evidence that the goods are used for the exempt purpose; customs may demand documents within five years of importation.

Customs at a glance (October 2026)

Item	Rule	Source
Customs law	EAC Customs Management Act, 2004, as amended	EACCMA
CET bands	0%, 10%, 25% and 35%, from 1 July 2022	EAC Gazette Vol. AT 1 No. 14 of 30 June 2022
Customs value	Transaction value, with adjustments including related royalties and licence fees	EACCMA, Fourth Schedule
VAT on imports	18%; SEZ user imports exempt; industrial machinery exemption ended 30 June 2026; energy equipment and EVs exempt to 30 June 2028	Law N° 049/2023; Law N° 009/2025; MO N° 004/26/10/TC
Withholding tax on imports	5% of CIF; creditable against income tax; exempt with a tax clearance certificate	Articles 62 and 65, Law N° 027/2022
Excise on imports	Paid with customs duties	Article 9(2), Law N° 011/2025
Environmental levy	0.2% of customs value of listed plastic-packaged imports, from 1 July 2025	Law N° 010/2025
Fuel levies	RWF 50 per litre (reserves); 15% of CIF (road maintenance)	Law N° 012/2025; Law N° 013/2025
Document demands	Within 5 years of importation	EACCMA, section 235
Short levy demand	Within 5 years, unless fraud	EACCMA, section 135
Duty refund claim	Within 12 months of payment	EACCMA, section 144
Review by Commissioner	Apply within 30 days; decision within 30 days or deemed allowed	EACCMA, section 229

WORKED EXAMPLE

Equipping and supplying a food-processing plant near Kigali

A Rwandan company owned by a Belgian group imports a processing line from Germany (CIF RWF 400,000,000) in September 2026 and packaging film from China (CIF RWF 50,000,000). It is VAT-registered, has no investment certificate and no tax clearance certificate. For illustration the processing line is assumed to fall in the 0% CET band and the film in the 10% band, and VAT is computed on the CIF value plus duty; actual classification and the VAT base must be confirmed.

Processing line: duty	$0\% \times \text{RWF } 400,000,000 = \text{nil.}$
Processing line: VAT	$18\% \times \text{RWF } 400,000,000 = \text{RWF } 72,000,000$, payable at the border because the industrial machinery exemption ended on 30 June 2026; recoverable as input VAT.

Processing line: withholding tax	$5\% \times \text{RWF } 400,000,000 = \text{RWF } 20,000,000$, credited against the company's income tax for 2026.
Film: duty and VAT	Duty $10\% \times \text{RWF } 50,000,000 = \text{RWF } 5,000,000$; VAT $18\% \times \text{RWF } 55,000,000 = \text{RWF } 9,900,000$.
Film: other charges	Withholding tax $5\% \times \text{RWF } 50,000,000 = \text{RWF } 2,500,000$; if the film is a listed plastic-packaged item, the 0.2% levy on $\text{RWF } 50,000,000 = \text{RWF } 100,000$.
Cash at the border	$\text{RWF } 72,000,000 + \text{RWF } 20,000,000 + \text{RWF } 5,000,000 + \text{RWF } 9,900,000 + \text{RWF } 2,500,000 = \text{RWF } 109,400,000$, before any levy.
What would change it	A tax clearance certificate removes $\text{RWF } 22,500,000$ of withholding tax; an investment certificate covering the equipment, or a zone licence, could remove duty or VAT; if the company meets the VAT Deferral Facility's conditions and applies before the line arrives, the $\text{RWF } 72,000,000$ of VAT could be deferred to its VAT return; a gazetted EAC remission on the film would remove its duty.

Had the line been imported before 1 July 2026, the $\text{RWF } 72,000,000$ of VAT would not have been payable at all.

If the group later raises the price of the film by a transfer pricing adjustment, a customs value adjustment may be due.

Questions investors ask about customs and EAC trade

What import duty rates apply in Rwanda?

Rwanda applies the EAC Common External Tariff, which since 1 July 2022 has four bands: 0% for most raw materials and capital goods, 10% for intermediate goods, 25% for finished goods and 35% for finished products in protected sectors. Stays of application and duty remission schemes gazetted by the EAC each June can change the rate for particular goods.

What taxes are paid at the border besides customs duty?

VAT at 18%, a 5% withholding tax on the CIF value of goods imported for commercial use, excise duty on listed goods, the 0.2% environmental levy on listed plastic-packaged imports since 1 July 2025, and fuel levies on fuel. The withholding tax is credited against income tax, and holders of a tax clearance certificate are exempt from it.

Are goods from Kenya, Uganda or Tanzania duty-free in Rwanda?

Goods that originate in an EAC Partner State, with proof of origin, enter Rwanda free of customs duty. They still bear Rwandan VAT, excise where listed, and the 5% import withholding tax. Goods merely shipped through an EAC country without meeting the origin rules pay the CET rate.

