

Front Cover RRA Tax Handbook

Disclaimer

This information is strictly for the purpose of guidance to our stakeholders and is subject to change on amendment of tax legislation and any other regulations governing tax administration.

The information in this handbook is updated in the online version, as and when required.

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Foreword by the Commissioner General



It gives me great pleasure to present to you the 2nd printed edition of the Rwanda Revenue Authority (RRA) Tax Handbook. This Tax Handbook is a very important demonstration of RRA's strong commitment to be 'Here For You, To Serve'. This

means that at RRA we are striving to provide the best possible service to you, our taxpayers.

This Tax Handbook attempts to answer any questions that taxpayers might have about how, when, where, which taxes, what amount and even why they pay taxes. In this printed edition, we include an update on the new tax laws concerning Income, Value Added Tax, sources of revenue and property of decentralized entities, excise duty, automatic exchange of information for tax purposes, and tax procedures.

This covers all aspects of domestic taxes, local government taxes and fees, and customs duties. This means that all of Rwanda's tax laws, processes and procedures are summarised in one place for the benefit of all taxpayers.

Another important aim of this Handbook is to show taxpayers the ease with which they can declare and pay taxes online or on their mobile phones. Simple step-by-step guides illustrate how to declare taxes using E-Tax, M-Declaration and the Local Government Taxes (LGT) system. After declaring, taxes can then easily be paid using systems such as E-Payment, Online Banking, MTN Mobile Money and Mobicash. All of these systems mean that it has never been easier, and never taken less time, to comply with your tax obligations.

In addition, the sections on general RRA information are very important to show taxpayers the processes by which RRA monitors tax compliance, negotiates payment of unpaid due taxes, allows for fair hearings and penalises non-compliance.

Finally, the ultimate aim of this Tax Handbook is to help taxpayers. We want taxpayers to understand fully their tax obligations. We want taxpayers to know that RRA is working for them. We want taxpayers to tell their friends, suppliers, customers and competitors that paying their taxes has never been easier and has never been more important in financing the development of our country.

NIWENSHUTI Ronald
Commissioner General

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Tax Types Summary

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
For all businesses...	Income Tax (PIT or CIT), <i>including Income Quarterly Prepayments (IQP)</i>	31 st March of following year	118
	Trading License Tax	<i>30th June, 31st September and 31st December of current year</i>	131
		31 st January of current year	314
... with employees	Pay As You Earn (PAYE)	15 th of following month/quarter	184 Error! Bookmark not defined.

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
... with annual turnover above FRW 20,000,000	Value Added Tax (VAT)	15 th of following month/quarter	202
... which import or export goods	Customs Duties	when importing or exporting	355
... which manufacture fruit juices, other juice, lemonades and sodas, cosmetic and beauty products, other alcoholic beverages, beers, wines, spirits, brandies, oils, cigarettes, lubricants and fluids, motor vehicles, powdered milk or airtime,	Excise Duty	5 th of the following month	246

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
Chocolate, Sweets and Chewing gum, flavoured and coloured syrup, other fermented beverages, financial transactions			
... which make payments of interest, dividends, royalties, service or consultancy fees, for performances, or to non-registered businesses	Withholding Taxes	15 th of following month	258
... which pay out gambling proceeds	Gaming Taxes	15 th of following month	273

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
... which deal with minerals (local exploitation)	Mining Royalty Tax	15 th of following month	282
... which deal with minerals (export)	Export Tax (Minerals)	Before export	365
... to maintain roads in good condition	Road maintenance Levy	31 st December	292
... paid on accommodation services	Tourism tax	15 th of the following month	296
For all landowners...	Immovable Property Tax	31 st December of that year	303
... renting out property	Rental Income Tax	31 st January of following year	321
For all individuals...			

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
<p>... on the direct or indirect sale or transfer of shares, licenses, debt instruments, options, guarantees and similar assets</p>	<p>Capital Gains Tax</p>	<p>15 days following the month in which the sale or transfer of shares occurred</p>	<p>290</p>
<p>For anyone...</p>			
<p>... importing a car</p>	<p>Customs duties</p>	<p>when importing</p>	<p>404</p>
<p>... buying a car locally</p>	<p>Transfer Fee</p>	<p>upon transfer</p>	<p>64</p>
<p>... requiring District's services or authorisation</p>	<p>Local Government Fees</p>	<p>before the service or authorisation is provided</p>	<p>326</p>

Introduction

“We cannot rely on foreign aid forever. We are a population of 13.2 million people and those paying taxes are doing a good thing; however, ... if the national budget is to be fully supported by Rwandans, then we must... carry on sensitizing people on their role of contributing to the country’s development.

If we work hard and ensure that our budget is fully funded by domestic resources, then we shall have only one master – our people.”

His Excellency Paul Kagame, President of Rwanda
speaking at the 2013 Taxpayers Appreciation Day

“I like paying taxes. With them, I buy civilisation.”

Oliver Wendell Holmes Jr, Associate Justice of the
Supreme Court of the United States of America in 1938

Taxes are the mandatory contribution from citizens to a government in order to fund public expenditures.

Since 1997, Rwanda Revenue Authority (RRA) has been legally mandated by the Government of Rwanda with the task of assessing, collecting and accounting for taxes, customs duties, local government taxes and fees and non-tax revenues.

RRA’s vision is “to be a model revenue administration optimally financing national needs” and RRA’s mission statement is to “efficiently mobilise revenue and facilitate

trade through transparent and innovative services to drive economic growth.”

Purpose of the RRA Tax Handbook

The RRA Tax Handbook is intended as a simplified guide to understand the tax laws and procedures for all tax types in Rwanda. It covers how to register, declare and pay each of the domestic taxes, Local Government Taxes (LGT) and fees, and customs duties.

This Tax Handbook will be updated periodically. If there are any tax policy or administration changes in the interim, RRA uses the media, the RRA website and seminars to try and reach all taxpayers and ensure they are made aware of the new policies and procedures. In addition, an updated Tax Handbook is available on the RRA website.

However, it is important to note that this Tax Handbook is intended for the purpose of guidance only. It does not override the tax laws, and in the case of any uncertainty, please refer to these laws, ministerial orders and rulings available on the RRA website at:

<https://www.rra.gov.rw/en/laws-policies-and-rulings>

The Tax Handbook explains the process of registering, declaring domestic taxes, LGT and fees, and customs duties, and paying all taxes in turn. Summary pages are at the end of the Tax Handbook for easy reference.

Benefits of Taxes

Taxes are a vital and hugely beneficial requirement of modern society. Taxes are necessary to pay for public goods and services, which provide benefits to all members of the population. Some of these are more tangible such as:

- Infrastructure
- National security
- Access to utilities such as water and electricity
- Education
- Healthcare

There are also a range of less tangible benefits that arise from taxes, such as:

- Good governance – when citizens are paying taxes, the government is held more responsible for improving public services
- Social responsibility – citizens are more likely to protect those public services, and can be proud of contributing to Rwanda’s development
- Self-reliance – tax revenues are the backbone of national self-reliance, reducing the country’s dependency on unpredictable foreign aid and donors

The following pages illustrate some of the many ways in which revenues from taxes are immediately and transparently benefiting social and economic development across Rwanda:



Agricultural productivity, food security and rural incomes benefiting from agricultural infrastructure



Without taxes, the government would not have the funds to modernise/build infrastructure such as stadium.



Safe, secure and peaceful society ensured by the Rwandan Defence Force and the Rwanda National Police.

Here For You, To Serve - Call the RRA Call Centre on 3004



In addition to expanding infrastructure, recruiting more teachers, and integrating technology, the government also implemented a school feeding program to enhance student welfare and learning outcomes.



Here For You, To Serve - Call the RRA Call Centre on 3004

Trained nurses and doctors in modern hospitals with modern equipment increasing life expectancies and quality of life.

Principles of Taxation

There are four key principles of good taxation systems, which RRA strives to attain and uphold:

- Equity – taxes are fair such that the tax system does not discriminate between taxpayers, but that those with higher incomes, and who are more able to, pay a higher proportion of taxes.
- Certainty – taxpayers should know how much, when, where, how and why they have to pay. This increases trust with the taxpayer and enables them to manage their income and expenditure.
- Convenience – tax authorities should make every effort to reduce the difficulties of paying taxes, taking into account locations, methods and times of tax declarations and payment.
- Economy – tax authorities should try to minimise the administrative costs of collecting taxes to ensure the greatest benefits to the government and taxpayers.

This Tax Handbook is an example of RRA's efforts to uphold both the Certainty and Convenience principles, by clearly explaining the laws and procedures of paying taxes and the new convenient methods of declaring and paying taxes over the internet or on mobile phones.

History of Taxes in Rwanda

The formal, monetary tax system in Rwanda has been in effect for more than one hundred years, when the first property tax was implemented in August 1912. This was joined by a profit tax established in June 1925.

After independence, taxes were formally inducted into Rwandan law in the June 1964 law on profit tax, and the July 1968 law on customs and excise duties.

Up to this point, administration of taxes had been carried out by the Ministry of Finance and Economic Planning (MINECOFIN). However, after the Genocide against the Tutsi in 1994, the ambitious new government identified the benefits of improved tax administration to a growing economy, leading to the creation of the semi-autonomous Rwanda Revenue Authority (RRA) in November 1997.

RRA Modernisation and Reforms

Since its creation, RRA has implemented a wide range of reforms, and the Government of Rwanda has introduced new tax types, to bring Rwandan tax policy and administration in line with 21st century best practices. The introduction of Value Added Tax (VAT) in 2001 and the introduction of the E-Tax system in 2012 are two notable examples of this dedication to improve and modernise revenue collections.

A further milestone was reached in 2009 when Rwanda joined the East African Community (EAC) customs union. Allowing duty free trade within the EAC, and a

common external tariff with trade from outside the EAC, has benefited Rwanda greatly through the increase in trade, regional integration and larger export markets. RRA continues to facilitate trade through Northern and Central Corridor Integration projects, one-stop border posts, Rwanda electronic Single Window (ReSW) system, Authorised Economic Operator (AEO) and the Rwanda electronic Cargo Tracking System (ReCTS) amongst other initiatives.

To further consolidate the goals of the Customs Union and to address the challenges experienced, the Summit of Heads of State decided on the implementation of the Single Customs Territory which commenced in July 2014. This was a major milestone and final stage towards the attainment of fully fledged Customs Union. Under SCT assessment and payment of duties is done at the destination Partner State while goods are still at the first point of entry.

The Single Customs Territory has been implemented to facilitate faster clearance and improvement in cargo movement along the two corridors (Northern and Central) and the now Standard Gauge Railway line.

The AfCFTA entered into force on May 30, 2019, after 24 Member States deposited their Instruments of Ratification following a series of continuous continental engagements spanning since 2012. It was launched at the 12th Extraordinary Session of the AU Assembly of Heads of State and Government in Niamey – Niger, in July 2019.

The commencement of trading under the AfCFTA was in January 1, 2021.

RRA's focus on facilitating taxpayers for voluntary tax compliance has been highlighted in the launch of the "Here For You, To Serve" campaign in 2016. The focus of the campaign is a promise to serve taxpayers in a friendly, helpful and professional manner. The long-term intention of RRA is to increase revenue collections through reducing the costs of compliance and making it as easy as possible to declare and pay taxes. This Tax Handbook is intended to support this "Here For You, To Serve" promise and further promote voluntary tax compliance.

Overview of Tax Types

In Rwanda, the types of domestic taxes are:

- Income Tax, including
 - o Personal Income Tax (PIT)
 - o Corporate Income Tax (CIT)
- Pay as You Earn (PAYE)
- Value Added Tax (VAT)
- Excise Duty
- Withholding Taxes
- Gaming Tax
- Capital Gains Tax
- Mining Royalty Tax
- Motor vehicle Registration Fee
- Road Maintenance Levy

- Tourism Tax

The types of local government taxes and fees are:

- Immovable Property Tax
- Trading License Tax
- Rental Income Tax
- Local Government Fees

The types of Customs Duties are:

- Value Added Tax (VAT)
- Excise Duty
- Import Duty
- Withholding Tax of 5% (WHT 5%)
- Infrastructure Development Levy (IDL)
- Strategic Reserves Levy (SRL)
- African Union Levy (AUL)
- Export Duty on Raw Hides and Skins
- Computer Processing Fee
- Quality Inspection Fee (QIF)
- Road Maintenance Fund
- Export Tax – Minerals
- Environmental Levy

RRA Structure

RRA is a semi-autonomous revenue authority accountable to the Ministry of Finance and Economic Planning (MINECOFIN). RRA collects tax revenues on behalf of the Government of Rwanda. RRA is also responsible for advising the Government of Rwanda on matters relating to tax policy and revenue collections.

The RRA is governed by a Board of Directors under a Board Chairperson who is appointed by the Cabinet. The Board is responsible for the formulation and monitoring the implementation of the corporate strategy of RRA.

The Commissioner General is the head of the authority and is responsible for its daily management. The Deputy Commissioner General and Commissioner for Corporate Services assists the Commissioner General in his everyday duties and coordinates activities of all support departments.

The Commissioner General and Deputy Commissioner General and Commissioner for Corporate Services shall be respectively appointed by a Presidential Order and a Prime Minister's Order. The overall management is supported by the Executive Organ (EO) and Senior Management Team (SMT).

The departments within RRA are categorised in terms of operational departments and support departments. The operational departments directly collect taxes. The support departments provide a range of services to facilitate the operational departments and taxpayers.

The operational departments are disaggregated into Customs Services Department (CSD) and Domestic Taxes Department (DTD).

Customs Services Department further disaggregates into:

- Customs Operations
- Customs Operations Support

The Domestic Taxes department further disaggregates into:

- Taxpayer Audit Division
- Debt Management Division
- Provincial and Decentralized Revenue Division
- Tax Control and Operational Support Division
- Filing and Payment Monitoring Division

The support departments and divisions include:

- Legal Services and Board Affairs Department
- IT and Digital Transformation
- Finance Department
- Strategy and Risk Analysis Department
- Internal Audit and Integrity Department
- Strategic Intelligence and Investigation Division
- Taxpayer Services and Communications Division
- Human Resources Division
- Administration and Logistics Division
- Single Project Implementation Unit

For more details on the mission statement, strategic objectives and contact details for each department, visit the ‘About Us’ section of the RRA website at:

<https://www.rra.gov.rw/en/about-us/rra-profile>

RRA Service Charter

The RRA Service Charter contains details on taxpayers’ rights, taxpayers’ obligations and the range of services offered by RRA. Some of these services, such as issuance

of tax clearance certificates or motor vehicle number plates, charge a cost. The RRA Service Charter contains the requirements, timelines and costs of each of these services. To view the RRA Service Charter, visit the ‘Publication’ section of the RRA website at:

<https://www.rra.gov.rw/en/rra-service-charter-iv>

RRA Contact Details

RRA is “Here For You, To Serve” and is available to be contacted in many ways.

By telephone:

RRA Call Centre: 3004

RRA Headquarters: +250 (0) 788 185 500

By email:

https://ecms.rra.gov.rw/registered_taxpayer

On the RRA website ‘Contact Us’ section at:

<https://www.rra.gov.rw/en/contact-us>

By post:

Rwanda Revenue Authority,
Silver Back Mall
Kicukiro - Sonatube
Kigali
Rwanda
P. O. Box 3987

By social media:

<https://www.instagram.com/rwandarevenue/>

<https://x.com/rrainfo>

<https://www.youtube.com/@rwandarevenueauthority6148>

<https://www.facebook.com/RwandaRevenueAuthority>
<https://whatsapp.com/channel/0029Va5vwyEBadmXBapTbw3o>
https://www.tiktok.com/@rrataxtoks?_t=ZM-8vk7aIeu8XP&_r=1

By departments/divisions:

The contact details for the Commissioner General, Deputy Commissioner General and Commissioner for Corporate Services as well as for each operational or support department/division are listed on the RRA website. Visit the visit the ‘About Us’ section of the RRA website at:

<https://www.rra.gov.rw/en/about-us/rra-profile>

In particular, the contact details for the Commissioner for Customs Services Department (CSD) are:

Commissioner for Customs Services Department,
Rwanda Revenue Authority
Doubai Port World (DPW)
Kicukiro/Masaka
Kigali
Rwanda
P. O. Box 3987

At Domestic Tax Centres:

Domestic Tax Centres can be used to register and declare both domestic taxes and local government taxes and fees. In addition, domestic tax offices are available to help with a wide range of issues facing taxpayers.

There is at least one Domestic Tax Centre in every District. The opening hours of each domestic tax centre is 09:00 to 17:00 on Monday to Friday, excluding national holidays.

The contact details of Domestic Tax Centres are listed by province below:

City of Kigali

- RRA Headquarters - 078818 5516
- Gasabo - 078818 5784
- Kicukiro - 078818 5579
- Nyarugenge - 078818 5515

Eastern Province:

- Bugesera - 078818 5781
- Gatsibo - 078818 5606
- Kayonza - 078818 5806
- Kirehe - 078818 5805
- Ngoma - 078818 5821
- Nyagatare - 078818 5542
- Rwamagana - 078818 5569

Southern Province:

- Gisagara - 078818 5815
- Huye - 078818 5604
- Kamonyi - 078818 5810
- Nyamagabe - 078818 5533
- Nyanza - 078818 5536
- Nyaruguru - 078818 5666
- Ruhango - 078818 5535

Western Province:

- Karongi - 078818 5532
- Ngororero - 078818 5811
- Nyabihu - 078818 5838
- Nyamasheke - 078818 5549
- Rubavu - 078818 5629
- Rusizi - 078818 5537
- Rutsiro - 078818 5813

Northern Province:

- Burera - 078818 5812
- Gakenke - 078818 5808
- Gicumbi - 078818 5568
- Musanze - 078818 5628
- Rulindo - 078818 5832

At Border Posts and Dry Ports:

RRA Border Posts and Dry Ports can be used for imports, exports and other customs processes. The contact details of RRA Border Posts and Dry Ports are listed on page 387.

At Local Government Tax Centres

Local Government Tax Centres can be used to register and declare Local Government Taxes (LGT) and fees. The contact details of Local Government Tax Centres are listed on page 334.

General RRA Information

Definitions

Taxpayer – any individual, legal entity (e.g., company, organisation or institution) or association of individuals (e.g., cooperative) that is subjected to tax according to the Rwandan tax laws. Each taxpayer must have a TIN.

TIN – ‘TIN’ refers to the Taxpayer Identification Number. This is a unique reference number to be used in all interactions with RRA. No taxpayer should ever have more than one TIN for the same business.

Registration – There are two types of ‘registration’ concerning RRA. Firstly, taxpayers must register their business, or register as an individual, and receive their unique Taxpayer Identification Number (TIN). Secondly, taxpayers must also register for each relevant tax type, as soon as they fulfil the requirements for that tax type.

Declaration – Taxpayers must submit a tax ‘declaration’ each tax period for each tax type for which they are registered. Declaring is also referred to as ‘tax filing’. The tax declaration contains all the information, including annexures and declaration forms, required by RRA to determine the amount of tax due for that tax period.

Payment – After submitting a tax declaration, the taxpayer must then pay any tax due to the correct RRA account. The RRA reference number received after declaring ensures each payment is to the correct account.

Tax period – The ‘tax period’ refers to the period of time that the declaration refers to, which varies by tax type. The declaration concerns the taxable activities during the tax period. Note that the tax period is often not the same as the deadline or the date at the time of declaration.

Deadline – The deadline refers to the date that tax declarations and payments must be submitted by in order to avoid penalties and fines. Taxes can be declared and paid at any time between the end of the tax period and the deadline. This is referred to as the ‘filing period’.

Transaction – A ‘transaction’ refers to any payment or exchange of goods or services being bought or sold.

Annexures – During the declaration process, many tax types require additional information to be submitted in ‘annexures’. Typically, annexures are spreadsheets, with separate ‘tabs’ for different aspects, and are completed for every relevant transaction during the tax period.

Declaration Form – During the declaration process, each tax type also requires the key information to be submitted in a ‘declaration form’. This requires the total of all relevant transactions during the tax period.

Turnover – ‘Turnover’ refers to the total value of sales made by a taxpayer in a tax period. This may also be referred to as revenue, business income or total sales. Note that turnover is not the same as profit, as profit takes into account the taxpayer’s business costs.

Compliance – ‘Compliance’ refers to the extent to which taxpayers fulfil all their tax obligations, including registering, declaring accurately and paying taxes on time. Businesses or individuals that are ‘non-compliant’ may face penalties, fines and other enforcement measures.

Arrears – ‘Arrears’ refers to any amount owed by taxpayers to RRA. This includes any unpaid taxes after the deadline, and unpaid penalties, fines and interests.

Refunds – ‘Refunds’ refers to any amount of VAT owed by RRA to taxpayers. These are also referred to as ‘tax credits’ for other tax types. ‘Refunds’ can be received by taxpayers in the form of ‘cash’ while tax credits in the form of ‘credit notes’ that can be deducted against future taxes, or cash.

Consignment – A ‘consignment’ refers to any group of goods that is declared together when importing or exporting. Typically, this refers to the ‘container load’ or ‘truck load’ that is being transported together.

FRW – ‘FRW’ refers to Rwandan Francs. This is the currency of Rwanda and the currency that all declarations and payments must be made in unless otherwise specified.

Acronyms

AEO	Authorised Economic Operator
AEOI	Automatic Exchange of Information
AfCFTA	African Continental Free Trade Area
AUL	African Union Levy
BDF	Business Development Fund
BNR	National Bank of Rwanda
BRD	Development Bank of Rwanda
CBHI	Community Based Health Insurance
CD	Corps Diplomatic
CET	Common External Tariff
CG	Commissioner General
CIF	Cost, Insurance and Freight
CIT	Corporate Income Tax
CMA	Customs Management Act
COMESA	Common Market of Eastern and Southern Africa
CRS	Common Reporting Standard
CSD	Customs Services Department
DAD	Dédouanement à Domicile
DC	Deputy Commissioner
DCG	Deputy Commissioner General
DMC	Declaration de Mise à la Consommation
DPW	Dubai Port World
DRC	Democratic Republic of Congo
DTD	Domestic Taxes Department
EAC	East African Community
EBM	Electronic Billing Machine
EIS	Electronic Invoicing System
EO	Executive Organ

EOI	Exchange of Information
EOIR	Exchange of Information on Request
FER	Fonds d'Entretien Routier
FOB	Free On Board
FRW	Franc Rwandais
HF	Handling Fee
IDL	Infrastructure Development Levy
IGO	Inter-Governmental Organisation
IQP	Instalment Quarterly Payment
IT	Immatriculation Temporaire
LGT	Local Government Taxes
MINAFFET	Ministry of Foreign Affairs, Cooperation and East African Community
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry
MININFRA	Ministry of Infrastructure
MINIRENA	Ministry of Natural Resources
MSIC	Millennium Savings & Investment Cooperative
MTN	Mobile Telephone Networks
MVF	Motor Vehicle Registration Fee
NGO	Non-Governmental Organisation
NID	National Identification
NISR	National Institute of Statistics Rwanda
OECD	Organisation for Economic Co-operation and Development
ORG	Office of the Registrar General
OS	Operating System
OSBP	One-Stop Border Post
PAYE	Pay As You Earn
PCA	Post-Clearance Audit

General RRA Information

PIT	Personal Income Tax
PSF	Private Sector Federation
QIF	Quality Inspection Fee
RAMA	Rwandaise d'Assurance Maladie
RCA	Rwanda Cooperatives Authority
RDB	Rwanda Development Board
RECTS	Rwanda Electronic Cargo Tracking System
ReSW	Rwanda electronic Single Window
RGB	Rwanda Governance Board
RICA	Rwanda Inspectorate, Competition and Consumer Protection Authority
RIED	Revenue Investigation and Enforcement Dept
RMB	Rwanda Mines, Petroleum and Gas Board
RMF	Road Maintenance Fund
RRA	Rwanda Revenue Authority
RSSB	Rwanda Social Security Board
SMS	Short Message Service
SRL	Strategic Reserves Levy
TCC	Tax Clearance Certificates
TIN	Taxpayer Identification Number
TP	Transfer Pricing
UN	United Nations
USD	United States Dollars
USSD	Unstructured Supplementary Service Data
VAT	Value Added Tax
VDS	Voluntary Disclosure Scheme
VSDC	Virtual Sales Data Controller
WHT	Withholding Tax
WOP	Withholding on Payments

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Laws, Ministerial Orders and Rulings

Where are the laws, ministerial orders and rulings governing tax administration published?

All laws, ministerial orders, Commissioner General (CG) rulings, public rulings and ruling cases governing tax administration are available on the RRA website at:

<https://www.rra.gov.rw/en/laws-policies-and-rulings>

How can taxpayers ask for rulings if anything is unclear?

If there are any aspects that are unclear, or not covered, by the existing laws, ministerial orders or previous rulings then taxpayers may ask for an official clarification or ruling to be made by RRA.

In order to request a ruling, taxpayers must write a letter addressed to the Commissioner General of RRA. This letter should:

- Identify the taxpayer's name and TIN.
- Identify the relevant sections of laws, ministerial orders or previous rulings.
- State the reason(s) that a ruling is required.

RRA will consider the request and inform the taxpayer of the official ruling directly. In the event that the ruling is considered to be useful to taxpayers more generally, this will also be published as an official ruling on the RRA website on the link above.

Obligations and Bookkeeping

What are the obligations of taxpayers?

The general obligations of all taxpayers include:

- Keeping RRA informed of any changes in contact details or physical address. Any changes must be reported to RRA within ten (10) days.
- Keeping books of account, see below.
- Submitting tax declarations and paying due taxes
- Cooperating fully with all RRA officers and correspondence.

For additional obligations of taxpayers that are registered for specific tax types, see the relevant chapters of this Tax Handbook.

What are ‘Books of Account’ and what bookkeeping is required of taxpayers?

Books of account are very helpful for businesses to keep track of their cash-flow and profitability. The minimum information required by RRA is for taxpayers to record each sale transaction, with the date, client, nature of goods and amount recorded.

Taxpayers with annual turnover between FRW 12,000,000 and FRW 20,000,000 must keep record of daily purchases, record of all financial transactions, tax liability, withheld tax, and a declaration of withheld tax in addition to record of sales.

Taxpayers with annual turnover above FRW 20,000,000 must also keep a record of assets and liabilities, records of daily income and expenses, records of stock inventory at the end of the period and information related to controlled transactions.

Taxpayers with annual turnover above FRW 20,000,000 must register for VAT; must also declare Real Regime Income Tax and follow the additional bookkeeping requirements, see page 134 for details.

How long must taxpayers keep relevant tax documents?

Taxpayers are required to keep all documents and invoices relating to all tax declarations and payments for 10 years.

Audits

What is an audit?

An audit is one of the methods RRA uses to ensure that taxpayers are correctly declaring and paying their taxes. Audits involve RRA checking the relevant documents concerning a taxpayer's tax obligations for any tax period(s) within the past five years.

If there is evidence of non-compliance, the taxpayer will be issued with an assessment notice. This contains details of the offence(s), and the unpaid tax due, as well as additional penalties or fines that must be paid.

It is important to note that being selected for an audit does not necessarily mean that RRA suspects the taxpayer of non-compliance. Instead, RRA wishes to check a taxpayer's declarations and payments in more detail, to encourage a high level of compliance across all taxpayers.

The processes for audits are similar for domestic taxes, Local Government Taxes (LGT) and fees, and for Post-Clearance Audits (PCAs) regarding customs duties.

What are the different types of audits?

There are three main types of audits:

- Comprehensive audit;
- Issue-oriented audit;
- Desk audit;
- Transfer pricing audit;
- Refund audit

Comprehensive audits are more in-depth and time-intensive. These are usually conducted by RRA staff whilst visiting the taxpayer's business premises and reviewing all relevant documents.

Issue-oriented audits are usually focussed on a single tax type, single aspect or single tax period. Issue audits may be desk-based or involve visits to the taxpayer's business premises.

Desk audits are conducted by RRA staff using information that has already been submitted to RRA. Transfer pricing audit focuses on related party transactions.

Refund audits are a type of issue audit, focused on tax declarations claiming refunds from RRA.

When are taxpayers informed about audits?

In the case of desk audits, taxpayers may not be informed about the audit unless a specific problem is identified. Taxpayers will always be invited to offer explanations before being issued with assessment notices.

In the case of issue audits, taxpayers will be notified at least three working days beforehand. The postponement of such an issue-oriented audit cannot exceed seven (7) working days.

In the case of comprehensive audits, taxpayers will be notified at least seven working days beforehand. If the taxpayer is not ready, they may write to RRA requesting an extension, up to a maximum of thirty days.

Taxpayers will be informed of what is required of them, the documents required by RRA, their rights, the anticipated timeframe, and the process of the audit during the notification of the audit or the initial meeting.

Any unpaid taxes or additional penalties or fines must be paid within seven days of receipt of the assessment notice.

Refunds/Tax credits

What are the different types of refunds/tax credits?

There are situations where it is possible for taxpayers to have overpaid the amount of taxes due, and require refunds/tax credits. These situations occur most frequently for:

- VAT – where the VAT paid on inputs exceeds the output VAT, particularly in the case of zero-rated products and exports.
- Income Tax – where the Instalment Quarterly Prepayments paid by the taxpayer and the Withholding Taxes withheld and paid on behalf of the taxpayer exceed the Income Tax due.
- Audits – where the result of an audit finds that the taxpayer has over declared and over paid.
- Appeals – where the taxpayer pays the taxes due, and is subsequently successful in their appeal.
- Any accidental overpayment.

There is also a special allowance of VAT Refunds for Privileged Persons, see page 219 for more details.

What is the process for taxpayers to receive refunds?

In the case of VAT refunds, the refund process requires no initial action from the taxpayer. For higher value refunds, the claims are refunded to the taxpayer's bank account. For lower value refunds, the claims may be

deducted against future payments. See page 216 for more details on VAT refunds.

In the case of refunds/tax credits due to successful appeals, the refund/tax credits process requires no additional action from the taxpayer.

For all tax credits, the taxpayer must write a letter addressed to the tax administration. This means either addressed to the 'Assistant Commissioner in charge of Filing and Payment Monitoring Division in case of tax credits resulting from taxpayers' self-assessment', or the 'Assistant Commissioner in charge of Debt Management Division' for tax credits resulting from tax administration assessments. This letter should:

- Identify the taxpayer's name and TIN.
- Identify the tax period and tax type(s) concerned.
- State the reason(s) for the refund request.
- State the amount of refund claimed.
- Be signed by the taxpayer or legal representative.

RRA will provide the taxpayer with a Refund/tax credit Claim Notification reply, informing them whether their refund/tax credit claim has been accepted, adjusted or rejected and the reason for this decision. Tax credit is used to pay current or future liability.

Appeals

When can taxpayers appeal?

Taxpayers may appeal to RRA against decisions within 30 days following the conclusion of audits and/or receiving any assessment notices of taxes or penalties. However, disputes related to a notice of assessment generated by electronic tax system based on declaration made by a taxpayer may be administratively resolved without recourse to appeal procedure.

Do taxes and fines still have to be paid when appealing?

It is important to note that taxpayers are still required to pay any taxes or penalties within the original deadlines. Failure to do so will result in penalties and interest applying as normal. If the appeals are successful, taxpayers will receive refunds or credit notes. However, when the taxpayer has paid the undisputed portion of the tax, the Commissioner General suspends the collection of tax that is subject of appeal.

What is the process, timeframe and level of appeal?

In order to appeal, taxpayers must write a letter addressed to the Commissioner General of RRA within 30 days of receiving notice of the decision they wish to appeal. This letter should:

- Identify the taxpayer's name and TIN.
- Identify the tax period and tax type(s) concerned.
- State the decision that is being appealed.

- State the reason(s) for the appeal.
- Contain all supporting documents, proofs and legal arguments against the assessment.
- Be signed by the taxpayer or legal representative.

RRA is required to respond to the appeal of the taxpayer within 30 days. During this period, RRA will then either accept the appeal, invite the taxpayer to come to RRA offices to further explain the reasons for their appeal or may extend an addition of 30 days and inform the taxpayer. If the taxpayer is not satisfied with the result of the appeal, s/he may apply to RRA to reach an ‘amicable agreement’ or file the case to the competent court within 30 days.

What is the cost of appeal?

There is no cost of appealing to RRA. However, there may be fees incurred when appealing to the Courts.

What documents might be used to support an appeal?

The types of supporting documents may vary depending upon the circumstances of the appeal, but typically include: invoices, proof of payment, books of account, financial statements and similar.

It is important to note any documents used to support appeals following the conclusion of audits must have also been provided at the time of the audit.

Can appeals make assessments worse for the taxpayer?

There is no penalty or fine for making unsuccessful appeals. However, appeals could potentially lead to further assessment of the case and the uncovering of new information leading to additional penalties or fines.

Debt Management

What is a tax debt?

A tax debt is the amount of money a taxpayer (individual or business) owes to a tax authority due to:

- Unpaid taxes from previous periods
- Underreported income or incorrect tax filings
- Penalties and interest for late payments or non-compliance.

When a tax becomes a debt?

Tax debt arises when the tax due is not paid in full by the deadline upon reception of notice of assessment automatically generated by the system or after audit. It remains a liability until it is settled through payment, offset, or other arrangements like installment plans or waivers.

What is the procedure for paying taxes in instalments?

Taxpayers who are unable to pay tax arrears or assessment notices at once may apply to pay in instalments.

In order to apply to pay in instalments, the taxpayer must pay at least 10% of the tax due before applying. The payment plan must show an intention to pay the full amount within a maximum period of 12 months. However, the Commissioner General may extend this period by another period not exceeding 24 months if the taxpayer has justified reasons. The taxpayer should also offer, and provide evidence of, a guarantee, that could be

seized by RRA in the event of non-compliance with the approved payment plan.

Taxpayers must then write a letter addressed to the Commissioner General of RRA. This letter should:

- Identify the taxpayer's name and TIN
- Identify the tax period and tax type(s) concerned
- State the amount of tax due
- State the reason(s) for not being able to pay the whole amount of tax due at once
- Contain their instalment payment plan
- Contain proof of payment of at least 10% of the amount due
- Contain evidence of a guarantee
- Be signed by the taxpayer or legal representative

If the instalment payment plan is approved, the taxpayer and RRA will sign an official agreement detailing the instalment payment plan. Any failure to comply with the payment plan results in the immediate enforcement of the total amount due, and may result in the seizure of the guarantee.

What is the procedure for waivers of any taxes due?

In special circumstances, taxpayers may also request for taxes or penalties to be waived or dropped. Although these requests must be made to RRA, the decision to grant any waivers waive any fines or interest due is the responsibility of the Ministry of Finance and Economic Planning (MINECOFIN). However, waiving the principal tax is done by the Cabinet upon request of MINECOFIN.

In order to request a waiver, taxpayers must write a letter addressed to the Commissioner General of RRA. This letter should:

- Identify the taxpayer's name and TIN.
- Identify the tax period and tax type(s) concerned.
- State the amount of tax due.
- State the reason(s) for the waiver request.
- Contain any supporting evidence as required.
- Be signed by the taxpayer or legal representative.

RRA will acknowledge receipt of the letter, but the timeline, result and communication of the decision is the responsibility of MINECOFIN.

What is the procedure for the enforcement of arrears?

There are many enforcement actions legally available to RRA for the collection of unpaid tax arrears. The typical process is in three steps. Firstly, the taxpayer receives a warning letter from RRA, requesting they visit RRA offices to discuss the arrears situation and repayment options.

If there is no response within fifteen days, RRA may begin 'garnishment'. This means that RRA may work with third parties, such as banks, to freeze the taxpayers' accounts. Finally, RRA may begin search and seizure of movable and immovable assets. This can be sold at auction. A publication of auction must be made (in a public newspaper) at least 15 days before the auction is conducted.

Certificates – VAT, Compliance Certificates and Tax Clearance Certificates (TCCs)

What are the different certificates available from RRA?

There are six main types of certificates available from RRA. These are:

- Value Added Tax (VAT) certificate
- Tax Clearance Certificates (TCCs)
- Compliance Certificate (Quitus Fiscal)
- Foreign Tax Credit certificate
- Trading License Tax certificate
- Electronic Billing Machine (EBM) Certificate

The Foreign Tax Credit certificate is available for taxpayers to prove that they have paid taxes in Rwanda. The Foreign Tax Credit certificate must be requested from RRA offices, and is processed on a case-by-case basis.

The Trading License Tax certificate is discussed in more detail in the Local Government Taxes (LGT) and fees chapter on page 314.

The remaining four types of certificates are discussed in this chapter below.

What is Value Added Tax (VAT) certificates?

VAT certificates certify that the taxpayer is registered for VAT. All VAT registered taxpayers are required to clearly display the VAT registration certificate in plain view at their main place of business. See page 202 for the

details of registering for VAT and the obligations of VAT-registered taxpayers.

VAT certificates are available free of charge. They can be obtained through three channels:

- The Rwanda Development Board (RDB) system during business registration, see page 89.
- Through the E-Tax homepage, see page 92 for details on logging into E-Tax. After clicking on ‘TCC Request’, the process is the same as described on page 57 below.
- Through the RRA website, see page 57 below for more details.

What is Electronic Billing Machine (EBM) Certificate?

It is a document certifying that a taxpayer adopted and uses an RRA certified electronic billing machine.

EBM Certificate is obtained by writing to the Assistant Commissioner in charge of Tax Control and Operational Support Division. The letter should indicate:

- Taxpayer name;
- Taxpayer Identification Number (TIN);
- Reason of requesting

What is Compliance Certificate (Quitus Fiscal)?

Compliance Certificate (Quitus Fiscal) is a privileged status available, upon request, to taxpayers who have a good compliance record with RRA. Compliance

Certificate (Quitus Fiscal) is proof of this status. There are two types of Quitus Fiscal, for withholding tax on public tenders of 3% (WHT 3%) and for withholding tax on imports of 5% and public tenders of 3% (WHT 5% & 3%). For more details on the interaction of Compliance Certificate (Quitus Fiscal) on WHT 3% and WHT 5% & 3%, see pages 260 and 399 respectively.

Taxpayers with Compliance Certificate (Quitus Fiscal) are not required to pay WHT 5%, or have WHT 3% withheld and paid on their behalf, depending upon the type of Compliance Certificate (Quitus Fiscal). This does not reduce the overall tax payable by the taxpayer, as any income from imports or public tenders are required to be declared in the annual Income Tax (PIT or CIT) declarations. However, Compliance Certificate (Quitus Fiscal) benefit their cash flow as the taxes do not have to be paid up front.

The cost of applying for Compliance Certificate (Quitus Fiscal) is FRW 10,000. The process of applying for Compliance Certificate (Quitus Fiscal) is described on page 57 below.

There is a distinction between Compliance Certificate (Quitus Fiscal) and Tax Clearance Certificate, as described below.

What are Tax Clearance Certificates (TCCs)?

Tax Clearance Certificates (TCCs) are available, upon online request through E-Tax, to prove that taxpayers have no unpaid arrears with RRA. This may be needed in

order to bid for public tenders, apply for bank loans or a range of other reasons.

The cost of applying for TCCs is FRW 5,000. The process of applying for TCCs is described on page 57 below.

What is the process of applying for and obtaining Certificates?

Certificates can be obtained through RRA website for non-business individuals (Tax Clearance Certificate – TCC only), and through E-Tax for businesses.

TIN holders wishing to apply and obtain Tax Clearance Certificates (TCCs) should first visit the RRA website at: <http://www.rra.gov.rw> and log in into E-tax, click on ‘TCC Quitus & other application’, then click on ‘Apply here’. This loads the following screen, the Certificates portal.

The taxpayer can submit the request for the listed certificates, check the progress, and download the certificate.

General RRA Information

The screenshot shows the 'New Request' form in the RRA E-Tax system. The left sidebar menu includes options like 'INBOX', 'Tax Declaration', 'Income Tax Preparation', 'RSSB Contributions', 'Entities Exempted from CIT', 'Online Enquiries', 'Reports', 'Change Password', 'Update Details', and 'TCC, Quitus & other applications' (highlighted with a red circle). The main form area displays the following details:

- Date of Request: 06-May-2025
- Certificate Type: --Please select--
- Reason: --Please select--

A 'Mandatory fields' indicator is present in the top right corner of the form area.

Business taxpayers wishing to apply and obtain VAT Certificate, Compliance Certificate (Quitus Fiscal), Withholding Certificate, and Tax Clearance Certificate (TCC) should login into RRA E-Tax and click on ‘TCC, Quitus & Other applications’. This menu displays three options: ‘Apply here’, ‘View request’, ‘Tax arrears’ as per below screen:

The screenshot shows the 'TCC, Quitus & other applications' menu in the RRA E-Tax system. The left sidebar menu includes options like 'Entities Exempted from CIT', 'Online Enquiries', 'Reports', 'Change Password', 'Update Details', 'TCC, Quitus & other applications' (expanded), 'Apply here', 'View Requests', and 'Tax Arrears'. The main form area displays the following details:

- Date of Request: 17-May-2024
- Certificate Type: TCC
- Reason: Credit (Loan)

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The ‘Apply here’ allows to send a certificate request to RRA. Available certificate types are displayed in the following screen:



If the taxpayer selects ‘QUITUS’, they must also select ‘3%’ or ‘5% & 3%’ from the ‘Quitus Certificate Type’ drop-down menu. This refers to the type of Withholding Tax from which they wish to be exempted, see page 258 for details. Additional required documents and in the following screen:

Date of Request: 17-May-2024
QUITUS

Reason: --Please Select--

QuitusCertificate Type: --Please Select--

Request for Year: 2024

Please attach quitus application files:

- 1.Quitus application completed form*
- 2.PSF recommendation letter*
- 3.RDB investment certificate and rental contract*
- 4.Other

Provide files: *

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If the taxpayer selects ‘VAT’, no other selection is required. If the taxpayer selects ‘TCC’, the system allows to type remarks/comment. If the taxpayer selects ‘Withholding Certificate’, the system requires additional information as per below screen:

New Request ? Help

Mandatory fields

Date of Request: 17-May-2024

Certificate Type: WITHOLDING CERTIFICATE

Reason: --Please select--

Withholdee Name	Withholdee TIN	Country
<input type="text"/>	<input type="text"/>	Select...
Street	Zip code	City
<input type="text"/>	<input type="text"/>	<input type="text"/>
Tax type	Tax period	Invoice number
Select...	Select...	<input type="text"/>
Foreign currency amount	Exchange rate	Gross amount(Rwf)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Tax rate applied(%)	Tax amount(Rwf)	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Tax type	Tax period	Invoice number	Foreign currency amount	Exchange rate	Gross amount(Rwf)	Tax rate applied	Tax amount	Delete

No file selected.

After all required information has been entered for any certificate, click ‘Submit’ to confirm the certificate application. Note that the system generates acknowledgement receipt for ‘TCC’ and ‘Compliance Certificate (Quitus Fiscal)’ indicating the cost to be paid as processing fees mentioned above.

The ‘View Requests’ allows taxpayers to check the status of the submitted request. ‘Tax Arrears’ displays arrears details if any. It is advised to check tax arrears before applying for TCC and Compliance Certificate (Quitus Fiscal).

Voluntary Disclosure Scheme (VDS)

What is VDS?

VDS is an opportunity provided by the Law to non-compliant persons to declare and pay their tax with reduced sanctions. VDS facilitates the following:

- Automatic waiver of penalties and interests for late payment;
- Payment effected in 30 days;
- A certificate for Voluntary Disclosure

What is the basis of VDS?

Article 94 of Law No. 020/2023 of 31/03/2023 on Tax Procedures provides that interest and penalties do not apply to taxpayers who voluntarily disclose.

To implement Article 94, Ministerial Order No. 001/24/03/TC of 08/03/2024 set out the procedures and conditions for accessing voluntary disclosure incentives.

Who is eligible for VDS?

- A registered taxpayer before being notified of audit;
- A taxpayer not registered;
- A taxpayer with tax period beyond five years of being audited;
- Any other status as may be communicated by the Minister.

Where to apply for VDS?

During VDS period, applications are submitted online via RRA website www.rra.gov.rw

VAT Reward

Why VAT Reward?

This scheme was established by tax law to address the following concerns at the level of final consumer:

- Non-compliance with the issuance of EBM invoice
- Issuance of invoice with incorrect price value (under-pricing)
- Low culture of invoice demand amongst consumers
- Lack of incentives to final consumers
- Limited information of consumer contribution

Who is eligible for VAT Reward?

Individuals who fulfil the following:

- Being registered in the VAT reward system;
- Having received an EBM invoice from a VAT registered taxpayer indicating her or his recorded mobile telephone number;

A final consumer who makes a payment and requests an invoice but does not receive one must declare this in the system as prescribed by the tax administration.

How to register for VAT Reward?