Is imported machinery still exempt from VAT in Rwanda?

Not generally. The VAT exemption for industrial machinery and raw materials ended on 30 June 2026 and Ministerial Order N° 004/26/10/TC confirms it is not renewed. Since 1 August 2026 an eligible manufacturer or miner may apply, before the goods arrive, to defer import VAT on Chapter 84 and 85 machinery under RRA's VAT Deferral Facility. Energy supply equipment and pure-electric vehicles remain exempt until 30 June 2028, and licensed special economic zone users' imports remain exempt.

How do registered investors claim customs exemptions?

Through the Rwanda Electronic Single Window: the clearing agent declares the goods with the sector code, the system generates an e-Exemption, RDB approves and RRA confirms. The exemption must be covered by the investor's incentives under the Investment Code, and the importer should keep evidence of exempt use for five years.

How do I challenge a customs valuation or classification decision?

Apply in writing to the Commissioner for review within 30 days of the decision under section 229 of the EACCMA. The Commissioner must decide within 30 days, failing which the application is deemed allowed. Goods may be released on payment or security meanwhile. A further challenge goes to the Commercial Court, which hears EAC customs tax cases.

THE 2027 HORIZON

- The EAC Council of Ministers' annual Gazette, normally issued in June with effect from 1 July, will set the stays of application and duty remission schemes for 2027/28; the 2026/27 notice should be checked now for any measure affecting current imports.
- The FY2026/27 budget proposals of June 2026 referred to alignment with the CET and the rationalisation of exemptions; no implementing law had been gazetted at 10 October 2026.
- The VAT exemptions for energy supply equipment and pure-electric vehicles end on 30 June 2028; projects with imports scheduled for 2027 and 2028 should plan around that date.
- How quickly the Commissioner for Customs Services approves applications under the VAT Deferral Facility, in force since 1 August 2026, and whether its sector list or its Chapter 84 and 85 limit is widened; it eases the cash-flow effect of the end of the industrial machinery exemption only for eligible taxpayers.
- Implementation of AfCFTA tariff schedules and rules of origin across the EAC, which will determine when preferences become usable for trade with non-EAC African partners.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
East African Community	<i>Umuryango w'Ibihugu by'Afurika y'Iburasirazuba</i>	<i>Communauté de l'Afrique de l'Est</i>	The regional community whose customs union sets Rwanda's customs law and tariff.
East African Community Customs Management Act	—	<i>Loi portant gestion des douanes de la Communauté de l'Afrique de l'Est</i>	The EAC statute of 2004, as amended, governing customs procedures, valuation and appeals.
Customs duties	<i>Amahoro ya gasutamo</i>	<i>Droits de douane</i>	The duties charged under the Common External Tariff on goods from outside the EAC.
Customs value	<i>Agaciro ka gasutamo</i>	<i>Valeur en douane</i>	The value on which ad valorem duties and levies are calculated, primarily the transaction value.
Customs point	—	<i>Poste douanier</i>	The place where goods are cleared and duties and levies are collected.
Value added tax	<i>Umusoro ku nyongeragaciro</i>	<i>Taxe sur la valeur ajoutée</i>	The 18% tax charged on imports and domestic supplies.
Withholding tax on imported goods	<i>Umusoro ufatirwa ku bintu byatumijwe mu mahanga bigenewe gucuruzwa</i>	<i>Impôt retenu à la source sur des importations des biens à usage commercial</i>	The 5% advance income tax on the CIF value of commercial imports.
Special economic zone	<i>Ahantu hihariye mu by'ubukungu</i>	<i>Zone économique spéciale</i>	A designated zone whose licensed users import goods for the zone free of VAT.
Tax clearance certificate	<i>Icyemezo cy'ubudakemwa</i>	<i>Quitus fiscal</i>	RRA's certificate of compliance that exempts its holder from the 5% import withholding tax.

FOREIGN V RWANDAN INVESTOR

Customs treatment depends on the origin of the goods and the status of the importer, not on the nationality of its owners: a foreign-owned and a Rwandan-owned importer pay the same CET rates, VAT, excise and withholding tax. The EAC dimension matters in two ways. Goods originating in Kenya, Uganda, Tanzania or another Partner State enter duty-free whoever imports them, which favours suppliers and investors with EAC production. And EAC and COMESA nationals have no separate customs privileges as investors; their advantage, where it exists, lies in originating goods and, under RDB practice, in a lower minimum investment for the investment certificate that unlocks exemptions ([RDB registration and the investment certificate](#)). Foreign investors are more likely to import from related suppliers, which brings the valuation rules on related-party prices and royalties into play.