Using USSD technology, dial *800#, select your preferred language, then follow these steps:

1. Choose option 4 – EBM Services

2. Select option 1 – VAT Reward Services
3. Choose option 1 – VAT Reward Registration
4. Enter the requested information: your National ID number and the mobile phone number where the reward should be sent.

What is the rate of VAT Reward?

A final consumer is rewarded 10% of the VAT amount as shown on the EBM invoice issued.

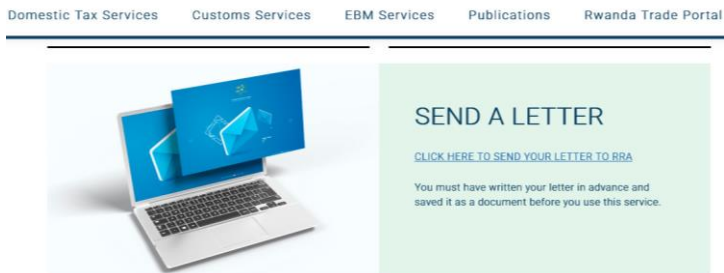
When VAT Reward is disbursed?

The VAT reward is deposited to the mobile money or bank account designated by the last consumer on quarterly basis, within 15 days following the declaration period of that quarter.

Communicate to RRA in writing

How to send a letter to RRA?

To send a letter to RRA whether you have a TIN or not, visit RRA website then click on “CLICK HERE TO SEND YOUR LETTER TO RRA” as per below screenshot:



Then follow all steps by filling all requested information. The letter to be sent should be signed, stamped, and saved as PDF.

Online Requests

Taxpayer can access various services through the online requests menu in the e-tax system. These include:

- CIT/PIT requests: Services related to Income tax Filing and Payment;
- VAT/PAYE filing frequency change: Request to change the filing frequency from quarterly to monthly for VAT or PAYE;
- Requests for revision downwards: Submit a request to reduce previously declared tax;
- Document generation: Allows taxpayers to generate a document number when one is missing for a given declaration period;
- Business closure: Submit a request to close a business entirely or close a specific tax type;
- Instalment Payment Request: For taxpayers with tax arrears, this service allows them to request payment in instalments.

Motor Vehicle

When must motor vehicles be transferred?

Transfer of motor vehicles is required when the ownership of the vehicle changes.

What is the cost of motor vehicle transfer?

The Transfer Fee is FRW 30,000 for motorcycles and FRW 60,000 for all other motor vehicles.

For transfer of motor vehicles with number plates that begin 'IT', 'CD' or 'UN' to new owners who do not have that status, see page 411 for details on the customs duties that must also be paid.

What documents are required for motor vehicle transfer?

The documents required for motor vehicle transfer are:

- Notarised Sale Contract (containing the date, location, value and the names, phone numbers, NID, identification of motor vehicles and signatures of both the buyer and seller). If done outside the country, Embassy and MINAFET may approval it.
- Registration Transfer Fee payment receipt (FRW 30,000-FRW 60,000)
- Latest Yellow Card and plate number for the motor vehicle
- The buyer's TIN, see page 68 for details

- Historical insurance information (only required if vehicle will be used as a business such as a taxi).
- No tax arrears of the vehicle

What is the motor vehicle transfer process?

Step 1: The motor vehicle seller logs in into E-Tax, goes to ‘Motor Vehicle’ then clicks on ‘Ownership Transfer’. The system displays the following screen:



New Ownership Transfer Request / Ubusabe bushya bw'Ihinduranya ry'Ibinyabiziga

* Mandatory fields

Transfer From Myself to Another Person / Guhinduranya ikinyabiziga n'undi

Transfer to Myself / Kwiyaandikishaho ikinyabiziga

Submit

If the seller is transferring the owned motor vehicle to a new owner; the seller uses the first option ‘Transfer from Myself to Another Person’. If a new owner wants to acquire the motor vehicle for the following specific reasons:

- Auction;
- Succession;
- Court order

The applicant uses ‘Transfer to Myself’ option.

Step 2: The taxpayer pays the Transfer Fee.

Step 3: If the buyer of the motor vehicle does not have a unique Taxpayer Identification Number (TIN), they must provide RRA staff with a valid NID or Passport. The TIN and certificate are provided free.

Step 4: The buyer must provide RRA staff with all the required documents.

Step 5: If all required documents are valid, RRA staff will provide the buyer of the motor vehicle with the updated Yellow Card containing the buyer's details after receiving the old yellow card and plate number.

Step 6: The process is finished and the buyer is now the legal owner of the motor vehicle.

What services related to moto vehicle can a taxpayer access online?

To access online Moto vehicle services, log into E-Tax, click on Motor vehicle menu, choose any of the following services as displayed by the system:

- Moto vehicle (MV) Declaration,
- Moto vehicle (MV) Acknowledgment Receipt,
- New Inactivity Request,
- Duplicate Request,
- View Duplicate requests,
- Owner Ship Transfer,
- View Owner Ship Transfer Requests,
- Ownership Certificate Request,
- View Ownership Certificate Requests

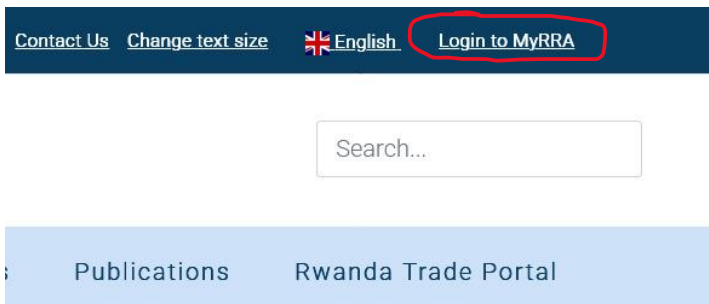
MyRRA

What is MyRRA?

The MyRRA system is a unified gateway that allows taxpayers to access a range of tax services provided by the Rwanda Revenue Authority. These services were previously accessed through separate systems such as E-Tax, LGT, ESW, and NFR.

How to Login into MyRRA?

Visit RRA website and click on highlighted menu as per the following picture:





Or click on the following link:

<https://myrra.rra.gov.rw/basic/login/indexLogin>

Once clicked, the following access picture will be displayed on the screen:



MEMBER LOGIN

	<input type="text" value="UserID"/>
	<input type="password" value="....."/>
<input type="button" value="LOGIN"/>	
<hr/>	
<input type="button" value="SignUP"/>	

[Forgot your password?](#)

[Click here to get purchase code](#)

Are you new on this system? [Learn More](#)

Click on 'Sign Up' to access MyRRA for the first time, or 'Login' if you already have credentials. If you have forgotten your password, the system provides an option to reset it by clicking on 'Forgot your Password'.

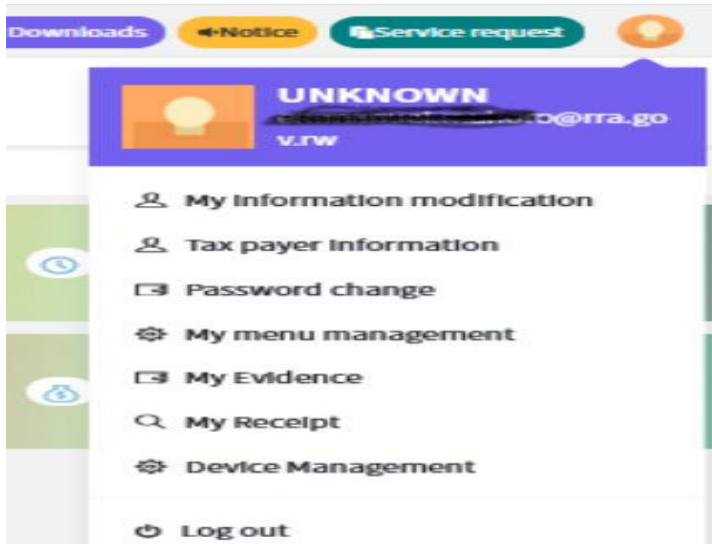
What can I access through MyRRA?

Through MyRRA, the system displays:

- Current tax declarations
- Undeclared taxes
- Unpaid taxes

What else can a Taxpayer access once logged into MyRRA?

MyRRA offers other features as displayed on below picture:



Exchange of Information

In 2017, Rwanda joined the international crusade against tax evasion and fraud by becoming a member of Global Forum on Transparency and Exchange of Information for Tax purposes and acceded to the convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol on 11 August 2021. This section discusses the Exchange of Information on Request (EOIR) and Automatic Exchange of Information (AEOI).

What is Exchange of Information on Request (EOIR)?

Rwanda implemented the Exchange of Information on Request (EOIR) standard of the Global Forum that allows tax authorities to request specific financial and legal information from other countries to support audits and investigations and ensure compliance with tax laws.

What is required to the EOIR partner countries?

Country partner of EOIR is required to provide partner jurisdictions with access to:

- Bank account information
- Legal and beneficial ownership records
- Accounting and financial documentation.

Partner jurisdictions of Rwanda are also required to avail the above-mentioned information for Rwanda to access them.

What does this mean for taxpayers and entities?

All individuals, businesses, and legal entities must maintain complete and accurate financial and ownership records, including the identity of beneficial owners. These records may be shared with other partner jurisdictions upon request, so as they can share the same information with Rwanda upon request.

What are EOIR Non-compliance consequences to taxpayers?

Failure to provide required information or intentional non-disclosure may result in fines, legal action, or criminal prosecution, in accordance with the Tax Procedure Law.

What is Automatic Exchange of Information (AEOI)?

It is a country commitment to implementing the Automatic Exchange of Information (AEOI) standard under the OECD's Common Reporting Standard (CRS). This allows for the annual automatic exchange of financial account information between jurisdictions.

All financial institutions in Rwanda must report information on financial accounts held by non-residents through the AEOI portal, not later than 30 April each year. The first data exchange is scheduled for September 2025.

What are consequences of AEOI non-compliance by financial institutions?

The Tax Administration is vested with powers to impose administrative sanctions for the faults provided for under

law n° 021/2023 of 31/03/2023 governing the automatic exchange of information for tax purposes.

What is the level of Information Security on shared information in Rwanda?

The Government of Rwanda is committed to high standards of data security and confidentiality. Information collected locally or from foreign jurisdictions is strictly protected and used solely for tax purposes, in line with national laws and international agreements.

Registration

Explanation of Registration

Which institution registers taxpayers?

Taxpayers receive a unique Taxpayer Identification Number (TIN) when registering their business with Rwanda Development Board (RDB) for all businesses, and Rwanda Cooperatives Agency (RCA) for cooperatives.

However, there are also circumstances where RRA registers taxpayers and provides them with TINs directly:

- Local Government Taxes (LGT) and fees
- Non-business registration, for example for:
 - o Motor vehicle ownership
 - o Tax Clearance Certificates (TCCs)
 - o Non-governmental organisations (NGOs), after approval from Rwanda Governance Board (RGB)
 - o Government institutions and projects

As the processes are separate, this Tax Handbook focuses on business registration with RDB in this section. For cooperatives registration, visit any RCA office. For more details on registering for Local Government Taxes (LGT) and fees, see page 337.

For all non-business registration purposes, visit any RRA office with a Rwanda National ID or a Passport.

How can businesses register as taxpayers and get a TIN?

Business registration in Rwanda is carried out by the Office of the Registrar General (ORG) within the Rwanda Development Board (RDB). This is carried out online on the RDB portal rather than RRA in order to facilitate the aftercare and investment promotion facilities that RDB offers. The RDB, RCA, and RRA computer systems are integrated to ensure a smooth registration process that provides a single, unique Taxpayer Identification Number (TIN) and a clear understanding of the taxpayer's obligations.

According to the World Bank Ease of Doing Business Index 2019, Rwanda was the simplest and fastest country in East Africa in which to start a business. This Tax Handbook tries to promote this further, with a basic guide to business registration, for further questions visit the RDB website at <https://rdb.rw/> or contact RDB directly at:

Rwanda Development Board (RDB)
KN 5 Rd, KG 9 Ave, Kigali, Rwanda
P.O. Box 6239
Tel (Local): 1415
Tel (International): +250 727775170
Email: info@rdb.rw

What are the benefits of business registration?

As well as being a legal requirement, there are many advantages to registering as a business. These include:

- Ensuring the business benefits from the protections provided by business laws, such as limited liability
- Improving access to credit from financial institutions
- Inspiring trust in customers with proof of being a registered business

What is limited liability?

Liability refers to the responsibility for any debts that are owed by the business. One of the advantages of registering a business as a company, as opposed to an individual enterprise, is that all debts incurred by the company are the responsibility of the company, they are not the legal liability of the shareholders or the directors. In this way, the liability of the people who run the company is said to be 'limited'. They are not responsible for all the debts of the company, only to the extent of the stake they have in the company, see page 80 for more details.

When must a business be registered?

A business must register with the Register General when the business is established.

What is the RDB Business Registration system?

RDB has developed the business registration system to make it easier for taxpayers to register their business. The RDB system is an online portal through which all businesses are registered.

It is important to note that although all business registrations go through the RDB system, this can still be done with the help of RDB staff at RDB offices. Similarly, Business Development Fund (BDF) staff are also trained to help taxpayers register their businesses at BDF offices.

Nevertheless, there are many advantages for taxpayers to register online. This Tax Handbook aims to provide all the information necessary for taxpayers to be able to register online.

Any questions during the registration process can be answered by calling the RDB call centre toll-free on 1415.

How much does it cost to register a business?

It is free to register a business in Rwanda. It is free to register online and at RDB and BDF offices. However, some private internet cafés also offer assistance with business registration and can charge a fee for this service.

What are the different categories of businesses?

There are three categories of business that can be registered. On the RDB business registration system these are: ‘Domestic’ company, individual ‘Enterprise’ and ‘Foreign’ company.

Registering as ‘Domestic’ is for domestic companies or for subsidiaries of foreign companies.

Registering as an ‘Enterprise’ is for sole traders or partnerships and is the simplest way to start and conduct business in Rwanda. ‘Enterprise’ typically refers to a business whose turnover is less than FRW 10,000 per day.

Registering as ‘Foreign’ is for companies which already exist and are registered in a foreign country that are undertaking business in Rwanda. It is important to note that this does not include domestic subsidiaries of foreign companies.

What are the different types of ‘Domestic’ company?

Within the ‘Domestic’ company business category, the Rwanda Companies Act recognises four legal types of companies. These are: limited by shares, limited by guarantee, limited by shares and guarantee or unlimited.

Limited by shares is the most common business type, and is suitable for most profit-oriented businesses. Limited by guarantee is suitable for non-profit organisations and charities. Limited by shares and guarantee, and unlimited, are rare business types and should not be selected without consultation with RDB.

These four types of companies all follow the same registration procedure, although requirements vary.

Companies limited by shares must register a chairman of the board, a managing director and at least one shareholder. However, these can all be the same person.

What documents are needed to register a business?

The requirements for registering vary depending on the category of business. These must be scanned and attached whilst completing the business registration application. The documents that are required for each business category are listed below:

‘Domestic’ company:

- Rwanda National ID or Passport (for all shareholders, directors, company secretaries, accountants)
- Notarised articles of association (if applicable)
- Notarised company resolution to open a subsidiary company (if a subsidiary)
- Notarised certificate of incorporation issued by the registration company in the country of incorporation (if a foreign subsidiary)

Individual ‘Enterprise’:

- Rwanda National ID or Passport

‘Foreign’ company:

- Rwanda National ID or Passport (for all shareholders, directors, company secretaries, accountants residing in Rwanda)
- Notarised power of attorney to present the company in Rwanda
- Notarised articles of association
- Notarised certificate of incorporation issued by the registration institution in the country of incorporation
- Notarised company resolution to open a branch in Rwanda

How should the type of ‘Business Activity’ be chosen?

The RDB business registration system asks taxpayers to identify the type of business activities that they plan to

conduct. This is not binding, taxpayers can at any time carry out business activities that they do not include here.

However, it is important that this ‘Business Activity’ category is completed as accurately as possible when registering. This uses the International Standard Industrial Classification (ISIC), also used by the National Institute of Statistics (NISR), The National Bank of Rwanda (BNR) and the Ministry of Finance (MINECOFIN) to improve statistics and policy making.

The RDB system is designed to make it easier for taxpayers to choose their business activities, by first choosing the broad sector, and then choosing the more specific activity within that sector.

The RDB system allows taxpayers to choose as many different activities as they intend to carry out, and then requests that they choose one of these to designate as their main business activity. This should be the business activity that they expect will contribute the largest share of their value added, i.e., to the selling price of their products, compared to the price of their inputs.

Example 1

Amahoro is starting a butchery business. She intends to buy livestock and process the meat. She expects to sell to other shops as well as directly to consumers.

Processing meat is within the ‘manufacture’ sector. Selling to other shops refers to ‘wholesale’. Selling directly to customers refers to ‘retail sale’. Amahoro

selects 'C1010 - Processing and preserving of meat', 'G4630 – Wholesale of food, beverages and tobacco' and 'G4721 – Retail sale of food in specialised stores'.

Of these three activities, Amahoro expects her greatest value added to be from the processing of the meat so she chooses this as her main business activity.

The screenshot shows a web interface for business registration. At the top, there are tabs for 'General Info', 'Share Info', 'Members of Board of Directors', 'Management', 'Employment Info', 'Attachment', and 'Preview'. Below these are sub-tabs for 'Company Name', 'Article of Association', 'Office Address', 'Business Activity', and 'Request for Value Added Tax'. The 'Business Activity' section is active, showing a dropdown for 'Business Sector' set to 'G - Wholesale and retail trade; repair c'. Below this is a 'Select Business Line' area with a list of options: G4670 - Wholesale of pharmaceutical and medical goods, cosmetic; G4690 - Non-specialized wholesale trade; G4711 - Retail sale in non-specialized stores with food, beverages; G4719 - Other retail sale in non-specialized stores; G4721 - Retail sale of food in specialized stores; G4722 - Retail sale of beverages in specialized stores; G4723 - Retail sale of tobacco products in specialized stores; G4730 - Retail sale of automotive fuel in specialized stores. There are 'Add to List >>' and '<< Remove' buttons. To the right, a 'Selected Business Line' box contains 'C1010 - Processing and preserving of meat', 'G4630 - Wholesale of food, beverages and tobacco', and 'G4721 - Retail sale of food in specialized stores'. Below this is a 'Select Main Business Activity' section with a dropdown set to 'C1010 - Processing and preserving of meat'. At the bottom are 'Back' and 'Save & Next' buttons.

How do taxpayers register for different tax types?

All businesses are immediately registered for Income Tax during business registration. This is either Personal Income Tax (PIT) for individual businesses or Corporate Income Tax (CIT) for companies.

All businesses must also register for Trading License Tax. Businesses registered by RDB are automatically registered on Trading License Tax which is exempted for two years from registration date. See page 337 for more details on registering for Local Government Taxes (LGT) and fees.

Here For You, To Serve - Call the RRA Call Centre on 3004

The Trading License Tax certificate, available after declaring and paying Trading License Tax, is required for all profit-oriented activities, see page 314 for details.

In addition, when registering, certain questions prompt the registration of tax accounts for other tax types. These include:

VAT: ‘General Info’ → ‘Request for Value Added Tax’ → ‘Would you like to request for VAT Certificate?’ → ‘Yes’ → Enter expected turnover amount.

PAYE: ‘Employment Info’ → ‘Does the company have employees?’ → ‘Yes’ → Enter required details.

To register for any other tax types, or to register for any additional tax types in the future, call the RRA call centre on 3004 or visit any RRA office.

When must taxpayers start declaring and paying taxes?

Tax declarations for all registered tax types must be submitted for tax periods from the date the taxpayer was registered.

Even if there is no business activity within the first, or subsequent, tax periods, the declarations must still be submitted to avoid penalties. This includes domestic taxes such as Income Tax and also Local Government Taxes such as Trading License Tax, see page 11 for a summary of tax deadlines.

Example 2

Rukundo is starting a private business of a retail shop. He is starting the business himself using his own capital and with no staff, partners or shareholders. He expects a daily turnover of approximately FRW 20,000, equivalent to an annual turnover of approximately FRW 8,000,000.

He wants to be protected by limited liability. Rukundo selects a ‘domestic’ business, with the company category ‘private’, the type ‘limited by shares’ and his position as ‘managing director’. As shown below:

The screenshot displays the 'Business Registration' portal. On the left is a navigation menu with options: Home, Online Dashboard, Inbox, Register Your Business (highlighted), Make changes to your Registered Business, Annual Return, Certificate of Good Standing Request, Certificates, Request for VAT Certificate, Help Desk, Search Company, Help, and My Profile. The main content area is titled 'Business Registration' and contains two sections:

Section 1: Please select one of the following category for registration

- Domestic
- Enterprise
- Foreign
- Name Reservation

A blue button on the right says: "You selected Domestic, click continue to register your business."

Section 2: Please enter details for registration

Company Category * Private

Type * Limited by shares

Your Position * Managing Director

A green 'Continue' button is located at the bottom right of the form.

On the share info tab, he lists himself as the only shareholder. On the members of the board tab, he enters himself as the only member of the board. On the business activity tab, he enters the business sector as ‘G – Wholesale or Retail Trade; Repair of Motor Vehicles and Motorcycles’ and then chooses ‘G4711 – Retail sale in non-specialised stores with food, beverages or tobacco predominating’.

As his annual turnover is expected to be below FRW 20,000,000, he does not have to request for a VAT

certificate. As he has no employees, he does not register for PAYE.

Rukundo is automatically registered for Personal Income Tax (PIT), which must be declared and paid on an annual basis by 31st March of the following year, Trading License Tax which must be declared and paid after the expiration of exemption period of two years from registration date.

Step-by-Step Guide to Business Registration

Step 1: Register on the RDB business registration system

Access the RDB business registration system at <https://brs.rdb.rw/busregonline>

The RDB business registration login page is shown below.

The screenshot shows the login interface for the RDB business registration system. It includes a header with the RDB logo and the text 'Office of the Registrar General'. Below the header is a navigation menu with links: 'About RDB', 'About Investor and Investment in Rwanda', 'How can you register Company in Rwanda', and 'Other Information'. The main content area is titled 'Please select your preferred language' and includes a 'Log In' section with fields for 'User id/Email ID' and 'Password'. There are also 'Remember Me' and 'Forgot Password?' options. At the bottom, there are buttons for 'Register Here' and 'Help'. The footer contains the text 'Copyright 2014 RWANDA'.

New users must first register an account by clicking on 'Register Here'. This leads to the 'Create New Online

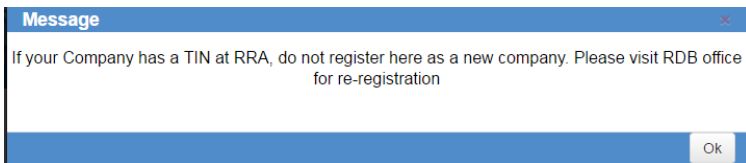
User' screen. Enter the required personal details and click submit to register an account.

The RDB system will then send an email to the given email address containing a website link. Click on the link provided to validate and activate this account.

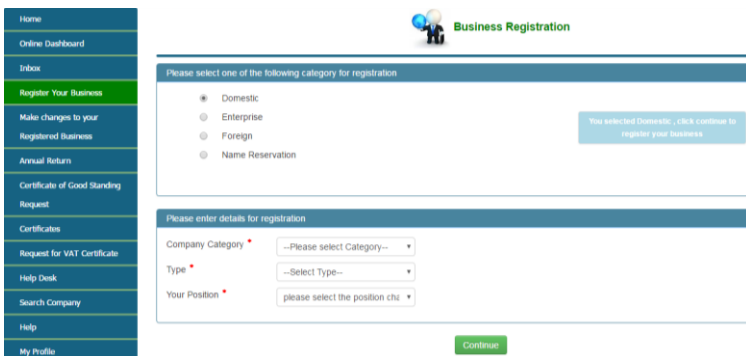
Once the account has been activated, return to the RDB business registration system and enter the chosen login details to begin the business registration process.

Step 2: Choose the business category to be registered

Once logged in, an initial message advises that if the company already has a unique Taxpayer Identification Number (TIN), then do not use this system to register.



If the company does not yet have a TIN, click OK to continue to the business registration system screen below.



Here For You, To Serve - Call the RRA Call Centre on 3004

The business registration system first requires selection of the type of business being registered. See page 79 for more details.

Note that the ‘Name Reservation’ option does not register a business, but can be used to reserve a business name for registration in the future.

For each of the categories, ‘Your Position’ within the business must be noted. In addition, ‘Domestic’ requires a choice of ‘Company Category’ which can be public or private and ‘Type’. For more details on each of these business types, see pages 79.

Step 3: Complete the business registration application

Depending upon the business type selected, the details that must be completed differ slightly. The screen below shows the tabs after selecting a domestic, private, limited by shares company registration.

The screenshot displays a web interface for business registration. At the top, there is a horizontal navigation bar with tabs: 'General Info', 'Share Info', 'Members of Board of Directors', 'Management' (highlighted in green), 'Employment Info', 'Attachment', and 'Preview'. Below this is a secondary navigation bar with tabs: 'Company Name' (highlighted in blue), 'Article of Association', 'Office Address', 'Business Activity', and 'Request for Value Added Tax'. The main content area is titled 'Company Name Detail' and contains the question 'Have you reserved your company Name?'. Below the question are two buttons: 'Yes' (green) and 'No' (red). At the bottom of the form are three buttons: 'Cancel' (blue), 'Clear' (red), and 'Save & Next' (green).

Note that each of the major tabs (‘General Info’, ‘Share Info’ etc.) has separate minor tabs (‘Company Name’, ‘Articles of Association’ etc.) Ensure to complete all tabs before submitting the registration.

Once all tabs are completed, click the ‘Preview’ tab to check that all the details entered are correct, before clicking ‘Submit’ to submit the business registration application.

After submitting, RDB will validate that the information entered is correct. If this is approved, an SMS will be sent to inform the taxpayer that the application has been sent to RRA to issue a Taxpayer Identification Number (TIN). Once the TIN is issued, another SMS will be sent to inform the taxpayer that his/her business has been registered.

Step 4: Print Certificates

After receiving the second SMS, confirming that RDB has validated the business registration application and RRA has issued a TIN, the taxpayer must log back in to the RDB Business Registration system.

Once logged in, click on the ‘Certificates’ option on the left-hand side. There are two certificates that must be printed and kept securely.

The screenshot shows the RDB Rwanda Development Board online portal. The header includes the RDB logo and 'Office of the Registrar General'. The user is logged in as 'ataidair_mackintosh@hotmail.com [ONLINE USER]'. The left navigation menu lists various services like 'Home', 'Online Dashboard', 'Inbox', 'Register Your Business', 'Make changes to your Registered Business', 'Annual Return', 'Certificate of Good Standing', 'Request', 'Certificates', 'Request for VAT Certificate', 'Help Desk', 'Search Company', 'Help', 'My Profile', and 'Contact Us'. The main content area is titled 'Certificates' and features a filter form with 'Certificate Type' (a dropdown menu) and 'Company Code' (a text input field), followed by a 'Filter' button. Below the filter is a table titled 'Certificates List' with columns for 'Application Ref ID', 'Company Code', 'Company Type', 'Certificate Type', 'Company/Enterprise Name', and 'Certificate Date'. The table currently shows 'List is Empty!!'.

Firstly, choose the ‘Certificate Type’ that matches the application type, for example ‘Domestic’ if the business type that was registered was a domestic company. Once selected, download and print this certificate. Secondly, choose the ‘Certificate Type’ titled ‘Memorandum’ and also download and print this certificate. If there are any other applicable certificates, for example a ‘Value Added Tax’ certificate, then these should also be printed at this stage, see page 54 for more details on certificates.

Once registered, the business can operate and declare and pay taxes as normal. The immediate obligations of the taxpayer are explained on page 84.

Step 5: Register, declare and pay all required taxes

The taxpayer is automatically registered for Income Tax. Visit RRA offices to register for any additional required taxes, including visiting LGT tax centres immediately to register for Trading License Tax.

Domestic Taxes and E-Tax

Explanation of Domestic Taxes and E-Tax

What are domestic taxes?

Domestic taxes include the following tax types which can each be declared in a similar manner using E-Tax:

- Income Tax, including:
 - o Personal Income Tax (PIT)
 - o Corporate Income Tax (CIT)
- Pay As You Earn (PAYE)
- Value Added Tax (VAT)
- Excise Duty
- Withholding Taxes (WHT),
- Gaming Tax
- Mining Royalty Tax
- Capital Gains Tax
- Road Maintenance Levy
- Tourism Tax

Domestic taxes progressively tax income (PIT, CIT, PAYE and Capital Gains Tax), ensure compliance (WHT), efficiently tax consumption (VAT), deter consumption with negative social impacts (Excise Duty and Gaming Tax), and ensure that all Rwandans share the benefit from the country's natural resources (Mining Royalty Tax).

For more details on the rates and bases of each domestic tax, see their respective chapters in this Tax Handbook.

What is E-Tax?

E-Tax is a module-based system to manage domestic taxes operations. This includes an online portal through which all domestic tax types can be declared. RRA has developed the E-Tax system to make it easier for taxpayers to declare and pay domestic taxes. This Tax Handbook aims to provide all the information necessary for taxpayers to be able declare online.

What is M-Declaration?

In certain cases, Income Tax can also be declared on mobile phones using M-Declaration, see page 128 for more details on declaring Income Tax using M-Declaration.

However, the majority of domestic taxes can only be declared using E-Tax. Therefore, this chapter focuses on the E-Tax process.

What are the benefits of declaring online using E-Tax or on mobile phones using M-Declaration?

The advantages of declaring online or on mobile phones include being able to:

- Declare taxes anytime, from anywhere.
- Avoid travel costs of visiting RRA offices.
- Avoid queuing times at RRA offices.

How do taxpayers register and login to E-Tax?

Access the E-Tax website at <https://etax.rra.gov.rw> or through the RRA website <https://www.rra.gov.rw> and click 'Pay Domestic taxes here' on the right of the screen.

Taxpayers are automatically registered for E-Tax when their business is registered with RDB. To login for the first time, taxpayers login through sign up. The system requires taxpayer to fill in ‘TIN’ and ‘Phone Number’ to authenticate the taxpayer who wants to sign up. If the information is the same as the information provided during registration, the system sends the password by SMS and email using the contact details given when register. The taxpayer uses these credentials to ‘Sign up’.

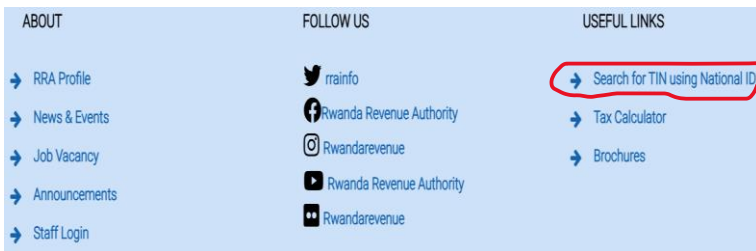
Once logged in, the E-Tax password can be changed by the taxpayer by clicking ‘Get Password?’ on the left of the E-Tax home screen.

What if taxpayers do not know their TIN?

If a taxpayer does not know their TIN, they can visit RRA offices or call the RRA call centre toll-free on 3004.

In addition, if an individual taxpayer (i.e., not a company) does not know their TIN, they can visit the RRA website or uses below link:

<https://etax.rra.gov.rw/nidAssignedTIN/> and click ‘Search for TIN using National ID’ as per the following screen:



This leads to the following screen asking whether the taxpayer registered their TIN using a Rwandan National ID or a Passport. After clicking on the relevant choice, the National ID or Passport Number can be entered, and the associated TIN is displayed by clicking ‘Show TIN’.

RRA - Recognize TIN by national ID or passport.

National ID Passport

Your NID:

Show TIN

What are the common problems when using E-Tax?

There are three main types of problems faced by taxpayers when using E-Tax, this concern: annexures not validating, particular tax types or tax periods not being available on the ‘Document Details’ screen or declarations not submitting. Potential solutions to these problems are discussed in turn below.

What are the causes of an annexure not validating?

When completing annexures, ensure to:

- ‘enable content’ after opening the spreadsheet.
- use the required date format (dd/mm/yyyy) for the dates entered and the computer’s settings.
- avoid blank cells for rows that have been started
- try using a Windows computer instead of a Mac.
- click to ‘Validate’ and save the annexure.

See page 98 for more details on solving these problems.

What if the particular tax type or tax period is not available for declaration?

If the tax type and tax period for the relevant declaration is not available on the 'Document Details' screen, the taxpayer can request for it by calling the RRA call centre toll-free or visiting RRA offices.

What are the causes of a declaration not submitting?

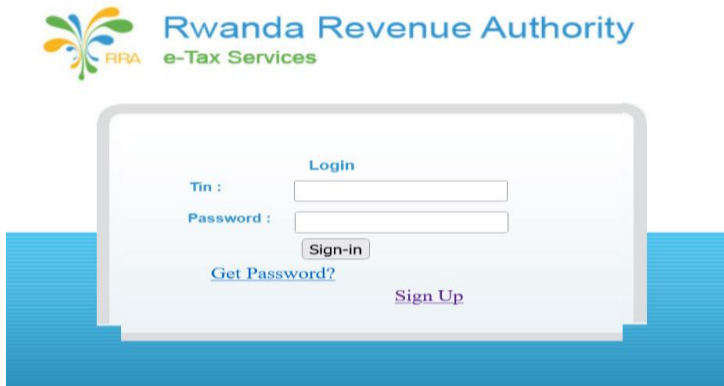
When submitting declarations: the annexures must be uploaded, its information equals to the declaration form information, and all certified by clicking in certifying box.

If the declaration and annexures information are not equal, either the declaration or the annexures must then be changed until they are equal and accurate, see page 108 for details.

Step-by-Step guide to declaring domestic taxes

Step 1: Log-in to E-Tax

Access the E-Tax website at <https://etax.rra.gov.rw> or through the RRA website <https://www.rra.gov.rw> and clicking on ‘Pay Domestic taxes here’ on the right of the screen. This loads the following login screen:

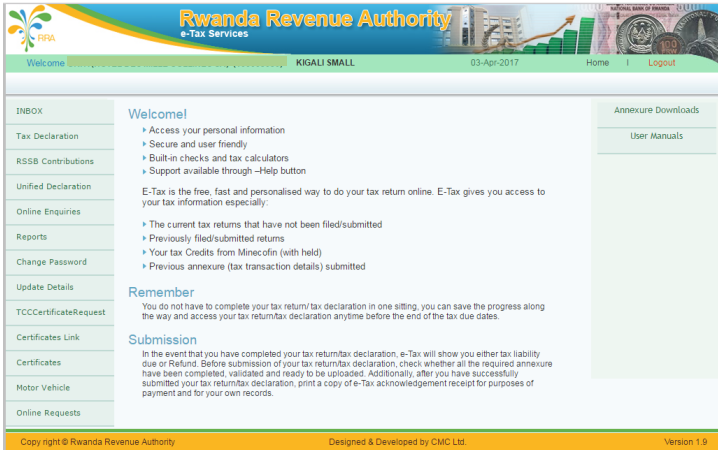


Login using the TIN and E-Tax password.

See page 93 if the TIN is not known. If a taxpayer does not know their password, it can be reset by clicking ‘Get Password?’ on the E-Tax system login and receiving a new password by SMS and email to the address used when registering.

Step 2: Download, complete, validate and save annexures

After logging in, the E-Tax home page is loaded as shown below.



The first step of declaring domestic taxes is to download, complete and save the annexures of that tax type.

To download annexures, hover the mouse over ‘Annexure Downloads’ on the top-right hand side of the E-Tax homepage, and click on the applicable tax type to download the annexures.

This will start a download of a spreadsheet file which can be opened in Microsoft Excel or other spreadsheet software.

Annexure Downloads	VAT
User Manuals	PAYE
	EXCISE
	WITHHOLDING
	IQP
	PIT
	CIT
	PENSION(Before June 2015)
	MEDICAL
	VOLUNTARY
	PENSION MONTHLY(On or Before Oct 2016)
	PENSION MATERNITY(On or Above Nov 2016)
	VOLUNTARY MONTHLY
Version 1.0	WOP VAT PUBLIC
	MINERALS
	UNIFIED PAYE-PENSION-MEDICAL

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The annexures differ depending upon the tax type. For details on a specific tax type, view the relevant chapter of this Tax Handbook.

Annexures have an ‘Instructions’ tab and at least one other tab to be completed. Only the tabs that are relevant to the taxpayer in that tax period need to be completed. Each relevant tab must be completed, validated and saved separately.

Example 3

For VAT, the annexure is titled ‘VatAnnexure_1.1.xlsm’. The VAT annexure has six tabs: Instructions, Sales, Purchases, VAT Importation, Deductible VAT Reverse and VAT Retained.

INSTRUCTIONS	SALES	PURCHASES	VAT IMPORTATION	DEDUCTIBLE VAT REVERSE	VAT Retained
---------------------	-------	-----------	-----------------	------------------------	--------------

There are five important things to note when completing the annexures of all domestic taxes. This concern:

- Enabling Content
- Date Format
- Blank Cells
- Mac computers
- Validating and Saving

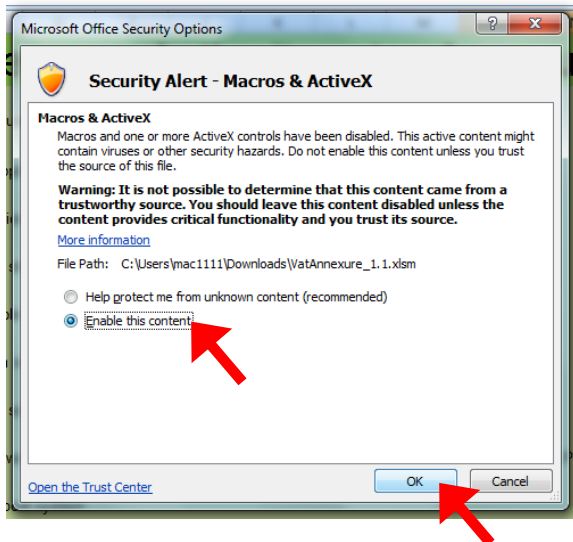
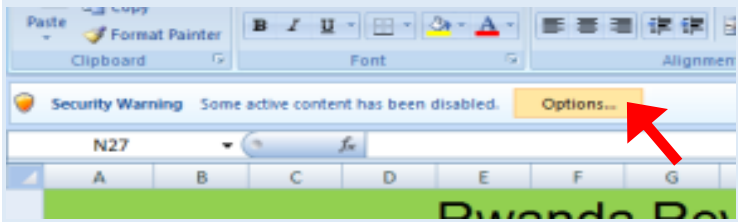
Enabling Content

The first thing that must always be done after opening the spreadsheet is to enable the active content. Without enabling content, it is not possible to validate or save the annexures. The process of enabling content varies depending upon the spreadsheet software.

Example 4

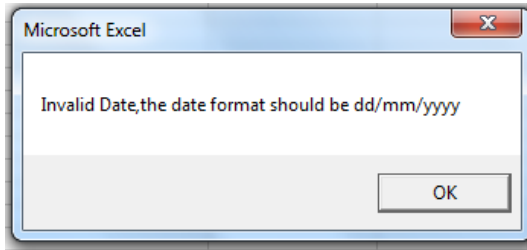
To enable content using Microsoft Excel 2007, when the document opens click 'Options' on the 'Security Warning' at the top of the screen.

In the resulting 'Security Alert – Macros & ActiveX' box that opens, click to 'Enable this content' then 'OK'. These steps are shown below.



Date Format

In order to validate the annexure, all dates must be entered in the required format of dd/mm/yyyy. However, it is also important to note that the annexures will not validate if the date settings of the *computer* are also not in the format of dd/mm/yyyy. This may show the following error message, even if the dates entered in the cells are in the correct format.



The process of changing the date format of the computer varies depending on the computer operating system. Date formats are often linked to the language settings of the operating system; E-Tax is set to English (UK).

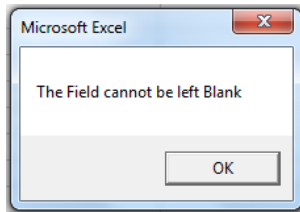
Example 5

To change the date settings on Windows 7, click:

Control Panel → Clock, Language and Region → Region and Language → Change the date, time or number format → Format: English (United Kingdom) → Short Date: dd/MM/yyyy.

Blank Cells

If any data is entered in a row, then that row must be completed before validating. In addition, the majority of columns cannot be left empty. This may show the following error message.



Example 6

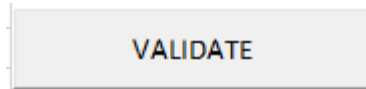
Rukundo is completing the Sales tab of the VAT Annexure. In one particular transaction, there are no Exempt Sales. In order to validate and save correctly, Rukundo must enter '0' in the 'Exempted Sales Amount' column instead of leaving it empty.

Mac computers

The E-Tax system is not yet fully compatible with Apple Mac computers. If the taxpayer is using a Mac computer and the annexure is failing to validate and save, despite enabling the content, using the correct date format and avoiding blank cells, there may be an issue with compatibility. Try again using a Windows computer.

Validating and Saving

Annexures are saved in a different way to other spreadsheets. For each tab, once all data is entered for the tax period, click the validate button within the excel spreadsheet.



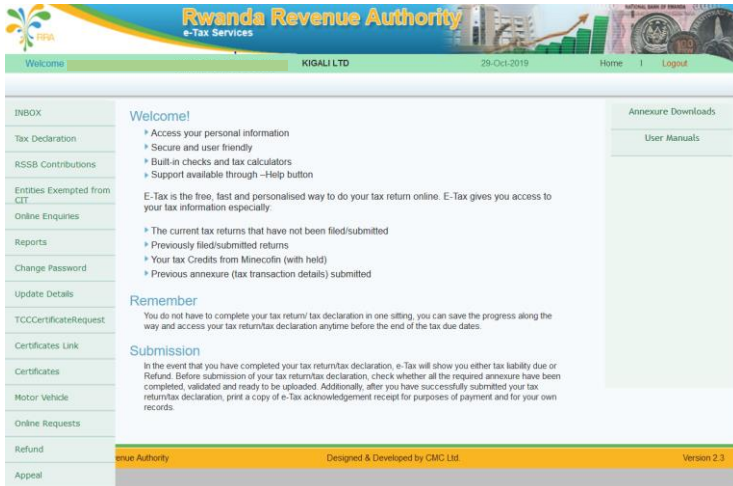
This will check that all data is entered in the required formats. If this is the case, it will automatically save a text file under the folder C:/RRA in the user's local machine.

If any of the format rules are violated, it will alert an error message and the file will not be created. The error message explains what needs to be corrected.

Even after the file is created, any changes can still be made. Clicking validate, this will save over and replace the previous file.

Step 3: Select and complete the declaration form

After all the relevant annexures have been downloaded, completed, validated and saved, the declaration form can be completed. This requires logging back into E-Tax and accessing the homepage.



Hover the mouse over ‘Tax Declaration’ in the left side of the E-Tax homepage, and then click on ‘New Declaration’ from the list that appears. To revise previously submitted declarations, click on ‘Submitted Declarations’. Clicking ‘New Declaration’ leads to the following screen.

Without changing the type, year or tax type, click ‘Submit’ to continue to the ‘Document Details’ page.

Document Details										
TIN:	Business Name:				TaxCentre Name:			GICUMBITC		
Sl. No.	Document No.	Tax Type Description	Tax Period	Due Date	Payment DueDate	Decade	Month	Year	Return Type	Status
11	3656657	WOP-PUBLIC SUPPLIES	01-Sep-2012 to 30-Sep-2012	15-Oct-2012	15-Oct-2012	NA	September	2012	Original	In Progress
12	8138401	TREASURY BONDS	01-Nov-2014 to 30-Nov-2014	15-Dec-2014	15-Dec-2014	NA	November	2014	Original	Pending
13	40457816	CIT-CORP. INCOME TAX	01-Feb-2016 to 31-Dec-2016	31-Mar-2017	31-Mar-2017	NA	December	2016	Original	In Progress
14	40711419	WOP-IMPÔT MOBILIER	01-Apr-2016 to 30-Apr-2016	16-Mar-2016	16-May-2016	NA	April	2016	Original	In Progress
15	40731371	VAT-VALUE ADDED TAX	01-Oct-2016 to 31-Oct-2016	15-Nov-2016	15-Nov-2016	NA	October	2016	Original	In Progress
16	40738562	VAT-VALUE ADDED TAX	01-Dec-2016 to 31-Dec-2016	15-Jan-2017	15-Jan-2017	NA	December	2016	Original	Pending
17	40758446	PAYE	01-Nov-2016 to 30-Nov-2016	15-Dec-2016	15-Dec-2016	NA	November	2016	Original	Pending
18	41025642	PAYE	01-Jan-2017 to 31-Jan-2017	15-Feb-2017	15-Feb-2017	NA	January	2017	Original	Pending
19	41060770	VAT-VALUE ADDED TAX	01-Jan-2017 to 31-Jan-2017	15-Feb-2017	15-Feb-2017	NA	January	2017	Original	Pending
20	41068081	VAT-VALUE ADDED TAX	01-Feb-2017 to 28-Feb-2017	15-Mar-2017	15-Mar-2017	NA	February	2017	Original	Pending
21	41075396	VAT-VALUE ADDED TAX	01-Apr-2017 to 30-Apr-2017	15-May-2017	15-May-2017	NA	April	2017	Original	Pending
22	41082710	VAT-VALUE ADDED TAX	28-Feb-2017 to 31-Mar-2017	05-Apr-2017	05-Apr-2017	NA	March	2017	Original	Pending

The ‘Document Details’ page lists all un-submitted tax declarations. The status column is set to ‘In progress’ if any declaration details have been entered, or ‘pending’ if no details have yet been entered. Once a declaration has been submitted, it is no longer accessible on this screen.

To enter a tax declaration, click on the document number of the relevant tax type and tax period. Ensure the correct tax type and tax period is chosen.

If a taxpayer wishes to declare for a particular tax type, or tax period, and this is not available on the ‘Document Details’ screen, the taxpayer can request for it to be added by visiting RRA offices or calling the RRA Call Centre toll-free on 3004.

Having clicked on the document number of the relevant tax type and tax period, the screen now focuses on that particular declaration, as seen below. The first step is to click on ‘Enter Declaration’.

Tax Declaration										
TIN: []		Business Name: []				TaxCentre Name: GICUMBI TC				
Sl. No.	Document No.	Tax Type Description	Tax Period	Due Date	Payment DueDate	Decade	Month	Year	Return Type	Status
1.	40731371	VAT-VALUE ADDED TAX	01-Oct-2016 to 31-Oct-2016	15-Nov-2016	15-Nov-2016	NA	October	2016	Original	In Progress

This opens the declaration form. The white boxes are entry fields where numbers must be entered (or left as zero). After all the necessary fields are entered, click to ‘save’ and automatically calculate the grey calculation boxes, including the tax due.

Many of the rows in the declaration form are similar to the columns of the annexures that have previously been completed. The important distinction is that in the declaration form, the total combined values for all rows during that tax period must be entered.

Example 7

Amahoro enters the details of her monthly VAT declaration, shown below. After entering the details in the white boxes, she clicks ‘save’ and the VAT due for Amahoro this tax period is calculated automatically.

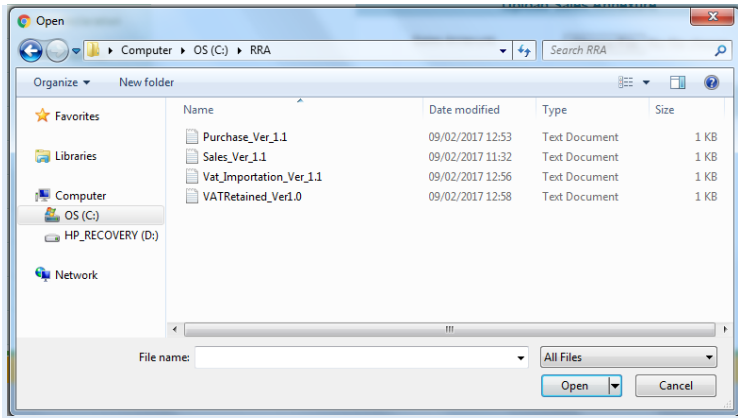
MONTHLY VAT DECLARATION FORM			
TIN:		Business Name:	
Tax Period:	01-Oct-2016 to 31-Oct-2016	Due Date:	15-Nov-2016
		DOCNO:	40731371
		Month:	October
* Mandatory fields			
5 -	Total Value Of Supplies During the Month(VAT Exclusive)	300,000	
10 -	Exempted Sales	40,000	
15 -	Zero Rated Sales	10,000	
20 -	Exports	0	
25 -	Total Not Taxable(Line 10+15+20)		50,000
30 -	Taxable Sales Subject to VAT(Line 5-Line25)		250,000
35 -	VAT on Taxable Sales(18% of Line 30)		45,000
40 -	VAT Reverse Charge	0	
45 -	VAT Payable(Line 35+Line 40)		45,000
50 -	VAT Paid On Imports	5,000	
55 -	VAT Paid Local Purchase	17,500	
60 -	VAT Paid On Input(Line 50+Line 55)		22,500
65 -	VAT reverse Charge deductible	0	
70 -	VAT Payable/Credit Refundable((Line 45-(Line 60+Line 65)))		22,500
75 -	Credit carried from Previous Month(Not already claimed)		0
76 -	Total amount on invoices to Public institutions (VAT Exclusive)	20,000	
80 -	VAT Withholding retained by Public Institutions	3,600	
	Total Amount in Credit as per details received from Public Institutions		-9,000
85 -	VAT Due/Credit Refundable((Line 70-(Line 75+Line 80)))		18,900
90 -	VAT Refund Claim		0
95 -	VAT Due		18,900
Details Saved save			
Continue with Upload Annexures > Back To Documents			

After saving the declaration form and checking that the fields entered were correct, click ‘Continue with Upload Annexures’.

Step 4: Upload annexures, compare with the declaration form and submit the declaration

To support the declaration form, the previously validated and saved annexures must also be uploaded as evidence. The annexures that can be uploaded depend upon the tax type that is being declared. Each annexures tab is uploaded separately.

Here For You, To Serve - Call the RRA Call Centre on 3004



After annexures have been uploaded, they can be checked by clicking on 'view', and changed by clicking on 'delete' and then re-uploading. Once all relevant annexures are uploaded and correct, click on 'Compare with Declaration'.

This allows comparison of information between the declaration and the annexures. If these are equal, then certify that the entries on this declaration are true and correct and confirm understanding that a false declaration may result in prosecution by clicking on 'I accept'. Then submit the declaration by clicking 'Submit'.

If the declaration and annexures are not equal, it is not possible to submit the declaration. Either the declaration or the annexures must then be changed until they are equal and accurate. To change the declaration form, click 'Modify Declaration'. To change the annexures, click 'Delete' on the relevant annexure, make necessary changes in the annexure's spreadsheet, validate and save

as before, and then re-upload the revised annexures. Then follow the same steps as before to certify and submit the declaration.

Example 9

Amahoro checks that the values of the declaration form and annexures are equal, certifies that the values are true and correct, then submits the VAT declaration.

Upload Annexures

TIN: [REDACTED]		Business Name: [REDACTED]				CentreName: GICUMBI TC				
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Payment DueDate	Type	Status
1.	40731371	VAT-VALUE ADDED TAX	01-Oct-2016 to 31-Oct-2016	NA	October	2016	15-Nov-2016	15-Nov-2016	Original	In Progress

Sales	Upload	View	Delete
Local Purchase	Upload	View	Delete
VAT Importation	Upload	View	Delete
Deductible VAT Reverse	Upload	View	Delete
VAT Retained	Upload	View	Delete

Compare with Declaration
← Back To Documents

Comparison between Declaration and Annexures

Sales	Total Sales Value (Col:5 in declaration)	300000	Total Sales Amount (Col:F in Sales Excel Annexure)	300000
Sales	VAT on Taxable Sales (Col:35 in declaration)	45000	VAT Total (Col:K in Sales Excel Annexure)	45000
Local Purchase	VAT on Local Purchase (Col:55 in declaration)	17500	VAT Total (Col:G in Local Purchase Excel Annexure)	17500
VAT Importation	VAT on Import (Col:50 in declaration)	5000	VAT Total (Col:G in VAT Importation Excel Annexure)	5000
Deductible Vat Reverse	VAT reverse Charge deductible (Col:65 in declaration)	0	Vat Reverse charge Deductable Amount(Col:F in Deductable Vat Reverse Excel Annexure)	0
VAT Retained	Total amount on Invoices to Public institutions (Col:76 in declaration)	20000	Total amount on Invoices to Public institutions (Col:G in VAT Retained Excel Annexure)	20000
VAT Retained	VAT Withholding retained by MINECOFIN(Col:80 in declaration)	3600	Withheld Amount (Col:H in VAT Retained Excel Annexure)	3600

Modify Declaration

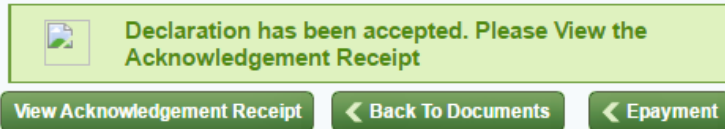
Certification:

I certify that the entries on this declaration are true and correct.
I understand that a false declaration may result in prosecution.

I ACCEPT Submit

Here For You, To Serve - Call the RRA Call Centre on 3004

There may be a slight delay as the declaration is submitted. If the declaration is submitted successfully, the following screen is loaded.



For more details on acknowledgement receipts and paying taxes due, see page 415.

Domestic Taxes Penalties and Fines

There are penalties and fines for certain offences that are similar for the majority of domestic taxes. The penalties and fines for these offenses are explained in turn below. For penalties and fines that are relevant to specific tax types, see their respective chapters in this Tax Handbook.

If a taxpayer makes a voluntary self, the penalties and interest described in this section are waived.

What are the penalties for late declaration and late payment?

A taxpayer who has failed to submit a tax declaration and payment within the required deadline must still declare and pay, and is subject to:

- A fine for late payment, depending on the period:
 - o Twenty percent (20%) of the tax due if the time limit for declaration and payment has not been exceeded by thirty (30) days;

- Forty percent (40%) of the tax due if the time limit for declaration and payment has been exceeded by thirty (30) days but has not been exceeded by sixty (60) days;
- Sixty percent (60%) of due taxes if the time limit for declaration and payment has been exceeded by sixty (60) days.
- The rate of interests for late payment is fixed as follows:
 - zero point five per cent (0.5), if the taxpayer has recorded a delay not exceeding six (6) months with respect to the time limit for payment;
 - one per cent (1%), if the taxpayer has recorded a delay of six (6) months in tax payment but not more than twelve (12) months;
 - one point five percent (1.5%), if the taxpayer has recorded a delay of more than twelve (12) months.
- Fixed administrative fine of:
 - FRW 50,000 for taxpayers with annual turnover below FRW 20,000,000;
 - FRW 300,000 for taxpayers with annual turnover above FRW 20,000,000, a public institution or a non-profit making organization,

- FRW 500,000 for taxpayers who have been informed by RRA that they are in the category of 'large' taxpayers

Example 10

Ubumwe declared his monthly Value Added Tax (VAT) for the tax period of January 2024 late. Instead of declaring by the 15th February 2024, he declared and paid on 25th February 2024. The VAT Due for this tax period was FRW 80,000. Ubumwe is a small taxpayer. This was the first time that Ubumwe had declared late.

Ubumwe's penalty for declaring late is:

- $FRW\ 80,000 * 20\% = FRW\ 16,000$
- $FRW\ 80,000 * 0.5\% * 1\ month = FRW\ 400$
interest
- $FRW\ 50,000$ *administrative fine*

In addition to the FRW 80,000 tax due, Ubumwe must pay:

$FRW\ 16,000 + FRW\ 400 + FRW\ 50,000 = FRW\ 66,400.$

What are the penalties if tax due is declared on time but paid late?

A taxpayer who declared the requisite tax on time, but did not pay the declared tax is subject to:

- A fine for late payment, depending on the period:
 - Five percent (5%) of the tax due when the time limit for payment has not been exceeded by thirty (30) days;

- Ten percent (10%) of the tax due when the time limit for payment has been exceeded by thirty (30) days but not exceeded by sixty (60) days;
- Thirty percent (30%) of due taxes if the time limit for payment has been exceeded by sixty (60) days.
- The rate of interests for late payment is fixed as follows:
 - zero point five per cent (0.5), if the taxpayer has recorded a delay not exceeding six (6) months with respect to the time limit for payment;
 - one per cent (1%), if the taxpayer has recorded a delay of six (6) months in tax payment but not more than twelve (12) months;
 - one point five percent (1.5%), if the taxpayer has recorded a delay of more than twelve (12) months.
- Fixed administrative fine for late filing:
 - FRW 50,000 for taxpayers with annual turnover below FRW 20,000,000
 - FRW 300,000 for taxpayers with annual turnover above FRW 20,000,000, a public institution or a non-profit making organization,

- FRW 500,000 for taxpayers who have been informed by RRA that they are in the category of 'large' taxpayers

Administrative fines double for a second late filing and triple for the third and subsequent offenses of the same tax type if repeated within five years.

What are the penalties for a taxpayer who declares less than the correct tax due?

The penalties for under-declaration depend on whether the taxpayer rectifies their own tax declaration or whether the taxpayer is found by RRA to have declared less than the correct amount.

A taxpayer who submits a declaration, and is found by RRA to have declared lower tax due that is at least of 10% of the correct amount but not exceeding 20% of the correct amount, must pay the difference and is subject to:

- A fine of 10% of the amount of the understatement
- The rate of interests for late payment is fixed as follows:
 - zero point five per cent (0.5), if the taxpayer has recorded a delay not exceeding six (6) months with respect to the time limit for payment;
 - one per cent (1%), if the taxpayer has recorded a delay of six (6) months in tax payment but not more than twelve (12) months;

- one point five percent (1.5%), if the taxpayer has recorded a delay of more than twelve (12) months.

A taxpayer who submits a declaration, and is found by RRA to have declared lower tax due that is more than 20% of correct amount, must pay the difference and is subject to:

- A fine of 20% of the amount of the understatement
- 1.5% interest on a monthly basis. The rate of interests for late payment is fixed as follows:
 - zero point five per cent (0.5), if the taxpayer has recorded a delay not exceeding six (6) months with respect to the time limit for payment;
 - one per cent (1%), if the taxpayer has recorded a delay of six (6) months in tax payment but not more than twelve (12) months;
 - one point five percent (1.5%), if the taxpayer has recorded a delay of more than twelve (12) months.

A taxpayer who submits a declaration, but realises that they have declared a lower amount due than the correct amount and conducts self-reassessment after the deadline but before notification of an imminent audit, must pay the difference and:

A fine of:

- Five percent (5%) of the tax due, if the time limit for declaration and payment has not been exceeded by thirty (30) days;
- Ten percent (10%) of the tax due, if the time limit for declaration and payment has been exceeded by thirty (30) days but not exceeded by sixty (60) days;
- Thirty percent (30%) of the tax due, if the time limit for declaration and payment has been exceeded by sixty (60) days;

A taxpayer to whom the Commissioner General granted extension for submitting tax declaration is not subject to administrative fine for late payment, unless the taxpayer failed to respect the extension period. However, interests for late payment remain due.

Example 11

Immaculée declares Pay As You Earn (PAYE) due of FRW 125,000 for a tax period. However, during an audit four months later RRA discovers that she should have declared PAYE due of FRW 165,000. The understatement is:

$$- 1 - (FRW 125,000 / FRW 165,000) = 24.2\%$$

Immaculée has to pay the FRW 40,000 difference and the penalty and interests of:

- $FRW 40,000 * 1.5\% * 4 \text{ months} = FRW 2,400$
- $FRW 40,000 * 10\% * 2 = FRW 8,000$

In addition to paying the FRW 40,000 difference, Immaculée must pay FRW 8,000 + FRW 2,400= FRW 10,400.

What are the rules concerning interest, fixed administrative fines and repeat offenders?

Interest is non-compounding. This means that interest is always on the principal amount, i.e., the tax due, there is no interest charged on interest. Interest is charged from the first day after the tax should have been paid until the day of payment, which is included. Every month that begins is considered as a complete month. The interest cannot exceed 100% of the original tax due.

If an offence is repeated on another occasion within two years, the fixed administrative fine is doubled. If the offence is repeated on any other occasions within two years, the fixed administrative fine is quadrupled. Taxpayers are informed by RRA whether they are categorised as small, medium or large taxpayers.

What is the rule for payment allocation between principal tax, penalties, and interest?

When a taxpayer makes a payment after being subjected to penalties and interest, the system allocates the payment as follows:

- Principal tax
- Penalties
- Interests

Income Tax (PIT and CIT)

Explanation of Income Tax

What is Income Tax?

Income Tax is a tax on income resulting from business, self-employment and investment activities. Income Tax ensures that all businesses benefiting from Rwanda's infrastructure, security and prosperity contribute their fair share towards the nation's development.

Income Tax includes both Personal Income Tax (PIT) and Corporate Income Tax (CIT). The process of declaring these two tax types is similar so they are combined in this chapter of the Tax Handbook. A taxpayer only has to declare one of these two tax types.

Income Tax has different 'regimes' available for taxpayers of different levels of income. There is also Motor Vehicle Income Tax available to taxpayers who receive motor vehicle transport income. These options make the process of declaring and paying Income Tax simpler for lower Income taxpayers, including being able to declare on mobile phones using M-Declaration.

The main declaration of Income Tax is submitted on an annual basis. Instalment Quarterly Prepayments (IQP) are also declared and paid each quarter based on the annual declaration. This helps taxpayers to smooth out their tax obligations over the year.

What are the differences between PIT and CIT?

PIT is for individual traders and unincorporated businesses, whilst CIT is for companies. The rates of PIT and CIT are the same for all types of Income Tax regimes with the exception of ‘Real Regime’, see page 125 for more details.

This Tax Handbook will refer to ‘Income Tax’ if the information applies to both PIT and CIT. If the information is specific to only one tax type, the Tax Handbook will refer to ‘PIT’ or ‘CIT’ separately.

Who must register for Income Tax?

Any taxpayer who receives taxable income during the tax period must register for Income Tax. Taxpayers are automatically registered for the relevant tax type when registering their business with RDB.

Taxpayers must register their business with RDB within seven days of beginning taxable activities or establishing the company, see page 125 for more details on business registration. Whether they are registered for PIT or CIT depends upon the type of business.

What is taxable income?

Taxable income includes all income sourced in Rwanda resulting from business, employment or investment activities and activities performed abroad by a resident of Rwanda. This includes:

- services and employment;

- activities of a crafts person, singer, artist and a player;
- sports, cultural and leisure activities;
- activities carried out by a non-resident in Rwanda through a permanent establishment in Rwanda;
- use, sale, lease and free transfer of business movable assets;
- sale, lease and free transfer of immovable assets allocated to the business;
- agricultural, fishing and forestry activities;
- usufruct and other rights attached to immovable assets and their sale if such rights are allocated to the business;
- investments in shares of companies;
- direct or indirect sale or transfer of shares or debentures; change of profits into shares that increases the capital of partners, except for financial institution with paid-up capital below the minimum requirement set by the National bank of Rwanda;
- distribution of profits among partners;
- lending, deposits and other similar income-generating activities;
- transfer, sale and lease of intellectual property;
- digital services;
- gaming activities
- any other income generating activity.

Note that payment made by a resident of Rwanda for a service consumed abroad is not subject to withholding tax.

Which taxpayers are exempt from Income Tax?

Taxpayers that are exempt from Income Tax are not required to declare and pay Income Tax. Taxpayers that are exempt from Income Tax includes:

- The Government of Rwanda;
- The City of Kigali;
- The district
- The National Bank of Rwanda;
- Organisations that carry out only faith-oriented activities, humanitarian, charitable, scientific or educational character unless the revenue received exceeds the corresponding expenses or if those entities conduct a business;
- International organisations or agencies of technical cooperation if such exemption is provided for by international agreements or an agreement concluded between these organisations and the Government of Rwanda;
- Qualified pension funds;
- Public institution in charge of social security;
- Development Bank of Rwanda;
- Agaciro Development Fund Corporate Trust;
- Business Development Fund limited, “BDF Ltd”;
- Special purpose vehicle, unless the revenue received exceeds the corresponding expenses;
- Common benefit foundations;

- Resident trustee for income earned by a foreign trust.

However, they are required to submit their financial statements on E-Tax by the 31st of March after the tax period or three (3) months following specific tax period granted to taxpayers by the Minister of Finance and Economic Planning (MINECOFIN).

What are the exemptions for agricultural income?

Income below FRW 12,000,000 resulting from agricultural and livestock activities is exempt from Income Tax. It is important to note that only the income above the threshold is taxable.

Example 12

Amahoro is a farmer. In one tax period, she earns income of FRW 25,000,000 resulting from agricultural and livestock activities. Only the income above the threshold is taxable. Therefore, Amahoro's taxable income is:

FRW 25,000,000 – FRW 12,000,000 = FRW 13,000,000

Amahoro must declare and pay Income Tax on this FRW 13,000,000 as normal.

What other incentives are available for Income Tax?

There are additional exemptions or discounts that can be applied if the taxpayer fulfils certain criteria. The types of tax discounts allowed are subject to the Law on investment promotion and facilitation and Law establishing Taxes on Income, see the Rwanda

Development Board (RDB) and RRA websites respectively for the latest versions of these laws.

What are the different Income Tax regimes?

Income Tax has three ‘regimes’ available for taxpayers of different amounts of annual turnover. These make the process of declaring and paying Income Tax simpler for lower income taxpayers. The regimes, and their corresponding turnover categories, are displayed below:

Annual Turnover	Regime
FRW 2,000,000 – FRW 12,000,000	Flat Tax
FRW 12,000,001 – FRW 20,000,000	Lump Sum
Above FRW 20,000,000	Real Regime

However, for small businesses with an annual turnover below FRW 20,000,000 have an option to file income tax under simplified regime.

In addition to these regimes, there is also a different option available for taxpayers earning motor vehicle transport income. This is referred to as Motor Vehicle Income Tax, see page 127 for more details.

What is the Flat Tax regime?

The Flat Tax regime is available to taxpayers with an annual turnover between FRW 2,000,000 and FRW 12,000,000. The taxpayer must pay a specific ‘Flat’ amount of annual tax due depending upon their annual turnover, as displayed below.

Annual Turnover	Annual Tax Due
FRW 2,000,000 – FRW 4,000,000	FRW 60,000
FRW 4,000,001 – FRW 7,000,000	FRW 120,000
FRW 7,000,001 – FRW 10,000,000	FRW 210,000
FRW 10,000,001 – FRW 12,000,000	FRW 300,000

Note that taxpayers with annual turnover below FRW 2,000,000 are required to submit their Income Tax declaration, but are not required to pay any Income Tax.

Flat Tax regime can be declared using M-Declaration or E-Tax, see page 142 and 147 respectively for details.

Example 13

Rukundo has a business fixing bikes. His annual turnover between January 1st and December 31st was FRW 8,750,500. This is within the third annual turnover category and so his annual 'Flat Tax' Income Tax due is FRW 210,000.

What is the Lump Sum Income Tax?

The Lump Sum regime is available to taxpayers with an annual turnover between FRW 12,000,001 and FRW 20,000,000. The taxpayer must pay a specific 'Lump Sum' tax due equal to 3% of their annual turnover.

Lump Sum regime can be declared using M-Declaration or E-Tax, see page 142 and 149 respectively for details.

Example 14

Ubumwe Ltd is a carpentry business making furniture. Their annual turnover between January 1st and December 31st was FRW 17,400,200. Their annual 'Lump Sum' Income Tax due is:

*FRW 17,400,200 * 3% = FRW 522,006.*

What is the Real Regime Income Tax?

The Real Regime is required for all taxpayers with an annual turnover above FRW 20,000,000, as well as all liberal professions. Liberal professions include, but are not limited to, accountants, company auditors, tax consultants, architects, real estate agents, lawyers, bailiffs, doctors, dentists and other similar professions. In addition, any taxpayer may choose to use the Real Regime, but cannot then change this decision for a period of three years from the date that RRA is informed of this choice.

The most important distinction of Real Regime is the rate applies to profit, not to turnover. This allows taxpayers to deduct expenses allowances against the income. For more details on the additional differences of Real Regime, see page 134.

In addition, it is important to note that unlike the other Income Tax regimes, the tax rate for Real Regime is slightly different for PIT and for CIT.

The tax rate for CIT is a uniform rate of 28% on the profit.

The tax rate for PIT is progressive, as shown below:

Annual taxable income (profit)	Marginal PIT Rate
FRW 0 – FRW 720,000	0%
FRW 720,001 – FRW 1,200,000	10%
FRW 1,200,001 – FRW 2,400,000	20%
Above FRW 2,400,000	30%

It is important to note that these tax rates are marginal. This means that for each Real Regime PIT taxpayer each year, the first FRW 720,000 that they earn is taxed at 0%, the next FRW 480,000 is taxed at 10%, the next 1,200,000 is taxed at 20% and any remaining income is taxed at 30%. This means that no taxpayer is made worse off by receiving income in a higher tax bracket.

Example 15

Amahoro is the owner of a supermarket. Her annual turnover between January 1st and December 31st was FRW 62,000,000. Her deductible expenses, depreciation and allowances total FRW 54,000,000.

Her annual taxable profit is therefore:

$$FRW\ 62,000,000 - FRW\ 54,000,000 = FRW\ 8,000,000$$

Her annual Real Regime PIT due is:

$$(FRW\ 720,000 * 0\%) + (FRW\ 480,000 * 10\%) + (FRW\ 1,200,000 * 20\%) + (FRW\ 6,800,000 * 30\%) = FRW\ 0 + FRW\ 48,000 + FRW\ 240,000 + FRW\ 1,680,000 = FRW\ 1,968,000.$$

See page 134 for a more comprehensive display of the formulas calculating Real Regime Income Tax.

Real Regime can only be declared using E-Tax, see page 156 for more details on the process.

Small taxpayers who opt to pay tax on actual profit are able to avail of a simplified accounting method. These taxpayers are required to record:

- A record of all daily sales.
- A record of all daily purchases.
- A record of all monetary transactions.

What is the Motor Vehicle Income Tax?

The Motor Vehicle Income Tax is available to taxpayers who receive motor vehicle transport income. This means that taxpayers who receive income for transporting goods or passengers may declare and pay a flat amount of tax per quarter depending upon the type of motor vehicle or declare according to the real regime.

Motor Vehicle Income Tax must be declared on a mobile phone using M-Declaration or E-Tax. This is intended to make it easier for self-employed moto/taxi/bus/truck drivers to declare and pay their taxes. See page 145 for the process on declaring Motor Vehicle Income Tax using M-Declaration.

This process is the same as for declaring Motor Vehicle Instalment Quarterly Prepayments (IQP).

If the taxpayer receives additional income that is not from motor vehicle transport, this must be declared separately.

Example 16

Rukundo has a small shop, and owns a twelve-seater bus used for transport income. Rukundo earns annual income of FRW 15,000,000 from the shop, and FRW 5,000,000 from the bus. Therefore, he declares the FRW 15,000,000 as Lump Sum, and declares Motor Vehicle Income Tax on the bus.

The tax rate per quarter for the different types of motor vehicle please refer to the annex of the law establishing taxes on income. Note that a new owned moto vehicle does not pay quarters in the first of its acquisition.

Example 17

Continuing the example above, Rukundo owns a twelve-seater bus used for transport income. Regardless of the actual income received, Rukundo is required to declare and pay FRW 3,000 per seat capacity per quarter.

Therefore, Rukundo's Motor Vehicle Income Tax due is:

*FRW 3,000 per seat * 18 seats = FRW 54,000 per quarter.*

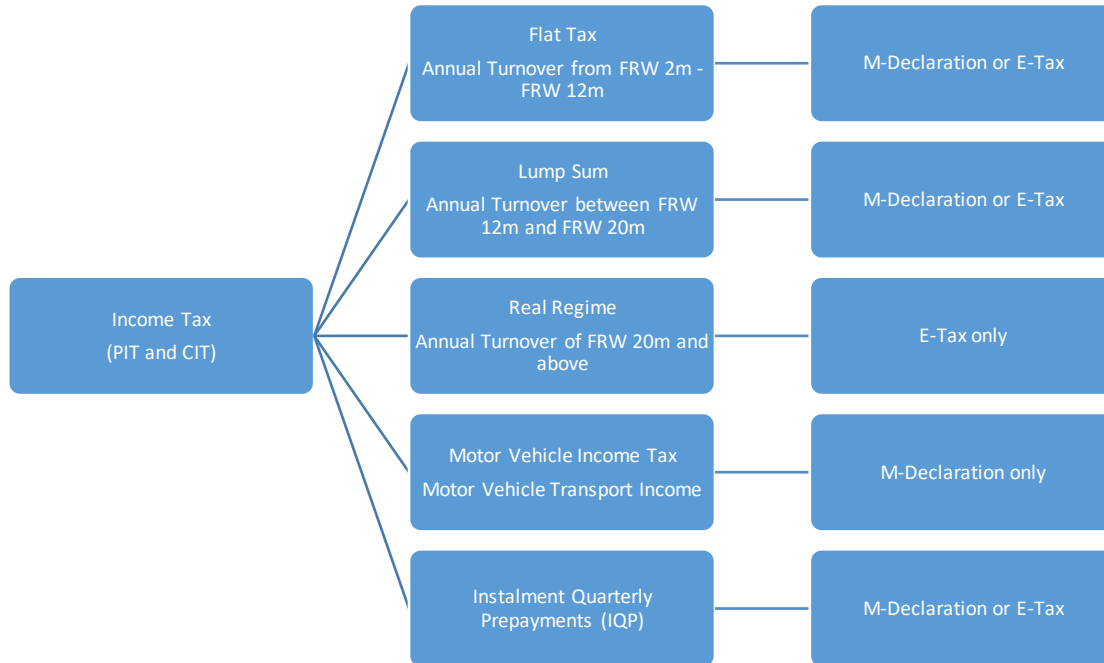
What is M-Declaration?

M-Declaration is a mobile phone-based system designed to allow taxpayers accessing certain tax services including income tax declaration, moto vehicle income tax declaration, business income tax declaration, local

government tax and fees declaration and some EBM services. The types Income Tax that can be declared using M-Declaration are displayed diagrammatically on page 130.

The process for declaring income tax using M-Declaration is slightly different when declaring Flat Tax or Lump Sum Income Tax compared to Motor Vehicle Income Tax, see pages 142 and 145 respectively for more details.

Which types of Income Tax are declared using E-Tax or M-Declaration?



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When is the deadline to declare and pay Income Tax?

Income Tax is required to be declared and paid on an annual basis. The tax period is the calendar year, from 1st January until 31st December. The deadline to declare and pay Income Tax is by 31st March of the following year.

Example 18

Rukundo must declare and pay his annual PIT declaration for the 2019 tax period, from 1st January 2019 until 31st December 2019, by the deadline of 31st March 2020.

If they have strong reasons, a CIT registered taxpayer may request to change their tax period to any other twelve (12) month period. The taxpayer must continue to declare and pay as normal until the request is approved.

In addition, Instalment Quarterly Prepayments (IQPs) are required to be declared and paid within three months by the deadlines of the following 30th June, 30th September and 31st December. IQPs are explained in more detail below.

What is Instalment Quarterly Prepayments (IQPs)?

In addition to the annual Income Tax declaration, Instalment Quarterly Prepayments (IQPs) are required to be declared and paid by the deadlines of the following 30th June, 30th September and 31st December. Note that when the deadline for the quarter with deadline of 30th June falls on holydays or weekends, its deadline comes on the previous working day. Quarterly prepayment tax is calculated from tax paid for the previous annual tax period

divided by the turnover of the same tax period, times the current quarterly turnover. All IQP Income Tax that is paid can then be claimed back in the following year's annual Income Tax declaration.

IQP declarations can be declared using M-Declaration or E-Tax, see page 142 and 178 respectively for more details. It is important to note that only declarations using E-Tax can deduct withholding taxes paid on behalf of the taxpayer within the preceding quarter, see page 178 for more details.

Example 19

In the fiscal year 2023 Jean-Baptiste declared Income Tax payable of FRW 540,000 in March 2024 from an annual turnover of FRW 18,000,000 under lumpsum regime. In the fiscal 2024, he realised a turnover of FRW 9,000,000 between April and June 2024. His second IQP is calculated by:

$$FRW (540,000/18,000,000) * 9,000,000 = FRW 270,000$$

Jean-Baptiste must declare and pay the second IQP of FRW 270,000 by the deadline of 30th September 2024.

Assume that in May 2024 he pays WHT 5% of FRW 50,000. This is deducted against the IQP of the quarter. Therefore, his IQP due by 30th September 2024 equals to:

$$FRW 270,000 - FRW 50,000 = FRW 220,000.$$

Overall, Jean-Baptiste has to pay for the second IQP of FRW 220,000.

What if tax is withheld on behalf of the taxpayer?

A taxpayer may have had tax withheld and paid on their behalf from the following tax types:

- Withholding tax of 15% (WHT 15%)
- Withholding tax of 3% (WHT 3%)
- Withholding tax on imports of 5% (WHT 5%)
- Pay As You Earn (PAYE)
- Mining Royalty Tax
- Capital Gain (10%)

If any of those tax types have been withheld and paid on behalf of the taxpayer during the tax period, the tax paid may be claimed back in their Income Tax declarations. However, the withholder must provide, in the annexure, the details of the withholder - including TIN, invoice number, date, and amount withheld - to enable the withholder to claim the withheld amount as advance tax. This can only be claimed when declaring using E-Tax, see page 150 for more details on the withholding annexures.

If this results in a tax credit situation, see page 46 for details.

When do taxpayers declare Capital Gains Tax instead?

Capital gain tax is charged on the direct or indirect sale or transfer of shares, licenses, debt instruments, options, guarantees and similar assets.

The capital gain is the difference between the acquisition value of shares and their selling or transfer price. The tax

rate on capital gain is five percent (10%) applicable on the gain declared and paid within fifteen (15) days following the month in which the sale or transfer of shares occurred.

Real Regime Details

There are aspects of Real Regime Income Tax that do not apply to the other regimes. These are discussed in turn below. The process of declaring Real Regime Income Tax is described on page 156. The formula for calculation of Real Regime Income Tax is summarised on page 177.

What expenses can be deducted in Real Regime?

Expenses are allowed to be deducted in Real Regime if they meet all of the following criteria:

- They are incurred for the direct purpose of the business and are directly chargeable to the income.
- They correspond to a real expense and can be substantiated with proper invoice or receipts accepted by the tax administration.
- They lead to a decrease in the net assets of the business.
- They are used for activities related to the tax period in which they are incurred.

For example, this includes employee expenses and RRSB contributions on behalf of the employee, office supplies, rent costs, utility costs, advertising costs, insurance costs and legal fees. It also includes fees paid to member of the Board of directors and any other member of a similar

organ, although companies are required to withhold 30% on these allowances.

The types of expenses that are not tax deductible include:

- Dividends declared and profits paid-out to their beneficiaries;
- Reserve allowances, savings and other special-purpose funds unless otherwise provided for by this Law;
- Fines and similar penalties;
- Donations, except donations given to non-profit making organisations whose value does not exceed one percent (1%) of the turnover;
- Income tax paid in accordance with this Law or paid abroad on business profit and recoverable value added tax;
- Personal consumption expenses;
- Entertainment expenses except expenses on general sporting activities for employees;
- Twenty per cent (20%) of expenses paid on business overheads including telephone,
- water, electricity and fuel whose private and business use cannot be practically separable;
- The aggregate of expenses of management activities, technical services and royalty fees paid to a non-resident related person exceeding two percent (2%) of the turnover of the taxpayer;
- Interest arising from loans between related persons paid or due on total loans in excess of four (4) times of the amount of paid-up equity which

excludes provisions or reserves and retained earnings according to the balance sheet, which is drawn up in accordance with the generally accepted accounting principles;

- Realised foreign exchange loss arising from total loans between related persons in excess of four (4) times of the amount of paid-up equity which excludes provisions or reserves and retained earnings according to the balance sheet, which is drawn up in accordance with the generally accepted accounting principles.
- Unrealised foreign exchange losses.

What is the basis of depreciation in Real Regime?

Depreciation reflects the reduction of the value of an asset over time, in particular because of wear and tear.

Assets purchased with the value below FRW 500,000 are considered as expenses and cannot be depreciated. Depreciation of all other business assets can be deducted in Real Regime on the basis described below.

The cost of purchasing, constructing and improving buildings, equipment and heavy machinery that is fixed in walls depreciates by 5% annually of the cost price.

The cost of purchasing, constructing and improving intangible assets that have been purchased from a third party depreciates by 10% annually of the cost price.

The assets in the following two categories are depreciated in a pooling system on the basis of the following rates:

- Computers and accessories, information and communication systems, software products and data equipment depreciate at the rate of 50%.
- All other business assets (that have not otherwise been mentioned) depreciate at the rate of 25%.

The pooling system means that all similar items of these categories can be aggregated and the cost depreciated as single items.

Land, fine arts, antiquities, jewellery and any other assets that are not subject to wear and tear and cannot become outdated or obsolete are not depreciated.

What incentives are available for Real Regime?

There are exemptions or discounts that can be applied if the taxpayer fulfils certain criteria. The types of tax discounts, incentives and exemptions allowed are subject to the Law on investment promotion and facilitation and Law establishing taxes on income, see the Rwanda Development Board (RDB) and RRA websites respectively for the latest versions of these laws.

What if a Real Regime taxpayer does not make a profit?

If a taxpayer's taxable income (as calculated on page 177) is less than zero, this is referred to as a net loss. If a taxpayer declares a net loss in an Income Tax declaration, this loss may be carried forward and deducted from the Income Tax declarations of the next five tax periods, with earlier losses being deducted before later losses.

However, a taxpayer who applies to the tax administration may be allowed to carry forward the loss for more than five (5) tax periods but without exceeding further five (5) tax periods, if he or she fulfils the requirements that are provided for by ministerial order.

In addition, a taxpayer who declares a net loss in their Income Tax declaration is not required to declare and pay IQP in the following tax period.

What are the related persons and transfer pricing requirements?

A ‘related person’ refers to any individual(s) who acts or is likely to act in accordance with the directive, opinions or wishes, communicated or not communicated, of other individual(s). This includes:

- An individual and their spouse, direct lineal ascendants (i.e., parents or grandparents) or descendants (i.e., children or grandchildren).
- A company and any individual or company who owns directly or indirectly 50% or more, by value or number, of the voting rights in the company.

Any transactions between related persons is required to be entered into the related party transactions tab. This tab is required to be completed and uploaded with all Real Regime declarations, regardless of whether the taxpayer transacted with related persons, see page 161 for details.

What are the additional documents required for declaring Real Regime?

As well as the Real Regime annexures, three mandatory documents are required to be submitted for Real Regime declarations. This means that when downloading annexures for Real Regime PIT or CIT declarations, the taxpayer must download the following annexures:

- Balance Sheet
- Profit and Loss
- Company-
Representative

Annexure Downloads	VAT
User Manuals	PAYE
	EXCISE
	WITHHOLDING
	IQP
PIT-REAL	PIT
PIT-LUMPSUM	CIT
BALANCE SHEET	PENSION
PROFIT AND LOSS	MEDICAL
COMPANY REPRESENTATIVE	VOLUNTARY

These annexures can each be downloaded as normal. See page 96 for more details on downloading annexures.

The process of completing, validating and saving is different for the balance sheet, profit and loss statement and the company representative and is described in more detail below.

The balance sheet and profit and loss statements typically require the expertise of trained accountants. However, the taxpayer is ultimately responsible for the accurate completion of these documents.

Income tax annexures counts for optional tabs:

- Depreciation tab;
- Debtor's tab;
- Tax discounts tab;

- Ledger accounts tab;
- Creditor's tab;
- Withholding tab;
- 5% withholding tab;

Balance Sheet

A balance sheet is a financial statement summarising the assets, liabilities and capital at the end of the tax period.

In order to upload this annexure, the balance sheet spreadsheet must be validated and saved on PC/RRA Folder.

Profit and Loss

A profit and loss statement is a financial statement summarising the revenues, costs and expenses incurred during a tax period.

In order to upload this annexure, the profit and loss spreadsheet must be validated and saved on PC/RRA Folder.

Company Representative

The taxpayer must nominate at least one individual to represent the company. The nominated individual(s) should be available for contact, and be able to stand for the company in any correspondence or tax matters.

The nominated individual(s) can be the owner, shareholder or employee within the company, or even external to the company, such as private tax advisors.

Taxpayers are encouraged to provide more than one company representative to ensure that any important communication between RRA and the taxpayer can be quickly transmitted.

What are the additional requirements for ‘Certified Financial Statements’?

A taxpayer with annual turnover of equal to or above FRW 600,000,000 is also required to submit ‘Certified Financial Statements’.

To submit certified financial statements, the balance sheet and profit and loss statement, as well as any supporting documents, must be validated by qualified accounting professionals recognised by the Institute of Certified Public Accountants Rwanda (ICPAR) and approved by RRA.

The certified financial statements must be uploaded by approved qualified professionals and made available on the client side by RRA system.

Declaring Flat Tax, Lump Sum and IQP Income Tax using M-Declaration

If Income Tax is the taxpayer's only registered domestic tax type, and if the taxpayer has a Rwandan ID in the case of PIT, the taxpayer may declare Flat Tax or Lump Sum using M-Declaration. If not, Flat Tax and Lump Sum Income Tax can always be declared using E-Tax.

The process for declaring Flat Tax, Lump Sum and IQP Income Tax on a mobile phone using M-Declaration is explained below.

M-Declaration Process

The first time a taxpayer uses M-Declaration from that specific mobile phone, the taxpayer must first register.

The M-Declaration system for both registering and declaring is accessed by dialling *800#. The M-Declaration system has a series of screens, with number options, that are navigated by entering and sending the relevant number.

The first screen requests the taxpayer to select a language, either English or Kinyarwanda. The next screen requests to select which M-Declaration service is required. To declare Flat Tax, Lump Sum and IQP Income Tax select '2. Other Business Activities'.

The next screen shows the 'Welcome to Domestic Taxes' menu. This menu offers three options:

- 1. Registration

- 2. Declaration
- 3. Change Mobile Number

Register for M-Declaration

From the ‘Welcome to Domestic Taxes’ menu, select ‘1. Registration’ to begin the registration process.

The details required for registration are:

- Taxpayer Identification Number (TIN)
- Rwanda National ID number

For PIT registered taxpayers, their Rwanda National ID number is required. It is not currently possible to use passports to declare PIT using M-Declaration, E-Tax must be used instead.

For CIT registered taxpayers (of any nationality), the Rwanda National ID number can be entered as ‘9999999999999999’ (sixteen ‘9’s).

Submit the required details in the relevant screens to register for M-Declaration of Flat Tax, Lump Sum and IQP Income Tax.

M-Declaration of Income Tax

From the ‘Welcome to Domestic Taxes’ menu, select ‘2. Declaration’ to begin the declaration process.

The taxpayer must have already registered the TIN with mobile phone that they are declaring from. In addition, they must select:

- Whether they are a new taxpayer, meaning if this is their first Income Tax declaration of any kind.
- The business turnover or total sales during the tax period being declared.
- The year and quarter for the tax period which is being declared.
 - For example, for annual declarations that are due by 31st March 2017 are for the year of '2016' and quarter 'annual'.
 - For example, for IQP declarations that are due by 30th June 2017 for the preceding quarter are for the year of '2017' and quarter '1'.

Based on this turnover, the system calculates the tax to be paid, and generates the RRA Reference Number required for paying taxes. For more details on paying taxes, see page 415.

Declaring Motor Vehicle Income Tax using M-Declaration

Taxpayers who receive income from motor vehicle transportation of passengers or goods are able to declare this separately for each motor vehicle. This can be done on a mobile phone using M-Declaration or E-Tax.

The process for declaring Motor Vehicle Income Tax using M-Declaration is described below.

M-Declaration of Motor Vehicle Income Tax

The M-Declaration system for declaring Motor Vehicle Income Tax is accessed by dialling *800#. The M-Declaration has a series of screens, with number options, that are navigated by entering and sending the relevant number.

The first screen requests to select a language, either English or Kinyarwanda. After selecting a language, the next screen requests to select which M-Declaration service, to declare Motor Vehicle Income Tax, select '1. Motor Cycles/Vehicles'.

The taxpayer must then select:

- The unique Taxpayer Identification Number (TIN).
- The number plate of the motor vehicle.
- Whether they are a new taxpayer, meaning if this is their first Income Tax declaration of any kind.
- The tax year and quarter for the period which is being declared.

- For example, for annual declarations that are due by 31st March 2017 are for the tax year of '2016' and quarter '4'.
- For example, for IQP declarations that are due by 30th June 2017 are for the tax year of '2017' and quarter '1'.

Based on the type of motor vehicle registered to the number plate, the system then selects the Income Tax to be paid, and generates the RRA Reference Number required for paying taxes. For more details on paying taxes, see page 415.

Declaring Flat Tax Income Tax using E-Tax

Flat Tax regime Income Tax can be declared using E-Tax or M-Declaration. If the taxpayer is registered for other domestic tax types as well as Income Tax, then Flat Tax regime must be declared using E-Tax, instead of M-Declaration.

The declaration process for Flat Tax regime using E-Tax is similar to other domestic taxes, see page 96 for details.

However, the process of declaring Flat Tax regime is even simpler as there are no annexures. The taxpayer only has to complete the declaration form and submit the declaration.