WATCH OUT FOR

- Budgeting equipment imports on the pre-July 2026 VAT exemption for industrial machinery, which has ended.
- Royalties or licence fees paid to the group for brands or technology embodied in imported goods, which may have to be added to customs value.
- Importing without a tax clearance certificate, which leaves 5% of CIF tied up as withholding tax until the annual return.
- Missing the 12-month window for duty refunds or the 30-day window for review applications.
- Exempt goods diverted from the exempt purpose or zone; the exemption can be clawed back within the five-year document period.
- Relying on secondary descriptions of the VAT Deferral Facility or of zone incentives instead of the official texts, or importing machinery before applying: the Facility must be applied for before the goods arrive and covers only listed sectors, Chapter 84 and 85 goods and consignments bearing at least RWF 10,000,000 of import VAT.

OFFICIAL SOURCES

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- Ministry of Justice: Official Gazette n° Special of 29/05/2025 (Laws N° 009/2025 to N° 013/2025: VAT exemptions, excise and levies) — <https://www.minijust.gov.rw/index.php?elD=dumpFile&t=f&f=130496&token=4b9d4de9658212b7aaeeb5c8a42c823a7b879d7b>
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- Rwanda Revenue Authority: Commissioner General Guidelines for the Implementation of the VAT Deferral Facility (in force 1 August 2026) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/CG__s_Guidelines_For_Implementation_of_VAT-July_2026.pdf
- East African Community: Ministers adopt 35% as the CET fourth band (6 May 2022) — <https://www.eac.int/press-releases/157-trade/2424-eac-ministers-adopt-35-as-the-eac-cet-4th-band>

Tax administration, audits and disputes: Law N° 020/2023 on tax procedures, registration and records, rulings, the five audit types and the draft rectification note, appeals to the Commissioner General and deemed acceptance, amicable settlement, the Commercial Court, recovery, interest, fines and voluntary disclosure

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° 020/2023 of 31/03/2023 on tax procedures, which replaced Law N° 026/2019 of 18/09/2019, governs registration, records, declarations, audits, appeals, recovery, interest and penalties for the taxes administered by the Rwanda Revenue Authority (RRA).
- Books and records must be kept in Rwanda for ten years from 1 January after the year concerned, and RRA's 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 (Articles 15 and 35).
- An audit is announced at least seven working days in advance (three for an issue-oriented audit), and the taxpayer has 30 days to answer a draft rectification note after a comprehensive or transfer pricing audit, or five days after an issue-oriented or refund audit (Articles 28, 38 and 44).
- An appeal lies to the Commissioner General within 30 days of the assessment; paying the undisputed part suspends collection of the rest; if no decision is given within 30 days, extended by at most 30, the appeal is deemed well-founded; the taxpayer may then seek amicable settlement or go to court within 30 days (Articles 51 to 56).
- Late payment interest is 0.5%, 1% or 1.5% a month according to the length of the delay, capped at 100% of the tax; late declaration and payment carries a fine of 20%, 40% or 60%, and an understatement of more than 20% a fine of 20% of the understatement (Articles 80, 82 and 83).

The procedural law and the actors

The procedure for national taxes is set by **Law N° 020/2023 of 31/03/2023 on tax procedures** (the Tax Procedures Law), published in the Official Gazette n° Special ter of 31/03/2023 and in force on publication. It replaced Law N° 026/2019 of 18/09/2019, which some older guides still cite. The Rwanda Revenue Authority (RRA), which the statutes call the Tax Administration, registers taxpayers with the Registrar General, receives declarations through its e-tax system, audits, assesses, hears administrative appeals and recovers tax. Its **Commissioner General** issues rulings, decides appeals, grants filing

extensions and instalment plans, and makes directives on procedure. The Minister of Finance and Economic Planning makes the Ministerial Orders and decides waivers of interest and penalties, advised by the Tax Policy Committee established by Article 100 and organised by Ministerial Order N° 007/26/10/TC of 24/09/2026.

Decentralised taxes (property tax, trading licence tax and rental income tax) follow Law N° 048/2023, with their own interest and penalty rules, but are assessed and collected by RRA (Capital gains, property and other taxes). Customs disputes follow the East African Community Customs Management Act (Customs and EAC trade).

Registration, records and language

A business is registered for tax when it registers with the **Registrar General** at the Rwanda Development Board (RDB), which assigns the taxpayer identification number (TIN) used for every tax (Articles 11 and 12). A person must register for VAT within seven days once turnover exceeded RWF 20,000,000 in the previous year or RWF 5,000,000 in the preceding quarter, and RRA registers a person that fails to do so. Any change concerning the taxpayer or its activities is notified in writing within seven days, and a representative, such as a manager or liquidator, notifies his or her appointment within seven days (Article 10).