Flat Tax Declaration Form

Firstly, this requires logging into E-Tax and entering the declaration form, see page 96 for more details on choosing the applicable declaration.

The Flat Tax regime declaration form for PIT or CIT has seven (7) fields. The only fields that must be entered are:

- Annual Turnover - Enter the turnover of the business during the tax year and withholding on other payments if any.

The other fields are automatically filled by the system, where applicable. After entering the required information, click save to calculate the 'Annual Flat Amount of Tax Due' automatically.

Example 20


An example Flat Tax Income Tax declaration is entered below. The annual amount of Flat Tax due for this taxpayer in this tax period is FRW 60,000.

5 - Tax Income Year	2023
10 - Annual Turnover	2,500,000
15 - Annual Flat Amount of Tax Due	60,000
20 - Quarterly Prepayments	0
30 - Withholding on Other Payments	0
31 - Tax on sales of immovable property	0
35 - Tax Due / Credit claimed(Line 15-(Line 20+25+30))	0

[save](#)

[Submit without Annexures](#) [Back To Documents](#)

After checking that the fields entered are correct, click ‘Continue with uploading annexure’ then Compare declaration and annexures before clicking on ‘Submit’ the declaration. After successfully submitting, this screen will load.

 **Declaration has been accepted. Please View the Acknowledgement Receipt**

[View Acknowledgement Receipt](#) [Back To Documents](#) [Epayment](#)

Click to ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Declaring Lump Sum Income Tax using E-Tax

Lump Sum regime Income Tax can be declared using E-Tax or M-Declaration. If the taxpayer is registered for other domestic tax types as well as Income Tax, then Lump Sum regime must be declared using E-Tax, instead of M-Declaration.

The declaration process for Lump Sum regime using E-Tax is similar to other domestic taxes, see page 96 for details.

Firstly, if the taxpayer has had any tax withheld and paid on their behalf during the tax period, they must download the Lump Sum annexures from the E-Tax website, see page 96 for more details on downloading annexures. The taxpayer must choose the relevant PIT or CIT annexure, but the details required are the same.

If the taxpayer has not had any tax withheld and paid on their behalf during the tax period, they can continue straight to the Lump Sum declaration, see page 153.

Annexures

The Lump Sum regime annexure has two tabs. Only the tabs that are applicable in that tax period need to be completed, validated and saved. See page 98 if there are any problems when validating annexures.

Withholding 5% Tab

This tab is applicable to any taxpayer who has paid withholding tax on imports of 5% (WHT 5%) during the tax period. This does not include any other types of withholding tax, which must be declared in the 'Withholding' tab.

- Customs Station - Select the customs office of entry. This is listed under the 'Office of Destination' in the top right of the customs declaration.
- Customs Declaration (DD COM No) – Enter the unique customs declaration number, for example: 'C39012'. This is listed under the 'Customs Reference' in the top right of the customs declaration.
- Customs Declaration Date (dd/mm/yyyy) – Enter the date of the importation, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted. This is listed next to the 'Customs Reference' in the top right of the customs declaration.
- Nature of Goods – Enter a brief description of the goods that have been imported. This is listed in the 'Packages and descriptions of goods' section in the middle of the customs declaration.
- Origin – Enter the name of the country where the goods or services first came from. This means that

if a product first comes from the United Kingdom but arrives via boat to Mombasa - Kenya and lorry through Uganda to the Gatuna border, the origin country is United Kingdom. This is listed under the 'Country of Origin' or 'Cty. orig. Code' in the middle of the customs declaration.

- Customs Value (CIF) – Enter the value of the goods or services upon entering East African Community territory (EAC). CIF stands for Cost, Insurance and Freight which means that this value includes the cost of the goods and services from when they originated, but also includes the costs of insurance and freight or transport in getting the goods to EAC first port of entry (Mombasa). This is listed in Rwandan Francs under the 'Statistical Value' in the middle-right of the customs declaration.
- 5% Withheld in Custom – Enter the tax withheld on the imports. This is equal to the 'W01' Amount in the 'Calculation of Taxes' section in the middle of the customs declaration.

Withholding Tab

This tab is applicable to any taxpayers who have had tax withheld and paid on their behalf during the tax period. This includes WHT 15%, WHT 3%, Gaming Tax and Mining Royalty Tax. This does not include WHT 5% on imports which is included in the 'Withholding 5%' tab.

- Withholdee's TIN – Enter the TIN of the *withholding taxpayer* who has withheld and paid tax on behalf of the declaring taxpayer.
- Withholdee's Name – Enter the taxpayer name of the *withholding taxpayer*.
- Invoice/Transaction No – Enter the unique invoice number of the transaction that the tax was withheld on.
- Date of Withholding (dd/mm/yyyy) – Enter the date of the invoice, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Nature of Goods/Services – Enter a brief description of the goods or services on which the tax was withheld.
- Amount on Which to Withhold – Enter the amount of the invoice on which withholding was applied, excluding taxes.
- Rate Used – Enter the rate of tax that was withheld, without the percentage symbol. For example, withholding tax of 3% should be entered as '3'.
- Amount Withheld – Enter the amount of tax that was withheld. This should equal 'Amount on Which to Withhold' multiplied by 'Rate Used'%.

Lump Sum Declaration

After all applicable Lump Sum annexures (if any) have been completed, validated and saved in the folder C:/RRA in the user's local machine, the taxpayer can return to E-Tax to complete the Lump Sum declaration, see page 102 for more detail on selecting the relevant declaration. The taxpayer must choose the relevant PIT or CIT declaration, but the details required are the same.

The Lump Sum declaration form requires data on:

- Business income/sales – Enter the turnover of the business during the tax year including transport income if not declared using the Plate number through M-declaration. Income earned by an agriculturalist or a pastoralist on agricultural or livestock activities: Enter the amount less than 12,000,000 if a taxpayer is operating in this sector.
- Quarterly Prepayments – This field is automatically filled with the Instalment Quarterly Prepayments (IQP) that the taxpayer has paid in advance of this declaration.
- Withholding on Imports – Enter the amount of WHT 5% that has been withheld on behalf of the taxpayer. This should equal the total combined values in the 'Withholding 5%' annexure.
- Withholding on Public Tenders – Enter the amount of all other types of withholding that has been withheld on behalf of the taxpayer. This

should equal the total combined values in the ‘Withholding’ annexure.

Once all relevant white boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

Example 21

An example Lump Sum regime PIT declaration is entered below. The Income Tax due for this taxpayer in this tax period is FRW 278,500.

ANNUAL PERSONAL INCOME TAX-LUMP SUM REGIME		
TIN:		Business Name:
Tax Period: 01-Jan-2015 to 31-Dec-2015		Due Date: 31-Mar-2016
		DOCNO: 7612654
		Month: NA
5 - Business Income/Sales		28,500,000
10 - Transport Income		0
15 - Taxable Income (Line 5+Line 10)		28,500,000
20 - Personal Income Tax Payable (3% of Line 15)		855,000
25 - Quarterly prepayments		480,000
30 - Withholding on Imports		42,500
35 - Withholding on Public Tenders		54,000
40 - Total Credits (Sum Line 25 through 35)		576,500
45 - Net Tax Due/Credit (Subtract Line 40 from Line 20)		278,500
60 - Refund Claimed		0
65 - Balance Due		278,500

• Details Saved save

Continue with Upload Annexures > Submit without Annexures < Back To Documents

After saving the Lump Sum regime declaration form, if the taxpayer has not had any tax withheld and paid on their behalf during the tax period, click ‘Submit without Annexures’ to submit the declaration.

If the taxpayer has had tax withheld and paid on their behalf during the tax period, click ‘Continue with Upload Annexures’. Upload the annexures and then compare with the declaration form, see page 106 for more detail on


uploading annexures and comparing with declaration forms.

Example 22

Continuing the example of the Lump Sum PIT declaration above, the comparison between this declaration form and the uploaded annexures is shown below. As all the comparison values are equal, the declaration can be certified and submitted.

Upload Annexures									
TIN:		Business Name:			CentreName: KAMONYI TC				
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Type	Status
1.	7612654	ANNUAL PIT-LUMP SUM REGIME	01-Jan-2015 to 31-Dec-2015	NA	NA	2015	31-Mar-2016	Original	In Progress
WithHoldings			Upload		View		Delete		
FivePercentWithHoldings			Upload		View		Delete		
Compare with Declaration					Back To Documents				
Comparison between Declaration and Annexures									
WithHoldings		Withholding on Public Tenders (Line 35 in declaration)		54000		Amount WithHeld (Col.H in WithHoldings Excel Annexure)			54000
5%WithHoldings		Withholding on Imports(Line 80 of Annex A)(Line 30 in declaration)		42500		Amount WithHeld (Col.G in 5WithHoldings Excel Annexure)			42500
Modify Declaration									
Certification:									
I certify that the entries on this declaration are true and correct. I understand that a false declaration may result in prosecution.									
<input checked="" type="checkbox"/> I ACCEPT Submit									

Once all the annexures and declaration values are equal, correct and certified, click to 'Submit' the declaration. After successfully submitting, this screen will load.

	Declaration has been accepted. Please View the Acknowledgement Receipt	
View Acknowledgement Receipt	Back To Documents	Epayment

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Click to ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Declaring Real Regime Income Tax using E-Tax

Real Regime Income Tax must be declared using E-Tax.

The declaration process for Real Regime using E-Tax is similar to other domestic taxes, as explained on page 96. The process is similar whether the tax type is PIT or CIT.

Firstly, download the Real Regime annexures from the E-Tax website, see page 96 for more detail on downloading annexures. The taxpayer must choose the relevant PIT or CIT annexure, but the details required are the same.

However, in addition to the annexures, three additional documents are required to be submitted. These are the:

- Profit and Loss Account
- Balance Sheet
- Company Representative

In addition, if the taxpayer’s annual turnover is above FRW 600,000,000, the ‘Certified Financial Statements’ annexure must also be uploaded by approved certifying audit firm and then being available on taxpayer’s side by RRA tax system. For more details on these additional documents, see page 139.

From FY 2025, taxpayers filing for income tax are required to provide the following (if any) through E-Tax, online requests menu, CIT/PIT requests:

- Extension of financial reports submission,
- Exemption of certifying the financial statements,
- Disclaim the tax incentive to be benefited

Additionally, taxpayers with uncontrolled expenses (i.e., expenses not supported by EBM receipts, customs declarations, or WHT-supported transactions) are required to record these daily in e-Tax under Income Tax Preparation > Daily Capture of Uncontrolled Expenses > Add Transaction.

Annexures

The Real Regime annexure file has eleven (11) tabs. All tabs need to be completed, validated and saved if applicable to the taxpayer in that tax period. See page 96 if there are any problems when validating annexures.

Depreciation Table Tab

This tab refers to the depreciation that is allowed to be deducted, see page 136 for more details.

Buildings, equipment, heavy machinery and intangible assets that have been purchased from a third party must be listed as individual rows.

Computers and accessories, information and communication systems, software products and data equipment can be pooled and entered as a single row.

All other depreciable business assets (that have not otherwise been mentioned) can be pooled and entered as a single row.

- Description – Enter a description of the depreciable assets owned by the business.
- Book Value Beginning of Period – Enter the book value of any assets that were already owned by the business at the beginning of the tax period. The book value includes any depreciation from previous tax periods.
- Acquisition During the Period – Enter the cost price of any assets that were purchased by the business during the tax period.
- Disposition During the Period – Enter the book value of any assets that were sold or disposed of by the business during the tax period.
- Rate – Enter the rate of depreciation for the type of business assets, without the percentage symbol. For example, depreciation of 10% should be entered as ‘10’.
- Depreciation Allowance for the Period – Enter the value of depreciation allowed to be deducted. This should equal (‘Book Value Beginning of Period’ + ‘Acquisition During the Period’ – ‘Disposition During the Period’) multiplied by ‘Rate’.
- Book Value End of the Period – Enter the book value of any assets at the end of the tax period. This should equal (‘Book Value Beginning of

Period' + 'Acquisition During the Period' – 'Disposition During the Period') – 'Depreciation Allowance for the Period'.

Tax Discounts Tab

This tab refers to tax discounts allowed for within the Law on investment promotion and facilitation and Law establishing taxes on income. Each type of tax discount requires a separate row.

- Allowance Type – Select the type of tax discount.
- Amount on which to Apply Allowances – Enter the amount on which the discount is applied.
- Rate Used – Enter the rate of the tax discount.
- Amount of Allowance – Enter the amount of the discount allowed to be deducted. This should equal 'Amount on which to Apply Allowances' multiplied by 'Rate Used'%.

Withholding Tab

This tab is applicable to any taxpayers who have had tax withheld and paid on their behalf during the tax period. This includes WHT 15%, WHT 3%, Gaming Tax and Mining Royalty Tax. This does not include WHT 5% on imports which is included in the 'Withholding 5%' tab.

The details required to enter the withholding tab are the same as described on page 151.

Withholding 5% Tab

This tab is applicable to any taxpayer who has paid withholding tax on imports of 5% (WHT 5%) during the tax period. This does not include any other types of withholding tax, which must be declared in the 'Withholding' tab.

The details required to enter the withholding 5% tab are the same as described on page 150.

Debtors Tab

This tab refers to any debts or loans that are owed *to* the taxpayer in terms of their business. This does not include personal debts owed to the taxpayer as an individual. Each debt requires a separate row.

- TIN of the Debtor – Enter the TIN of the taxpayer who owes the debt, if applicable.
- Debtor's Name – Enter the taxpayer's name who owes the debt, if applicable, or the name of the individual if not.
- Description – Enter a brief description of the context and terms of the debt.
- Date of Liability (dd/mm/yyyy) – Enter the date that the debt began, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Amount Owed – Enter the amount of the debt that is owed by the debtor, including any interest.

Creditors Tab

This tab refers to any debts or loans that are owed *by* the taxpayer in terms of their business. This does not include personal debts owed by the taxpayer as an individual. Each credit requires a separate row.

- TIN of the Creditor – Enter the TIN of the taxpayer who is owed the debt, if applicable.
- Creditor’s Name – Enter the taxpayer’s name, if applicable, or the name of the individual who is owed the debt.
- Description – Enter a brief description of the context and terms of the debt.
- Date of Liability (dd/mm/yyyy) – Enter the date that the debt began, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Amount Owed – Enter the amount of the debt that is owed to the creditor, including any interest.

Related Party Transactions Tab

This tab must be completed, saved and uploaded by all taxpayers. This is particularly applicable to any taxpayer who has made transactions with any ‘related persons’, see page 138 for more details. Each transaction requires a separate row.

It is important to note that this tab must be completed, saved and uploaded even if there are no applicable

transactions. If this is the case, complete a single row entering 'None' for all columns, with the exception of 'Date of transaction (dd/mm/yyyy)' and 'Amount paid' where the final date of the tax year, eg. '31/12/2017' and '0' should be entered respectively.

- TIN – Supplier TIN if any
- Taxpayer Name – Enter supplier name
- Tax Period (Year) – Enter the year in which the related transaction happened
- Tax Type Desc – Enter CIT or PIT
- Name of related person – Enter the name of the person that qualify the transaction to be transfer pricing
- Nature of relationship – Enter the relationship type between the client and related person
- Country of tax residence – Enter the name of the country where related person resides
- Country of incorporation (Where applicable) – Enter the name of the country where the supply is incorporated
- Description of transactions (including transfers if any) – Select one of the options from the proposed list in accordance with the transaction
- Aggregate value of transactions from related persons ie. Inbound Transactions (Frw**) – Enter the aggregate value of the transaction in FRW

- Aggregate value of transactions to related persons ie. Outbound Transactions (Frw**) – Enter the aggregate value of the transaction in FRW
- Transfer pricing adjustment (if any) – Percentage () for which transfer pricing documentation has been prepared – Enter a figure without % sign. For example, enter 10 instead of 10%
- TP method – Select one of the options from the proposed list in accordance with the transaction
- Key Financial Items - Select one of the options from the proposed list in accordance with the transaction
- Rwandan Taxpayer – Enter the name of the Rwandan resident taxpayer
- Holding Company (Consolidated) FRW
- Transactions of capital nature with a connected person
- TP method***** for transactions in Column Q - Select one of the options from the proposed list in accordance with the transaction
- Value of disposal transactions in column R - Mode of payment for transactions in columns I, J, S

Ledger Account

- Nature of goods/services – Select one of the options from the proposed list in accordance with the transaction

- Category - Select one of the options from the proposed list in accordance with the transaction after selecting nature of goods/services
- Suppliers Name – Enter the supplier’s name
- Country of Origin – Enter the country where goods/services were purchased
- Value of goods/services - Enter the value of goods or services
- Internal reference – Enter the internal transaction reference recorded in internal books of accounts or internal accounts system for easy reference
- Payment mode/reference – Enter the payment channel used to settle the transaction payment
- Related rows – Enter declaration form row reference number on which the expense related to transaction will affect for each transaction.

Real Regime Declaration Form

After all applicable and required Real Regime Annexures been completed, validated and saved in the folder C:/RRA in the user’s local machine, the taxpayer can return to E-Tax to complete the Real Regime declaration, see page 102 for more detail on selecting the relevant declaration. The taxpayer must choose the relevant PIT or CIT declaration, but the details required are similar.

The Real Regime declaration form requires data on:

- Sales/Annual sales – Enter the total income generated by activities within the core operating

activities of the business, i.e., the turnover or total sales.

- Cost of Goods/Service Sold – Enter the total of all costs used to produce goods or services which have been sold. This can be calculated as:

Cost of Goods Sold = Opening Stock + Purchases – Closing Stock.

- Opening Stock – Enter the cost of inventory at the start of the tax period. Enter the figure equals or less than the closing stock of the last year. For new taxpayer into real regime, enter the closing stock of the last year.
- Purchases supported by EBM/DMC/WOP – Enter the cost of all inventory purchased during the tax period supported by the relevant document.
- Closing Stock – Enter the cost of all inventory at the end of the tax period. Taxpayers with EBM must use the corresponding value in EBM.

Where ‘inventory’ is defined as assets that are intended to be used or sold in the ordinary course of business, including inputs and finished products.

- Operating Expenses with EBM/DMC/WOP – Enter the total of all expenses associated with the general, sales, and administrative functions of an entity supported by relevant documents. See page’

134 for more details on deductible and not tax-deductible expenses.

- Expenses related to the Salaries and Wages – Enter the cost of the employment as per Pay As You Earn (PAYE) declaration of the period. The system rejects the entered value greater than the amount declared on PAYE.
- Expenses supported by the Withholding – Enter the value of transaction supported by declared Withholdings within the period under declaration.
- Expenses not requiring EBM or DMC as Supporting Document – Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.
- Operating Expenses – The system auto-sums the expenses above.
- Depreciation – Enter the total depreciation on business assets during the tax period. See page 136 for the calculation of depreciation. Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.
- Expenses – *PIT only* – Enter the total of both ‘Operating Expenses’ and ‘Depreciation’ as described above.
- Employment Income – *PIT only* – Enter the total employment income received by the taxpayer.

- Investment Income – Enter the total investment income. This includes all payments in cash or in kind in the form of interest, dividends or royalties. In the majority of cases, this will already have been paid as a Withholding Tax, but must still be declared, and then claimed back.
- Transport Income – *PIT only* – Enter the total motor vehicle transport income, excluding any that has been declared separately through M-Declaration. See page 145 for more details on declaring motor vehicle transport income through M-Declaration.
- Non-Operating and Extraordinary Income – Enter the total income generated by activities outside of the core operating activities of a business and that are unlikely to recur in the foreseeable future. Revenue Surplus for Specified Entities Exempted from CIT – Only CIT- Enter the surplus from CIT exempted entities.
- Rental Income – *CIT only* – Enter the total income received in cash or in kind from the rental or leasing of machinery, equipment, land, buildings and livestock.

It is important to note that rental income for land and buildings received by PIT taxpayers must be declared separately as Local Government Taxes (LGT) and Fees, see page 321 for more details.

Rental income that from other assets received by PIT taxpayers must be entered in the ‘Sales/Annual sales’ field.

- Employment Deductions – *PIT only* – Enter any exempt employment income, if this amount has also been included in the ‘Employment Income’ field. See page 186 for more details on exempt employment income.
- Investment Expenses – Enter any expenses relating to maintenance or ownership with the objective of earning future investment income in the form of interest, dividend, royalty or rent. This includes carrying charges and interest expenses. Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.
- Transport Expenses – *PIT only* – Enter any expenses relating to motor vehicle transport income, if they have not been included in the ‘Expenses’ field.
- Non-Operating and Extraordinary Expenses – Enter the total expenses incurred by activities outside of the core operating activities of a business and that are unlikely to recur in the foreseeable future. Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.

- Non-Operating and Extra Ordinary Expenses – Enter expenses incurred to gain Non-Operating and Extra Ordinary Income. However, these expenses cannot be greater than the income generated.
- Training and Research Expenses – Enter the total training and research expenses that are incurred for the direct purpose of the business. This does not include any purchases or improvements of immovable property or exploration assets. Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.
- Accelerated depreciation (Investment Allowances) – Enter the total investment allowances available to registered investors only. Refer to the Law on investment promotion and facilitation for details. Enter the value less or equal to the value of Ledger account annexure taking the sum dedicated to this row in its last column.
- Bad Debts – Enter the total deduction allowed for bad debts. A deduction is only allowed if the following criteria are met:
 - o an amount corresponding to the debt was previously declared as income.
 - o the debt is written off in the books of the taxpayer.

- for debts of FRW 3,000,000 or more, the taxpayer has taken all possible steps in pursuing payment and has shown proof that the debtor is insolvent.
- for debts less than FRW 3,000,000, the taxpayer has taken all possible steps in pursuing payment over a period of three years.

If any value entered, remember to attach also the court decision in ‘Upload annexure’

- Rental Expenses – *CIT only* – Enter the total deduction allowed for rental income from machinery, equipment, land and livestock. The deduction can include:
 - 10% of the rental income as wear-and-tear expense.
 - Interest paid on loans to purchase the rented items.
 - Depreciation expenses equivalent to 5% annually of the cost price of the rented items.
- Reintegration of Expenses Not Tax Deductible – Enter any expenses that are not tax deductible, if this amount has also been included in the ‘Expenses’ field. See page 134 for more details for the types of expenses that are not tax deductible.

- Depreciation Adjustments (+/-) – Enter the difference between the depreciation entered in the ‘Depreciation’ field, and the depreciation basis allowed, if applicable. See page 136 for more details on the depreciation basis.
- Fiscal Loss Carried Forward from Previous periods– Enter the total deduction allowed for losses declared, but not yet deducted, in the previous five (5) tax periods. Losses can be deducted against profits, with earlier losses being deducted before later losses.
- Non-Taxable Dividends Received – *CIT only* – Enter the total income of dividends received by the taxpayer, that have already had tax withheld and paid on their behalf.
- Tax Discounts – Enter any tax discounts allowed for the taxpayer. The types of tax discounts allowed are subject to change in the Investment Code, see the Rwanda Development Board (RDB) for the latest versions of these laws.
- Agricultural and Livestock Activities Exempted Turnover – Enter the value of income from this sector. This value must be less than FRW 12,000,000.
- Income Accrued from Saving and Employees Share Scheme – Refer to the tax incentive as per Law establishing Taxes on Income.

- RDB domestic tax investment incentives (investment code) & RRA discount (Income tax law) – Refer to the Law on investment promotion and facilitation and Law establishing Taxes on Income.
- Foreign Tax Credit – Enter any tax that has been paid on income derived from taxable activities performed abroad that can be substantiated with proof.
- Quarterly Prepayments – This field is automatically filled with the Instalment Quarterly Prepayments (IQP) that the taxpayer has already paid corresponding to this tax period.
- Withholding on Imports – Enter any tax that has been withheld on imports (WHT 5%) and paid on behalf of the taxpayer during the tax period.
- Withholding on Public Supplies – Enter any tax that has been withheld on public supplies (WHT 3%) and paid on behalf of the taxpayer during the tax period.
- Withholding on Other Payments – Enter any tax that has been withheld on other payments and paid on behalf of the taxpayer during the tax period.
- Withholding on payments (PAYE) – *PIT only* – Enter any Pay As You Earn (PAYE) that has been withheld and paid on behalf of the taxpayer during the tax period.

- Overpayment from Previous Periods – Do not fill this row.

Once all relevant white boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

Example 23

An example Real Regime PIT declaration form is entered below. The total PIT due to be paid with this declaration is FRW 2,325,515.

5 - Business Income/Sales	37,750,400
6 - Opening Stock	8,250,600
7 - Purchases	26,750,200
8 - Closing Stock	13,500,450
10 - Cost of Goods/Services Sold	21,500,350
15 - Gross Profit (Line 5-Line 10)	16,250,050
20 - Expenses	6,950,000
25 - Net Operating Income(deduct Line 20 from Line 15)	9,300,050
30 - Employment Income	0
35 - Investment Income	0
40 - Transport Income	0
45 - Non Operating and Extra Ordinary Income	0
50 - Total Income(Sum of Line 25 through 45)	9,300,050
55 - Employment Deductions	0
60 - Investment Expenses	0
65 - Transport Expenses	0
70 - Non Operating and Extra Ordinary Expenses	0
75 - Training and Research Expenses	0
80 - Investment Allowance	0
85 - Bad Debts	0
88 - Tax paid on Minerals	0
90 - Total Deductions(Sum of Line 55 through Line 88)	0
95 - Net Income(Subtract Line 90 from Line 50)	9,300,050

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Income Tax (PIT and CIT)

100 - Reintegration of Non Deductible Expenses	0
105 - Depreciation Adjustments(+/-)	0
110 - Loss Carried Forward from previous five tax periods	200,000
115 - Taxable Income [(Add Line 95 and Line 100 and +/- Line 105) minus Line 110]	9,100,050
120 - Personal Income Tax	2,538,015
125 - Tax Discounts from Employment	0
130 - Tax Discount from Exports	0
135 - Tax Discounts from Free Trade Zone	0
140 - Foreign Tax Credit	0
145 - Personal Income Tax Payable [Line 120-(Line 125+130+135+140)]	2,538,015
150 - Quarterly Prepayments	0
155 - Withholding on Imports	212,500
160 - Withholding on Public Supplies(WithHolding Credit Amount:0)	0
165 - Withholding on Other Payments (OtherWithLoding Credit Amount:0)	0
170 - Withholding on Payments (PAYE)	0
175 - Total Credits (Sum Line 150 through 170)	212,500
180 - OverPayments from Previous Periods	0
185 - Net Tax Due/Credit (Subtract Line 175 and Line 180 from Line 145)	2,325,515
190 - Refund Claimed	0
195 - Balance Due	2,325,515

[save](#)

[Continue with Upload Annexures](#) [Back To Documents](#)

After saving the declaration form, upload the annexures and then compare with the Real Regime declaration form, see page 106 for more detail on uploading annexures and comparing with declaration forms.

It is important to note that the following annexures must be uploaded with all Real Regime declarations:

- Balance Sheet Annexure
- Profit & Loss A/c Annexure
- Company Representative
- Related Party Transactions (Transfer Pricing tab)

In addition, if the taxpayer's annual turnover is above FRW 600,000,000, the 'Certified Financial Statements' annexure must also be uploaded by the approved

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professional from audit firm on behalf of the taxpayer. See page 139 for more details on these documents. Finally, all relevant annexures must also be uploaded.

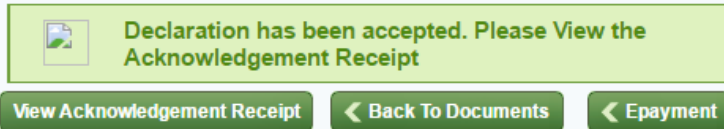
Example 24

Continuing the example of the declaration above, the comparison between this declaration form and the uploaded annexures is shown below. As all the comparison values are equal, and all the mandatory annexures uploaded, the declaration can be certified and submitted.

Upload Annexures									
TIN: 100492756		Business Name: DONAT GATSIMBANYI			CentreName: KIGALI MEDIUM				
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Type	Status
1.	5137592	ANNUAL PIT-REAL REGIME	01-Jan-2013 to 31-Dec-2013	NA	NA	2013	31-Mar-2014	Original	In Progress
Certified financial statements				Upload	DownLoad			Delete	
Balance Sheet Annexure				Upload	View			Delete	
DepreciationTable				Upload	View			Delete	
TaxDiscounts				Upload	View			Delete	
Profit&Loss A/c				Upload	DownLoad			Delete	
Profit&Loss A/c Annexure				Upload	View			Delete	
Company Representative				Upload	View			Delete	
WithHolding				Upload	View			Delete	
FivePercentWithHolding				Upload	View			Delete	
Creditors				Upload	View			Delete	
Debtors				Upload	View			Delete	
Related Party Transactions				Upload	View			Delete	
Compare with Declaration					Back To Documents				
Comparison between Declaration and Annexures									
WithHoldings	Total Credits (Line:(160+165+170) in declaration)		0	Amount WithHeld (Col:H in WithHoldings Excel Annexure)			0		
5%WithHoldings	Withholding on Imports (Line:(155) in declaration)		212500	5% withheld in Custom (Col:G in WithHoldings5% Excel Annexure)			212500		
TaxDiscounts	Total Discounts (Line: (125+130+135) in declaration)		0	Amount of Allowance (Col: D in TaxDiscounts Excel Annexure)			0		
Modify Declaration									
Certification:									
I certify that the entries on this declaration are true and correct. I understand that a false declaration may result in prosecution.									
<input checked="" type="checkbox"/> I ACCEPT Submit									

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Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.



Click to ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Real Regime Declaration Form Calculation Summary

Gross Profit	= Business Income/Sales – Cost of Goods Sold
Net Operating Income or Loss	= Gross Profit – Total Expenses and Depreciation
Total Income	= Net Operating Income or Loss + Additional Income
Total Deductions	= Additional Expenses + Investment Allowance + Bad Debts
Net Income	= Total Income - Total Deductions
Taxable Income	= Net Income + Reintegration of Non-Deductible Expenses + Depreciation Adjustments + Loss Carried Forward from Previous Five Tax Periods - Non-Taxable Dividend Received
CIT / PIT payable	= (Taxable Income * CIT / PIT tax rates) – All Tax Discounts
Total Credits	= Foreign Tax Credit + Quarterly Prepayments + All Withholdings
Net Tax Due	= CIT / PIT Payable – Total Credits – Overpayments from Previous Periods

Declaring Instalment Quarterly Prepayment (IQP) Income Tax

IQP Income Tax can be declared using M-Declaration or using E-Tax. An important consideration is that any withholding tax that has been withheld and paid on behalf of the taxpayer during the tax period can only be claimed back when using E-Tax.

Declaring IQP using M-Declaration

The process for declaring IQP using M-Declaration is explained on page 142. In addition, the process of declaring Motor Vehicle IQP using M-Declaration is explained on page 145.

Declaring IQP using E-Tax

The declaration process for IQP using E-Tax is similar to other domestic taxes, as explained on page 96. The process is the same whether declaring the tax type is PIT or CIT and for each of the regimes.

Firstly, if the taxpayer has had any tax withheld and paid on their behalf during the tax period, they must download the IQP Annexures from the E-Tax website, see page 96 for more detail on downloading annexures. The taxpayer must choose the relevant PIT or CIT annexure, but the details required are the same.

If the taxpayer has not had any tax withheld and paid on their behalf during the tax period, they can continue straight to the IQP declaration form below.

Annexures

The IQP annexure has two tabs. Only the tabs that are applicable in that tax period need to be completed, validated and saved. See page 98 if the taxpayer has any problems when validating annexures.

5% Withholding Tab

This tab is applicable to any taxpayer who has paid withholding tax on imports of 5% (WHT 5%) during the tax period. This does not include any other types of withholding tax, which must be declared in the 'Withholding' tab.

The details required to enter the withholding tab are the same as described on page 150.

Withholding Tab

This tab is applicable to any taxpayers who have had tax withheld and paid on their behalf during the tax period. This includes WHT 15%, WHT 3%, Gaming Tax and Mining Royalty Tax. This does not include WHT 5% on imports which is included in the 'Withholding 5%' tab.

The details required to enter the withholding tab are the same as described on page 151.

IQP Declaration Form

After all applicable IQP annexures (if any) have been completed, validated and saved in the folder C:/RRA in the user's local machine, the taxpayer can return to E-Tax to complete the IQP declaration, see page 102 for more detail on selecting the relevant declaration. The taxpayer must choose the relevant PIT or CIT declaration, but the details required are the same.

The IQP declaration form requires data on:

- Income Tax Payable – Enter the ‘Income Tax Payable’ declared in the previous annual Income Tax declaration.
- Total Withholding on Payments (3%) – Enter the amount of WHT 3% that has been withheld on behalf of the taxpayer.
- Total Withholding on Imports (5%) – Enter the amount of WHT 5% that has been withheld on behalf of the taxpayer. This should equal the total combined values in the ‘Withholding 5%’ annexure.
- Total Withholding on other Payments (15% and/or 10%) – Enter the amount of all other withholdings that have been withheld on behalf of the taxpayer. This includes WHT 15%, Gaming Tax and Mining Royalty Tax. This does not include WHT 5% or WHT 3%.

Once all relevant white boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

Example 25

An example IQP declaration is entered below. The IQP due for this taxpayer in this tax period is FRW 26,550.

CORPORATE INCOME TAX IQP QUART PREPAY			
TIN:		Business Name:	
Tax Period:	01-Apr-2013 to 30-Jun-2013	Due Date:	02-Jul-2013
		DOCNO:	4378413
		Month:	June
5 - Fiscal Year IQP is based(Format AAAA,Example 2005)			2012
10 - Income Tax Payable			855,000
15 - Total prepayment due(Multiply Line 10 by the rate of 25%)			213,750
20 - Total withholding on payments(3%) paid during the quarter			187,200
25 - Total withholding on Imports(5%) paid during the quarter			0
30 - Total withholding on other payments(15% and/or 10%)			0
35 - Net Prepayment due[Line 15-(Line 20+Line 25+Line 30)]			26,550
40 - Credit of prepayment from previous quarter			0
45 - Balance due(Line 35-Line 40)			26,550
50 - Credit of prepayment for next quarter			0
<input type="button" value="Details Saved"/> <input type="button" value="save"/>			
<input type="button" value="Continue with Upload Annexures >"/> <input type="button" value="Submit without Annexures"/> <input type="button" value="Back To Documents"/>			

After saving the IQP regime declaration form, if the taxpayer has not had any tax withheld and paid on their behalf during the tax period, click ‘Submit without Annexures’ to submit the declaration.

If the taxpayer has had any tax withheld and paid on their behalf during the tax period, upload the IQP annexures and then compare with the declaration form, see page 106 for more detail on uploading annexures and comparing with declaration forms.

Example 26

Continuing the example of the IQP declaration above, the taxpayer has had tax withheld and paid on their behalf during the tax period, and the comparison between this IQP declaration and the uploaded annexures is shown below. As all the comparison values are equal, the declaration can be certified and submitted.

Upload Annexures									
TIN:		Business Name:			CentreName: KIGALI SMALL				
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Type	Status
1.	4378413	IQP-CIT-QUART PREPAY	01-Apr-2013 to 30-Jun-2013	NA	June	2013	02-Jul-2013	Original	In Progress
WithHoldings			Upload		View		Delete		
FivePercentWithHolding			Upload		View		Delete		
Compare with Declaration					← Back To Documents				
Comparison between Declaration and Annexures									
WithHoldings	Total withholding on other payments (Line: (20+30) in declaration)		187200	Amount WithHeld (Col:H in WithHoldings Excel Annexure)			187200		
5%WithHoldings	Total withholding on Imports(5%) paid during the quarter (Line:(25) in declaration)		0	5% withheld in Custom (Col:G in 5WithHoldings Excel Annexure)			0		
Modify Declaration									
Certification:									
I certify that the entries on this declaration are true and correct. I understand that a false declaration may result in prosecution.									
<input checked="" type="checkbox"/> I ACCEPT Submit									

Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.

Declaration has been accepted. Please View the Acknowledgement Receipt

View Acknowledgement Receipt

← Back To Documents

← Epayment

Click to ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are

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required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Pay As You Earn (PAYE)

Explanation of PAYE

What is PAYE?

PAYE is tax on employment income. PAYE is an efficient way of collecting taxes on income earned by employees.

PAYE is required to be withheld by employers on behalf of their employees. This is to save employees having to each declare their own income. Instead, the employers must declare and pay PAYE on behalf of their employees.

Who must register for PAYE?

Any taxpayer who pays its employees in cash, benefits-in-kind or allowances is required to register for PAYE and declare and pay PAYE on their employees' behalf.

Example 27

Amahoro owns a small shop. She has one employee, Ubumwe. Amahoro must withhold, declare and pay PAYE on Ubumwe's employment income. This is done by Amahoro on behalf of Ubumwe so Ubumwe does not need to declare or pay any further taxes on this income.

In the event that an employer has special authorisation from the Government of Rwanda that they are not required to declare and pay taxes on income, see page 121, their employees are required to register with RRA, and declare and pay PAYE on their own behalf.

What are the obligations of PAYE registered taxpayers?

Employers are required to provide each employee with a statement each tax period showing:

- The employee's name.
- The amount and type(s) of income received.
- The amount of PAYE and RRSB contributions that have been withheld and paid on their behalf.

Which types of employment income are taxable?

Payments in cash refer to monetary payments in notes or electronically in any currency. Payments in kind refer to non-monetary payments of goods or services.

Taxable employment income includes all payments to an employee in cash or in kind such as:

- Wages, salary, leave pay, sick pay and medical allowance, payment in lieu of leave, fees, commissions, bonuses, gratuity and incentives.
- Allowances including any cost of living, subsistence, entertainment, accommodation, rent, or travel allowance.
- Payments to the employee for their acceptance to work in any conditions of employment.
- Payments for redundancy, loss or termination of employment.
- Other payments made in respect of current, previous or future employment.

Which types of employment income are exempt?

Employment income that is exempt from taxation includes:

- Reimbursement of expenses incurred by the employee if wholly and exclusively for business activities of the employer.
- Retirement contributions or pension payments made by the employer on behalf of the employee to Rwanda Social Security Board (RSSB).
- Retirement contributions made by the employer on behalf of the employee and/or contributions made by the employee to a qualified pension fund to a maximum of 10% of the employee's employment income or FRW 1,200,000 per year, whichever is lower.
- Employment income received by an employee who is not a citizen of Rwanda from a foreign government or NGO under an agreement signed by the Government of Rwanda and when the income is received in performance of aid services in Rwanda.

What is the valuation method for benefits in kind?

Benefits in kind can be more difficult to value than regular employment income. As a result, the valuation of benefits in kind includes:

- Providing an employee with access to and use of a motor vehicle during a tax period is valued at 10%

of the employment income, excluding benefits in kind.

- Providing an employee with accommodation during a tax period is valued at 20% of the employment income, excluding benefits in kind.
- For a benefit on a loan including advance on salary exceeding three (3) months' salary given to an employee valued a difference between interests calculated at a rate of interests offered to commercial banks by National Bank of Rwanda and the actual interests paid by employee.

Note that a rent of a house or motor vehicle directly paid by an employer for an employee is taxed as any other employment income.

Example 28

Innocent employs one employee called Ubumwe. In one tax period, Innocent pays Ubumwe FRW 35,000 in salary, a transport allowance of FRW 5,000 and provides Ubumwe with accommodation to live in.

The FRW 35,000 salary and the FRW 5,000 transport allowance are fully taxable. The accommodation benefit in kind that Ubumwe is provided with is valued at 20% of the taxable employment income. This is calculated as:

$$(FRW 35,000 + FRW 5,000) * 20\% = FRW 8,000.$$

Therefore, the total taxable income that Innocent must declare PAYE for on behalf of Ubumwe is:

$$FRW 35,000 + FRW 5,000 + FRW 8,000 = FRW 48,000$$

What are the different types of employees?

There are three types of employees for the purposes of declaring PAYE. These are: permanent employees, casual labourers and employees with more than one employer.

All employees are regarded as permanent employees unless they fulfil the criteria for casual labourers or employees with more than one employer.

A casual labourer is an employee who performs unskilled labour activities, who does not use machinery or equipment requiring special skills, and who is engaged by an employer for not longer than thirty days during a tax period.

If an employee is employed by more than one employer, the employer who pays an annual professional income arising from a permanent work or from a longer contract than other employers may offer is referred to as the 'first employer'.

What are the tax rates for 'permanent' employees?

There are different marginal tax rates for permanent employees depending upon their taxable employment income. The groupings of income are called tax brackets. The tax rates for each tax bracket are:

Monthly taxable income	Marginal Tax Rate
FRW 0 to FRW 60,000	0%
FRW 60,001 to FRW 100,000	10%

FRW 100,001 to FRW 200,000	20%
Above FRW 200,000	30%

It is important to note that these tax rates are marginal. This means that for each person each month, the first FRW 60,000 that they earn is taxed at 0%, the next FRW 40,000 they earn is taxed at 10%, the next FRW 100,000 they earn is taxed at 20% and any remaining income is taxed at 30%. This means that no taxpayer is made worse off by receiving income in a higher tax bracket.

Example 29

Amahoro employs two full-time employees, Rukundo and Lucie. Rukundo's monthly taxable income is FRW 40,000. Lucie's monthly taxable income is FRW 300,000. Amahoro declares PAYE on their behalf.

Rukundo's FRW 40,000 taxable income is in the first tax bracket. The first FRW 60,000 is taxed at 0%. The monthly PAYE tax due on behalf of Rukundo is:

$$(FRW 40,000 * 0) = FRW 0.$$

Lucie's FRW 360,000 taxable income is in the fourth tax bracket. The first FRW 60,000 is taxed at 0%, the next FRW 40,000 is taxed at 10%, the next FRW 100,000 is taxed on 20%, the remaining FRW 160,000 is taxed at 30%. The monthly PAYE tax due on behalf of Lucie is:

$$(FRW 60,000 * 0) + (FRW 40,000 * 10\%) + (FRW 100,000 * 20\%) + (FRW 160,000 * 30\%) = FRW 0 + FRW 4,000 + FRW 20,000 + FRW 30,000 = FRW 54,000.$$

What are the tax rates for ‘casual labourers?’

Similarly, there are different marginal tax rates for casual employees depending upon their taxable employment income. The groupings of income are called tax brackets. The tax rates for each tax bracket are:

Monthly taxable income	Marginal Tax Rate
FRW 0 to FRW 60,000	0%
Above FRW 60,001	15%

Example 30

Lucie employs Roy in an unskilled role on a temporary basis. Roy works for less than thirty days and Lucie pays him taxable income of FRW 80,000. As Roy is a casual labourer, the first FRW 60,000 is taxed at a rate of 0% and the remaining FRW 20,000 is taxed at a rate of 15%

The PAYE due on behalf of Roy is:

$$(FRW 60,000 * 0) + (FRW 20,000 * 15\%) = FRW 0 + FRW 3,000 = FRW3,000.$$

What are the tax rates for ‘employees with more than one employer?’

The first employer declares the employee as a ‘permanent employee’ as normal. Any additional employers must withhold PAYE at the rate of 30% on all taxable income.

This may mean that the employee pays a higher amount of tax than would normally be expected if the income had

come from just one employer. Resident individuals in Rwanda are able to claim a refund for excess Income Tax paid if the tax refund payable exceeds FRW 5,000.

Example 31

Charles works separately for two employers, Lucie and Fred. Charles receives monthly taxable income of FRW 120,000 from Lucie and FRW 100,000 from Fred. As he has a permanent contract from Lucie, Lucie is the first employer who declares PAYE as normal on behalf of Charles. The PAYE due declared by Lucie on behalf of Charles is:

$$(FRW 60,000 * 0) + (FRW 40,000 * 10\%) + (FRW 20,000 * 20\%) = FRW 0 + FRW 4,000 + FRW 4,000 = FRW 8,000$$

*As Fred is not the first employer of Charles, he withholds PAYE of 30% on Charles' monthly taxable income. Fred withholds $FRW 100,000 * 30\% = FRW 30,000$.*

This shows that Charles has contributed PAYE equal to $FRW 8,000 + FRW 30,000 = FRW 38,000$

Assume that taxable income of FRW 220,000 came from one employer and computed as per normal PAYE brackets. The PAYE due would have been FRW 30,000.

Charles is entitled to submit a Personal Income Tax (PIT) declaration to claim a tax refund of $FRW 38,000 - FRW 30,000 = FRW 8,000$ since the tax refund payable is more than FRW 5,000.

When is the deadline to declare and pay PAYE?

PAYE is declared and paid on a monthly basis. Alternatively, taxpayers with annual turnover below FRW 200,000,000 may request to declare on a quarterly basis.

Whether monthly or quarterly, the PAYE declaration must be submitted and any tax paid by the 15th of the month following the end of the tax period.

For monthly, this means that PAYE monthly declarations concerning the tax period between March 1st and March 31st must be declared and paid by April 15th. Then declarations concerning the tax period between April 1st and April 30th must be declared and paid by May 15th and so on throughout the year.