Record-keeping is graded by turnover (Articles 13 and 14). A business with turnover of RWF 2,000,000 to 12,000,000 keeps sales records only; from RWF 12,000,000 to 20,000,000 it keeps daily sales, purchases, cash records and tax records; above RWF 20,000,000 it also keeps records of assets and liabilities, income and expenses, stock and **information on controlled transactions**. Records are kept for **ten years** from 1 January following the year to which they relate, in the taxpayer's premises or another place in Rwanda, and may be kept and shared electronically (Article 15). A taxpayer on the real regime files complete financial statements with its annual declaration, and, where it has related-party transactions, its transfer pricing documentation (Article 16). Since 25 September 2026, under Ministerial Order N° 009/26/10/TC of 24/09/2026, financial statements must be certified by a professional approved by RRA where turnover is RWF 1,000,000,000 or more, with carve-outs for certain distributors and dealers; a missing certified statement costs RWF 500,000 a month until filed.

Communications, books and records must be in one of the **official languages**: Kinyarwanda, English or French (Article 7). RRA may require translation of other documents, and may commission one at the taxpayer's expense. Time limits run from the day after receipt, are counted in calendar days unless stated otherwise, and move to the next working day if they end on a weekend or holiday, except that an end-of-budget-year declaration and payment moves to the previous working day (Article 8). The filing calendar is set out in Compliance calendar after registration.

Declarations, extensions, assessments and rulings

A taxpayer that cannot file on time may apply in writing to the Commissioner General, with reasons, at least **15 days** before the deadline; the Commissioner General answers within ten days. An extension of the filing date does not stop interest running on the principal tax (Article 20), but a taxpayer that respects the extended date is not fined for late declaration (Article 82). A **notice of tax assessment** is issued where tax declared on time is unpaid, where an audit shows additional tax, or where there are

serious indications of intended evasion (Article 23). It states the computation, the basis, the right of appeal and the time for payment; the tax or fine is payable within **seven days** of receipt, and the notice is itself an enforcement order (Article 27).

The Commissioner General issues **advance tax rulings** on request or on his or her own initiative, and publishes rulings intended for the public (Article 9); RRA publishes public rulings on its laws, policies and rulings page. For a new structure, an unusual transaction or an incentive whose interaction with recent amendments is unclear, such as the Investment Code capital gains exemption after Law N° 014/2025, a ruling request is the most reliable protection available short of an advance pricing agreement ([Transfer pricing and international tax](#)).

Audits: notice, types and the draft rectification note

RRA gives written notice at least **seven working days** before an audit, stating its type, place, likely duration, the documents required and the periods covered (Article 28). The taxpayer may ask once, with reasons, for a postponement of up to 30 days, and may not change its declarations or accounting records for the audited matters after receiving the notice without RRA's authorisation. RRA may audit a given tax for a given period only once (Article 30), except in listed cases, such as collusion with the auditor, forged documents, cancellation of the first audit on appeal, or where the first audit was issue-oriented, desk, refund or transfer pricing and RRA now conducts a comprehensive audit. Written requests for information must be answered within **seven working days** (Article 31), and public and private institutions must answer RRA within 15 days (Article 32).

There are five types of audit (Article 42). A **comprehensive audit** covers all or several taxes, usually after a risk assessment indicates non-compliance across taxes. An **issue-oriented audit** examines a specific point, with only three working days' notice and a postponement of no more than seven working days (Article 44). A **desk audit** is conducted from RRA's office without notice where, for example, VAT turnover does not match income tax turnover, non-deductible expenses were deducted, invoices were not declared or declarations do not match payments (Article 45). A **transfer pricing audit** tests controlled transactions (Article 46), and a **refund audit** verifies a VAT credit claim (Article 47). An audit may proceed without notice, and by a non-contradictory procedure, where there is evidence of evasion or the taxpayer does not cooperate (Articles 41 and 48), and authorised officers may enter business premises without notice to search and seize documents, and residential premises with a warrant from the Prosecutor between 6 am and 6 pm (Article 49).

Under the ordinary **contradictory procedure**, RRA sends a **draft rectification note** setting out every adjustment and any administrative fine (Article 37). The taxpayer has **30 days** to give its written opinion after a comprehensive or transfer pricing audit, and **five days** after an issue-oriented or refund audit; it may also give oral explanations and new evidence (Article 38). If its explanations reveal new information that increases the tax, RRA issues a new draft and the period runs again. A desk audit produces no draft note; the taxpayer is invited to a hearing within five working days. RRA then issues a **final rectification note** giving reasons for accepting or rejecting the explanations (Article 40), followed by the notice of assessment. The reply to the draft note is the decisive stage, because documents not produced during the audit are inadmissible on appeal unless a valid reason is shown (Article 57).

RRA's power to audit lapses **five years** from 1 January following the tax period, or **ten years** where the taxpayer concealed information with intent to evade tax, and the same five-year limit applies to a taxpayer's own corrections that reduce tax (Article 35). The burden of proof lies on RRA when it rectifies a declaration or audits without notice, and on the taxpayer when it rectifies its own declaration, contests a statement by RRA or is subject to a transfer pricing audit (Articles 59 and 60).