The quarters for taxpayers declaring PAYE on a quarterly basis concern the tax period between:

- 1st January to 31st March must be declared and paid by 15th April.
- 1st April to 30th June must be declared and paid by 15th July.
- 1st July to 30th September must be declared and paid by 15th October.
- 1st October to 31st December must be declared and paid by 15th January.

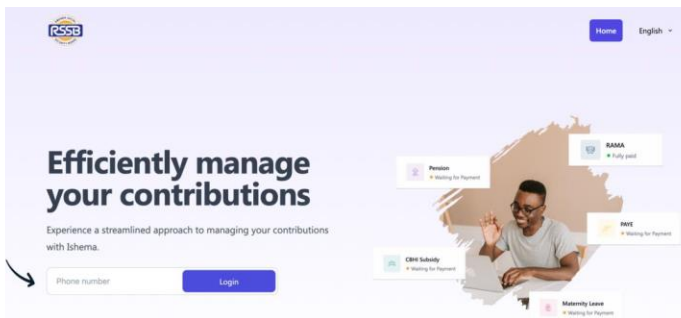
However, it is important to note that even if PAYE is declared quarterly, RSSB contributions must still be declared on a monthly basis.

Declaring PAYE

The process for declaring PAYE is different to the process for declaring other domestic taxes as this tax is declared in the RSSB system called ISHEMA. In this system, a process of declaring PAYE, Pension, Maternity scheme, Medial scheme, and Community Based Health Insurance (CBHI) is using a single declaration at the end of which, a taxpayer gets acknowledgment receipts of each of the contribution and tax above. This because all of them are based on the employee remuneration by employer.

The process for declaring PAYE, Pension, Medical, Maternity and CBHI is as follow:

- Using any internet browser, go to www.ishema.rssb.rw and input personal phone number then click on login.



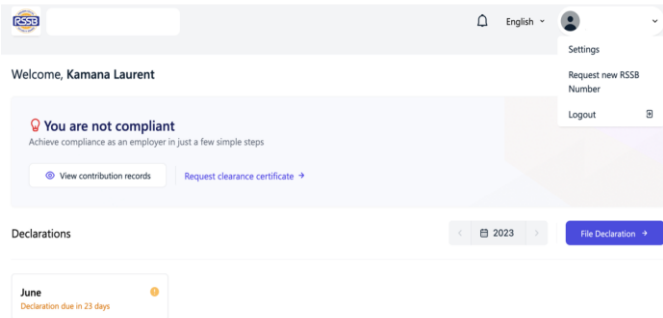
- Enter Company's TIN and Confirm Company Details: provide company's Tax Identification Number (TIN) and verify the details. Please ensure that the TIN entered is accurate and matches the official records.

Here For You, To Serve - Call the RRA Call Centre on 3004

- Provide Personal Information: provide personal information, including full name, email address, and phone number. Additionally, enter the password you currently use to log in to RRA's e-Tax system.

Note that Steps above are one-time processes during initial registration. For subsequent logins, you will only be required to provide your phone number to access the platform.

- Login: To log in, a One-Time Password (OTP) is needed. To generate the OTP, simply dial *876*4044# on the registered phone. Enter the prompted code, and log in Ishema successfully. Enter this code when prompted, and you will be able to log in successfully.



On the first page of the platform, you will have access to various activities, including:

- View your company's information: You can review and manage the details of the company, as well as add additional users to the company's account.
- Check your compliance status: easily monitor the taxpayer compliance status and track declaration

history. This helps to staying informed about the tax obligations and ensure timely filings.

- File declarations: The platform allows taxpayer to conveniently file a declaration, making the process efficient and streamlined. A taxpayer can submit tax-related information and document with ease.

Declaration for June 2023

- 1 Select The Declaration
- 2 Upload Payroll
- 3 Payroll Validation
- 4 Review Declaration
- 5 Submit Declaration

Upload payroll

Once you have completed filling in the template, please upload the filled-in version for further processing

Download template file

Drag and drop your file or

Choose a file from your computer

xlsx file format, less than 20MB

Back Next

- If this is your first time using the ISHEMA system, kindly download the provided Excel template file (Unified annexure). Populate the file with your employees' salary details.
- Once completed, select "Choose a file from your computer" and upload the Excel file into the system.
- Select the desired month for filing
- There are two methods to file a declaration:
- Click on the "File declaration" button and select the desired month for filing.

- Alternatively, you can directly click on the specific month from the screen displayed below to proceed with the declaration.
- Upon uploading the file, the system will validate provided data. In case of accurate data, the system will display “success”. Click “Next” to continue. If any errors are detected in the data, they will be shown on the screen, rectify them by revisiting the Excel file. You will need to correct the errors before re-uploading the file to proceed further.

← File Declaration

Ishema
Quincallerie Ituze Ltd

English

Uwimana Kamana
25072011111

Declaration for June 2023

- ✓ Select The Declaration
- ✓ Upload Payroll
- 3 Payroll Validation
- 4 Review Declaration
- 5 Submit Declaration

RESULTS

Total Employees: 6
Successful: 6
Failed: 0

Names	RSSB #	Gross salary	Status	Actions
shumbusho pierre ...	10722595N	1,180,568 FRw	SUCCESSFUL	⊙
umugwaneza hodari	19561908X	2,067,339 FRw	SUCCESSFUL	⊙

- Review and verify the pre-calculated amounts displayed by the system. These amounts represent the total payment for each scheme. Click "Next" to confirm and proceed.

Pay As You Earn (PAYE)

Declaration details Period June 2023 Total Employees 6

Scheme	Principal amount	Total Amount
CBHI Subsidy	20,188 FRw	20,188 FRw
Maternity Leave	35,135 FRw	35,135 FRw
Pension	468,472 FRw	468,472 FRw
PAYE	1,624,772 FRw	1,624,772 FRw

TOTAL AMOUNT
2,148,567 FRw

[Back](#) [Next →](#)

- Read the message below attentively and ensure that the salary data provided for your employees is true and accurate. If you confirm its accuracy, click "Confirm" to continue.



Confirm declaration

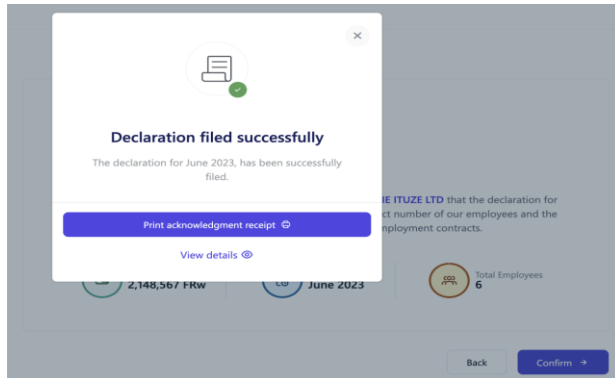
I, **Uwimana Kamana**, hereby confirm on behalf of **QUINCAILLERIE ITUZE LTD** that the declaration for **undefined** that I am about to file is accurate. It reflects the correct number of our employees and the accurate salary for each individual as per their employment contracts.

 Total Amount **2,148,567 FRw** |  Period **June 2023** |  Total Employees **6**

[Back](#) [Confirm →](#)

- You successfully filed a declaration. Print the acknowledgment receipt for your records or click "View Details" to access additional information about your declaration.

Here For You, To Serve - Call the RRA Call Centre on 3004



Note that after, declaration, a taxpayer can, immediately or after a given time, proceed with a revision. A revision is initiated by clicking on 'Revision Declaration' as is shown in the following image.

← Declaration for June 2023 Revise Declaration Print acknowledgment receipt

SCHEME	TOTAL AMOUNT	REMAINING AMOUNT	PAYMENT NUMBER	ACTIONS
CBHI Subsidy Waiting for Payment	20,188 FRw	20,188 FRw	3189251C1A1	View more
Maternity Leave Waiting for Payment	35,135 FRw	35,135 FRw	3189250R1A1	View more
Pension Waiting for Payment	468,472 FRw	468,472 FRw	3189249A1A1	View more

Unified Annexures

A unified annexure for PAYE, Pension, Maternity, Medial and CBHI has only one tab for a tax period. It is needed to be completed and uploaded as Excel contrary to the annexure of E-tax that need to be downloaded, validated and saved, then uploaded in E-tax.

- Family Name: Enter the employee's name.
- Another name: Enter the employee's other name.

- RSSB Number: Enter the employee's Social Security Number (SSN) from RSSB.
- NID or Passport: Enter the employee's National Identity Document (ID) number or employee passport number.
- Employee Category:
 - o P = Permanent,
 - o C = Casual,
 - o E = Exempted,
 - o S = Second Employer
- Is Employee A Rama Member?
 - o Y = Yes,
 - o N = No
- Employee Pays Pension?
 - o Y = Yes,
 - o N = No
- Employee Pays Mat Leave?
 - o Y = Yes,
 - o N = No
- Employee Pays CBHI?
 - o Y = Yes,
 - o N = No

- Basic Salary: Enter the basic salary of the employee in Rwandan francs during the tax period.
- Benefit in Kind Transport – If the employee benefits from access to and use of a motor vehicle provided by the employer during the tax period, enter 10% of the taxable income in FRW, excluding other benefits in kind.
- Benefit in Kind House – If the employee benefits from accommodation provided by the employer during the tax period, enter 20% of the taxable income in FRW, excluding other benefits in kind.
- Benefit in Kind Others – If the employee benefits from any benefits in kind from the employer other than transport or accommodation during the tax period, these are entered at market value in FRW.
- Benefit in Kind Transport – If the employee benefits from access to and use of a motor vehicle provided by the employer during the tax period, enter 10% of the taxable income in FRW, excluding other benefits in kind.
- Benefit in Kind House – If the employee benefits from accommodation provided by the employer during the tax period, enter 20% of the taxable income in FRW, excluding other benefits in kind.
- Benefit in Kind Others – If the employee benefits from any benefits in kind from the employer other

than transport or accommodation during the tax period, these are entered at market value in FRW.

- Lump sum Transport: Amount Lump sum allowance.
- Other Medical Deductions: Fill the amount if any.
- Terminal Benefit End Contract: Fill the amount if any.
- Retirement Benefits: Fill the amount if any.
- Ejo-Heza Contribution: Fill the amount if any.
- Other Pension Funds: Fill the amount if any.

The system itself computes all component of tax and contributions based on legal provision. Upon filing in Ishema, the filed information and payment, if made, are automatically sent to E-tax

Value Added Tax (VAT)

Explanation of VAT

What is VAT?

VAT is a tax on the consumption of goods and services. It is indirectly paid by the final consumer of the goods or service. However, it is paid on their behalf by taxpayers on the value added at each stage of production.

VAT is applied to as wide a range of products as possible to ensure fairness across business sectors. However, there are some goods and services that are exempt or zero-rated for VAT. This is usually because tax on these goods and services may be unfairly burdensome on the poor or because those goods and services have benefits to efficiency across the rest of the economy.

VAT registered taxpayers are required to have at least one Electronic Invoicing System (EIS), such as an EBM, each of their sales locations, and use these to provide EIS invoices for all sales transactions, see page 230 for details on EISs.

Who must register for VAT?

A taxpayer must register for VAT if their turnover is above FRW 20,000,000 for any twelve-month period, or above FRW 5,000,000 for three consecutive months. This includes all taxable, exempt and zero-rated sales.

In addition, any taxpayer may choose to register for VAT.

What are the obligations of VAT registered taxpayers?

VAT registered taxpayers must:

- Display clearly the VAT registration certificate in plain view at the place of business, see page 57 for how to obtain a VAT certificate.
- Use an Electronic Invoicing System (EIS), a type of EBM to issue VAT invoices.
- Issue an EBM invoice to all customers with every transaction.
- Submit a monthly or quarterly VAT declaration within fifteen days after the end of the tax period.
- Be available at all times to receive RRA officers and to make available books of accounts.

What is the tax rate of VAT?

The normal rate of VAT is 18%. There is also a zero-rate (0%) and exemptions applicable for certain types of goods and services, see page 206 for more details.

Who pays VAT?

VAT is indirectly paid by the final consumer of the goods or service. However, taxpayers pay on their behalf on the value added at each stage of production.

This means that taxpayers charge VAT on their sales, output VAT, whilst claiming back VAT paid on their inputs, input VAT. The amount each taxpayer pays is therefore equal to output VAT minus input VAT.

Value Added Tax (VAT)

Supplier

- Sells product for VAT exclusive price of FRW 1,000.
- FRW 0 Input VAT. $\text{FRW } 1,000 * 18\% = 180$ Output VAT.
- Declares and pays VAT of $\text{FRW } 180 - \text{FRW } 0 = \text{FRW } 180$.



Manufacturer

- Sells product for VAT exclusive price of FRW 3,500.
- FRW 180 Input VAT. $\text{FRW } 3,500 * 18\% = 630$ Output VAT.
- Declares and pays VAT of $\text{FRW } 630 - \text{FRW } 180 = \text{FRW } 450$.



Retailer

- Sells product for VAT exclusive price of FRW 5,000.
- FRW 630 Input VAT. $\text{FRW } 5,000 * 18\% = 900$ Output VAT.
- Declares and pays VAT of $\text{FRW } 900 - \text{FRW } 630 = \text{FRW } 270$.



Consumer

- Buys product for VAT inclusive price of FRW 5,900.
- Does not declare, but pays VAT indirectly because VAT was paid on their behalf at each stage of production.

What do VAT inclusive and VAT exclusive prices mean?

The VAT inclusive price means the price of the goods or service including VAT. The VAT exclusive price means the price of the goods or service that is not the final cost, to which VAT has not yet been added.

Goods and services supplied by VAT registered taxpayers must always be sold at the VAT inclusive price. However, when completing the VAT declaration form, the total VAT exclusive price of all sales is entered, see page 221. The invoice supplied to the customer must show the VAT exclusive price, amount of VAT and VAT inclusive price.

To calculate the VAT inclusive or VAT exclusive price of taxable goods and services:

VAT exclusive price * 1.18 = VAT inclusive price.

VAT inclusive price / 1.18 = VAT exclusive price.

Which goods and services are taxable for VAT?

All goods and services supplied in Rwanda are considered either taxable or exempt.

Services are considered to be supplied in Rwanda if the services provider:

- Has their headquarters in Rwanda.
- Is usually resident in Rwanda.
- Or if the recipient of the services benefits from it within Rwanda, for further details see the VAT Reverse Charge section on page 215.

Which goods and services are zero-rated for VAT?

Zero-rated for VAT purposes means that no output VAT is charged on the goods or services, but input VAT can still be claimed.

The list of zero-rated goods and services, detailed in Article 7 of Law N°049/2023 of 05/09/2023, includes:

- Exported goods and their auxiliary services, including those that are already exempted;
- Exported services;
- Minerals sold on the domestic market;
- International transportation services of goods entering Rwanda and transportation services of goods in transit in Rwanda to other countries and related services;
- Commission fee charged to a tourist for all-inclusive tour package booking service;
- Goods sold in the shops that are exempted from tax as provided for by the law governing customs;
- Goods supplied in the shop intended for persons working in such security organs as provided for by the legislation governing such a shop;
- Goods and services intended for special categories of persons that are used in their missions:
 - o diplomats accredited to Rwanda;
 - o international organisations having signed agreements with the Republic of Rwanda;
 - o local non-governmental organizations to which goods and services are donated and

- acquired through funding by countries or international organizations having signed agreements with the Republic of Rwanda;
- projects funded by partners having signed agreements with the Republic of Rwanda;
 - locally assembled electric automotive vehicles, hybrid automotive vehicles, relevant batteries and their electric charging station equipment.

Example 32

Innocent designs and manufactures clothes. He sells within Rwanda but also exports some to Kenya. The goods sold within Rwanda are subject to VAT as normal. The goods exported to Kenya are zero-rated. He pays input VAT on the material used in the manufacturing.

He sells FRW 236,000 (VAT inclusive) within Rwanda, with VAT paid on inputs of FRW 10,000. He exports FRW 300,000 (VAT exclusive) to Kenya, with VAT paid on inputs of FRW 30,000.

The total (VAT exclusive) sales is therefore:

$$(FRW 236,000 / 1.18) + FRW 300,000 = FRW 200,000 + FRW 300,000 = FRW 500,000.$$

The taxable sales exclude the exports so is FRW 200,000.

The output VAT is therefore:

$$FRW 200,000 * 18\% = FRW 36,000.$$

The input VAT includes the VAT paid for the taxable sales, as well as the zero-rated sales. The input VAT is therefore:

$FRW 10,000 + FRW 30,000 = FRW 40,000$

Therefore, Innocent's VAT due is equal to:

$FRW 36,000 - FRW 40,000 = FRW -4,000.$

Innocent requests a VAT refund from RRA of FRW 4,000.

Which goods and services are exempt for VAT?

Exempt for VAT purposes means that no output VAT is charged on the goods or services, and no input VAT can be claimed. The list of exempt goods and services, detailed in Article 1 of law No 009/2025 of 27/05/2025 emending article 8 of Law N°049/2023 of 05/09/2023, includes:

- (1) The following goods and services are exempted from value added tax:
 - (a) water supply and environmental conservation services for non- profit-making purposes with the exception of sewage pump-out services;
 - (b) the following goods and services for health-related purposes:
 - (i) health and medical services;
 - (ii) equipment intended for persons with disabilities;
 - (iii) goods and pharmaceutical products appearing on the list established by the Minister in charge of health and approved by the Minister, which are imported or locally manufactured by a person authorised by the competent authority

- (iv) sanitary pads;
- (c) educational materials, services and equipment supplied physically or online that appear on the list established by the Minister in charge of education and approved by the Minister;
- (d) books, newspapers and journals;
- (e) the following transportation services carried out by a licensed person:
 - (i) transportation of persons by land in a motor vehicle with a capacity of 14 persons or more;
 - (ii) transportation of persons by air;
 - (iii) transportation of persons or goods by boat;
 - (iv) transportation of household solid waste;
- (f) lending, lease and sale of the following:
 - (i) sale or lease of land;
 - (ii) sale of whole or part of a building for residential use;
 - (iii) renting or grant of the right to occupy a building used as a place of residence for one person or a family if the period of accommodation for a continuous term exceeds 90 days;
 - (iv) lease of a movable property made by a licensed financial institution or by or for a special purpose vehicle;
- (g) financial and insurance services determined by an Order of the Minister in charge of finance;

- (h) goods and services in connection with burial or cremation of a dead body that appear on the list established by the Minister in charge of cemeteries and approved by the Minister;
- (i) energy supply equipment that appears on the list established by the Minister in charge of energy and approved by the Minister;
- (j) exempted goods under lease;
- (k) agricultural and livestock products, except processed ones. However, processed maize, rice and milk, excluding powdered milk and milk-derived products, are exempted from this tax;
- (l) agricultural and livestock insurance services;
- (m) services, agricultural inputs, agricultural and livestock materials and machinery that appear on the list established by the Minister in charge of agriculture and animal resources and approved by the Minister;
- (n) gaming activities;
- (o) personal effects of a Rwandan diplomat returning from a foreign mission, those of a Rwandan national who was residing abroad and is returning to Rwanda as well as those of any other Rwandan national returning to Rwanda and entitled to tax exemption in accordance with the customs legislation. In relation to the motor vehicle they possess, with the exception of returning Rwandan diplomats, other persons referred to in this Subparagraph are required to have owned the

motor vehicle for a period of at least 12 months for being exempted;

- (p) goods and services intended for special economic zone imported by a licensed zone user;
- (q) goods, materials, supplies, machinery and motor vehicles intended for public organs in charge of national defence and security determined by law;
- (r) goods sold in customs before payment of taxes and duties;
- (s) machinery and capital assets of industries as well as raw materials used in industries that appear on the list established by the Minister in charge of industry and approved by the Minister;
- (t) aircraft, their spare parts and maintenance tools that appear on the list established by the Minister in charge of transport and approved by the Minister;
- (u) transfer of assets between related persons residing in Rwanda at the time of the restructuring of their business, activity if –
 - (i) the business activity of a person that acquires assets persists for a period of not less than three years; or
 - (ii) the person transferring the assets has the actual business of supplying or providing exempted goods or services;
- (v) equipment for conservation of bodies of victims of the Genocide against the Tutsi and its related evidence that appear on the list established by the Minister in charge of commemoration of the

Genocide against the Tutsi and approved by the Minister;

- (w) goods or services which are purchased, sold, assigned, exchanged or otherwise transferred to or by a special purpose vehicle as a consequence of entering into an asset-backed securitisation transaction if the transaction has been approved or authorised based on the law regulating the capital market in Rwanda and the special purpose vehicle is a taxpayer registered in Rwanda;
- (x) imported pure electric motor vehicles, relevant batteries and their electric charging station equipment.

(2) Entities that import or locally manufacture the exempted equipment for health-related purposes referred to in Paragraph (1)(b) are those recognised by the Rwandan legislation as public organs, social welfare organisations and any other form of voluntary or charitable organisations.

(3) The exemption of the goods referred to in Paragraph (1) is applied as follows:

- (a) the energy supply equipment referred to in Paragraph (1)(i) is exempted until 30 June 2028;
- (b) machinery and capital assets of industries as well as raw materials used in industries referred to in Paragraph (1)(s) are exempted until 30 June 2026;
- (c) imported pure electric motor vehicles, relevant batteries and their electric charging station equipment referred to in Paragraph (1)(x) are exempted until 30 June 2028.

(4) The equipment intended for persons with disabilities referred to in Paragraph (1)(b)(ii) is the one confirmed by a recognised medical doctor as being related to the disability of target users if the importer or the local manufacturer is a natural person.

(5) Processed agricultural and livestock products referred to in Paragraph (1)(k) are the following:

- (a) products whose added value is created by the use of machinery or of any other method up to the stage of being consumed or used;
- (b) products whose added value is created in the manner that changes the number of the harmonized system code and related duty rates used in the customs system.

(6) An Order of the Minister determines requirements for an industry to be exempted from payment of value added tax on machinery and capital assets of industries as well as raw materials used in industries referred to in Paragraph (1)(s).

However, some supplies of goods have a sunset date. These are:

- Energy supply equipment that appears on the list established by the Minister in charge of energy and approved by the Minister are exempted until 30 June 2028.
- Machinery and capital assets of industries as well as raw materials used in industries that appear on the list established by the Minister in charge of

industry and approved by the Minister are exempted until 30 June 2026.

- Imported pure electric motor vehicles, relevant batteries and their electric charging station equipment are exempted until 30 June 2028.

If it is not possible to distinguish whether the VAT paid on inputs directly, or indirectly, contributed to taxable sales or exempted sales, then the allowable input VAT can be equal to the ratio of taxable (or zero-rated) sales to total sales multiplied by the total input VAT.

Example 33

Lucie sells processed and unprocessed agricultural products. The processed agricultural products are subject to VAT as normal. The unprocessed agricultural products are exempt.

She sells FRW 3,540,000 (VAT inclusive) of processed agricultural products. She sells FRW 1,000,000 (VAT exclusive) of unprocessed agricultural products.

The total (VAT exclusive) sales are therefore:

$$(FRW\ 3,540,000 / 1.18) + FRW\ 1,000,000 = FRW\ 3,000,000 + FRW\ 1,000,000 = FRW\ 4,000,000.$$

The taxable sales exclude the exempt sales so is FRW 3,000,000. The output VAT is therefore:

$$FRW\ 3,000,000 * 18\% = FRW\ 540,000.$$

She paid VAT on inputs of FRW 500,000 but cannot distinguish between which inputs contributed to which sales Therefore, the allowable input VAT is equal to:

$$(FRW 3,000,000 / FRW 4,000,000) * FRW 500,000 = 0.75 * FRW 500,000 = FRW 375,000$$

Therefore, Amahoro's VAT due is equal to:

$$FRW 540,000 - FRW 375,000 = FRW 165,000.$$

Can taxpayers that only sell exempt goods and services be exempted from VAT registration?

Taxpayers exclusively making exempt or zero-rated sales may write to the Commissioner General of RRA requesting exemption from the requirement to register for VAT. This letter should:

- Identify the taxpayer's name and TIN.
- State the request to be exempted from the requirement to register for VAT.
- Contain all supporting documents proving the taxpayer does not make any taxable sales.

Taxpayers whose business is totally exempted from VAT is exempted from the obligation to register for VAT. However, taxpayers making zero-rated sales who intend to claim input tax credits must register for VAT to do so.

What is VAT Reverse Charge?

If a local taxpayer is the recipient of services from a foreign supplier, the local taxpayer is required to pay the

VAT on this service. The local taxpayer must declare and pay 18% of the value of the services received.

This VAT may be offset as an input tax only if the services received are not available in the local market. Services are considered not to be available in Rwanda if there is no one who can deliver identical or similar services on the local market. The taxpayer who wants to acquire a service not available in Rwanda must request for authorization from the Ministry of Finance and Economic Planning.

If the services are available on the local market, then the VAT may not be offset as an input tax. This is to encourage taxpayers to work with domestic businesses.

What is VAT Retained by Public Institutions?

Government and public institutions must withhold 18% VAT on all taxable supplies within public tenders. The taxpayer who has won the tender is required to declare the taxable supplies as output VAT, but can offset the VAT Retained by Public Institutions. The VAT is paid by the public institution on behalf of the taxpayer.

The taxpayer must keep proof that this VAT was withheld. The public institution must pay the VAT to RRA by the fifteenth day of the following month, from the date of the invoice, as with regular VAT payments.

What is a VAT refund?

It is possible for the final VAT due of a taxpayer to be negative. In this case, the taxpayer is due a VAT refund. There is no further action required of the taxpayer.

An example of what this may look like on the tax declaration is shown below.

85 -	VAT Due/Credit Refundable[(Line 70-(Line 75+Line 80))]	-22,500
90 -	VAT Refund Claim	22,500
95 -	VAT Due	0

If the VAT refund claimed is a small amount relative to the size of the business, as decided by RRA, this will be carried forward and will automatically be used to offset against future VAT payments. This is determined by the scale of the business as below:

- Small taxpayer carries forward up to FRW 500,000
- Medium taxpayers carry forward up to FRW 2,000,000
- Large taxpayer carries forward up to FRW 5,000,000

If the VAT refund claimed is a larger than these thresholds RRA will audit the refund and may contact the taxpayer for further evidence. If the refund is correct and accurate, RRA will contact the taxpayer and provide a bank cheque for the refund amount.

If a taxpayer is in a refund position, they are required to provide a valid bank account for the deposit of the refund. The following is the procedure for submitting bank

account details: E-Tax > Update details

Tax Payer Details					
* Mandatory fields					
TIN:	999999999				
Tax Payer Name:					
Mobile No:					
Email:					
PO Box:	600 KIGALI				

Bank Name	Bank Account Number	Account Holder	Bank account proof Name		
CSS	2345679	Default Tin	100024454547_202524180507_20FEB2025_11411314.pdf	Edit File	Remove Account
ACCESS BANK	5575775757	Default Tin	KBNFB_Cheque.pdf	Edit File	Remove Account
EQUITY BANK	989898989	Default Tin	KINGDOM_20FEB2025_11411314.pdf	Edit File	Remove Account
AB BANK	011445555	Default Tin	imm5645e.pdf	Edit File	Remove Account

Add Another Bank Account

Get OTP

When is the deadline to declare and pay VAT?

VAT is declared and paid on a monthly basis. Alternatively, taxpayers with annual turnover below FRW 200,000,000 may request to declare on a quarterly basis.

Whether monthly or quarterly, the VAT declaration must be submitted and paid by the 15th of the month following the end of the tax period.

This means that monthly declarations concerning the tax period between March 1st and March 31st must be declared to RRA and paid by April 15th. Then declarations concerning the tax period between April 1st and April 30th must be declared to RRA and paid by May 15th and so on throughout the year.

The quarters for taxpayers declaring VAT on a quarterly basis concern the tax period between:

- 1st January to 31st March must be declared and paid by 15th April;
- 1st April to 30th June must be declared and paid by 15th July;
- 1st July to 30th September must be declared and paid by 15th October;
- 1st October to 31st December must be declared and paid by 15th January.

What is a VAT Refund for Privileged Persons?

VAT Refund for ‘privileged persons’ refers to the refund available to certain consumers on the VAT paid on their goods or services. Where ‘privileged persons’ refers to:

- diplomats or individuals on diplomatic missions.
- non-governmental organisations (NGOs), inter-governmental organisations (IGOs) or donor-funded projects.

Privileged persons claim refunds online using the E-tax system.

Declaring VAT

The declaration process for VAT is similar to other domestic taxes, see the guide to Declaring Domestic Taxes using E-Tax on page 96 for more details.

Annexures

Firstly, download the VAT Annexures from the E-Tax website, see page 96 for more details on downloading annexures.

The VAT Annexure file has five tabs. Only the tabs that are applicable in that tax period need to be completed, validated and saved. See page 98 if the taxpayer has any problems when validating annexures.

Sales Tab

This tab is applicable for taxpayer who has made sales during the tax period. These must be entered regardless of whether the sales were taxable, exempt, zero-rated or exported.

This sales data can be entered manually, or can be copied from the Electronic Invoicing System (EIS), a type of EBM Back Office and pasted into the Sales tab. For more information on copying sales data from the EBM Back Office, see the EIS section on page 237.

The 'Sales' tab has 11 columns. Each row is for a separate transaction. For each transaction, enter details on:

- Buyer TIN – For sales to other businesses, enter the Taxpayer Identification Number (TIN) of the

buyer. For sales to final consumers, this can be left empty, where the system will convert it to '999999999' (nine '9's).

- Buyer Name – As above, for sales to other businesses, enter the name of the buyer. For sales to final consumers, this can be left empty.
- Nature of Goods – Enter a brief description of the goods or services that have been sold.
- Invoice Number – Enter the unique invoice number of the transaction; for example, SDC001000000/001.
- Invoice Date (dd/mm/yyyy) – Enter the date of the transaction in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Total Amount of Sales (VAT Exclusive) – Enter the value of the transaction, excluding VAT.
- Exempted Sales Amount – Enter the value of sales of goods or services that were exempt from VAT.
- Zero Rated Sales Amount – Enter the value of sales of goods or services that were zero-rated for VAT purposes. Although exports are also zero-rated, do not include these in this column, instead enter exports in the 'Exports Amount column'.
- Exports Amount – Enter the value of sales of goods or services that were exported and sold outside Rwanda and therefore zero-rated for VAT purposes.

- Taxable Sales – Enter the total value of taxable sales. This is equal to ‘Total Amount of Sales (VAT Exclusive)’ minus (‘Exempted Sales Amount’ + ‘Zero Rated Sales Amount’ + ‘Exports Amount’).
- VAT – Enter the total output VAT. This is equal to ‘Taxable Sales’ * 18%.

Purchases Tab

This tab is applicable to any taxpayer who has purchased inputs from within Rwanda during the tax period for use in their goods and services sold.

The ‘Purchases’ tab is very similar to the ‘Sales’ tab except that it refers to the locally purchased inputs that have gone into the goods and services listed in ‘Sales’.

Fill in the details in the same manner as before, except that it is now the Supplier TIN and Supplier Name that is required. In addition, there is no longer differentiation for exempt, zero-rated or exports, just the ‘Amount without VAT’ and the ‘VAT’ paid on local purchases.

VAT Importation Tab

This tab is applicable for any taxpayer who has imported inputs during the tax period for use in their goods and services sold. This tab uses information from the customs declaration of the imported inputs.

The ‘VAT Importation’ tab has 7 columns. Each row is for a separate import transaction. For each transaction, enter details on:

- Customs Station – Enter the border post where the goods or services were imported. This is listed under the ‘Office of Destination’ in the top right of the customs declaration.
- Customs Declaration (DD COM) Number – Enter the unique customs declaration number, for example: ‘C39012’. This is listed under the ‘Customs Reference’ in the top right of the customs declaration.
- Customs Declaration Date – Enter the date of the importation, which must be entered in the format of DD/MM/YYYY such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted. This is listed next to the ‘Customs Reference’ in the top right of the customs declaration.
- Nature of Goods – Enter a brief description of the goods that have been imported. This is listed in the ‘Packages and descriptions of goods’ section in the middle of the customs declaration.
- Origin – Enter the name of the country where the goods or services purchased from. This means that if a product first comes from the United Kingdom but arrives via boat to Kenya and lorry through Uganda to the Gatuna border, the origin country is United Kingdom. This is listed under the ‘Country of Origin’ or ‘Cty. orig. Code’ in the middle of the customs declaration.

- Customs Value (CIF) – Enter the value of the goods or services upon entering Rwanda in Rwandan Francs. CIF stands for Cost, Insurance and Freight which means that this value includes the cost of the goods and services from when they originated, but also includes the costs of insurance and freight or transport in getting the goods to Rwanda. The value in FRW is under the ‘Statistical Value’ in the middle right of the customs declaration.
- VAT Paid – Enter the VAT paid on the imports. This is equal to the ‘V02’ Amount in the ‘Calculation of Taxes’ section in the middle of the customs declaration.

Deductible VAT Reverse Tab

This tab is applicable to any taxpayer who has received services from foreign suppliers during the tax period.

The ‘Deductible VAT Reverse’ tab has 6 columns. Each row is for a separate transaction. For each transaction, enter details on:

- Suppliers Name – Enter the name of the foreign supplier who provided the services. Note: The Taxpayer Identification Number (TIN) is not required as VAT Reverse Charge is only required from taxpayers who received services from non-resident suppliers who are not registered in

Rwanda if the services are not available in the local market.

- Nature of Services Supplied – Described above.
- Invoice Number – Described above.
- Invoice Date (dd/mm/yyyy) – Described above.
- Total Invoice Amount – Enter the total amount paid for the services to the foreign supplier, excluding VAT.
- VAT Reverse Charge Amount – Enter the VAT to be paid by the taxpayer. If all services are taxable, this is equal to ‘Total Invoice Amount’ * 18%.

VAT Retained Tab

This tab is applicable to any taxpayer who has sold goods or services to public institutions and had the VAT withheld and paid on their behalf by the public institution.

The ‘VAT Retained’ tab has 8 columns. Each row is for a separate import transaction. For each transaction, enter details on:

- Public Institution’s TIN – Enter the Taxpayer Identification Number (TIN) of the public institution to which the goods or service were sold.
- Public Institution’s Name – Enter the name of the public institution to which the goods or service were sold.
- Nature of Goods or Services – Described above.
- Invoice Number – Described above.
- Date of Invoice – Described above.

- Date Delivered – Enter the date the goods or services were delivered or completed, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Amount on Invoice (VAT Exclusive) – Enter the amount of the invoice, excluding VAT.
- Withheld Amount (18%) – Enter the amount of VAT that was withheld and paid on the taxpayers' behalf by the public institution, typically Invoice (VAT Exclusive) * 18%.

VAT Declaration

After all the applicable annexures have been completed, validated and saved in the folder C:/RRA in the user's local machine, the taxpayer can return to E-Tax to complete the declaration, see page 102 for more detail on selecting the relevant declaration.

The declaration form requires similar data to the annexures that have previously been completed. The important distinction is that in the declaration form, the total combined values for all transactions during that tax period must be entered. Once all relevant white boxes have been entered, click 'save' to calculate the grey boxes automatically.

Example 34

An example VAT declaration form is entered below. The final VAT due for this taxpayer in this tax period is FRW 18,900.

MONTHLY VAT DECLARATION FORM			
TIN:	Business Name:	DOCNO: 40731371	
Tax Period: 01-Oct-2016 to 31-Oct-2016	Due Date: 15-Nov-2016	Month: October	
Mandatory fields			
5 - Total Value Of Supplies During the Month(VAT Exclusive)	<input type="text" value="300,000"/>		
10 - Exempted Sales	<input type="text" value="40,000"/>		
15 - Zero Rated Sales	<input type="text" value="10,000"/>		
20 - Exports	<input type="text" value="0"/>		
25 - Total Not Taxable(Line 10+15+20)		<input type="text" value="50,000"/>	
30 - Taxable Sales Subject to VAT(Line 5-Line25)		<input type="text" value="250,000"/>	
35 - VAT on Taxable Sales(18% of Line 30)		<input type="text" value="45,000"/>	
40 - VAT Reverse Charge	<input type="text" value="0"/>		
45 - VAT Payable(Line 35+Line 40)		<input type="text" value="45,000"/>	
50 - VAT Paid On Imports	<input type="text" value="5,000"/>		
55 - VAT Paid Local Purchase	<input type="text" value="17,500"/>		
60 - VAT Paid On Input(Line 50+Line 55)		<input type="text" value="22,500"/>	
65 - VAT reverse Charge deductible	<input type="text" value="0"/>		
70 - VAT Payable/Credit Refundable[(Line 45-(Line 60+Line 65))]		<input type="text" value="22,500"/>	
75 - Credit carried from Previous Month(Not already claimed)		<input type="text" value="0"/>	
76 - Total amount on invoices to Public institutions (VAT Exclusive)	<input type="text" value="20,000"/>		
80 - VAT Withholding retained by Public Institutions	<input type="text" value="3,600"/>		
Total Amount in Credit as per details received from Public Institutions		<input type="text" value="-9,000"/>	
85 - VAT Due/Credit Refundable[(Line 70-(Line 75+Line 80))]		<input type="text" value="18,900"/>	
90 - VAT Refund Claim		<input type="text" value="0"/>	
95 - VAT Due		<input type="text" value="18,900"/>	

Details Saved save

Continue with Upload Annexures >
Back To Documents

After saving the declaration form, upload the annexures and then compare with the declaration form, see page 106 for more detail on uploading annexures and comparing with declaration forms.

Example 35

Continuing the example of the VAT declaration form above, the comparison between this VAT declaration form and the uploaded annexures is shown below. As all the comparison values are equal, the declaration can be certified and submitted.


Upload Annexures										
TIN:		Business Name:					CentreName:			GICUMBI TC
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Payment DueDate	Type	Status
1.	40731371	VAT-VALUE ADDED TAX	01-Oct-2016 to 31-Oct-2016	NA	October	2016	15-Nov-2016	15-Nov-2016	Original	In Progress
Sales				Upload		View		Delete		
Local Purchase				Upload		View		Delete		
VAT Importation				Upload		View		Delete		
Deductible VAT Reverse				Upload		View		Delete		
VAT Retained				Upload		View		Delete		
Compare with Declaration					← Back To Documents					

Comparison between Declaration and Annexures				
Sales	Total Sales Value (Col:5 in declaration)	300000	Total Sales Amount (Col:F in Sales Excel Annexure)	300000
Sales	VAT on Taxable Sales (Col:35 in declaration)	45000	VAT Total (Col:K in Sales Excel Annexure)	45000
Local Purchase	VAT on Local Purchase (Col:55 in declaration)	17500	VAT Total (Col:G in Local Purchase Excel Annexure)	17500
VAT Importation	VAT on Import (Col:50 in declaration)	5000	VAT Total (Col:G in VAT Importation Excel Annexure)	5000
Deductible Vat Reverse	VAT reverse Charge deductible (Col:65 in declaration)	0	Vat Reverse charge Deductable Amount(Col:F in Deductable Vat Reverse Excel Annexure)	0
VAT Retained	Total amount on invoices to Public institutions (Col:76 in declaration)	20000	Total amount on invoices to Public institutions (Col:G in VAT Retained Excel Annexure)	20000
VAT Retained	VAT Withholding retained by MINECOFIN(Col:80 in declaration)	3600	Withheld Amount (Col:H in VAT Retained Excel Annexure)	3600
Modify Declaration				

Certification:	
I certify that the entries on this declaration are true and correct. I understand that a false declaration may result in prosecution.	
<input type="checkbox"/> I ACCEPT	Submit

Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.

Here For You, To Serve - Call the RRA Call Centre on 3004

Declaration has been accepted. Please View the Acknowledgement Receipt

View Acknowledgement Receipt← Back To Documents← Epayment

Click ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

What are the penalties for a taxpayer who is not registered for VAT, but is required to be?

A taxpayer who is not registered for VAT but is required to be registered for VAT is subject to a penalty of:

- Fifty percent (50%) of the amount of value added tax output for the entire period of operation without value added tax output, where Value Added Tax registration is required
- An administrative fine of one hundred (100%) of the tax indicated on any invoice issued by a retailer not registered for VAT and pays the tax indicated on that invoice

Electronic Invoicing System (EIS)

Explanation of Electronic Invoicing System

What is the Electronic Invoicing System?

The Electronic Invoicing System (EIS) formerly known as EBM (Electronic Billing Machine) refers to various methods of printing RRA certified invoices and sending sales data to RRA in real-time. EIS is not a type of tax, but helps to improve bookkeeping and Value Added Tax (VAT) collection. EIS invoices are required to be provided to buyers for every sales transaction by every registered taxpayer (EBM for all).

EIS will be used to refer to electronic billing machines (EBMs) as well as software used to print RRA certified invoices (such as VSDC). There are two versions of EBMs. The new EBM version 2.1 (EBM 2.1) and EBM 2.0, both in a form of software now available for taxpayers to install onto desktop or laptop computers, see page 230 for more details. VSDC can be incorporated with privately provided billing systems.

EISs have proven benefits to tax administration and RRA is committed to increasing and enforcing the uptake and use of EISs. EISs have also been introduced in many other countries around the world and are a key priority in RRA's vision of becoming "a model revenue administration optimally financing national needs".

Taxpayers are encouraged to take advantage of the functionality provided in EBM 2.1. The advantages of EBM 2.1 are outlined later in this section.

This Tax Handbook will focus on EBM 2.1 which is the latest version.

For any questions regarding EIS/EBMs, contact the Tax Control and Operational Support Division within RRA directly by calling 078818 5702.

What are the benefits of EIS/EBMs?

There are numerous benefits of EIS/EBMs, both to compliant taxpayers and to the tax administration. These benefits to the taxpayer, to RRA and to Rwanda include:

- EIS/EBM sales data can be copied and pasted into the ‘Sales’ tab when completing the VAT annexures, making it quicker and easier for taxpayers to declare and pay VAT, see page 237 for more details on this process.
- Improving bookkeeping and stocktaking for taxpayers through using EIS/EBMs to record the exact items and prices being sold.
- Simplifying the audit process, reducing the time and interruption of taxpayer’s daily operations
- Reducing the potential for tax evasion, ensuring that taxpayers can compete fairly, and increasing the tax revenues for public spending.

Which taxpayers must have EIS/EBMs?

All registered taxpayers are required to have and use EIS/EBM at each of their sales locations.

What are various types of EBM2.1 Solutions?

EBM 2.1 as an upgraded EIS version is available with various solutions where taxpayers may choose the solution that fit best their business operations and sizes. And each solution is available for free of charge.

- **EBM Mobile Application:**

This is solution for micro and small non-VAT registered taxpayers with turnover less than twenty million by the time of application and is installed in smart phone with latest android version and with internal storage capacity from 8GB and above.

- **EBM2.1 Client Software**

EBM2.1 Client Software is for large, medium, small or micro taxpayers either VAT registered or not. Taxpayer must possess a computing device (Desktop, laptop, tablet or POS, PDA) with latest windows version from 10.0.17 and above or android version 8.0 and above. The IOS and MacOS devices are not compatible with the current EBM software.

- **Online EBM**

This is a Web based invoicing solution for micro and small both VAT and non-VAT registered taxpayers

selling only services and with turnover less than twenty million by the time of application.

- **VSDC: Virtual Sales Data Controller**

VSDC: is for taxpayers having their own private invoicing that adopts both online offline mode and after being certified by RRA, these systems are integrate with EBM system to issue certified sales invoices.

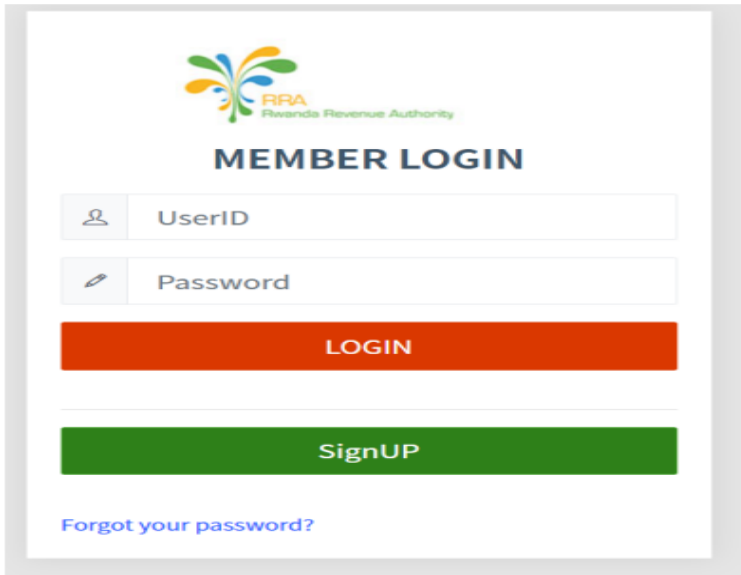
- **OSDC: Online Sales Data Controller**

OSDC: Online sales data controller is for taxpayers having their own private invoicing that works only if connected on internet and after being certified by RRA, these systems are integrate with EBM system to issue certified sales invoices.