Appeal to the Commissioner General

A taxpayer dissatisfied with a notice of assessment or a notification of administrative fine appeals to the **Commissioner General** within **30 days** of receipt (Article 51). The appeal must be in writing, identify the taxpayer and TIN, the period and the tax or fine disputed, state its object and grounds, contain the proofs and legal arguments, be signed by the taxpayer or its authorised representative, and be filed through the appeal module of the e-tax system (Article 52). Disputes about an assessment generated automatically from the taxpayer's own declaration may be resolved administratively without a formal appeal. If the taxpayer **pays the undisputed portion**, the Commissioner General suspends collection of the disputed amount while the appeal is pending.

The Commissioner General decides within **30 days** of receiving the appeal, a period that may be extended once by a further 30 days with notice to the taxpayer. If no decision is given within that time, **the appeal is deemed to be well-founded** (Article 53), and where an appeal is accepted in whole or part the taxpayer is discharged from the tax, interest and fines concerned. The Commissioner General may instead cancel the audit and order a new one where faults that reduced the tax were not disclosed by the first audit (Article 54). A taxpayer should therefore diarise the 30-day and 60-day dates from filing: the deemed-acceptance rule is a real protection, but only if the filing date can be proved.

Amicable settlement and the courts

A taxpayer dissatisfied with the Commissioner General's decision may request **amicable settlement** (Article 55). The modalities are in Commissioner General Directives N° 002/2024 of 22/10/2024 on amicable settlement of tax related disputes, published in the Official Gazette n° 45 of 04/11/2024, which replaced the 2020 rules: the request is made within 30 days of the Commissioner General's decision, the taxpayer pays 25% of the principal tax in dispute or provides security, and the procedure lasts no more than 90 days. If settlement fails, the taxpayer may file a case in court within **30 days** of the failure; alternatively it may go to court directly within 30 days of receiving the Commissioner General's decision (Article 56).

Tax cases are heard by the **Commercial Court**, which Article 81 of Law N° 30/2018 of 02/06/2018 determining the jurisdiction of courts makes competent for fiscal matters, with appeal to the Commercial High Court (Regulatory, tax and public-law disputes). Filing a case does not suspend the obligation to pay: RRA may recover the tax, fines and interest before judgment, unless the Commissioner General suspends recovery at the taxpayer's request (Article 56). Where a taxpayer is discharged by an administrative or judicial decision, or a refund is paid late, RRA pays interest at the National Bank of Rwanda (BNR) interbank offered rate set on 1 January, calculated daily from payment to refund (Article 58). Whether an investment treaty protects against a tax measure is discussed in Investor-State disputes and treaty protection.

Recovery, instalments, waiver and personal liability

If an assessed amount is not paid, RRA sends a warning letter giving **15 days** to pay (Article 66). It may then seize movable or immovable property held by the taxpayer or a third party; within 15 days of seizure the taxpayer may ask to sell the property itself and is then given 90 days to do so (Article 67). RRA may auction seized property without a court order (Article 68), and may require banks and debtors to pay to it the funds they hold or owe to the taxpayer, with a 15-day period to respond (Article 70). RRA staff have the powers of court bailiffs for tax recovery (Article 77). Taxes not recovered within **ten years** of the notice of assessment or of the final court decision become unrecoverable, but every act of recovery interrupts and restarts the period (Article 78).

The Commissioner General may allow payment in **instalments** over up to 12 months, extendable by up to 24 months for justified reasons, under a written contract; on default the whole balance becomes due (Article 75). In considerable financial difficulty a taxpayer may apply for a **waiver**: the Minister decides on interest and penalties after the Tax Policy Committee is consulted, and the Cabinet on any waiver of principal tax; no waiver is granted to a person identified as having evaded tax (Article 76). Directors directly involved in control and management of a private company are jointly liable for its tax where they intentionally or negligently caused the liability, and shareholders who manage or misuse company funds may also be liable, as determined by the court (Article 71). A taxpayer that subcontracts must notify the Commissioner General with a copy of the subcontract within 15 days of its start, failing which it is liable for the subcontractor's taxes (Article 73).

Interest, fines and voluntary disclosure

Late payment **interest** is simple, calculated monthly, with each month begun counted as a full month: 0.5% a month for a delay of up to six months, 1% for six to twelve months and 1.5% beyond twelve months, never exceeding 100% of the tax, and payable even while an appeal is pending (Article 80). Payments are applied first to principal, then to fines, then to interest. A taxpayer that fails to declare and pay on time pays a fine of **20%** of the tax for a delay of up to 30 days, **40%** for 31 to 60 days and **60%** beyond 60 days. One that declares on time but pays late pays 5%, 10% and 30% for the same periods; the English Gazette text of Article 82 reads "twenty percent (10%)" for the middle tier, and RRA applies 10%. An **understatement** of 10% to 20% of the tax liability found by audit costs 10% of the understatement, doubled to 20% above 20%; a taxpayer that corrects and pays before notice of an audit avoids the understatement fine but still pays late payment fines (Article 83).

Fixed fines under Article 81 apply to failures such as late declarations, failure to withhold, failure to register, failure to keep records or cooperate with an audit: RWF 50,000 for a taxpayer with turnover of RWF 2,000,000 to 20,000,000, RWF 300,000 where, in the words of the law, the taxpayer is a public institution or a non-profit organisation "and if" its turnover exceeds RWF 20,000,000, and RWF 500,000 for taxpayers notified that they are large taxpayers. Failure to provide requested information, or providing incomplete or misleading information, costs RWF 500,000, 2,000,000, 3,000,000 or 5,000,000 according to turnover, with the turnover bands of RWF 20,000,000, 200,000,000 and 600,000,000; a second offence within two years doubles the fine and a third quadruples it. A person who evades tax also pays an administrative fine equal to the tax evaded. Missing or misleading information on controlled transactions costs 5% of their value (Article 86); failure to issue electronic invoices, or issuing under-valued ones, carries the fines in Articles 84, 88 and 89 (VAT and electronic invoicing). Tax

evasion through forged documents, hidden assets or false declarations is an offence punishable by two to five years' imprisonment, and a fraudulent refund claim adds a fine of 100% of the amount claimed (Articles 90 and 91). Accessory sanctions include closure of the business for up to 30 days and publication, imposed by the Commissioner General, and exclusion from public tenders and deregistration, imposed by the court (Article 92).

Under Article 94, a taxpayer that **voluntarily discloses** and pays tax before being notified of an audit is relieved of interest and penalties, but the statutory relief is limited to taxpayers not registered with RRA and to registered taxpayers disclosing periods already outside the five-year audit window; for other registered taxpayers, relief depends on a disclosure period opened by the Minister, whose modalities are in Ministerial Order N° 001/24/03/TC of 08/03/2024. Correcting before an audit notice still removes the understatement fine under Article 83.

From audit notice to court: the timetable

1 Audit notice

At least seven working days' notice (three for an issue-oriented audit). Ask for any postponement at once, in writing; it is allowed once, up to 30 days (seven working days for an issue-oriented audit). Freeze the records concerned.

2 During the audit

Provide working space, books and copies; answer written requests within seven working days; produce transfer pricing documentation within seven days of a request. Everything not produced now may be inadmissible later.

3 Draft rectification note

Reply in writing within 30 days (comprehensive or transfer pricing audit) or five days (issue-oriented or refund audit), with evidence; request an oral hearing if useful. A desk audit leads to a hearing within five working days instead.

4 Final note and assessment

RRA issues the final rectification note and notice of assessment; the amount is payable within seven days of receipt unless appealed.

5 Appeal to the Commissioner General

File through the e-tax appeal module within 30 days of the notice, with all proofs and legal arguments; pay the undisputed portion to suspend collection of the rest.

6 Decision or deemed acceptance

Decision within 30 days, extendable once by 30 days; silence after that means the appeal is deemed well-founded.

7 Amicable settlement or court

Within 30 days of the decision, request amicable settlement (25% of principal tax or security; up to 90 days) or file in the Commercial Court; after a failed settlement, file within 30 days. Payment remains due unless recovery is suspended.

Deadlines, penalties and time limits (October 2026)

Item	Rule	Source
Record retention	10 years from 1 January after the year concerned, kept in Rwanda	Article 15
Filing extension	Apply at least 15 days before the deadline; answer within 10 days; interest still runs	Article 20
Payment of an assessment	Within 7 days of receipt	Article 27
Audit notice	7 working days (issue-oriented: 3); one postponement of up to 30 days (issue-oriented: 7 working days)	Articles 28 and 44
Information requests	7 working days (taxpayer); 15 days (third parties)	Articles 31 and 32
Reply to draft rectification note	30 days (comprehensive, transfer pricing); 5 days (issue-oriented, refund)	Article 38
Audit limitation	5 years from 1 January after the period; 10 years for concealment	Article 35
Appeal to Commissioner General	30 days from the notice; decision within 30 + 30 days or deemed well-founded	Articles 51 and 53
Amicable settlement	Request within 30 days of the decision; 25% of principal or security; up to 90 days	Article 55; CG Directives N° 002/2024
Court	30 days from the decision or from failed settlement; Commercial Court	Article 56; Law N° 30/2018, Article 81
Late payment interest	0.5% / 1% / 1.5% a month by length of delay; capped at 100% of tax	Article 80
Late declaration and payment	20% / 40% / 60% (late payment only: 5% / 10% / 30%)	Article 82
Understatement	10% of understatement (10-20%); 20% above 20%	Article 83
Instalments	Up to 12 months, extendable by up to 24	Article 75
Recovery limitation	10 years from assessment or final judgment; interrupted by recovery acts	Article 78

WORKED EXAMPLE

A comprehensive audit of a foreign-owned distributor

A South African-owned distributor in Kigali, calendar-year taxpayer, receives notice on 1 October 2026 of a comprehensive audit of income tax and VAT for 2021 to 2025. RRA's power to audit 2021 lapses at the end of 2026. Figures are illustrative, and interest is left out because its computation depends on the payment date.