How can taxpayers obtain EBM 2.1?

Taxpayers requesting EBM 2.1 must submit an application form, which can be found at <https://myrra.rra.gov.rw/basic/login/indexLogin> and follow the steps of Login (existing myRRA user) and Sign Up (new MyRRA user).

Step 1: Once a taxpayer gets a username (TIN) and password, he/she logs in into myRRA as per the following screen:



The image shows a web interface for the Rwanda Revenue Authority (RRA) Member Login. At the top center is the RRA logo, which consists of a stylized flower with green, yellow, and blue petals, and the text 'RRA Rwanda Revenue Authority' below it. Underneath the logo is the heading 'MEMBER LOGIN' in bold, dark blue capital letters. Below the heading are two white input fields with light gray borders. The first field has a person icon on the left and is labeled 'UserID'. The second field has a pencil icon on the left and is labeled 'Password'. Below the password field is a prominent red button with the word 'LOGIN' in white capital letters. Below the login button is a green button with the text 'SignUP' in white. At the bottom left of the form area, there is a blue link that says 'Forgot your password?'.

Step 2: Click on LOGIN, enter the TIN and password;

Step 3: Click service request button on the top right corner, then click EBM2.1 button;

Step 4: Fill service information and attach the required documents then click Send button;

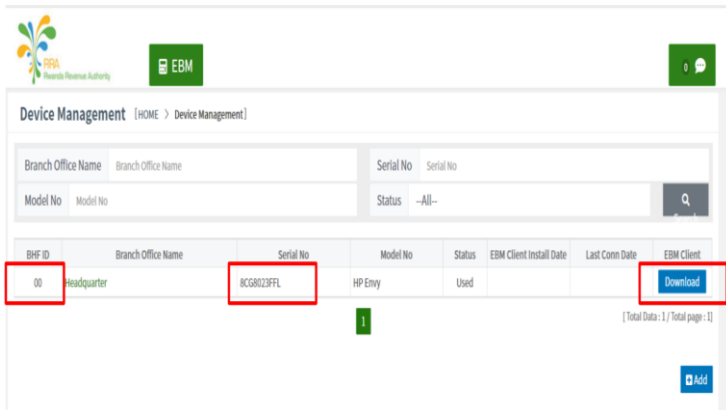
Step 5: Processing of application by RRA staff;

Step 6: If the application is accepted, click 'Registration' button and fill the following key information:

- Serial No (Windows OS machine you can run this command: `wmic bios get serial number` in cmd command interface);
- Model No (For example, HP Envy, Dell etc);

- EBM Client Software: For windows OS users choose, EBM2.1 Installer. If you are intending to use Tablet, choose EBM2.1 Tablet (Android).

Step 7: Download the setup of EBM2.1 software as shown below:



The software is automatically downloaded.

Step 8: Unzip the file once the software is downloaded

- Right click on the file and then click Extract All;
- Click Extract;
- Double clicking EBM2xWPFSetupPRODUCTIONV23 file;
- Click Next, then Install and Ok

Step 9: Click Confirm and wait for 30 seconds;

Step 10: Click Initialize button;

Step 11: Click on EBM 2.1 icon shortcut to start using EBM;

Step 12: Create the user accounts by providing User Id (TIN) and default password (rra123), then click Login Button

What do I require to obtain EBM 2.1?

If you would like to obtain EBM 2.1, bring to RRA Headquarters:

- RDB Business Registration Certificate
- VAT Registration Certificate for VAT registered taxpayers
- If you are the owner of the company, your National ID or Passport
- If you are not the owner of the company, the Power of Attorney and National or Passport of the Owner

Taxpayers will have EBM 2.1 installed on their machine. In addition, the user must first be trained how to use EBM 2.1.

What are the advantages of EBM Version 2.1 (EBM 2.1)?

The advantages of EBM 2.1 include:

- Extracting data automatically from suppliers also with EBM 2.1 and Customs, allowing the taxpayer to also copy and paste into the 'Purchases' and 'VAT Importation' tabs when completing the VAT annexures, making it quicker and easier for taxpayers to declare and pay VAT.

- Providing the taxpayer with greater information over their own stock and supply chain;
- When an EBM 2.1 taxpayer makes a purchase with another domestic retailer and receives an EBM 2.1 invoice, this purchase will automatically be loaded to the buyer's EBM 2.1 as a purchase;
- When an EBM 2.1 taxpayer declares an import at customs, using the same TIN supplied for EBM 2.1, this import will automatically be loaded to the importer's EBM 2.1 as a purchase;
- RRA provides free remote technical support for EBM 2.1. The 'Team View'/'Any Desk' function allowing the taxpayer and RRA to work remotely together to fix any problems, without needing to visit RRA offices.
- Multiple EBM 2.1 user accounts can be created for one enterprise. These accounts can be created with different user access rights, as required;
- EBM 2.1 can be connected to the taxpayer's existing internet connection.

How can taxpayers copy sales data into the VAT Sales Annexure?

One of the advantages to using EBMs is that a monthly report containing all sales is available to be accessed online, and can be copied and pasted directly into the Sales tab of the VAT annexure when declaring. This reduces the time taken to complete the VAT annexures.

To view and download the EBM monthly reports, visit: <https://ebm2.rra.gov.rw/> follow the link and login to the EBM back office using the username (TIN) and password. If a taxpayer does not know their EBM back-office password, they should call the RRA call centre on 3004.

Once logged in, the taxpayer can click ‘VAT Annexure’, select the relevant month, and click ‘Excel Download’. This can then be copied and pasted into the sales tab of the VAT annexures, see page 237 for more details.

Where can I find information about EBM 2.1 usage?

A client manual on the use of EBM 2.1 is available in the EBM section of the ‘Domestic Tax Services’ page on the RRA website at <https://www.rra.gov.rw/en/ebm-electronic-billing-machine>

What is a Virtual Sales Data Controller (VSDC)?

A VSDC can be used to integrate local sales management systems/private billing system with the requirements of EBM 2.1.

Businesses can then continue to use their own retail management software package, while complying with the modalities of EBM requirements.

A client manual on the use of VSDC is available in the EBM section of the ‘Domestic Tax Services’ page on the RRA website at <https://www.rra.gov.rw/en/ebm-electronic-billing-machine>

For further information and training on EBM 2.1, please visit the RRA EBM 2.1 training centre at RRA HQ.

How do taxpayers use EBMs to provide EBM invoices?

EBMs must be used to produce EBM invoices for every sales transaction, whether business to business, business to government or businesses to final consumers.

The typical process for using original EBMs involves entering the quantity, price, and code of each item being sold. For sales to other businesses, the taxpayer must enter the client's TIN and the purchase code provided by the client to protect their TIN. For non-business clients, the taxpayer should enter the client's phone number instead.

Once all items in a transaction have been entered, the taxpayer must print the EBM invoice and provide it to the consumer. Alternatively, at the end of the business day, the taxpayer can print a daily report of all EBM invoices.

What is purchase code and how to request it?

- Purchase code is used for buyer TIN protection

This feature was introduced by RRA to protect buyers' TINs as a security measure in the EBM system and to prevent misuse of buyer TINs. Therefore, no registered taxpayer is allowed to make purchases for resale purposes without a purchase code issued by the RRA system.

- Process to request purchase code

Through USSD *800#

These are some steps to be followed by the buyer for purchase code generation:

Step 1: The buyer dials *800# in the calling menu of the telephone and press YES.

Welcome to M-declaration

Select language

1. English
2. Kinyarwanda
3. Press 0 to exit

Step 2: Select 4 and press SEND to access EBM service

Step 3: Select 2 to request code for purchase

Under purchase code request:

- Enter Buyer TIN: ex: 1222****
- Press * to main menu
- Press 00 to exit

Step 4: Enter the Seller TIN in the space provided

- Enter Seller TIN: ex: 1222****
- Press * to main menu
- Press 00 to exit

Step 5: Type 1 to confirm that the information provided is true and you need the purchase code

Step 6: Receive the SMS containing the requested purchase code

Therefore, the received purchase code is given to the seller to generate invoice to buyer's TIN

Through MyRRA

<https://myrra.rra.gov.rw/main/service/indexPurchaseInitiation>

Step 1: Access MyRRA portal

- Under the login page, click on button name [Click here to request purchase code]
- User is redirected to purchase code request page

Step 2: Fill in the following information

- Enter Phone Authorized by Buyer
- Enter Buyer TIN
- Enter Seller TIN

Step 3: Click on ‘Get Purchase Code’ button

- System validates the information provided and generate purchase code if validation succeeded
- Buyer get SMS containing the requested purchase code on the registered phone provided

What if the taxpayer enters an EBM invoice incorrectly, or wishes to cancel/refund or discount a transaction?

If a taxpayer wishes to issue a refund or makes a mistake when entering a transaction, they can cancel the entire invoice if it has already been approved. If the invoice is still pending approval, the taxpayer can adjust it by removing specific items, changing quantities, or cancelling it entirely. Additionally, any discounts should be entered during the sale registration process, before the invoice is approved.

What should taxpayers do if the EBM is not working?

If the EBM is not working for any reason, the taxpayer must notify RRA, issue handwritten invoices to consumers, and retain duplicates. Once the EBM is functional again, all handwritten invoices must be entered into the system. Further actions depend on the nature of the issue, as explained below.

What should taxpayers do if the machine with EBM installed is stolen?

If a machine with EBM installed is stolen or damaged due to a force majeure event (unforeseeable circumstances), the taxpayer must notify RRA in writing within six (6) hours. The notification must be accompanied by official proof from a competent authority confirming that the device where EBM 2.1 was installed was stolen.

EIS/EBMs Penalties and Fines

The penalties and fines relating to the non-compliance with EBM user obligations or misuse are explained below. These may be applied separately, or in addition to, any penalties and fines relating to Value Added Tax (VAT) explained on page 229.

What are the penalties for a taxpayer who does not have an EIS/EBM, but is required to have?

A taxpayer who does not have an EIS/EBM for a sales location that requires an EIS/EBM is subject to a penalty of:

- FRW 200,000 for a first-time offence.
- FRW 400,000 for any repeat offences.

What are the penalties for a taxpayer who fails to comply with any other EIS/EBM user obligations?

A VAT taxpayer who fails to comply with any other five EIS/EBM user obligations, including indicating the true name of the goods, notify RRA of EIS/EBM failure and refraining from deleting invoices inappropriately, is subject to a penalty of:

- FRW 200,000 for a first-time offence.
- FRW 400,000 for any repeat offences.

What are the penalties for a taxpayer who has an EBM but fails to issue an EIS/EBM invoice?

A VAT taxpayer who has an operational EIS/EBM but fails to issue an EIS/EBM invoice when required is subject to a penalty of:

- Ten (10) times the value of the evaded VAT for a first-time offence.
- Twenty (20) times the value of the evaded VAT for any repeat offences.

A non-VAT taxpayer who has an operational EIS/EBM but fails to issue an EIS/EBM invoice when required is subject to a penalty of:

- Twice (2) times the value of the transaction.
- Four (4) times the value of the transaction for any repeat offences.

Example 36

Lucie is a VAT-registered taxpayer. Lucie is caught not issuing an EBM invoice for a FRW 59,000 transaction with VAT evaded of FRW 9,000. As it is her first offence, Lucie is subject to a penalty of:

*FRW 9,000 * 10 = FRW 90,000.*

What are the penalties for a taxpayer who has an EIS/EBM but issues an undervalued EIS/EBM invoice?

A taxpayer who has an operational EIS/EBM but issues an undervalued EIS/EBM invoice is subject to a penalty of:

- Ten (10) times the value of the evaded VAT for a first-time offence.
- Twenty (20) times the value of the evaded VAT for any repeat offences.

A non-VAT taxpayer who has an operational EIS/EBM but fails to issue an EIS/EBM invoice when required is subject to a penalty of:

- Twice (2) times the value of the transaction.
- Four (4) times the value of the transaction for any repeat offences.

What other penalties can taxpayers be subject to for non-compliance with EIS/EBM requirements?

Additional penalties available to RRA for non-compliance with EIS/EBM requirements can include:

- Closure of business activities for a period of thirty (30) days.
- Being barred from bidding for public tenders.
- Being named in nationwide newspapers.

Excise Duty

Explanation of Excise Duty

What is Excise Duty?

Excise Duty is a tax applied to specific products. This means that it is able to discourage consumption with negative social impacts. This can reduce the costs of healthcare and policing, whilst raising significant revenues for further government spending. As Excise Duties are charged on the consumption of certain products, it is also referred to as a 'excise tax'.

Who must register for Excise Duty?

Any manufacturer or importer of a product that is subject to Excise Duty by the law is required to declare and pay Excise Duty. There is no threshold on company size for Excise Duty. A taxpayer who manufactures taxable products must declare and pay Excise Duty regardless of the size of the business.

What are the obligations of taxpayers registered for Excise Duty?

The obligations of Excise Duty registered taxpayers are detailed in Chapter 2, section one of the Law N° 011/2025 Of 27/05/2025 Establishing the Excise Duty. Excise Duty registered taxpayers must:

- Keeping registers
- Affixing a tax stamp on a taxable product

- Submission to the Tax Administration of a reconciliation statement on the usage of tax stamps
- Keeping books of accounts

Who pays Excise Duty?

Excise Duty is paid by the manufacturer or importer of the taxable products. However, it is expected that these costs will be passed onto consumers in the form of higher selling prices.

What are the valuation methods of Excise Duty?

The rates of excise duties can be charged on a ‘specific’, ‘ad valorem’ or ‘mixed’ basis as follows:

- A specific Excise Duty charges a certain amount of tax per unit of the product. For example, Excise Duty is charged on premium oil in Rwanda at a rate of FRW 183 per litre.
- An ad valorem Excise Duty charges a percentage of the taxable value of the product. For example, Excise Duty is charged on beer in Rwanda at 65% of the taxable value.
- A mixed Excise Duty charges both a certain amount of tax per unit and as a percentage of the taxable value of the product. For example, Excise Duty is charged on cigarettes in Rwanda at a rate of 36% of the retail price in addition to FRW 230 per pack of 20 individual cigarettes.

What are the taxable products and rates of Excise Duty?

The tax rates for Excise Duty vary depending upon the product. The taxable products and tax rates are:

The taxable base for ad valorem Excise Duty on locally manufactured products is calculated according to the selling price, excluding all other taxes.

The rates of Excise Duty are the same for both domestic and imported products. For more details on the taxable value of Excise Duty on imported products, see page 367.

Example 37

Amahoro produces fruit juice. In one tax period she manufactures and sells 10,000 small bottles for a pre-tax selling price of FRW 400 each for a total taxable sale during that tax period of FRW 4,000,000. Amahoro must pay ad valorem Excise Duty of:

$$FRW\ 4,000,000 * 10\% = FRW\ 400,000.$$

Example 38

Ubumwe produces cigarettes. In one tax period he manufactures and sells 400 packs (of 20 cigarettes) for a pre-tax selling price of FRW 300 each for a total taxable sale during that tax period of FRW 120,000. Ubumwe must pay mixed Excise Duty of:

$$(FRW\ 120,000 * 36\%) + (400 * FRW\ 230) = FRW\ 135,200.$$

Example 39

Lucie produces banana wine using ingredients sourced in Rwanda. In one tax period she manufactures and sells 200 bottles for a pre-tax selling price of FRW 850 each for a total taxable sale during that period of FRW 170,000. Lucie must pay ad valorem Excise Duty of:

*FRW 170,000 * 40% = FRW 68,000.*

When is the deadline to declare and pay Excise Duty?

Excise Duty is declared on a monthly basis and must be declared and paid within five days after the end of each tax period.

What are the exemptions for Excise Duty?

The following goods are exempt from Excise Duty:

- Goods for charitable organizations;
- Vehicles assembled in Rwanda;
- One personal vehicles of a returning Rwandan diplomat;
- one vehicle of a Rwandan returnee or any other person returning back from a foreign country who fulfils exemption conditions set forth under the Customs Law;
- minibus and bus that can carry not less than 14 persons, lorries and single cabin pickups manufactured to carry goods, refrigerating vehicles, tourist vehicles, ambulances and vehicles designed for persons with disabilities;

- Products which are specifically manufactured for export;
- Products which are sold to duty free shops and other specific persons legally determined

Should Excise Duty be paid on exports?

Taxable products are exempt from Excise Duty if they were specifically manufactured for export.

What are tax stamps?

A tax stamp is a sign affixed on some products subject to Excise Duty to show retailers and consumers that excise duty has been paid. The products requiring tax stamps are cigarettes (each pack of 20 cigarettes), wines and liquors (each bottle). Tax stamps can be purchased (at cost price) from RRA. Call 3004 for details on purchasing tax stamps.

Declaring Excise Duty

The declaration process for Excise Duty is similar to other domestic taxes, see the guide to Declaring Domestic Taxes using E-Tax on page 96 for more details.

Annexures

Firstly, download the Excise Duty Annexures from the E-Tax website, see page 96 for more detail on downloading annexures. The Excise Annexure file has two tabs.

Raw Materials Tab

This tab is applicable for all taxpayers to record their register of raw materials used in the manufacturing of taxable products during the tax period.

Each raw material used for production of each product on each date is required to have its own row in the annex. For example, if two raw materials are used to produce two separate products on eight days of production, then $(2 * 2 * 8 = 32)$ 32 rows are required in the annexure.

- Product Name – Enter the type or brand of product that is being produced. This does not have to specify amounts or unit sizes.
- Production Date – Enter the date of production, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Name of the Raw Materials Used – Enter the name of the manufactured product.
- Opening Stock – Enter the opening stock (in given units) of the raw material at the beginning of that day's production.

Note: The units that are used can be chosen by the taxpayer, i.e., grams, kilograms or tonnes, but should remain consistent for that raw material. The units that are used are not written in the annexure, only numbers.

- Quantity of Raw materials locally purchased – Enter the units of raw material used purchased locally.
- Quantity of Raw materials imported - Enter the units of raw material used purchased abroad.
- Quantities Used for Production – Enter the amount of stock (in given units) of the raw material during that day’s production.
- Quantities Spoiled – Enter the amount of stock (in given units) of the raw material that was spoiled during that day’s production.
- Closing Stock – Enter the amount of stock (in given units) of the raw material remaining at the end of that day’s production. This should equal Opening Stock – Quantities Used for Production – Quantities Spoiled.

Excise Tab

This tab is applicable for all taxpayers to record their sales of taxable products sold during the tax period. There are different Excise tabs for cigarette, telephone and for other excisable products. The information to complete in each tab is almost similar. In this Tax Handbook the tab ‘Excise others’ is explained.

Each product type sold on each date for each specific unit price is required to have its own row in the annex. For example, if two different sized products of the same brand are sold on the same day, these are required to have two separate rows.

- Date of Delivery – Enter the exit date
- Item Name – Enter excisable product name
- Container Type – Select the type of the container
- Quantity per container produced(ml/gr) – Enter the number of units in a single container in millilitre or in gram depending of the nature of the product.
- Unit of measurement - Select either (ml) for millilitre or (gr) for milligram depending of the nature of the product.
- Package type – Select one of the listed package types
- Quantity in the package – Enter the number of units of the product in a package as per package type
- Total Packages in Stores – Enter the number of units of package produced in the store
- Total Package Out of Factory – Enter the number of the package to be sold
- Quantity Out of Factory – Convert the number of units to be sold into Kilograms or litres
- Total Adjustment – Enter converted number of units to be sold into litres or kilograms
- Total Export – Enter converted number of units to be sold outside the country into litres or kilograms
- Total Taxable Units – Enter the number of units to be sold (in Kg/ltr) minus the number of units to be

sold outside the country (manufactured for exported)

- Unit price – Enter the value of recorded units
- Total Taxable Value – Enter the product of unit price times total taxable units (column M*N)
- Tax Due – Enter the total tax due of all units sold (including exports). This should equal Total Taxable Value multiplied by the excise tax rate for that product.
- Package in KG/Liter remaining in Stock – Enter the number of units that are not yet sold and remain in the factory.

Excise Declaration

Once all the Excise Duty annexures have been completed, validated and saved in the folder C:/RRA in the user's local machine, the taxpayer can return to E-Tax to complete the Excise Duty declaration, see page 102 for more detail on selecting the relevant declaration.


The Excise Duty declaration requires similar data to the Excise Duty Annexures that have previously been completed. The important distinction is that in the Excise Duty declaration, the total combined values for all transactions during that tax period must be entered. Once all relevant white boxes have been entered, click 'save' to calculate the grey boxes automatically.

Example 40: Excise declaration is entered below. The Excise Duty due for this taxpayer in this tax period is FRW 192,000.

EXCISE DUTY DECLARATION FORM				
TIN:	999999999	Business Name:	Default Tin	DOCNO: 67669808
Tax Period:	01-Jul-2025 to 31-Jul-2025	Due Date:	05-Aug-2025	Month: July
5. Calculation of Tax Due				
5 -	Total Units out of Factory		120,000	
10 -	Total Adjustments of Units		0	
15 -	Total Exports of Units		250	
20 -	Total Taxable Units(Line5-10-15)		119,750	
25 -	Total Taxable Value		480,000	
30 -	Excise Tax Rate		40	Fruit Juice:10% Other Juice:39% Beers:65% Cigarettes:36%+Frw230 Lemonades:39% Telephones:12%,14%,15% Wines:70%
35 -	Total Excise Tax Due		192,000	Multiply Line 25 by the rate on line 30
40 -	Tax Refunded on Exports		0	
45 -	Tax Due(Line35-40)		192,000	
2 STATISTICAL INFORMATION				
<div style="display: flex; justify-content: space-between;"> Continue with Upload Annexures > < Back To Documents </div>				

After saving the Excise Duty declaration form, upload the Excise Duty annexures and then compare with the Excise Duty declaration form, see page 106 for more detail on uploading annexures and comparing with declaration forms.

Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.

 **Declaration has been accepted. Please View the Acknowledgement Receipt**

[View Acknowledgement Receipt](#)[← Back To Documents](#)[← Epayment](#)

Click ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

What are the penalties for failing to keep a tax stamp register?

A domestic producer or importer who does not keep:

- Stamp registers, records or related documents
- Stamp reconciliation statements

is subject to an administrative fine between million Rwandan francs (FRW 1,000,000) and two million Rwandan francs (FRW 2,000,000).

What are the consequences for incorrectly applying tax stamps?

A domestic producer or importer of products who:

- Does not affix tax stamps to appropriate products
- Does not affix tax stamps incorrectly
- Affixes tax stamps to products in a manner contrary to rules set forth by the Authority
- Making an overprint or defaces tax stamps

- Submits an incorrect or incomplete tax stamp reconciliation statement
- Applies tax stamps to products for which they are not intended
- Sells products which are subject to excise duty without tax stamps

Is, upon conviction, subject to a fine of between one million Rwandan francs (FRW 1,000,000) and two million Rwandan francs (FRW 2,000,000) or to imprisonment for a term of six (6) months to one (1) year.

When the perpetrator of the offence referred to in this Article is a person other than an individual, such a person is liable to a fine of not less than FRW 5,000,000 but not more than FRW 10,000,000. In case of recidivism within a period not exceeding two years, the fine is doubled.

Withholding Taxes (WHT 15% and WHT 3%)

Explanation of Withholding Taxes

Which tax types are included in this chapter?

This chapter focuses on withholding tax of 15% (WHT 15%) and withholding tax of 3% (WHT 3%). The process of declaring and paying each of these tax types are similar. The use of the phrase ‘withholding taxes’ in this chapter refers to WHT 15% and WHT 3%.

It is important to note that although they are also technically types of withholding tax, this chapter does not concern Withholding tax on imports of 5% (WHT 5%), Pay As You Earn (PAYE), Gaming Tax or Mining Royalty Tax as these are declared and paid differently. For more details on these tax types, see their respective chapters in this Tax Handbook.

Finally, withholding tax of 15% on gambling proceeds is a type of WHT 15%, but the process of declaring is more similar to that of Gaming Tax. Therefore, this particular type of WHT 15% is mentioned briefly, but is covered in more detail in the Gaming Tax chapter on page 273.

What are Withholding Taxes (WHT 15% and WHT 3%)?

Withholding taxes are paid on transactions on particular types of income. Withholding taxes are declared and paid by the taxpayer who is the source of the transaction, but

on behalf of the recipient. The recipient is then able to claim the tax paid back in their Income Tax declarations.

Withholding taxes are very important tax types. Withholding taxes ensure compliance by withholding tax on sources of income that might otherwise be difficult to trace. This increases the fairness of the tax system.

The different types withholding taxes (WHT 15% and WHT 3%) concern different types of income with different tax rates, explained in turn below.

What is Withholding Tax of 15% (WHT 15%)?

WHT 15% is required to be withheld and paid on income received by non-registered businesses or registered businesses without proof of their most recent income tax declaration. It applies to the following types of income:

- Interest income
- Dividend income
- Royalty income
- Service fees
- Performance payments
- Gambling proceeds
- Payments for goods
- Public tender income

The definitions of each of these types of income are discussed in more detail on page 261.

It is important to note that there are specific circumstances where some of these transactions may be subject to reduced withholding tax rates instead of 15% mostly

because of double taxation avoidance agreements. Although the tax rate might be different, these are still referred to as WHT 15% in this Tax Handbook.

What is Withholding Tax of 3% (WHT 3%)?

WHT 3% is required to be withheld and paid by public institutions on payments to the winners of public tenders who are registered and have proof of their recent income tax declaration.

What is a Tax Compliance Certificate (Quitus Fiscal)?

A Quitus Fiscal certificate is available, upon request, to taxpayers who have demonstrated a history of correct tax compliance. The benefit of Compliance Certificate (Quitus Fiscal) is that certified taxpayers are not required to have WHT 3% withheld and paid on their behalf.

The procedure and requirements for applying for a Quitus Fiscal certificate are listed in more detail on page 55.

Who must register for Withholding Taxes?

Any taxpayer making payments of taxable income, of the types listed for each specific tax type above, must register for the relevant withholding taxes.

How are Withholding Taxes calculated?

Withholding taxes are required to be calculated *before* transmitting transactions of taxable income. The net amount of income that is actually transmitted is therefore equal to:

$$\text{Net Amount} = \text{Taxable Income} - \text{Tax Due}$$

Where ‘Tax Due’ is equal to:

$$\text{Tax Due} = \text{Taxable Income} * \text{Tax Rate}$$

Note that the taxable income excludes any other taxes due on the transaction, such as Value Added Tax (VAT).

What is ‘Withholding on interest’?

Interest income is subject to withholding tax of 15%. Interest income includes income from loans, deposits, guarantees, current accounts, government securities, bonds and negotiable securities. It excludes interest income on deposits held for at least one year.

However, interest income on securities listed on capital markets and interest arising from investments in listed bonds with a maturity of three years and above can be withheld from Rwandan or EAC citizen registered taxpayers at the rate of 5%.

Example 41

Amahoro has a current account with Gorilla Bank Ltd. Gorilla Bank Ltd pays her a gross interest of FRW 40,000 on her savings. As the source of this income, Gorilla Bank Ltd must declare and pay withholding tax on this interest of:

$$\text{FRW } 40,000 * 15\% = \text{FRW } 6,000$$

This FRW 6,000 is declared and paid to RRA by Gorilla Bank Ltd. Therefore, the net amount that is transmitted by Gorilla Bank Ltd to Amahoro is:

$$\text{FRW } 40,000 - \text{FRW } 6,000 = \text{FRW } 34,000$$

The FRW 6,000 withholding tax was withheld by Gorilla Bank Ltd on behalf of Amahoro. Therefore, Amahoro can claim back this amount in Income Tax declarations.

What is ‘Withholding on dividend’?

Dividend income is subject to withholding tax of 15%. Dividend income includes any income from shares and similar income distributed by companies.

However, dividend income from securities listed on capital markets if the beneficiary of the dividend is a resident of Rwanda or EAC citizen is withheld at the rate of 5%.

Example 42

ABC Ltd pays a gross dividend of FRW 125,000 to its shareholder, Lucie. As the source of this income, ABC Ltd must declare and pay withholding tax on this dividend of:

$$FRW 125,000 * 15\% = FRW 18,750$$

This FRW 18,750 is declared and paid to RRA by ABC Ltd. Therefore, the net amount that is transmitted by ABC Ltd to Lucie is:

$$FRW 125,000 - FRW 18,750 = FRW 106,250$$

The FRW 18,750 withholding tax was withheld by ABC Ltd on behalf of Lucie. Therefore, Lucie can claim back this amount in Income Tax declarations.

What is ‘Withholding on royalty income’?

Royalty income is subject to withholding tax of 15%. Royalty income includes all payments of any kind received for the use of, or the right to use:

- on the use of or the right to use any copyright of literary, craftsmanship or scientific work including cinematograph films, films or tapes used for radio or television broadcasting;
- on the use, right to use or exploitation of a trademark or a tradename, a design or a model, a computer application, a software and a patent;
- as the price or consideration of using, or of the right to use industrial, commercial or scientific equipment or for using information concerning industrial, commercial or scientific knowledge or formula;
- on the right to exploit or explore natural resource.

What are ‘service fees’?

Service fees are subject to withholding tax of 15%. Service fees includes payments of any kind to any person other than to an employee, in consideration for any service of a managerial, technical or consultancy nature.

Managerial services involve activities related to scoping or improving how a business is run, as opposed to the actual day-to-day activities involved in running the business.

Technical services involve activities where skills or knowledge related to a technical field are required for the provision of goods and services.

Consultancy services involve the provision of advice by experts, professionals or consultants in particular fields, typically of a short-term nature of less than one year. This can overlap with managerial and technical services as these can also be provided by a consultant.

Lastly, board members allowance attracts 30% withholding tax.

The rates of withholding tax on service fees can be affected by Double Taxation Agreements (DTAs) signed with other countries.

Example 43

Innocent is hired by XYZ Business Ltd as a technical consultant on a short-term contract. Innocent's gross income for this contract is FRW 3,500,000. As the source of this income, XYZ Business Ltd must declare and pay withholding tax on this income of:

$$FRW 3,500,000 * 15\% = FRW 525,000$$

This FRW 525,000 is declared and paid to RRA by XYZ Business Ltd. Therefore, the net amount transmitted by XYZ Business Ltd to Innocent is:

$$FRW 3,500,000 - FRW 525,000 = FRW 2,975,000$$

The FRW 525,000 withholding tax was withheld by XYZ Business Ltd on behalf of Innocent. Therefore, Innocent can claim back this amount in Income Tax declarations.

What are ‘performance payment’?

Performance payments are subject to withholding tax of 15%. Performance payments includes payments of any kind made to an artist, musician or sportsperson for a performance in Rwanda. This is irrespective of whether the payments are made directly or through an entity that is not resident in Rwanda.

What are ‘payments for goods and services supplied by non-registered taxpayers’?

Payments of any kind for any goods and services supplied by non-registered taxpayers are subject to withholding tax of 15%. ‘Non-registered taxpayers’ refers to any individual or business without a unique Taxpayer Identification Number (TIN). This includes payments made for goods and services supplied by companies or individuals outside Rwanda that are not registered with RRA.

What are ‘gambling proceeds’?

Gambling proceeds won by the player during gaming activities are subject to withholding tax of 15%. Gambling proceeds are defined as the difference between the winnings of a player and the amount of money invested by the player from the start until the end of the game.

The declaration process for Withholding Tax of 25% on gambling proceeds is similar to Gaming Tax. Therefore, this is covered in the Gaming Taxes chapter on page 273.

When is the deadline to declare and pay Withholding Taxes?

Withholding taxes (WHT 15% and WHT 3%) are each declared and paid on a monthly basis. The declaration must be submitted and any tax paid within fifteen (15) days of the end of the tax period in which the payment was made. A separate declaration is required for each type of withholding tax (including the different types of income subject to Withholding 15%). Declarations are not required if no taxable payments were made during the tax period.

This means that declarations concerning the tax period between March 1st and March 31st must be declared to RRA and paid by April 15th. Then declarations concerning the tax period between April 1st and April 30th must be declared to RRA and paid by May 15th and so on throughout the year.

Can Withholding Taxes be claimed back in Income Tax?

Taxpayers may claim back Withholding taxes that have been withheld and paid on their behalf in Income Tax declarations, see page 133 for more details.

Declaring Withholding Taxes (WHT 15% and WHT 3%)

The declaration process for withholding taxes is similar to other domestic taxes, see the guide to Declaring Domestic Taxes using E-Tax on page 96 for more details.

Annexures

Firstly, download the Withholding Annexures from the E-Tax website, see page 96 for more detail on downloading annexures.

It is important to note that each type of withholding tax (including the different types of income subject to Withholding 15%) must complete their own annexure and declaration separately. The whole declaration process should be completed for each type of withholding tax before beginning the next type.

The Withholding Annexure file has three tabs. Only the 'Withholdings' Tab needs to be completed, validated and saved for withholding taxes, the other tabs are for Gaming Taxes, see page 273 for more details on Gaming Taxes. See page 98 if the taxpayer has any problems when validating annexures.

Withholdings Tab

This tab is applicable for any taxpayer who has withheld tax of 15% (except on gambling proceeds) or 3%.

The 'Withholdings' tab has 8 columns. Each row is for a separate transaction where tax has been withheld. For each transaction, enter details on:

- Withholdee's TIN – Enter the Taxpayer Identification Number (TIN) of the taxpayer receiving the income, from whom tax is being withheld and paid on their behalf. If they do not have a TIN, enter '999999999' (nine '9's).
- Withholdee's Name – Enter the name of the taxpayer receiving the income, from whom tax is being withheld and paid on their behalf.
- Invoice/Transaction Number - Enter the unique invoice number of the transaction.
- Date of Withholding (dd/mm/yyyy) – Enter the date of the transaction, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Nature of Goods/Services - Enter a brief description of the goods or services for which income is being withheld.
- Amount on which to Withhold – Enter the total amount of income which is subject to withholding tax, excluding other taxes.
- Rate Used – Enter the rate of tax withheld, without the percentage symbol. For example, withholding tax of 3% should be entered as '3'.

- Amount – Enter the amount of tax withheld. This should equal ‘Amount on Which to Withhold’ multiplied by ‘Rate Used’%.

Withholding Taxes declaration

Once the relevant annexures have been completed, validated and saved in the folder C:/RRA in the user’s local machine, the taxpayer can return to E-Tax to complete the declaration, see page 102 for more detail on selecting the relevant declaration.

However, as previously mentioned it is important to note that each type of withholding tax, including the different types of income subject to withholding 15%, must be declared separately.

In addition, it is important to select the correct type of withholding tax, with the different types of income subject to WHT 15% listed as ‘WOP – INTEREST’, ‘WOP – DIVIDEND’ and so on. Withholding tax of 15% on payments for goods and services supplied by non-registered taxpayers is listed as ‘WOP – SERVICES’. Finally, WHT 3% is listed as ‘WOP – PUBLIC SUPPLIES’. WOP refers to ‘Withholding On Payments’.

The withholding taxes declaration forms require similar data to the annexures that have previously been completed. The important distinction is that in the withholding taxes declaration forms, the total combined values for all transactions for the withholding type during that tax period must be entered. Once all relevant white

Withholding Taxes (WHT 15% and WHT 3%)

boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

Example 44

An example WHT 15% declaration form is entered below. This is a withholding tax of 15% on dividends. The WHT 15% due for this taxpayer in this tax period is FRW 877,500.

WITHHOLD TAX ON DIVIDEND			
TIN:		Business Name:	
Tax Period:	01-Sep-2015 to 30-Sep-2015	Due Date:	15-Oct-2015
		DOCNO:	40711444
		Month:	September
5 - Number of payment to taxpayers			6
10 - Total of payments			5,850,000
15 - Withholding on Payment to pay(L10 * 15%)			877,500
Details Saved			save
Continue with Upload Annexures >		Submit without Annexures	
< Back To Documents			

After saving the declaration form, upload the annexures and then compare with the declaration form, see page 106 for more detail on uploading annexures and comparing with declarations.

Example 45

Continuing the example of the WHT 15% declaration above, the comparison between this WHT 15% declaration and the uploaded annexures is shown below. As all the comparison values are equal, the declaration can be certified and submitted.

Withholding Taxes (WHT 15% and WHT 3%)

Upload Annexures

TIN:	Business Name:	CentreName: KICUKIRO TC							
Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Type	Status
1.	40711444	WOP-DIVIDEND	01-Sep-2015 to 30-Sep-2015	NA	September	2015	15-Oct-2015	Original	In Progress

WithHoldings

Comparison between Declaration and Annexures


Taxable Payment	5850000	Amount on which to WithHold(Col:F in WithHoldings Excel Annexure)	5850000
WithHoldings on Payment to Pay	877500	Amount on which to WithHeld(Col:H in WithHoldings Excel Annexure)	877500

Certification:

I certify that the entries on this declaration are true and correct.
I understand that a false declaration may result in prosecution.

I ACCEPT

Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.

 **Declaration has been accepted. Please View the Acknowledgement Receipt**

Click ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Who must pay withholding taxes penalties and fines?

Any penalties and fines are the liability of the ‘withholding agent’, where the withholding agent is

defined as the source of the taxable income who is required to declare and pay the withholding tax.

What if the withholding agent fails to withhold tax?

A withholding agent who fails to withhold tax at the point of transaction, is still liable to declare and pay the withholding tax, including any penalties and fines.

However, the withholding agent is entitled to recover the principal amount from the recipient of the income.

Gaming Taxes

Explanation of Gaming Taxes

What are Gaming Taxes?

Gaming taxes includes Gaming Tax and Withholding Tax of 25% on Gambling Proceeds, also referred to as Withholding on Payments (WOP) on Gaming or ‘WOP-Gaming’. These taxes are applied on the proceeds of gambling activities and can therefore help to reduce the negative social impacts associated with gambling.

What are the differences between Gaming Tax and WOP-Gaming?

These tax types are both types of withholding taxes. In both cases, they are withheld and paid by the betting company, referred to as the taxpayer. However, Gaming Tax is paid by the taxpayer on their income from gaming activities, whilst WOP-Gaming is withheld on behalf of the player on the player’s gambling proceeds. In each case, the taxpayer or player who is withheld from is then able to claim the tax paid back in income declarations.

There is also a difference in the rates and thresholds of Gaming Tax and WOP-Gaming, see page 274 for details.

Who must register for Gaming Taxes?

Any operator of gaming activities is required to register for both Gaming Tax and WOP-Gaming.

Gaming activities refers to any game played with cards, dices, tickets, equipment or any machine where the result

depends upon the skill of the player or operator, the element of chance, or both, and is played for money or any representative of value. However, national lottery is exempted from Gaming tax and WOP-Gaming.

What are ‘gambling proceeds’?

Gambling proceeds are defined as the difference between the winnings of a player and the amount of money invested by the player from the start until the end of the game.

If this amount is negative, i.e., the taxpayer received more money than they paid out, then the gambling proceeds are subject to Gaming Tax.

If this amount is positive, i.e., the player received more money than they paid out, then the gambling proceeds are subject to WOP-Gaming.

What is the rate of Gaming Tax?

All gambling proceeds to the taxpayer are subject to Gaming Tax of 40%.

Example 46

Rukundo places a bet of FRW 24,000 with ABC Betting Ltd. He loses the bet. Therefore, his gambling proceeds are equal to:

FRW 0 (winnings) – FRW 24,000 (amount invested) = FRW -24,000

As the gambling proceeds are negative, the taxpayer is required to declare and pay Gaming Tax. ABC Betting Ltd is required to pay Gaming Tax of:

$$FRW 24,000 * 40\% = FRW 9,600$$

This FRW 9,600 is declared and paid by ABC Betting Ltd. ABC Betting Ltd.

What is the rate of WOP-Gaming?

Gambling proceeds are subject to WOP-Gaming of 25%. This means that all the gambling proceeds are taxed at 25%.

Example 47

Lucie cashes in FRW 160,000 with Rwanda Casinos Ltd. She plays blackjack and cashes out FRW 280,000 (including her initial buy-in). Therefore, her gambling proceeds are equal to:

$$FRW 280,000 - FRW 160,000 = FRW 120,000$$

As the gambling proceeds are positive, the taxpayer is required to declare and pay WOP-Gaming. Rwanda Casinos Ltd is required to withhold WOP-Gaming of:

$$FRW 120,000 * 25\% = FRW 30,000$$

Therefore, the net amount that is transmitted by Rwanda Casinos Ltd to Lucie is:

$$FRW 280,000 - FRW 30,000 = FRW 250,000$$

The FRW 30,000 WOP-Gaming was withheld by Rwanda Casinos Ltd on behalf of Lucie.

When is the deadline to declare and pay Gaming Taxes?

Both Gaming Tax and WOP-Gaming are declared and paid on a monthly basis. The declaration must be submitted and any tax paid within fifteen (15) days of the end of the tax period in which the payment was made.

This means that declarations concerning the tax period between March 1st and March 31st must be declared to RRA and paid by April 15th. Then declarations concerning the tax period between April 1st and April 30th must be declared to RRA and paid by May 15th and so on throughout the year.

Declaring Gaming Taxes

Gaming Tax (40%) and Withholding Tax of 25% on Gambling Proceeds (WOP-Gaming) must each be declared separately, but in a similar manner.

The declaration process for gaming taxes is similar to other domestic taxes, see the guide to Declaring Domestic Taxes using E-Tax on page 96 for more details.

Annexures

Firstly, for both types of gaming taxes, download the Withholding Annexures from the E-Tax website, see page 96 for more detail on downloading annexures.

However, it is important to note that both Gaming Tax and WOP-Gaming must complete their own annexure and declaration separately.

Withholding on Gaming 25% Tab

This tab refers to the Gaming Tax and is applicable to any transaction or game where the gambling proceeds are negative, i.e. where the betting company wins.

The 'Withholding on Gaming 25%' tab has 10 columns. Each row is for a separate transaction or game for which tax has been paid. For each transaction, enter details on:

- Withholdee's Name - Enter the name of the player who lost the money.
- Betting Number by Withholdees – Enter the number of individual bets made during the course of the game.
- Transaction Number – Enter the unique invoice number of the transaction.
- Date of Withholding (dd/mm/yyyy) – Enter the date of the transaction, which must be entered in the format of dd/mm/yyyy such that 10th April 2017 is entered as 10/04/2017. Any other date format will not be accepted.
- Nature of Bet – Enter a brief description of the type of bet, e.g 'Casino', 'Slots', or 'Sports Betting'.
- Total Output – Enter the total amount won by the betting company.
- Total Input – Enter the total amount wagered by the betting company.

- Difference Subjected to Tax – Enter the gambling proceeds as defined on page 265. This should equal ‘Total Output minus ‘Total Input’.
- Rate Used – Enter the rate of tax that is withheld. This should always be entered on ‘40’ without including the percentage symbol.
- Tax Due – Enter the amount of tax that was withheld. This should equal ‘Difference Subjected to Tax’ multiplied the ‘Rate Used’%.

Withholding on Gaming 25% Tab

This tab refers to the WOP-Gaming and is applicable to any taxpayer who has paid out gambling proceeds to the player in a transaction or game.

The ‘Withholding on Gaming 25%’ tab is very similar to the ‘Withholding on Gaming 40%’ tab discussed above, with the exception of:

- Total Payment Received – Enter the total winnings of the player.
- Total Amount Betted – Enter the total amount wagered by the player.
- Rate Used – Enter the rate of Withholding Tax. This should always be entered as ‘25’ without including the percentage symbol.
- Tax Due – Enter the amount of tax that was withheld. This should equal (‘Total Payment Received’ minus ‘Total Amount Betted’) multiplied ‘Rate Used’%.

Gaming Taxes declaration

Once both the relevant annexures have been completed, validated and saved in the folder C:/RRA in the user's local machine, the taxpayer can return to E-Tax to complete the declarations, see page 102 for more detail on selecting the relevant declarations.

The withholding taxes or gaming tax declaration forms require similar data to the annexures that have previously been completed. The important distinction is that in the withholding taxes or gaming tax declaration forms, the total combined values for all transactions during that tax period must be entered. Once all relevant white boxes have been entered, click 'save' to calculate the grey boxes automatically.

Example 48

*A player, Mucyo, placed a bet of FRW 20,000 on a football game and lost. The company, Y, with which Mucyo placed the bet, is required to pay a gaming tax of $FRW 20,000 * 40\% = FRW 8,000$.*

After saving the declaration form, upload the annexures and then compare with the declaration form, see page 106 for more detail on uploading annexures and comparing with declarations.

Once all the annexures and declaration values are equal, correct and certified, click to 'Submit' the declaration. After successfully submitting, this screen will load.



Declaration has been accepted. Please View the Acknowledgement Receipt

[View Acknowledgement Receipt](#)

[← Back To Documents](#)

[← Epayment](#)

Click ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

After submitting the Gaming Tax declaration and viewing the acknowledgement receipt, repeat the above process for WOP-Gaming.