Notice	Received on Thursday 1 October 2026; with at least seven working days' notice, the audit may start from 13 October 2026. The company asks for a postponement and is given until 30 October 2026.
Draft rectification note	Received 30 November 2026: 2023 corporate income tax increased by RWF 120,000,000 for disallowed related-party fees above 2% of turnover and undocumented expenses. The tax that should have been paid is RWF 500,000,000 against RWF 380,000,000 declared.
Understatement fine	Understatement $\text{RWF } 120,000,000 \div \text{RWF } 500,000,000 = 24\%$, above 20%, so the fine is doubled: $20\% \times \text{RWF } 120,000,000 = \text{RWF } 24,000,000$.
Reply	Due within 30 days, by 30 December 2026. The company produces service reports and invoices showing RWF 30,000,000 of the expenses were genuine business costs; RRA accepts them in the final note, reducing the adjustment to RWF 90,000,000 and the understatement to 18%, so the fine falls to $10\% \times \text{RWF } 90,000,000 = \text{RWF } 9,000,000$.
Appeal	Final assessment received 15 January 2027. The company disputes RWF 40,000,000, pays the undisputed RWF 50,000,000 to suspend collection, and appeals through e-tax by 15 February 2027 (the 30th day, 14 February, is a Sunday).
Decision	If no decision is notified within 30 days, or 60 days if RRA extends the period, the appeal on the RWF 40,000,000 is deemed well-founded.
Next steps if rejected	Within 30 days of the decision: amicable settlement (paying $25\% \times \text{RWF } 40,000,000 = \text{RWF } 10,000,000$ or giving security) or a case in the Commercial Court.

Late payment interest runs on the RWF 90,000,000 from the day after the 2023 tax fell due (31 March 2024, carried to the next working day under Article 8), at the monthly rate for the length of the delay, and continues during the appeal.

Documents not produced in reply to the draft note could have been refused at the appeal stage under Article 57.

Questions investors ask about tax audits and disputes

Which law governs tax audits and appeals in Rwanda?

Law N° 020/2023 of 31 March 2023 on tax procedures, which replaced Law N° 026/2019. It sets record-keeping, audit notice and types, the draft rectification note, appeals to the Commissioner General, amicable settlement, court action, recovery, interest and fines. Customs disputes follow the EAC Customs Management Act instead.

How long can RRA go back in a tax audit?

Five years from 1 January following the tax period, or ten years where the taxpayer concealed information with intent to evade tax, under Article 35 of Law N° 020/2023. Records must be kept for ten years. A recovered assessment may be enforced for ten years, and each recovery act restarts that period.

How long do I have to respond to a draft rectification note?

Thirty days after a comprehensive or transfer pricing audit, and five days after an issue-oriented or refund audit, under Article 38 of Law N° 020/2023. A desk audit leads instead to a hearing within five working days. Produce all evidence at this stage, because new documents are generally inadmissible on appeal.

What happens if the Commissioner General does not decide my appeal?

The appeal is deemed well-founded. The Commissioner General must decide within 30 days of receiving it, extendable once by 30 days with notice; after that, silence means the taxpayer wins on the disputed amount. Keep proof of the filing date from the e-tax appeal module.

Do I have to pay the tax while I appeal?

Paying the undisputed part suspends collection of the disputed part during the appeal to the Commissioner General. Once the case is in court, the tax remains payable and RRA may recover it, unless the Commissioner General suspends recovery on request. Interest continues to accrue throughout, capped at 100% of the tax.

What are the penalties for late filing and payment in Rwanda?

Late declaration and payment costs 20%, 40% or 60% of the tax for delays of up to 30 days, 31 to 60 days and over 60 days; late payment alone costs 5%, 10% or 30%. Interest is 0.5%, 1% or 1.5% a month by length of delay, capped at 100% of the tax, plus fixed fines for other failures.

THE 2027 HORIZON

- Ministerial Order N° 006/26/10/TC of 24/09/2026 on electronic invoicing, tax waivers and rewards for reporting evasion took effect on 25 September 2026; because Article 45 already makes undeclared invoices and mismatches between VAT and income tax turnover grounds for a desk audit, the 2026 and 2027 invoicing data should be reconciled with the returns before they are filed.
- The first financial statements certified under the RWF 1,000,000,000 threshold of Ministerial Order N° 009/26/10/TC fall due with the 2026 returns by 31 March 2027, and the RWF 500,000 monthly fine for missing certified statements will apply from then.
- The Tax Policy Committee, whose composition and functioning Ministerial Order N° 007/26/10/TC set in September 2026, advises the Minister on tax policy; any amendment of the Tax Procedures Law, including correction of the inconsistent English text of Article 82, would be expected to pass through it and the annual budget cycle.
- Audits opened in 2027 can reach back to the 2022 tax period; the 2021 period falls outside the ordinary five-year window at the end of 2026, absent concealment.
- Whether the Minister opens a new voluntary disclosure window for registered taxpayers under Article 94, as was done by Ministerial Order N° 001/24/03/TC in 2024.

Terms you will meet in the documents

English	Kinyarwanda	French	Meaning
Tax Administration	<i>Ubuyobozi bw'Imisoro</i>	<i>Administration fiscale</i>	The statutory name for the Rwanda Revenue Authority in tax laws.
Commissioner General	<i>Komiseri Mukuru</i>	<i>Commissaire Général</i>	The head of RRA, who decides appeals, issues rulings and grants extensions and instalments.
Tax ruling	<i>Inyandiko zisobanura amategeko y'imisoro</i>	<i>Décision fiscale</i>	An advance ruling by the Commissioner General, private on request or published for the public.
Notice of tax assessment	<i>Inyandiko igena umusoro</i>	<i>Note d'imposition</i>	The document fixing tax due, payable within seven days and enforceable as such.
Draft rectification note	—	<i>Projet de note de rectification</i>	RRA's proposed adjustments after an audit, to which the taxpayer replies within 30 or 5 days.
Final rectification note	<i>Inyandiko ndakuka y'ikosora</i>	<i>Avis définitif de rectification</i>	RRA's reasoned final audit findings, followed by the assessment.
Contradictory procedure	—	<i>Procédure contradictoire</i>	The ordinary audit procedure in which the taxpayer is heard on the draft note before assessment.

English	Kinyarwanda	French	Meaning
Amicable settlement	—	<i>Règlement à l'amiable</i>	The post-appeal negotiation under Commissioner General Directives N° 002/2024.
Interest for late payment	<i>Inyungu z'ubukererwe</i>	<i>Intérêts de retard</i>	Monthly simple interest of 0.5% to 1.5% on unpaid principal tax, capped at 100%.
Voluntary disclosure	—	<i>Divulgence volontaire</i>	Disclosure and payment before audit notice that, within the limits of Article 94, removes interest and penalties.

FOREIGN V RWANDAN INVESTOR

The Tax Procedures Law draws no distinction between foreign-owned and Rwandan-owned taxpayers, or between EAC, COMESA and other nationals: the same notice periods, appeal deadlines, deemed-acceptance rule, interest and fines apply. The practical differences lie elsewhere. Records and correspondence must be in Kinyarwanda, English or French, so group documents in other languages need translation; the representatives of a non-resident with a permanent establishment, including its agents or, if no manager is appointed, its employees, share its tax liability (Article 72); treaty benefits are granted only after RRA validates a tax residence certificate (Article 101); and a foreign group's head-office decision cycle must fit the five-day and 30-day windows, which do not stop for internal approvals. A Rwandan or foreign director involved in management can be held personally liable for the company's tax under Article 71.

WATCH OUT FOR

- Treating the reply to the draft rectification note as informal; documents not produced then are generally inadmissible on appeal.
- The five-day reply period after an issue-oriented or refund audit, which can expire before a group's tax team abroad has seen the note.
- Appealing without paying the undisputed portion, which leaves the whole assessment open to collection.
- Failing to keep proof of the appeal filing date, without which the deemed-acceptance rule cannot be relied on.
- Subcontracting without notifying the Commissioner General within 15 days, which makes the main contractor liable for the subcontractor's taxes.
- Assuming a voluntary disclosure always removes interest and penalties; for registered taxpayers the statutory waiver is narrow.

OFFICIAL SOURCES

- Rwanda Revenue Authority: Law N° 020/2023 of 31/03/2023 on tax procedures — https://www.rra.gov.rw/fileadmin/user_upload/NEW_TAX_PROCEDURES_LAW_2023.pdf
- Rwanda Revenue Authority: Taxation Procedures guide (August 2023) — https://www.rra.gov.rw/fileadmin/user_upload/RRA_Taxation_Procedures_2023.pdf
- Rwanda Revenue Authority: Ministerial Order N° 009/26/10/TC of 24/09/2026 (certification of financial statements) — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_orders-Financial_statements.pdf
- Rwanda Revenue Authority: Ministerial Order N° 001/24/03/TC of 08/03/2024 on voluntary disclosure — https://www.rra.gov.rw/fileadmin/user_upload/Ministerial_Order_about_Voluntary_Disclosure.pdf
- Rwanda Revenue Authority: laws, policies and rulings — <https://www.rra.gov.rw/en/laws-policies-and-rulings>
- Rwanda Revenue Authority: Basic Information on Rwanda Taxation System (November 2025) — https://www.rra.gov.rw/fileadmin/Folder_for_2025/BASIC_INFORMATION_version_2025.pdf