Example 49

*A player, Mucyo, placed a bet of FRW 40,000 on a football game and won at odds of 1.6. The company, Y, with which Mucyo placed the bet, is required to pay Mucyo the winning amount of $FRW 40,000 * 1.6 = FRW 64,000$, minus the Winnings of Players (WOP) gaming tax. The WOP tax is calculated on the profit portion, i.e., $(FRW 64,000 - FRW 40,000) * 25\% = FRW 6,000$. Therefore, Y shall remit $FRW 59,000$ (i.e., $FRW 64,000 - FRW 6,000$) to Mucyo and $FRW 6,000$ to the tax administration as WOP gaming tax.*

Gaming Taxes Penalties and Fines

The penalties and fines for gaming taxes are similar to other domestic taxes, as explained on page 110. This includes penalties and fines for:

- Late declaration
- Late payment
- Declaring less than the correct tax due
- Paying less than the tax due declared

The rules concerning interest, administrative fines and repeat offenders are also as explained on page 117.

The additional penalties and fines applicable to Gaming Taxes are the same as those concerning other types of withholding taxes, see page 110 for more details.

It is important to note that these penalties apply separately to both Gaming Tax and Withholding Tax of 25% on Gambling Proceeds. Failure to declare or pay any one tax type will result in penalties and fines applying to only that particular tax type. Failure to declare or pay both tax types will result in penalties and fines applying to both tax types.

Mining Royalty Tax

Explanation of Mining Royalty Tax

What is Mining Royalty Tax?

Mining Royalty Tax is a tax withheld from local mining operators by either a domestic mineral processing facility or an individual/entity exporting minerals from Rwanda. Tax on Minerals ensures that all Rwandans share in the benefits from the country's natural resources when these are taken out of Rwanda.

Mining Royalty Tax is a type of withholding tax but cannot be claimed back in Income Tax declarations.

Who must register for Mining Royalty Tax?

Any taxpayer who qualifies to be a local mineral processing facility or a person who exports minerals from Rwanda must register for Mining Royalty Tax. However, if the miner and the exporter constitute the same operator, this person pays both the Mining Royalty Tax and Export Tax at the time of export.

It is important to note that all mining companies operating in Rwanda are required to have valid issued by Rwanda Mines, Petroleum and Gas Board (RMB).

What if the minerals are not exported?

A taxpayer who buys minerals domestically within Rwanda has to pay Mining Royalty Tax.

What are the different types of minerals?

For the purposes of Mining Royalty Tax, RRA considers six different types of minerals:

- Category of Base metals
- Category of Gemstones
- Category of Platinum group metals
- Category of Rare earth elements
- Category of Energy minerals
- Category of Gold

What is the valuation method of Mining Royalty Tax?

There are two types of valuation method for Mining Royalty Tax: norm value and gross value.

Norm value means the value of minerals on the international market as at the date of grant to the dealer in minerals of a certificate for the sale of such minerals, excluding processing costs approved by the competent authority.

Gross Value means the value of minerals before deducting expenses associated with the processing thereof in a local mineral processing facility.

What is the rate of Mining Royalty Tax?

The rates of Mining Royalty Tax depend upon the type of minerals:

- 3% of the norm value for the mineral category of base metals;
- 2% of the gross value for the category of gemstones;

- 2% of the norm value for the category of platinum group metals;
- 2% of the norm value for the category of rare earth elements;
- 3% of the norm value for the category of energy minerals;
- 0.5% of the norm value for the category of gold.

Example 50

ABC Mining Ltd exported 340kg of a product falling in base metals. The value of minerals on the international market is equivalent to FRW 16,000 per kg. Therefore, the norm value is:

$$340 \text{ kg} * \text{FRW } 16,000 \text{ per kg} = \text{FRW } 5,440,000$$

The tax rate for base metals is 3% of the norm value. Therefore, the Mining Royalty Tax due is:

$$\text{FRW } 5,440,000 * 3\% = \text{FRW } 163,200.$$

Example 51

XYZ Mining Ltd is selling 50kg of a product falling in gemstones category on local market. The gross value is calculated at FRW 4,200,000. The tax rate for gemstones category is 2% of the gross value. Therefore, the Mining Royalty Tax Due is:

$$\text{FRW } 4,200,000 * 2\% = \text{FRW } 84,000$$

When is the deadline to declare and pay Mining Royalty Tax?

Mining Royalty Tax are declared and paid on a monthly basis. A taxpayer declares and pays any mining royalty tax that he or she has withheld within 15 days following the month in which the tax was withheld.

What are the contact details for the Rwanda Mines, Petroleum and Gas Board?

The Rwanda Mines, Petroleum and Gas board is charged with implementing national policies, laws, and strategies related to mines, petroleum and gas.

Rwanda Mines, Petroleum and Gas Board (RMB)

KN 7 Ave, Nyarugenge, Kigali, Rwanda

P.O Box 937

Tel (Local): 2930

Tel (International): +250 788 386 220

Email: info@rmb.gov.rw

Declaring Mining Royalty Tax

The declaration process for Mining Royalty Tax is similar to other domestic taxes, see the guide to Declaring Domestic Taxes using E-Tax on page 96 for more details.

Annexures

The next step requires the taxpayer to download WOP Mining Royalty Annexure from Withholding menu in E-Tax, see page 96 for more detail on downloading annexures.

The WOP Mining Royalty Annexure file has one tab that must be completed, validated and saved. See page 98 if the taxpayer has any problems when validating annexures.

WOP Mining Royalty Annexure Tab

The 'WOP Mining Royalty Annexure' tab has 6 columns. Each row is for a separate type of mineral, and should contain all the aggregated data for that type of mineral during the tax period. For each type of mineral, enter details on:

- Product of MINERALS – Select mineral category.
- Quantity Purchased (in kg) – Enter the total mass of that type of mineral being purchased, in kilograms.
- Gross Value – Enter the total gross value of the mineral being purchased. This column is only required for gemstones category.

- Norm Value – Enter the total norm value of the mineral being purchased. This column is only required for other categories excluding gemstones.
- Tax rate – Enter the tax rate corresponding to the specified mineral category.
- Tax Due – Enter the amount of Mining Royalty Tax to be paid. This should equal ‘Gross Value’ or ‘Norm Value’ multiplied by completed ‘Tax Rate’ column, depending upon the type of mineral being purchased.

Mining Royalty Tax Declaration

After the applicable WOP Mining Royalty Annexure has been completed, validated and saved in the folder C:/RRA in the user’s local machine, the taxpayer can return to E-Tax to complete the Mining Royalty Tax declaration, see page 102 for more detail on selecting the relevant declaration.

The declaration form requires similar data to the WOP Mining Royalty Tax annexure that has previously been completed. Once all relevant white boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

Example 52

An example of Mining Royalty Tax declaration form is entered below. The tax due for this taxpayer in this tax period is FRW 135,000.

• Details Saved

WOP-MINING ROYALTY TAX

TIN / RSSB Number: [REDACTED] Business Name: [REDACTED]
 Contribution Period: 01-Jul-2024 to 31-Jul-2024 Due Date: 16-Aug-2024 Month: July

5 - Base metals/ m taux de base	0
10 - Gemstones/ pierres gemmes	6,750,000
15 - Platinum group metals/ m taux du groupe de platine	0
20 - Rare earth elements/ l ments de terres rares	0
25 - Energy minerals/ minerais nerg tiques	0
30 - Gold/Or	0
35 - Total tax due (Being 3% of amount on line 5 + 2% of amount on line 10 + 2% of amount on line 15 + 2% of amount on line 20 + 3% of amount on line 25 + 0.5% of amount on line 30)	135,000

[save](#)

[Continue with Upload Annexures >](#)
[Submit without Annexures >](#)
[Back to Documents](#)

After saving the declaration form, upload the WOP Mining Royalty Tax annexure and then compare with the declaration form, see page 106 for more detail on uploading annexures and comparing with declaration forms.

Example 53

Continuing the example of the Mining Royalty Tax declaration form above, the comparison between this declaration form and the uploaded annexures is shown below. As all the comparison values are equal, the

declaration can be certified and submitted.

Annexure Uploaded Successfully..

Upload Annexures

TIN: [REDACTED] Business Name: A [REDACTED] CentreName: K [REDACTED] C

Sl. No.	Document No.	Tax Type Description	Tax Period	Decade	Month	Year	Due Date	Type	Status
1.	63237924	WOP-MINING ROYALTY TAX	01-Jul-2024 to 31-Jul-2024	NA	July	2024	16-Aug-2024	Original	In Progress

WithHoldings [REDACTED] Upload [REDACTED] View [REDACTED] Delete [REDACTED]

[Compare with Declaration](#)
[Back To Documents](#)

Comparison between Declaration and Annexures

calc: Total tax due (Being 3% of amount on line 5 + 2% of amount on line 10 + 2% of amount on line 15 + 2% of amount on line 20 + 3% of amount on line 25 + 0.5% of amount on line 30) (Col:35 in declaration)	135000	TAX_DUE Total (Col:TAX_DUE in Excel Annexure)	135000
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[Modify Declaration](#)

Certification:

I certify that the entries on this declaration are true and correct.
I understand that a false declaration may result in prosecution.

I ACCEPT [Submit](#)

Once all the annexures and declaration values are equal, correct and certified, click to ‘Submit’ the declaration. After successfully submitting, this screen will load.


Declaration has been accepted. Please View the Acknowledgement Receipt

[View Acknowledgement Receipt](#)
[Back To Documents](#)
[Epayment](#)

Click ‘View Acknowledgement Receipt’ to view the RRA reference number and the total tax due that are required for payment. See page 415 for more details on paying taxes. Remember that payment must also be made before the deadline to avoid penalties and fines.

Capital Gains Tax

Explanation of Capital Gains Tax

What is Capital Gains Tax?

Capital Gains Tax applies to the profit from the sale or transfer of shares, licenses, debt instruments, options, guarantees and similar assets.

Capital Gains Tax ensures that shareholders pay tax on the income gained at the point of sale of these assets.

Who must register for Capital Gains Tax?

The tax on profit from the sale of shares is withheld, declared and paid by the company whose shares were sold.

What is the tax rate of Capital Gains Tax?

The tax rate of Capital Gains Tax is 10%. This is charged on the basis of the profit from the sale of shares, licenses, debt instruments, options, guarantees and similar assets where profit equals sale price minus purchase price.

When is the deadline to declare and pay Capital Gains Tax?

Capital Gains tax must be declared and paid by the 15th of the month after the transaction was made.

However, as Capital Gains Tax is declared on a case-by-case basis, companies do not have to wait for the deadline to declare and pay. It is recommended to declare and pay

Capital Gains Tax as soon as possible after making the transaction.

Declaring Capital Gains Tax

The declaration process for Capital Gains Tax is the same as for other Withholding Taxes as explained on page 267. The 'Withholdings' tab of the Withholding annexure must be completed, validated and saved as normal.

The Capital Gains declaration form is selected by choosing 'WOP – CAPITAL GAINS'. Complete the declaration form, upload the annexure and submit the declaration as normal.

In the withholding taxes declaration forms, the total combined values for all transactions for the withholding type during that tax period must be entered. Once all relevant white boxes have been entered, click 'save' to calculate the grey boxes automatically.

Example 54

*A share sold at FRW 150,000 was acquired at FRW 140,000. This attracts a withholding tax of 10% on the increase in value of share sold (FRW 150,000- FRW 140,000) *10%. The Capital Gains Tax due for the transaction in this tax period is FRW 1,000.*

Road Maintenance Levy

Explanation of Road Maintenance Levy

What is Road Maintenance Levy Tax?

Road Maintenance Levy is a tax imposed on petrol, gas oil, and motor vehicles to fund road maintenance. The levy on petrol and gas oil is collected at the customs point.

The levy on new or already registered motor vehicles is declared and paid annually to the Domestic Taxes Department, no later than **31st December** of each year.

Who must register for Road Maintenance Levy?

There is no registration process for the Road Maintenance Levy. Simply possessing a taxable vehicle automatically makes it subject to this tax.

What is the tax rate for the Road Maintenance Levy?

Category	Levy Amount (FRW)
Car	50,000
Jeep	50,000
Pick-up	100,000
Microbus	100,000
Minibus	100,000
Bus	100,000
Truck	120,000

Half-trailer	120,000
Trailer	150,000

What are the exemptions for the Road Maintenance Levy?

- Motor vehicles of the Government of Rwanda;
- Motor vehicles of high commissions, embassies and diplomats accredited to Rwanda;
- Motor vehicles of international organizations having signed an agreement with the Republic of Rwanda.

How can one apply for an exemption from the Road Maintenance Levy?

- Login in to your E-Tax account
- Navigate to Online requests
- Online requests
- Under request type select Exemption for moto vehicle road levy
- Click view.
- Select category of exemption:
 - o Government,
 - o High Commissions,
 - o Embassies and diplomats accredited to Rwanda,
 - o International organizations

- Submit exemption and wait for approval notification

Declaring Road Maintenance Levy

Road Maintenance Levy can be declared using one of the following means of declaration:

Through E-tax:

- Login in to your E-Tax account
- Navigate to Motor Vehicle
- MVDeclaration
- Click MV- Road levy Declaration
- Select the year
- Choose Undeclared vehicles for declaration (Declared vehicles is for review of declared MV)
- Select ALL or one by one or a batch of MV that share the payment (One single RRA ref Number shall be produced for selected MV)
- Click the “declare selected vehicles” button
- Click on “Acknowledgment receipt”
- Use doc ID on the acknowledgment receipt to pay the tax due

Through M-declaration:

- Dial *800#
- Choose 1 for English or Choose 2 for Kinyarwanda
- Choose 1 for Motor cycles/vehicles
- Chose 1 for Declaration

- Choose 2 for Road Levy
- Chose 1 for Declaration
- Enter TIN as per MV registration card
- Select year
- Enter Motor Plate Number as per MV registration card
- Enter 2 and Submit
- Enter 1 to confirm your details
- View and use the doc ID to pay the tax due

Through RRA Website

- Visit www.rra.gov.rw
- Click on declare Motor Vehicle levy for road maintenance
- Fill NID and Phone number for nationals or Passport and email for foreigners
- Enter received OTP (via SMS/Email)
- Enter TIN
- Enter Plate number
- Verify Information
- Select year
- Click the “submit declaration” button
- Click on “Acknowledgment receipt”
- Use doc ID on the acknowledgment receipt to pay the tax due.

Tourism Tax

Explanation of Tourism Tax

What is Tourism Tax?

Tourism Tax is a levy paid on accommodation service, which consists of providing a room or place to sleep or rest.

Who must register for Tourism Tax?

A provider of room or place to sleep or rest has the following obligations:

- to register for the tourism tax on accommodation with the Tax Administration;
- to charge the tourism tax on accommodation;
- to remit the tourism tax on accommodation to the Tax Administration within the time period provided for by the Law.

What is the tax rate for Tourism Tax?

The rate of the tourism tax on accommodation is set at 3% of the amount paid or payable for accommodation, exclusive of value added tax.

Tourism Tax Tab

This tab is applicable for any taxpayer who provides accommodation services.

The 'Tourism' tab has 16 columns. Each row is for a separate accommodation transaction. For each transaction, enter details on:

- Property type - On the list of value, select the business type (Hotel, Motel, etc).
- Room type – Based on selected property type, select the corresponding room type from the list of value (Single room, double room, etc).
- Client name or Code – Indicate the client’s name or client code as per internal procedures.
- Room number – Indicate the room number according to the internal room numbering approach.
- Booking date (DD/MM/YYYY) – Enter the booking date.
- Check-in (DD/MM/YYYY) – Enter the check-in date.
- Check-out (DD/MM/YYYY) – Enter the exit date.
- Nationality – Enter the client’s nationality.
- Country of residence – Enter the client’s country of residence.
- Invoice No (SDCID/RECEIPT NUMBER) – Enter the invoice number (E.g: SDC004002498/6795).
- Day(s) spent in room I = (calculated based on (F&G) – Enter the number of days spent in the room.
- Room price/ per night - Enter the price charged on accommodation services.
- Invoice amount without VAT – Enter the amount as per EBM invoice net-off VAT.

- Accommodation amount (VAT excl.) – Enter the amount on invoice charged on accommodation services net-off VAT.
- Tax due $O=(N*3/103)$ – Enter the amount of tourism tax calculated on ‘Accommodation amount (VAT excl.)’

Declaring Tourism Tax

The declaration process for Tourism Tax is the same as for other Taxes as explained on page 267. The ‘Tourism’ tab must be completed, validated and saved as normal.

The Tourism Tax declaration form is selected by choosing ‘Tourism Tax’. Complete the declaration form, upload the annexure and submit the declaration as normal.

In the declaration forms, the total combined values for all transactions for the Tourism Tax type during that tax period must be entered. Once all relevant white boxes have been entered, click ‘save’ to calculate the grey boxes automatically.

However, in contrary to other domestic taxes, the taxpayer offering accommodation services has to register the property type. This is done using the following steps:

- Go to E-Tax portal and login
- Go to Update details
- Click on Tourism property
- Select Tourism Property from the list of value
- Select Property Type
- Select Room type

- Fill Number of rooms
- Tick Ownership
- Click the "Add Property" button to submit the updated tourism property details

Example 55

An example of Tourism Tax computation: A client paid FRW 50,000 VAT inclusive for accommodation service. What is the Tourism Tax to be remitted to the Tax Administration?

<i>Amount paid by the client:</i>	<i>50,000</i>
<i>VAT (50,000*18/118):</i>	<i><u>(7,127)</u></i>
<i>Selling price (Excluding VAT):</i>	<i>42,373</i>
<i>Tourism Tax (42,373*3/103):</i>	<i><u>(1,234)</u></i>
<i>Net for service provider:</i>	<i>41,139</i>

Taxes and Fees levied by Decentralised Entities

Introduction to taxes and fees levied by decentralised entities

What are Local Government Taxes?

Taxes and fees levied by decentralised entities commonly known as Local Government Taxes (LGT) and fees are revenues collected by RRA on behalf of the district authorities. Decentralised entities ensure that landowners, landlords and business owners contribute towards the good governance and improvement of their local communities. In addition, decentralised entities ensure that taxpayers occupying public areas, or taxpayers requiring certain services, pay fair and consistent fees wherever they are in the country.

Combined, taxes and fees levied by decentralised entities provide revenues for local government to deliver valuable community development and social protection projects.

There are three types of taxes levied by decentralised entities:

- Immovable Property Tax, see page 303 for details.
- Trading License Tax, see page 314 for details.
- Rental Income Tax, see page 321 for details.

There are also a wide range of decentralised entities fees. These can be for taxpayers who conduct profit-oriented activities or who require services or authorisations from

District Offices. See page 326 for details of decentralised entities fees.

The process of declaring each type of taxes and fees for decentralised entities on the LGT system is explained on page 338.

What is the relationship between RRA and the Districts?

The mandate for collecting taxes and fees levied by decentralised entities was transferred from the district authorities themselves to RRA in 2014. Within RRA, taxes and fees levied by decentralised entities are administered by the Provincial and Decentralized Revenues Division. The mandate was changed because of the greater experience and capacity of RRA in collecting revenues, facilitating taxpayers and modernising processes, which means that taxes and fees levied by decentralised entities can be collected more fairly and efficiently by RRA than by the districts themselves. The collected revenues are directly paid to the corresponding Districts bank account.

How do taxpayers declare taxes and fees levied by decentralised entities?

Taxpayers must declare taxes and fees levied by decentralised entities using the Rwanda Automated Local Government Taxes Management System, referred to as the LGT system. This can be done online. For more details on taxes and fees levied by decentralised entities contact

RRA-tax centres, see page 334.or decentralised entity offices.

Some taxes and fees levied by decentralised entities can also be declared using M-declaration – see page 350.

This Tax Handbook aims to provide all the information necessary for taxpayers to be able declare online or using M-declaration.

What are the advantages of declaring online using the LGT system or using M-declaration?

The LGT system has been designed with taxpayers in mind to make it as easy as possible to declare the required taxes and fees. The advantages of declaring online using the LGT system or using M-declaration are:

- Declare taxes anytime, from anywhere.
- Avoid travel costs of visiting RRA offices.
- Avoid queuing times at RRA offices.

How do taxpayers register and login to the LGT system?

Taxpayers must visit an RRA office to register with the LGT system. After registering, declarations of taxes and fees levied by decentralised entities and fees can be done online, or with the help of staff at RRA offices. See page 338 for more details.

Immovable Property Tax

What is the Immovable Property Tax?

Immovable Property Tax is a tax levied on the market value of a building and the surface of a plot of land. The land and buildings are referred to as the 'Immovable Property'. In order to facilitate taxpayers, the market value of the building only needs to be assessed every five years, unless major changes in the building and structures occur.

Who is subject to the Immovable Property Tax?

The immovable property tax is declared and paid by:

- the owner, the usufructuary or any other person considered to be the owner.
- The proxy of an owner who lives abroad;

The tax liability on immovable property is not terminated or deferred if the owner of immovable property has disappeared without leaving behind a proxy or other person to manage the immovable property on his or her behalf. If any land or properties is owned by more than one co-owner, the co-owners shall appoint and authorise one owner or any other person as a proxy to represent them collectively as a group of taxpayers.

If co-owners of immovable property did not appoint a co-owner or a proxy to represent them collectively as a group of taxpayers, the tax obligations related to the immovable property are settled in accordance with laws regulating co-owned property.

What is the tax base of the Immovable Property Tax?

The tax base of the immovable property is:

- The market value of a building and related plot;
- The surface of land designated for construction but without any construction; the surface of land not designated for residential use;
- The surface of a plot of land with a building exempted from immovable property tax.

However, if the immovable property consists of a plot of land, a building and its improvements, the tax on immovable property is calculated on the market value of both the building and the related plot of land if the two are subject to tax.

What is the taxable value of the Immovable Property?

If there is no building on a plot of land, the tax is calculated on each square metre of the whole surface of the plot of land. If there is a building on a plot of land, the tax is calculated on each square metre of the whole surface of the plot of land and the market value of the building.

How is the building being valued?

The valuation of a building and its improvements must be carried out by a certified valuer of the Institute of Real Property Valuers in Rwanda (IRPV) or by a computerised mass valuation system. The approved list of valuers is displayed on the IRPV website at: <https://www.irpv.rw/> or call on +250 (0)788 788 122 / +250 783 177 760.

However, if the taxpayer presents supporting documents to the RRA, the acquisition value or the construction value of a building can be used until valuation by a certified valuer or by computerised mass valuation system is effective. The purchase price is considered to be the market value if all of the following three conditions are fulfilled:

- The immovable property was bought within the previous five years in the free market
- The property value has not changed by more than twenty percent (20%) since the acquisition
- The acquisition contract is presented to the RRA

When must the Immovable Property be valued?

The market value of each immovable property is required to be valued on the basis of a five-year cycle.

The first valuation of the immovable property is 1st January of the first taxable year. Unless significant changes to the value of the property occur, no subsequent valuations are required within the five-year assessment cycle. At the beginning of each five-year assessment cycle, the market value of the building is revised.

What happens during the five-year assessment cycle?

Although valuation generally only takes place once in the five-year assessment cycle, declaration and payment must be made every year.

This five-year cycle can be disturbed if, due to major changes in the building and structures, the value of the

immovable property increases or decreases by more than 20% within an assessment cycle.

If the RRA believes that a taxpayer's self-assessment on the value of the building is undervalued, it will proceed to a counter-valuation. The value from the counter-valuation will be considered as the final market value only if the difference between the taxpayer's self-assessment and RRA's counter-valuation is more than 20%.

What are the exemptions for Immovable Property Tax?

The following immovable properties are exempted from the immovable property tax:

- One building intended by the owner to be occupied as his or her dwelling and its annex buildings located in a residential plot for one family. That building remains considered as his or her dwelling even when he/she does not occupy it for various reasons;
- Immovable property determined by the district Council or the Council of the City of Kigali as owned by vulnerable persons;
- Immovable property owned by the State, decentralized entities and public institutions, except if they are used for profit-making activities or for leasing;
- Immovable property belonging to foreign diplomatic missions in Rwanda if their countries

do not levy tax on immovable property of Rwanda's diplomatic missions;

- Land used for agricultural, livestock or forestry activities whose area is equal to or less than two hectares;
- Land reserved for construction of residential houses but where no basic infrastructure has been erected;
- Plot of land on which a condominium is built or meant for construction of a condominium.

Example 56

Amahoro is a farmer and lives in a small house on her 30,000m² farm. As the land usage is agricultural, the first 20,000m² of land is exempted. Therefore, Amahoro is only required to pay the Immovable Property Tax on the remaining 10,000m² of land.

Example 57

As Musafiri intends to live with his family on his residential property, the building component is not subject to property tax. Therefore, Musafiri is only required to pay tax for the plot of land.

What is the tax rate on immovable property?

The tax rate on immovable property is determined as follows:

- zero to FRW 80 per square meter of the surface of land

- 0.5% of the market value of both the building and related plot of land for residential use;
- 0.3% of the market value of both building and related plot of land for commercial use;
- 0.1% of the market value of both the building and related plot of land for industrial use, building and plot belonging to micro-enterprises and small business.

However, special consideration is given to the following:

- a plot and a building for residential use of three floors are taxed at the rate of 0.25% of their market value;
- a plot and a building for residential use with more than three floors are taxed at the rate of 0.1% of their market value;
- in determining the taxable value of a commercial or industrial building, machinery and other equipment attached to the building are not considered.

Example 58

In the year 2024, Amahoro owns two residential buildings. Both buildings are located in Isange village where the land tax rate is FRW 80 per square meter. Each building is valued at FRW 10,000,000 and constructed on a plot of 400 Square meters. Each plot is valued at FRW 3,000,000. Amahoro and his family occupy the first house.

Using information above mentioned, let's us compute the tax to be paid by Amahoro.

Since the first house is exempted as the dwelling of the family, Immovable Property Tax is: $FRW 80 \times 400 = FRW 32,000$.

For the second owned property, the Immovable Property Tax is: $(FRW 10,000,000 + FRW 3,000,000) \times 0.5\% = FRW 65,000$

The total Immovable Property Tax to be paid by Amahoro in 2024 is: $FRW 32,000 + FRW 65,000 = FRW 97,000$.

Suppose the second property is a commercial building. Amahoro would pay: $FRW 32,000 + (FRW 10,000,000 + FRW 3,000,000) \times 0.3\% = FRW 71,000$

Example 59

Amahoro owns a residential building with three floors plus a basement floor. The building is valued at FRW 10,000,000. As Amahoro does not intend occupying the house with her family and the building has four floors, the tax due on the building in 2019 is:

$FRW 10,000,000 \times 0.25\% \times 50\%$ (reduction) = $FRW 12,500$

How is the land component valued?

The tax rate on the surface of plot of land is determined by the location of the land and the land use:

- FRW 0 – FRW 80 per square metre per year (set by the District Council).
- First 20,000 square metres are exempt if the land is used for agriculture or livestock activities.

Example 60

Amahoro owns a coffee farm, which is 30,000m² in size. As her land is used for agriculture, the first 20,000m² of land are exempted from Immovable Property Tax. Therefore, Amahoro is only required to pay the Immovable Property Tax on the remaining 10,000m² of land. As the District Council set the rate on agriculture at FRW 0.4 per square metre at her location, the tax due is on land is:

$$(30,000\text{m}^2 \text{ farm} - 20,000\text{m}^2 \text{ exempted}) * \text{FRW } 0.4 = 10,000\text{m}^2 \text{ taxable farm land} * \text{FRW } 0.4 = \text{FRW } 4,000$$

When is the deadline to declare and pay Immovable Property Tax?

Immovable Property Tax declaration is required and paid on an annual basis, for each immovable property. The tax period is the calendar year, from 1st January until 31st December. The deadline to declare and pay Immovable Property Tax by is 31st December of the same year.

However, in the event of changes in the value of the immovable property by more than 20% within an

assessment cycle, the taxpayer must submit a new tax declaration reflecting these value changes and pay it within one month.

Example 61

Nshuti owns a house with land liable to Immovable Property Tax. He must declare and pay his Immovable Property Tax for the tax period in 2023 – from 1st January 2023 until 31st December 2023 – by the deadline of 31st December 2023.

Given that there will be no substantial change in the value of his immovable property, his declaration of the year 2023 will also determine the tax to be paid on the building in the following year – which is in the same tax assessment cycle.

What happens if the Immovable Property changes ownership during the tax period?

If Immovable Property is purchased in a given tax period, the old owner must declare and pay the amount including the month of the ownership transfer. The new owner must declare and pay Immovable Property Tax for the remaining months.

No transfer of ownership of an immovable property can take place without all due taxes having been paid to RRA.

Example 62

The most recent valuation of Rukundo's immovable property implied that the Immovable Property Tax to be paid is FRW 60,000 per year. As Rukundo sells his plot to

Amahoro in August 2023, Rukundo needs to pay the Immovable Property Tax for eight months of 2023 before he can transfer the plot. Amahoro needs to pay the Immovable Property Tax for the remaining four months. The tax due in 2023 is as follows:

*Tax due of Rukundo: FRW 60,000 * 8/12 = FRW 40,000*

*Tax due of Amahoro: FRW 60,000 * 4/12 = FRW 20,000*

What are the rates for tax on sale of immovable property?

There is established a tax on sale of immovable property levied in accordance with the following rates and modalities:

- a rate of 2% is levied on the sale value of an immovable property for commercial use if the seller is a taxpayer registered for income tax
- a rate of 2.5% is levied on the sale value of an immovable property sold by a person not registered for income tax

This tax is levied on the balance of the sale value of the property after deduction of FRW 5,000,000 which is not subject to tax.

What is the tax period for a tax on sale of immovable property?

There is no specific tax period for a tax on sale of immovable property. This tax is due on transfer of a property between seller and buyer.

*Example 63: ABC Ltd, an income tax registered taxpayer sold a commercial building at FRW 60,000,000. The tax on sale of Immovable Property to be paid is $(FRW 60,000,000 - FRW 5,000,000) * 2\% = FRW 1,100,000$.*

*Example 71: Ihirwe, a resident of Gasabo district sold his residential building at FRW 10,000,000. The tax on sale of Immovable Property to be paid is $(FRW 10,000,000 - FRW 5,000,000) * 2.5\% = FRW 125,000$.*

Trading License Tax

What is Trading License Tax?

Trading License Tax, also informally known as ‘patent’, is a tax levied on business activities carried out in defined boundaries of decentralized entities.

Who must register for Trading License Tax?

Any person or business activities carried out in defined boundaries of decentralized entities in Rwanda is required to register for Trading License Tax. It is important to note that the Trading License Tax must be declared and paid regardless of whether the taxpayer actually makes a profit, as long as it is the intention to do so.

It is illegal to conduct business activities of any kind without a Trading License Tax certificate.

Exemptions from trading licence tax applies to:

- Non-commercial public institutions;
- Micro-enterprises and small businesses during the first two years following their establishment.

Example 64

Footie Fun Pub is established in 1 April 2023. As the pub is considered a small enterprise, it will be exempted from Trading License Tax

- from 1st April to 31st December 2023
- from 1st January to 31st December 2024
- from 1st January to 31st March 2025.

By 7th April 2025, Footie Fun Pub will need to declare and pay Trading License Tax for April to December 2025. The deadline for declaring and paying Trading License Tax for 2025 will be 31st March 2025.

How many times must Trading License Tax be paid by the same taxpayer?

If a taxpayer has a head office and branches in Districts, a trading license tax declaration is required for the head office as well as for each branch of his or her business activities basing on the turnover of the previous year for the head office and for each branch.

In case a branch does not have or cannot determine its turnover, the trading license tax is declared based on the turnover of the head office.

However, if all the branches are located in the same district as the head office, the taxpayer pays the trading license tax according to the turnover of the head office. If the branches are located in a district other than that of the head office, the trading license tax is unique and calculated basing on the turnover of the branch with the highest turnover.

This principle doesn't apply to motor vehicles, including motorcycles, and motorboats. If a taxpayer has multiple motor vehicles and motorboats used for profit-oriented activities, Trading License Tax must be paid for each.

On the other hand, if a taxpayer carries out multiple activities by the same company at the same premises,

Trading License Tax is only paid once for that premises. If a taxpayer carries out different business activities in different buildings, he/she files a trading license tax declaration for each business activity.

Example 6566

Lucie has a supermarket business. She has a warehouse where goods are kept, two shops in same district where goods are sold. Lucie does not have to declare and pay Trading License Tax for the warehouse, but is required to declare and pay a single Trading License Tax for both shops. In case the two shops are located in different districts, each shop shall pay a separate trading licence tax. This also applies if the two are carrying different activities either in same district or more than one district.

Assume that Lucie owns a truck facilitating delivery of goods:

If the truck is in Lucie's business financial statements, this truck doesn't pay trading licence tax. However, this truck pays trading licence tax if it is not in the financial statement.

What are the rates for Trading License Tax?

The Trading License Tax depends on the annual turnover as per the following table:

No	Turnover	Annual tax due/per quarter
1	50,000,000,000 and above	2,000,000/500,000

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2	From 25,000,000,000 to 50,000,000,000	1,500,000/375,000
3	From 1,000,000,000 to 25,000,000,000	1,000,000/250,000
4	From 200,000,000 to 1,000,000,000	500,000/125,000
5	From 20,000,000 to 200,000,000	280,000/70,000
6	From 12,000,000 to 20,000,000	160,000/40,000
7	From 7,000,000 to 12,000,000	120,000/30,000
8	From 2,000,000 to 7,000,000	100,000/25,000

There are also other profit-oriented activities with specified flat amount of trading licence tax as per the following table:

No	Activities	Amount to be paid
1	Profit-oriented activities not registered on income tax, in urban zone.	60,000/15,000

2	Profit-oriented activities not registered on income tax, in rural zone.	30,000/7,500
3	Individual transport activities by vehicles.	40,000/10,000 per vehicle
4	Transport activities by boat.	20,000/5,000 per boat
5	Transport activities by motor cycle	8,000/2,000 per moto

Example 67

Intare is a moto driver based in Remera, Kigali. The trading licence tax due for the full tax year for ‘Transport activities on motorcycles’ is FRW 8,000.

When is the deadline to declare and pay Trading License Tax?

Trading License Tax is to be declared and paid optionally on annually or quarterly basis. The tax period is the calendar year, from 1st January until 31st December. For the annual basis, the deadline to declare and pay Trading License Tax by is 31st January of the same year. For quarter basis, the deadline to declare and pay Trading License Tax by is the end of the first month of the concerned quarter:

- Quarter 1: From 1st January to 31st March – Due by 31st January;

- Quarter 2: From 1st April to 30th June – Due by 30th April;
- Quarter 3: From 1st July to 30th September – Due by 31st July;
- Quarter 4: From 1st October to 31st December – Due by 31st October.

Example 68

Amahoro must declare and pay Trading License Tax to authorise her business activities during the 2023 tax period, from 1st January 2023 until 31st December 2023, by the deadline of 31st January 2023.

What happens if the business activities start or end during the tax period?

If taxable activities begin during a calendar year tax period, the taxpayer may pay Trading License Tax equivalent to the remaining months including the month in which the taxable activities began. Trading License Tax must be declared and paid before beginning the taxable activities.

Example 69

Ubumwe opens a small shop in Musanze in March 2024. The tax due for the full tax year for ‘other profit-oriented’ activities is FRW 120,000. However, as Ubumwe is only in business for ten out of the twelve months that year, his Trading License Tax due is:

$$FRW 120,000 * 10/12 = FRW 100,000$$

If taxable activities end during a calendar year tax period, and the full rate Trading License Tax has been paid for the whole calendar year tax period, the taxpayer may be entitled to a refund, subject to an audit, equivalent to the remaining months excluding the month in which the taxable activities ended or changed.

Similarly, if taxable activities change during a calendar year, the taxpayer may be entitled to a refund, or be required to pay additional tax, depending upon the nature of the change in taxable activities.

However, taxpayers conducting regular seasonal or periodic activities must pay the full rate Trading License Tax for the whole calendar year tax period, even if the taxable activities do not occur throughout the whole calendar year tax period.

What is the Trading License Tax Certificate?

After declaring and paying Trading License Tax, taxpayers can print a Trading License Tax certificate.

The Trading License Tax Certificates must be clearly displayed at the entrance of the business premises or clearly attached to the motor vehicle (including motorcycles) or motorboat for which the tax was declared and paid. The taxpayer must also be able to present the Trading License Tax Certificate at all times upon request.

Rental Income Tax

What is Rental Income Tax?

Rental Income Tax is a tax levied on the income generated from rented land and buildings. The land and buildings are referred to as the 'Immovable Property' and Rental Income Tax must be declared and paid on rented immovable properties in addition to Immovable Property Tax.

Who must register for Rental Income Tax?

Any person or business who is not subject to corporate income tax and who receives income from a rented immovable property located in Rwanda, is required to register for Rental Income Tax.

What is the taxable income for Rental Income Tax?

Rental Income Tax is not charged on the total (gross) rental income. Rental Income Tax allows for exemptions for expenses. This is intended to encourage landlords to provide high quality and well-maintained properties for their tenants.

There are two different methods of calculating taxable income for Rental Income Tax, depending upon whether the taxpayer has taken out bank loans to fund the construction / purchase, or has no loan of the rented immovable property.

Firstly, if the taxpayer has no loans relating to the immovable property, the taxable income is calculated by:

Taxable Income = gross rental income * 50%

Secondly, if the taxpayer does have loans relating to the immovable property, in addition to the deduction of 50%, he or she can deduct the actual bank interest payments within the tax period. From the tax period 2019 onwards, the taxable income is calculated by:

Taxable Income = gross rental income * 50% – interest paid

What are the rates of Rental Income Tax?

Rental Income Tax is a progressive tax. This means that there are different tax rates depending on taxpayer's taxable income, as described above. The groupings of taxable rental income are called tax brackets. The tax rates for each tax bracket are:

Annual taxable income	Marginal tax rate
Below FRW 180,000	0%
Between FRW 180,001 to FRW 1,000,000	20%
Above FRW 1,000,001	30%

It is important to note that these tax rates are marginal. This means that for each taxpayer in each year: the first FRW 180,000 that the taxpayer earns is taxed at 0%, the next FRW 820,000 earned is taxed at 20% and any remaining income is taxed at 30%. This means that no

taxpayer is made worse off by receiving income in a higher tax bracket.

Example 70

Lucie rents a house to tenants in the year 2019. She receives gross rental income of FRW 4,800,000 during the tax year. She does not have a bank loan for that house. Her taxable income in 2019 is therefore:

$$FRW\ 4,800,000 * 50\% = FRW\ 2,400,000.$$

Based on her taxable rental income of FRW 2.4 million, the Rental Income Tax due can be calculated as:

$$(FRW\ 180,000 * 0\%) + (FRW\ 820,000 * 20\%) + (FRW\ 1,400,000 * 30\%) = FRW\ 0 + FRW\ 164,000 + FRW\ 420,000 = FRW\ 584,000.$$

Example 71

Rukundo rents a house to tenants in the year 2019. He receives gross rental income of FRW 4,800,000 during the tax year. He has a bank loan for that house, and paid FRW 400,000 interest in the year 2019.

His taxable rental income in 2019 is:

$$FRW\ 4,800,000 * 50\% - FRW\ 400,000 = FRW\ 2,000,000.$$

Based on his taxable rental income of FRW 2 million, the Rental Income Tax due can be calculated as:

*$(FRW 180,000 * 0\%) + (FRW 820,000 * 20\%) + (FRW 1,000,000 * 30\%) = FRW 0 + FRW 164,000 + FRW 300,000 = FRW 464,000.$*

When is the deadline to declare and pay Rental Income Tax?

Rental Income Tax is required to be declared and paid on an annual basis. The tax period is the calendar year, from 1st January until 31st December. Thus, the deadline to declare and pay Rental Income Tax is 31st January of the following year.

Example 72

Lucie must declare and pay her annual Rental Income Tax declaration for the 2019 tax period, from 1st January 2019 until 31st December 2019, by the deadline of 31st January 2020.

Is it required to submit rental contracts to RRA?

The taxpayer is required to submit the rental contract, signed by the taxpayer and the tenant, to RRA within fifteen (15) days of the date the contract was signed.

In the event of any amendment or termination of the rental contract, the taxpayer is required to notify RRA within 15 days, and submit the amended rental contract.

There is no obligation of the tenant to submit the rental contract. However, tenants can help to ensure the tax

compliance of their landlords by submitting their rental contracts to RRA at any time. Rental contracts can be submitted by the tenant to any RRA office or tax centre.

Fees Levied by Decentralised Entities

What are Decentralised Entities fees?

There are fees levied on services and certificates:

- Fees levied on services and certificates delivered by decentralised entities as follows:
 - fees on the use of public domain of State;
 - fees on services delivered by decentralised entities;
 - charges levied as fees;

However, a decentralised entity is prohibited to set any other kind of fees or charges levied as fees not specified in the Presidential Order n° 075/01 of 04/12/2023 determining fees levied on services and certificates delivered by decentralised entities.

Which third parties also collect decentralised entities fees?

Ngali Holdings Ltd is mandated to support RRA in collecting all local government fees. Millennium Savings and Investment Cooperative (MISIC) also collects parking fees.

In addition, the declaration and payment of the following decentralized entities fees is now processed through the e-Government platform known as Irembo or Rwanda Online:

- Civil status certificates, including Birth, Marriage and Death certificates.

- Transfer of land titles.

When are the deadlines to declare and pay different types of decentralised entities fees?

The deadline to declare and pay decentralized entities fees depends upon the basis of the fee. Fees charged for a service, such as fees on official certificates and documents to be notified by the public notary, must be declared and paid before the service is delivered.

Fees payable on an annual basis, such as fees on advertising, must be declared and paid no later than 31st December of that year.

What are the different decentralized entities fees and rates?

The rates of many decentralized entities fees are variable, within certain thresholds, depending upon certain factors such as the location, i.e., urban, trading centre, or rural, or the vehicle details. The exact rate, within the thresholds, is determined by the District Council on an annual basis by the 30th June.

The list of local government fees, detailed in the *Presidential Order Determining Fees Levied For Public Services And Certificates Delivered by Decentralized Entities* are displayed below, and accessible using below link:

https://www.rra.gov.rw/fileadmin/user_upload/Iteka_rya_Perezida_04.12.2023_ku_mahoro_kuri_serivise_n_ibye_mezo_bitangwa_2023.pdf

Fees charged on public parking on road:

- FRW 200 per hour – FRW 30,000 per month

Fees charged on fenced public parking:

- a vehicle used for public transport not more than 18 seats and small cars used as taxis: FRW 500 per day;
- a vehicle of 19 to 30 seats used for public transport: FRW 1,000 per day;
- a vehicle of 31 to 50 seats used for public transport: fee ranges from FRW 1,500 to FRW 3,000 per day;
- a vehicle of more than 50 seats used for public transport: fee ranges from FRW 3,500 to FRW 10,000 per day;
- a vehicle not used for public transport which enters in a public parking is subject to FRW 200 every time it enters a public parking.

Fees levied on boat public parking:

- Motor boat with loading capacity of equal to or less than five tons:
 - o FRW 150 per day;
 - o FRW 4,000 per month;
- Motor boat with loading capacity exceeding five tons:
 - o FRW 200 per day;
 - o FRW 5,000 per month;
- a small boat without engine:

- FRW 100 per day;
- FRW 3,000 per month.

Livestock trade Fee:

- a cow: FRW 3,000;
- a goat: FRW 500;
- a pig: FRW 700;
- a sheep: FRW 500.

Fee for use of slaughterhouse organised by a decentralised entity:

- a cow: FRW 2,000;
- a goat: FRW 500;
- a pig: FRW 1,000;
- a sheep: FRW 500.

Civil marriage on a day different from the day fixed by the Council of a decentralised entity:

- FRW 50,000

Building permit, renewal of the building permit or for authorisation to change reasons based on the request for the building permit:

- FRW 20,000 for the floor area not exceeding 100 sqm;
- FRW 100,000 for the floor area ranging from above 100 sqm to 200 sqm;
- FRW 150,000 for the floor area ranging from above 200 sqm to 500 sqm;

- FRW 200,000 for the floor area of more than 500 sqm.

Records, certificates and services

- a civil status record: FRW 1,500;
- an extract of a civil status record: FRW 1,000;
- an identity card: FRW 500;
- a certificate for the loss of an identity card: FRW 3,000;
- a birth certificate: FRW 500;
- a marriage certificate: FRW 500;
- a celibacy certificate: FRW 500;
- a divorce certificate: FRW 500;
- public auction conducted by a non-professional bailiff on immovable property: FRW 5,000.

Documents notarized by a public notary

- certification of document authenticity: FRW 1,500;
- certification of the conformity of a copy to the original: FRW 1,500;
- authentication of signatures: FRW 1,200;
- certification of by-laws: FRW 500 for each page;
- certification of any contract is FRW 500 for each page;
- issuance of other notarial deeds provided for by law: FRW 500 for each page.

Non-electronic advertising billboards are fixed as follows:

- In the City of Kigali: FRW 20,000 per sqm per year;
- In satellite or secondary cities: FRW 15,000 per sqm per year;
- Elsewhere in the country: 10,000 FRW per sqm per year

Electronic advertising billboard: FRW 100,000 per year, regardless of its size and its location. This fee can be valued and paid quarterly at the request of the advertiser.

Other advertising billboards with non-permanent messages require authorization from the competent authority and are subject to a fee of 5,000 FRW per day.

If the advertising billboard advertises on both sides, each side is subject to charges.

Fee for use of loudspeaker for advertisement

- In the City of Kigali: FRW 100,000 per day;
- In satellite or secondary cities: FRW 50,000 per day;
- Elsewhere in the country: FRW 10,000 per day.
- Use of a banner is FRW 7,500 per day.

Fee on advertisement means not specified in the Presidential Order is FRW 10,000 per quarter or FRW 1,000 per day.

Fees on boat number plate:

- A motor boat: FRW 15,000;
- A non-motorised boat: FRW 5,000.

Fees on communication towers:

- FRW 2,000 on every meter of the tower's vertical length per year
- The height of the building or structure on which the tower is erected is charged FRW 1,000 per meter of the vertical length per year.

Commercial transportation of quarry materials:

- Per round of the vehicle, on commercial transportation of quarry materials is FRW 1,000 per m³

Commercial transportation of bricks or tiles:

- FRW 1,000 per m³ per round of the vehicle transporting bricks;
- FRW 500 per m³ per round of the vehicle transporting tiles.

Forest products:

- FRW 150 per plank, payable by the producer of planks;
- FRW 150 per bag of charcoal paid by the charcoal maker;
- FRW 1,000 per m³ of firewood, payable by the woodcutter;
- FRW 1,000 per m³ of beams, payable by the woodcutter.

The processes for declaring these fees varies, depending upon the type of fee. These different processes for declaring are explained in more detail on page 338.

Note that vulnerable people may request a waiver from fees by the District Council for all of the following fees.

Tax Centres

In order to facilitate taxpayers, RRA has a widespread network across the country. RRA has established tax centres at district level. Taxpayers can register for decentralised entities taxes and Fees, and be assisted at each of these tax centres. The working hours of each tax centre are 09:00 to 17:00 from Monday to Friday, excluding national holidays.

If there are any difficulties in finding a tax centre, or any problems of access or service, please contact the regional coordinator listed for each province. The list of tax centres by province are displayed below:

City of Kigali

Head of RRA One Stop Service Centre Contact Number:
+250 788185802

- RRA HQ,
- Kicukiro;
- Gasabo;
- Nyarugenge.

Eastern Province

Region Coordinator Contact Number: +250 78818 5777

- Bugesera;
- Gatsibo;
- Kayonza;
- Kirehe;
- Ngoma;
- Nyagatare;
- Rwamagana.

Southern Province

Region Coordinator Contact Number: +250 78818 5580

- Gisagara;
- Huye;
- Kamonyi
- Nyamagabe;
- Nyanza;
- Nyaruguru;
- Ruhango.

Western Province

Region Coordinator Contact Number: +250 78818 5782

- Karongi;
- Ngororero;
- Nyabihu;
- Nyamasheke;
- Rubavu;

- Rusizi;
- Rutsiro.

Northern Province

Region Coordinator Contact Number: +250 78818 5787

- Burera;
- Gakenke;
- Gicumbi;
- Musanze;
- Rulindo.

Registering for Decentralised Entities Taxes and Fees

Taxpayers must register for Decentralised Entities Taxes and fees with the help of staff at tax centres, listed on page 334 except for Trading License Tax for which registration is done upon registering a business in RDB system.

In order to register on the LGT system, the taxpayer must provide identification: either a Rwandan ID or Passport. The taxpayer must also provide their address and a mobile phone number. The taxpayer will be registered on the LGT system, and tax accounts will be set up for the relevant Decentralised Entities Taxes and fees by RRA staff.

In addition, when registering for Rental Income Tax, Immovable Property Tax, or Tax on Sale of Immovable Property, taxpayers must provide the Unique Plot Identifier (UPI) for each of their properties.

Once registered, the taxpayer will be provided with a username, TIN and a password for the LGT system. The taxpayer will also receive an SMS and/or email confirming the registration.

If the taxpayer later is required to pay any additional Decentralised Entities Taxes and fees for which they are not yet registered for, the taxpayer must return to any tax centre or RRA offices to set up the accounts for each of those Decentralised Entities Taxes and fees.

Declaring Decentralised Entities Taxes and Fees using the LGT system

The four types of Decentralised Entities Taxes which are Rental Income Tax, Trading License Tax, Immovable Property Tax, and Tax on Sale of Immovable Property, and Decentralised Entities fees can be declared using the LGT system. The process of declaring each is similar, and described below.

Step 1: Login to the LGT System

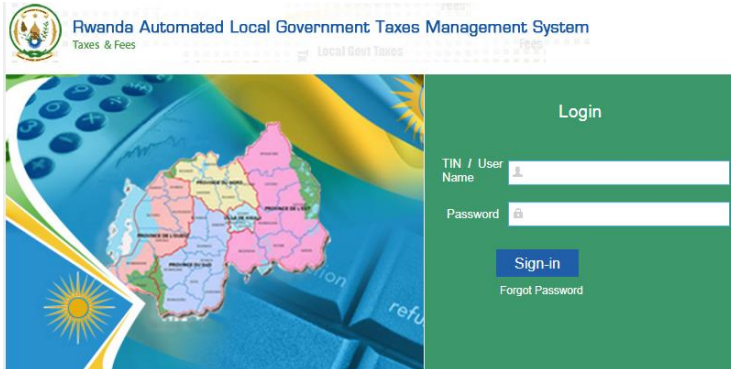
Access the LGT system at <https://localgov.rra.gov.rw> or through the RRA website at <https://www.rra.gov.rw/en/home> and clicking on ‘Pay District taxes here’ on the right of the screen. This loads the following login screen:



The language can be changed by clicking on the flag icons

in the top right corner, respectively English, Kinyarwanda and French.

Click ‘Taxes’ for the following LGT system login screen:



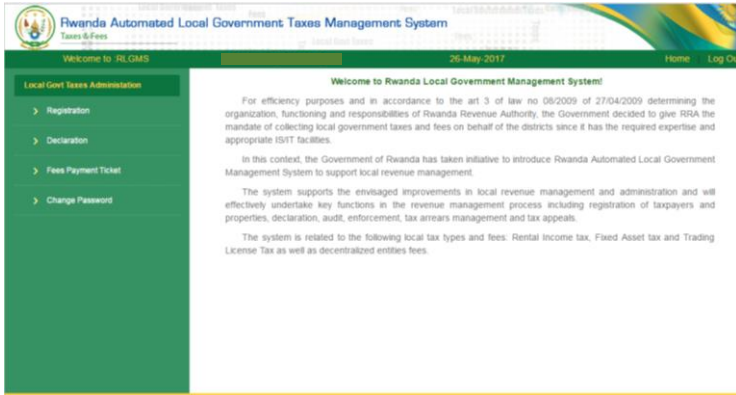
If a taxpayer does not know their TIN, see page 93.

If a taxpayer does not know their password, it can be reset by clicking ‘Forgot Password’ on the LGT system login and receiving a new password by SMS or email.

Step 2: Select the correct Decentralised Entities Taxes or fee to declare

After logging in, the LGT system home page is loaded.

Taxes and Fees levied by Decentralised Entities



There are four menus available on the left of the screen: 'Registration', 'Declaration', 'Fee Payment Ticket' and 'Change Password'. Each of these menus is discussed in turn.

As taxpayers must register with LGT System staff (see page 337) and cannot use the 'Registration' menu to register. However, it does display confirmation of registration, and allows for printing of Trading License Tax Certificates.

The taxpayer is also required to indicate building characteristics such as roofing, wall material, sewage system etc that was previously displayed on registration form as per below screen:

Here For You, To Serve - Call the RRA Call Centre on 3004

Taxes and Fees levied by Decentralised Entities

Construction year	Roof style	Roof covering	Wall material	Doors type
2014	Pitched ▾	Tiles ▾	Adobe blocks ▾	Wood ▾
Floor covering	Balcony	Garage	Elevator	Number of rooms
Tiles ▾	No ▾	Yes ▾	No ▾	5
Access	Sewage	Plot. slope category	Fence	Number of floors
Cobblestone ▾	Sewage ▾	Medium ▾	Blocks ▾	1

Building area
100

The ‘Declaration’ menu is where the four types of Decentralised Entities Taxes are declared. Click ‘Declaration’ and the drop-down ‘Taxes’ option. Then choose the tax type and tax period that is being declared and click ‘Submit’. Finally, click on the document number of the applicable declaration.

Example 73

A taxpayer clicks ‘Declaration’ then ‘Taxes’ and sees the following screen. The only Decentralised Entities Tax the taxpayer is registered for is ‘Rental Income’. They select this tax type and the tax year that is being declared, and click ‘Submit’.

Declaration Form

TaxType:*

Rental Income ▾

select

Rental Income

Year:*

2017 ▾

Submit

Here For You, To Serve - Call the RRA Call Centre on 3004

This loads the following screen. It displays each of the properties registered by that taxpayer for Rental Income Tax, for this taxpayer only one. For each property, the taxpayer clicks the ‘Document No’ to begin the declaration.

Tin:		Business Name:		Tax Type Description: Rental Income			
SL No	Document No	Declaration For	Tax Period	Due Date	Year	Status	Acknowledgement
1	88528735		01/01/2017 - 31/12/2017	31/12/2017	2017	Pending	

The ‘Fees Payment Ticket’ menu is where fees can be declared and the drop-down provides the choice of a range of fee declarations:

- Fees on civil marriage conducted on a day other than an official business day
- Fees on services and documents of immovable property
- Fees on official certificates of a decentralized entity
- Fees on authorisation to make or burn clay bricks, tiles, or charcoal
- Market fees
- Fees on parking
- Fees on public parking
- Parking fees on boats
- Fees on small-scale quarry exploitation
- Fees on advertising
- Fees for boat number plates
- Fees on bicycle number plates
- Fees on communication towers

- Fees on transport of materials from quarries and forests

The ‘Change Password’ menu requires the taxpayer to enter the previous password, and the new password. The taxpayer is automatically required to change their password when first logging in to the LGT system with the RRA provided password.

Step 3: Complete declaration form and submit

Having selected the correct Decentralised Entities Tax or fee, enter the required information in the declaration form. The information that is required depends upon the type of Decentralised Entities Tax or fee. These are displayed in turn below.

Immovable Property Tax

The declaration for the Immovable Property Tax generally consists of three parts:

1. Part referring to the land.
2. Part referring to the building – if there is a building on the land.
3. Part referring to the entire immovable property.

In the first part of the declaration, the taxpayer does not have to enter any information about the land. Instead, the LGT system automatically displays all information determining the tax due on the land.

Note that if the construction of a building has been completed on the plot during the tax period so that the land

is no longer undeveloped, the taxpayer needs to visit an RRA office to update the registration of the Immovable Property Tax to indicate that land is developed.

In the second part of the declaration, the taxpayer needs to provide information on the building (for developed land, only). In particular, the taxpayer needs to indicate the market value of the building.

In the following section, the taxpayer is asked to indicate the total market value of the immovable property, which includes both the building component and the land component.

Once the required information has been entered, click ‘Calculate Tax’. The LGT system automatically displays:

1. The tax due on the land component, depending on the surface area of the plot and the tax rate on land.
2. The tax due on the building component, based on the market value and the tax rate on building.
3. The total tax due on the immovable property, potential penalties and interests in case of late declaration, as well as the total amount due.

Afterwards, certify that the declaration was done correctly before you ‘Submit’.

Example 74

An example of a filled in declaration form for Immovable Property Tax is shown below. The tax due on the land is FRW 14,460. The tax due on the building is FRW 125,000.

Therefore, the total Immovable Property Tax due to be paid with this declaration is FRW 139,460.

Property Tax Declaration

5-Fiscal Year	2019	
10-Surface Area	482.0	
15-Village	Kigabiro	
20-Tax Rate On Land	30	
25-RLMUA Registration Date	17/10/2017	
30-Standard Size Of Plot Of Land	1000	
35-Developed Land	Contact the RRA to change the development status	Yes ▾
36-Tax Due On Land	14460	

49-Total Market Value 60,000,000

50-Total Tax Due 139460

55-Penalties 0

60-Interest 0

65-Total Due Amount 139460

Calculate Tax Submit

Trading License Tax

Select Trading License Tax from ‘Taxes’ menu, choose annual or quarterly: If the previous annual turnover exists, the system retrieves it and fills it automatically. Otherwise, the system classifies a taxpayer under ‘Other profit-oriented activities’ category and charges trading licence tax accordingly.

If all the information is correct, click ‘Calculate Tax’ to display the tax due, and click to ‘Submit’ the declaration.

Here For You, To Serve - Call the RRA Call Centre on 3004

Example 75

The Trading License Tax due for a business with an annual turnover of FRW 20 million is FRW 160,000.

Example 76

The Trading License Tax due for a business with unknown previous fiscal year turnover is FRW 60,000 if the taxpayer is located in urban zone or FRW 30,000 if the taxpayer is located rural zone as per 'other profit-oriented activities' category.

Rental Income Tax

Having clicked on the document number of the relevant property for the tax type and tax period that is being declared, the following declaration form is displayed for Rental Income Tax.

Tin:		Name:		Tax Type Description				Rental Income
SL No	Document No	Declaration For	Tax Period	Due Date	Year	Status	Acknowledgement	
Rental Income Annexure								
SL.No	NID/Passport	TIN	Names	UPI	Monthly Rent	Annual Rental Income		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		
UPI	Is Bank interest paid	Annual rental income (I)	50% of annual rental income (A)(I*50%)	Total annual interest paid (B)	Expenses (A+ B)			
<input type="text"/>	No. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			
Continue with Declaration								

The taxpayer must enter the monthly rent and the total amount of rental income received during the tax year. In

addition, if bank interest is being paid on this property, the taxpayer must change 'Is Bank Interest paid' to 'Yes' and enter the additional required details including rent contract copy.

Once all required information has been entered, click 'Continue with Declaration'. This generates an additional 'Rental Income Declaration' section. If all the information is correct, click 'Calculate Tax' to display the tax due, and click to 'Submit' the declaration.

Example 76

An example Rental Income Tax declaration form is entered below. The total Rental Income Tax due to be paid with this declaration is FRW 584,000.

Rental Income Annexure

SL.No	NID/Passport	TIN	Names	UPI	Monthly Rent	Annual Rental Income
1					400000	4800000

UPI	Is Bank interest paid	Annual rental income (I)	50% of annual rental income (A)(I*50%)	Total annual interest paid (B)	Expenses (A + B)
	No	4800000	2400000	0	2400000

[Continue with Declaration](#)

Tax on a sale of Immovable Property Tax

A rate of 2% is levied on the sale value of an immovable property for commercial use if the seller is a taxpayer registered for income tax. This tax is considered as a deductible expense.

A rate of 2.5% is levied on the sale value of an immovable property sold by a person not registered for income tax.

Tax on a sale of immovable property is levied on the balance of the sale value of the property after deduction of FRW 5,000,000 which is not subject to tax.

Decentralised Entities Fees

The process of declaring Decentralised Entities fees varies depending upon the type of fee. In general, having selected the correct type of 'Fee Payment Ticket', enter the required information, and click 'Submit'. This Tax Handbook uses two examples to demonstrate the general processes of declaring Decentralised Entities fees.

Fees for civil marriage conducted on days other than official business days

The taxpayer must enter their personal details including their national ID number or passport number, name, date of birth, mobile number and the province, district and sector where they live. Some of these details may be automatically generated after entering the ID number.

The taxpayer can then choose the type of service that is required. This may include further drop-down options. Once selected, this automatically generates the correct amount that must be paid for that service, and the taxpayer can click to 'Submit' the fee declaration.

Example 77

An example fee declaration to pay for civil marriage done not on official business days is entered below. The amount that must be paid for this service is FRW 10,000.

The screenshot shows a web form titled 'Services' with the following fields and values:

Field	Value
NID: /TIN*	[Redacted]
Passport No*	[Redacted]
Name*	[Redacted]
Date Of Birth:	[Redacted]
Mobile :	[Redacted]
Province*	Kigali City
District*	GASABO
Sector*	Kacyiru
Services:	Civil Marriage done on the days other than those officially fixed by the Council
Amount:	10000

A blue 'Submit' button is located at the bottom of the form. The footer of the page reads 'Designed & Developed by CMC Ltd.'

Step 4: View payment details via the Acknowledgement Receipt, email or SMS, and pay the total amount due

After successfully submitting the declaration, click to view the Acknowledgement Receipt. Alternatively, receive the payment details by email or SMS by entering an email address or phone number and clicking ‘Send Email’ or ‘Send SMS’.

Declaration submitted
successfully. Tax To Pay is :
RWF

Please enter Email

Please enter Phone No

Use the RRA Reference Number to pay the total amount due. This must be paid before the deadline to avoid penalties and fines, see page 415 for more details on paying taxes.

Declaring Decentralised Entities Taxes and Fees using M-Declaration

Taxpayers can use M-declaration for the following local government tax and fees:

- Trading License Tax
- Immovable Property Tax (available for plots without buildings, only)
- Outsourced Fees (available for Ngali Holding Ltd, only)

The process for declaring these Decentralised Entities Taxes and fees using M-declaration is explained below.

M-Declaration Process

The M-Declaration system is accessed by dialling *800#. The M-Declaration system has a series of screens, with number options, that are navigated by entering and sending the relevant number.

On the first screen, select a language: either English or Kinyarwanda.

On the next screen select which M-Declaration service is required. To declare Decentralised Entities Taxes and fees, select '3. Local Government Taxes'.

At the following screen, select the type of tax or fee:

- 1. Land lease
- 2. Trading license
- 5. Property tax

When the desired type of tax or fee is selected, first enter the 'TIN' and then follow the on-screen instructions, depending on the tax type.

Having entered all required information, the system calculates the tax to be paid, and generates the RRA Reference Number required for paying. For more details on paying taxes and fees, see page 415.

Decentralised Entities Taxes and Fees Penalties and Fines

What are the penalties for late declaration of Decentralised Entities Taxes and Fees?

A Decentralised Entities Tax and Fee registered taxpayer who has failed to submit a tax declaration within the required time must still declare and pay, and is subject to an additional three penalties:

- 1.5% interest of the unpaid tax due per month
- A fine equal to 40% of the tax due if the declaration is submitted late
- An additional fine for late payment of 10% of the tax due, up to a maximum of FRW 100,000

Example 78

Amahoro declared Trading License Tax for the 2024 tax period late. Instead of declaring by the 31st January 2024, she finally declared and paid on 18th March 2024 (within two months late). The tax due for this tax period was FRW 160,000.

Amahoro's penalty for declaring late is:

*(1) FRW 160,000 * 1.5% * 2 = FRW 4,800*

*(2) FRW 160,000 * 40% = FRW 64,000*

*(3) FRW 160,000 * 10% = FRW 16,000.*

In addition to the FRW 160,000 tax due, Amahoro must thus pay FRW 4,800 + FRW 64,000 + FRW 16,000 = FRW 84,800.

What are the penalties for late payment of Decentralised Entities Taxes and fees?

A Decentralised Entities Tax and Fee registered taxpayer who has submitted a tax declaration, but failed to pay the full amount of taxes due within the required time must still pay the full amount of taxes due, and is subject to two additional penalties:

- 1.5% interest of the unpaid tax due per month
- 10% of the unpaid tax due, up to a maximum of FRW 100,000

The same penalties also apply to late payment of Decentralised Entities fees.

What are the penalties for not registering for Trading License Tax or not presenting a Trading License Tax certificate when requested?

It is illegal to conduct business activities without having declared and paid Trading License Tax for the concerned tax period. Failure to present a valid Trading License Tax certificate when requested is subject to a penalty of FRW 10,000. In addition, the district has the right to temporarily close down any business activities.

What are the penalties for a taxpayer who declares incomplete, incorrect or fraudulent information?

A taxpayer who submits a declaration, but is found to have declared incomplete, incorrect or fraudulent information, must pay the unpaid tax due and is subject to an additional penalty of 40% of the tax due.

What are the rules concerning interest?

The rules concerning interest are the same as for interest on domestic taxes, as explained on page 117.

Customs

Explanation of Customs

What is importing and exporting?

Importing is when goods are brought into Rwanda from an external country. Exporting is when goods are taken from Rwanda into an external country.

This Tax Handbooks aims to provide all the information required for taxpayers to import or export any goods. However, as taxes are often required on imports, there is a greater focus in this Tax Handbook on importing.

For comprehensive information on export-related processes, stakeholders are encouraged to consult the Rwanda Trade Portal. Detailed export procedures can be accessed at: <https://rwandatrade.rw/>

Who can import or export?

Any taxpayer may import or export goods. No additional registration is required, but individuals or businesses without TINs must register with RDB or RRA as normal.

The majority of importing and exporting procedures are carried out by licensed companies called Clearing Agents on behalf of the taxpayers, see page 380 for more details.

What are Customs Duties?

In this Tax Handbook, customs duties are defined as all taxes, duties, levies and fees that are required to be paid to RRA on imported or exported goods.

Therefore, customs duties include:

- Taxes paid on imports that are also paid on domestic goods
 - o Value Added Tax (VAT)
 - o Excise Duty
- Taxes that are specifically paid on imports
 - o Import Duty (ID)
 - o Withholding Tax of 5% (WHT 5%)
 - o Infrastructure Development Levy (IDL)
 - o Strategic Reserves Levy (SRL)
 - o African Union Levy (AUL)
 - o Environmental levy on imported items that are packaged in plastic materials.
 - o Levy on petrol, gas oil and motor vehicles for road maintenance.
- Taxes that are specifically paid on exports
 - o Export Duty on Raw Hides and Skins
 - o Export Tax - Minerals
- Small fees on imports and exports
 - o Computer Processing Fee
 - o Quality Inspection Fee (QIF)

Customs duties ensure that local and foreign business can compete fairly, by ensuring a level playing field (VAT and Excise Duty), encouraging intra-regional trade (Import Duty), ensuring compliance of Income Tax (WHT 5%), funding beneficial projects (IDL, SRL and AUL) and supporting domestic manufacturing industries (Export Duty on Raw Hides and Skins), and by ensuring economic benefit, environmental stewardship, and social

equity in the exploitation of mineral resources (Export Tax – Minerals). For more details on all types of customs duties, see page 364.

What is the East African Community Customs Union?

The East African Community (EAC) Customs Union is formed of Kenya, Tanzania, Uganda, Burundi, Southern Soudan, Democratic Republic of Congo and Rwanda. The main features of the EAC Customs Union are:

- A shared set of import duties applied on goods from countries outside the EAC. This is referred to as the Common External Tariff (CET), see page 365 for details.
- Zero rate of import duty, and no quotas, applied on goods from countries within the EAC with valid Certificates of Origin, see page 361 for details.
- Shared procedures, safety measures, valuation methods, exemptions, trade policy and terminology governed by the EAC Customs Management Act (CMA).

Rwanda is also a member of the Common Market for Eastern and Southern Africa (COMESA) free trade area.

What is the Rwanda electronic Single Window (ReSW)?

The ReSW is an online portal aimed at facilitating trade by ensuring all trade related information required by government institutions is submitted only once. This reduces the compliance burden and time taken when

importing or exporting goods. The ReSW also increases transparency by clearly showing when information was submitted, changed or approved, and by whom.

The ReSW is used by Clearing Agents, Customs Officials and other government institutions as required. Clearing Agents use the ReSW on behalf of taxpayers during the importing and exporting process. For more details on Clearing Agents, see page 380.

How are imported and exported goods valued?

Imports are valued as Cost, Insurance and Freight (CIF). This is equal to the cost of the goods, the cost of any insurance paid on the goods and the freight costs of transporting the goods to the first point of entry of the EAC territory. Exports are valued as Free On Board (FOB). This is equal to the cost of the goods only.

Whether using the CIF or FOB valuation, the declared value must be supported by commercial invoices, as well as insurance and freight invoices where applicable.

If goods have been purchased in a foreign currency, declare the value in the currency of the invoice. The ReSW system then uses the National Bank of Rwanda (BNR) exchange rate to convert this into Rwandan francs.

Example 79

Rukundo is importing a consignment of mobile phones from Japan. The cost of the mobile phones was USD 30,000 (thirty thousand US dollars). He paid an additional USD 400 (four hundred US dollars) to

transport the consignment to the first point of entry of the EAC, in this case, the port of Mombasa in Kenya. He also paid USD 150 to insure the goods during transportation to the port of Mombasa. On the day of declaration, the exchange rate is USD 1: 900 FRW. Therefore, the CIF value of his import declaration is:

$$CIF = (USD\ 30,000 + USD\ 400 + USD\ 150) * 900 = FRW\ 27,495,000.$$

What are Harmonised System (HS) Codes?

Harmonised System (HS) Codes are internationally standardized numerical codes used to classify traded products for customs, taxation, and statistical purposes. The importer provides a description of the type of goods to the Clearing Agent, who is trained to select the correct HS Code. Selecting the correct HS Code is important for ensuring the correct tariff rate and amount of tax to be declared and paid.

Example 80

Amahoro is importing scotch whisky of 40% alcoholic volume from the United Kingdom. She describes this to the Clearing Agent who correctly selects the HS Code:

2208.30.00 – ‘Whiskies’ within the ‘Beverages, Spirits and Vinegar’ chapter.

What documents are required when importing or exporting?

The importing or exporting taxpayer must provide the Clearing Agent with valid documents proving the value and authenticity of their consignment.

The mandatory documents that taxpayers importing goods originating from within the EAC must provide are:

- Commercial Invoice or equivalent document
 - o Showing the value and description of all goods within the consignment.
- Packing List
 - o Lists the goods being transported within the consignment.

There are two additional mandatory documents that taxpayers importing goods originating from outside the EAC must provide to RRA:

- Freight Invoice
 - o Showing the cost of transport and insurance for the consignment, if not included in the commercial invoice.
- Bill of Lading / Airway Bill
 - o A contract between the owner of the ship / plane transporting the consignment and the importing taxpayer.

The only mandatory document that taxpayers exporting goods must provide to RRA:

- Commercial Invoice or equivalent document

- Showing the value and description of all goods within the consignment.

Additional documents that taxpayers may be required to provide when importing or exporting depend upon the type of goods and their origin. Clearing Agents are trained to inform taxpayers which documents are necessary for their consignment. Without the required documents, Customs Officials will not permit the goods to be imported or exported. Examples of goods that may require additional documents include:

- Goods produced within the EAC or COMESA
- Agricultural goods and inputs including food
- Chemicals and cosmetics
- Medical equipment and pharmaceuticals
- Worn clothes

What documents are required to prove that goods being imported were produced in the EAC or COMESA?

Imported goods that are produced within the EAC or COMESA can be subject to exemptions. In addition, imported goods that are produced within the EAC only are granted automatic access to the pre-clearance facility, see page 399 for details. These benefits require a Certificate of Origin delivered by the exporting country.

The EAC Rules of Origin document explains the criteria that goods should meet to be considered as originating from EAC partner states. This Tax Handbook does not

include all details or exceptions. The EAC Rules of Origin document is on the RRA website at:

https://www.rra.gov.rw/fileadmin/user_upload/eac_rules_of_origin_2015.pdf

Similarly, the COMESA Rules of Origin document is available at:

https://www.comesa.int/wp-content/uploads/2022/01/COMESA_Protocol-on-Rules-of-Origin.pdf

How do Rwandan exporters certify that goods being exported were produced in Rwanda?

Rwandan exporters can apply for a Certificate of Origin through their Clearing Agent. The Clearing Agent applies on the Rwanda electronic Single Window (ReSW) and provides the required evidence at any Border Post or Dry Port. There are different fees and requirements depending upon the country to which the goods are exported. There is also a Simplified Certificate of Origin available for smaller value consignments, see page 397 for more details.

There are many incentives that Rwandan exporters can benefit from, depending on the country being exported to. This includes EAC, COMESA, and the European Union (EU), see the Export Handbook, referenced on page 396, for more details.

What are the different Customs channels?

After import or export declarations have been submitted and paid, the Rwanda electronic Single Window (ReSW) system assigns the consignment to a Customs channel. The Customs channel refers to the level of verification from Customs Officers required for that consignment.

The ReSW uses a risk management system to assign Customs channels depending upon the customs facility scheme (AEO, Gold Card), the past history of the taxpayer, and the types of goods amongst other factors. However, Customs Officers are authorised to carry out surprise checks or additional verifications regardless of the assigned Customs channel.

The Customs channels are:

- Green – No verification, immediate release of goods, no post-clearance audit
- Blue – No verification, immediate release of goods, available to taxpayers with history of correct compliance, scope for post-clearance audit
- Yellow – Documentary verification, scope for post-clearance audit
- Red – Documentary and physical verification, scope for post-clearance audit

Documentary verification requires Customs Officers to check declarations and supplementary documentation.

Physical verification requires Customs Officers to check the actual consignment.

If there are any problems with verification, the Customs Officers will lodge a ‘query’ which may require a second assessment notice, additional taxes to be paid, statement of offence, or further actions to be taken. See page 412 for more details on Customs penalties.

If there are no problems with verification, the Customs Official changes the Customs channel to ‘Green’ in the ReSW system and gives the taxpayer a release order.

What is a Post-Clearance Audit (PCA)?

In addition to documentary and physical verification at border posts, importing or exporting taxpayers may also be subject to Post-Clearance Audits (PCAs). PCAs are explained in more detail on the EAC website at:

<https://www.eac.int/documents>

The different types and processes for PCAs is similar to other RRA audits, see page 37 for details.

What is a Stay of Application?

A ‘stay of application’ is a different rate of import duty from the Common External Tariff (CET) available for specific products. These are negotiated on a country-by-country basis, but once agreed are available for all importing taxpayers. The stay of application rate can be higher or lower than the CET rate. Stay of applications apply on annual fiscal year, 1st July to 30th June, basis.

Once approved, the stay of applications are published by product (using HS Codes) in EAC gazettes, available at:

<https://www.rra.gov.rw/en/customs-services/eac-gazette>

Customs Duties

What are the different Customs Duties?

The full list of customs duties is displayed on page 355. The rates and bases of each type are described below.

Import Duty

Import Duty is a tax paid specifically on imported goods originating from outside of the EAC. The EAC Customs Union ensures a zero (0%) rate of Import Duty on all imports on goods originating from within the EAC, see page 361 for details.

The EAC Customs Union means that the rates of import duty are agreed in the Common External Tariff (CET). The CET sets Import Duty rates on a product-by-product basis for each HS Code. The CET is available on the RRA website at:

[https://www.rra.gov.rw/fileadmin/user_upload/EAC CET 2022 version JULY 23.pdf](https://www.rra.gov.rw/fileadmin/user_upload/EAC_CET_2022_version_JULY_23.pdf)

The Common External Tariff (CET) applies a range of import duty rates across four tariff bands, with rates varying from a minimum of 0% to a maximum of 35%, depending on the type of goods:

- Capital goods and raw materials = 0%

- Intermediate goods = 10%
- Finished goods = 25%
- Finished goods available in EAC = 35%

In addition to these standard rates, certain products are classified as sensitive goods, which may be subject to specific tariff rates or trade restrictions.

Some examples of sensitive goods which attract higher rate than 35% include:

- 0402.10.00 - In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5% at a rate of 60% of CIF;
- 1006.40.00 - Broken Rice at a rate of 75% of CIF or \$345/MT whichever is higher;
- 1701.99.10 - White refined sugar (for industrial use) at a rate of 100% of CIF or \$ 460/MT whichever is higher;
- 1701.99.20 - Other sugar (for industrial use) at a rate of 100% of CIF or \$ 460/MT whichever is higher...

There are two exceptions where the above tariff rates can be temporally modified: ‘Stay of Applications’ and the ‘Duty Remission Scheme’. For more details see page 364 and 401 respectively.

The amount of Import Duty to be paid is calculated by:

Import Duty = CIF * Import Duty rate

In import declarations and assessment notices, Import Duty is referred to under code 'C', for example 'C02'.

Handling Fees (HF)

Handling Fees are not actually paid, but are included in VAT and Excise Duty calculations. HF is calculated by:

Handling Fees (HF) = Net Weight (kg) * FRW 10

Net Weight (kg) refers to the weight of the goods in the consignment in kilograms.

Excise Duty

Excise Duty is paid on specific products, regardless of whether they are produced domestically or imported. For more details on the products subject to Excise Duty, the basis and the rates, see page 248.

The Excise Duty to be paid on a specific basis is calculated by an amount of tax per unit of the product. The Excise Duty to be paid on an ad valorem basis is calculated by:

Excise Duty = (CIF + Import Duty + HF) * Excise Rate

In import declarations and assessment notices, Excise Duty is referred to under code 'E', for example 'E01'.

Value Added Tax (VAT)

VAT is paid on the majority of products, regardless of whether they are produced domestically or imported. The

normal rate of VAT in Rwanda is 18%. For details on products that are exempted or zero-rated, see page 205.

Therefore, the VAT to be paid on imported goods is calculated by:

$$\text{VAT} = (\text{CIF} + \text{Import Duty} + \text{Excise Duty} + \text{HF}) * \text{VAT rate}$$

Any VAT previously paid in a foreign country is not offset when calculating the VAT that is to be paid at Customs. This is expected to be refunded at the country of origin.

Once VAT has been paid on imports at Customs, this amount can be claimed back in subsequent domestic VAT declarations. See page 222 for the information required when claiming back VAT paid on imports.

In import declarations and assessment notices, VAT is referred to under code ‘V’, for example ‘V02’.

Withholding Tax of 5% (WHT 5%)

WHT 5% is a tax paid specifically on imported goods. WHT 5% is paid by all taxpayers except for taxpayers with a valid Compliance Certificate (Quitus Fiscal), and persons exempted from income tax, see page 55.

The WHT 5% to be paid on imported goods is calculated by:

$$\text{Withholding Tax of 5\% (WHT 5\%)} = \text{CIF} * 5\%$$

Once WHT 5% has been paid at Customs, this amount can be claimed back in subsequent domestic Income Tax (PIT or CIT) declarations by the importing taxpayers. This can be claimed back in the annual declarations. See page 150 for the information required when claiming back WHT 5% paid on imports.

In import declarations and assessment notices, WHT 5% is referred to under code 'W', for example 'W01'.

Infrastructure Development Levy (IDL)

IDL is a tax paid specifically on imported goods from outside of the EAC. IDL contributes to regional trade-facilitation infrastructure projects. IDL is paid on all imported goods, with the exception of those detailed in Article 5 of Law N°34/2015 of 30/06/2015 establishing the infrastructure development levy on imported goods, including:

- Goods imported certifying the East African Community Rules of Origin;
- Goods imported specified in the Fifth Schedule of the East African Customs Management Act;
- Imported goods exempted from taxes as provided for in East African Community and industrial goods imported in Rwanda entitled to remission;
- Reproductive animals and reproductive plants;
- Pharmaceutical products;
- Veterinary and phytosanitary products;

- Medical equipment appearing on the list made by the Minister in charge of health and approved by the Minister in charge of taxes;
- Veterinary and phytosanitary equipment appearing on the list made by the Minister in charge of agriculture and animal husbandry and approved by the Minister in charge of taxes;
- Industrial machinery and equipment for energy and water sectors, as well as for investment projects with investment certificate;
- Organic and inorganic chemicals;
- Machinery and equipment approved by the Commissioner General.

The IDL to be paid on imported goods is calculated by:

Infrastructure Development Levy (IDL) = CIF * 1.5%

Strategic Reserves Levy (SRL)

SRL is a tax paid specifically on imported fuel and petroleum products. SRL funds the purchase and safe maintenance of greater reserves of fuel. The SRL is paid at a specific rate per litre of fuel, calculated by:

Strategic Reserves Levy (SRL) = FRW 50 per litre of fuel

African Union Levy (AUL)

AUL is a tax paid specifically on imported goods. AUL contributes to the financing of African Union activities. AUL is paid on all imported goods, except for those subject to exemptions by the 5th Schedule of the EAC CMA, Duty Remission or VAT.

The AUL paid on imported goods is calculated by:

African Union Levy (AUL) = CIF * 0.2%

In import declarations and assessment notices, AUL is referred to under code 'AU', for example 'AU0'.

Environmental levy

Environmental levy is a tax paid specifically on imported items that are packaged in plastic materials for the management of the resulting waste.

Imported items provided for by the law are subjected to a levy of 0.2% to be calculated on their customs value. Items subject to environmental levy on imported items packaged in plastic materials are:

- Water
- All types of juice, energy drinks and carbonated non-alcoholic beverages
- Peanut butter, honey and derived products
- All types of body lotions, petroleum jelly and shampoos
- Mattresses
- Clothes
- Shoes
- All types of soaps
- Toilet papers

In import declarations and assessment notices, Environmental levy is referred to under code 'EPL'.

Motor Vehicle Registration Fees (MVF)

MVF are paid specifically on imported motor vehicles. MVF must be paid regardless of the type of vehicle or the exemptions available to the importing taxpayer. For more details on importing motor vehicles see page 404.

MVF vary depending upon the engine capacity of the vehicle as measured in cubic centimetres (cc):

Engine Capacity (cc) between	Motor Vehicle Fees (MVF) for all Motor Vehicles
0 to 1,000	FRW 75,000
1,001 to 1,500	FRW 285,000
1,501 to 3,000	FRW 445,000
3,001 to 4,500	FRW 748,000
4,501 and above	FRW 997,000
Special Engine/Other categories	FRW 1,000,000
Electric Vehicles	FRW 285,000
All Electric Motorcycles	FRW 75,000
Personalized Plate Number	FRW 5,000,000

The special engine category includes semi-trailers, construction vehicles and other very heavy vehicles.

Road Toll

Road Toll is a fee paid specifically on foreign registered trucks entering Rwanda. Road Toll contributes to the Road Maintenance Fund (RMF) in Rwanda.

It is important to note that the Road Toll is paid per truck entering Rwanda, not per declaration. Therefore, this is paid separately to other Customs Duties.

The Road Toll has two different rates, depending on the size of the trucks. The Road Toll must be paid by trucks every time they enter Rwanda. The rate of Road Toll is:

- \$76 USD for simple trucks
- \$152 USD for semi-trailer, and trailer

Road Toll is referred to as ‘FER’ in assessment notices.

Fuel Levy

Fuel Levy is a tax paid specifically on imported fuel and petroleum products. Fuel Levy contributes to the Road Maintenance Fund (RMF) in Rwanda. The Fuel Levy is paid at a specific rate per litre of fuel. The Fuel Levy to be paid on imported fuel is calculated by:

Fuel Levy = 15% of CIF

As with the Fuel Levy, Road Toll is referred to as ‘FER’ in import declarations and assessment notices.

Export Duty on Raw Hides and Skins

Export Duty on Raw Hides and Skins is paid on all exports of unprocessed hides and skins to outside of the EAC. The rate of Export Duty on Raw Hides and Skins is either:

- 80% of FOB, or \$0.52 per Kg, whichever is higher

In export declarations and assessment notices, Export Duty on Raw Hides and Skins is referred to as code 'EX1'.

Export Tax – Minerals

Minerals exported in raw form are subject to an export tax as follows:

- 2% of the norm value for the mineral category of base metals;
- 3% of the norm value for the category of gemstones;
- 2% of the norm value for the category of platinum group metals;
- 1% of the norm value for the category of rare earth elements;
- 2% of the norm value for the category of energy minerals;
- 0.5% of the norm value for the category of gold.

However, the law provides exemptions on Export Tax – Minerals as follows:

- Samples of minerals exported for the purpose of essay, analysis or any other examination are exempted from tax on minerals. A regulation of the competent authority determines the quantity of

samples of minerals exempt from the tax on minerals.

- The processed minerals and imported minerals to be re-exported, except gold, are exempted from tax on minerals at export point.

Computer Processing Fee

The Computer Processing Fee is a fee paid for every import or export declaration that is submitted.

The Computer Processing Fee is:

- FRW 3,000 per regular declaration
- FRW 500 per simplified declaration, see page 397 for more details on simplified declarations

Computer Processing Fee is listed as a ‘global fee’ in import/export declarations and assessment notices.

Quality Inspection Fees (QIF)

Quality Inspection Fees (QIF) are fees paid on specific imported products. Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA), and Rwanda Food and Drugs Authority (Rwanda FDA) are institutions which both designates which products are required to be inspected and carry out the inspections. RRA collects QIF on behalf of related regulatory agencies above mentioned.

The QIF to be paid on imported goods is calculated by:

Quality Inspection Fees (QIF) = FOB * 0.2%

In import declarations and assessment notices, QIF are referred to under code 'QIF'.

Warehousing Fees

Warehousing Fees are paid when storing consignments in warehouses. It is important to note that these are paid directly to the warehouse owner and not to RRA. Rates may vary according to the warehouse, the size and weight of the consignment and how long it has been stored for.

Example 81

Rukundo is importing a consignment of sports shoes packed in plastic materials from the United Kingdom. The HS Code is 6404.11.00 'Sports footwear...'. The net weight of the consignment is 75kg. The CIF value of the consignment is:

- *Cost = FRW 2,800,000*
- *Insurance = FRW 75,000*
- *Freight = FRW 350,000*
- *CIF (Cost + Insurance + Freight) = FRW 3,225,000*

The Customs Duties that must be paid are:

- *Import Duty = FRW 3,225,000 * 35% = FRW 1,125,750*
- *Handling Fees (not paid) = FRW 10/kg * 75kg = FRW 750*
- *VAT = (FRW 3,225,000 + FRW 1,125,750 + FRW 750) * 18% = FRW 797,175*
- *WHT 5% = FRW 3,225,000 * 5% = FRW 161,250*

- $IDL = FRW\ 3,225,000 * 1.5\% = FRW\ 48,375$
- $AUL = FRW\ 3,225,000 * 0.2\% = FRW\ 6,450$
- $Environmental\ Levy = FRW\ 3,225,000 * 0.2\% = FRW\ 6,450$
- $Computer\ Processing\ Fee = FRW\ 3,000$

Therefore, the total duties to be paid are FRW 2,149,200.

Of this, the VAT of FRW 797,175 can be claimed back in domestic VAT declarations (as Rukundo is not the final consumer), and the WHT 5% of FRW 161,250 can be claimed back in domestic Income Tax declarations.

Example 82

Ubumwe is importing a consignment of Tusker beer from Kenya and presented EAC Certificate of Origin. The HS Code is 2203.00.90 'Beer made from malt'. The net weight of the consignment is 1,400kg. The CIF value of the consignment is:

- $Cost = FRW\ 1,100,000$
- $Insurance = FRW\ 55,000$
- $Freight = FRW\ 450,000$
- *Since the goods are on EAC territory, Customs Value does not include Insurance and Freight. Therefore, $CIF = FRW\ 1,100,000$*

The customs duties that must be paid are:

- $Import\ Duty = FRW\ 1,100,000 * 0\% = FRW\ 0$
- $Handling\ Fee\ (not\ paid) = FRW\ 10/kg * 1,400kg = FRW\ 14,000$

- *Excise Duty = (FRW 1,100,000 + FRW 0 + FRW 14,000) * 65% = FRW 724,100*
- *VAT = (FRW 1,100,000 + FRW 0 + FRW 14,000 + FRW 724,100) * 18% = FRW 330,858*
- *WHT 5% = FRW 1,100,000 * 5% = FRW 55,000*
- *Computer Processing Fee = FRW 3,000*
- *QIF = (FRW 1,100,000) * 0.2% = FRW 2,200*

As Kenya is in the EAC Customs Unions the total duties to be paid are FRW 1,129,158.

Of this, the VAT of FRW 330,858 can be claimed back in domestic VAT declarations (as Ubumwe is not the final consumer), and the WHT 5% of FRW 55,000 can be claimed back in domestic Income Tax declarations.

Example 83

Amahoro is importing a consignment of petrol from the United States of America. The HS Code is 2710.12.20 'Motor Spirit (gasoline) regular'. The consignment is 9,000 litres being transported in a semi-trailer truck. The CIF value of the consignment is:

- *Cost = FRW 6,500,000*
- *Insurance = FRW 400,000*
- *Freight = FRW 600,000*
- *CIF (Cost + Insurance + Freight) = FRW 7,500,000*

The Customs Duties that must be paid are:

- *Excise Duty = FRW 183/litre * 9,000 litres = FRW 1,647,000*

- $VAT = FRW 275.1/\text{litre} * 9,000 \text{ litres} = 2,475,900$
- $WHT 5\% = FRW 7,500,000 * 5\% = FRW 375,000$
- $IDL = FRW 7,500,000 * 1.5\% = FRW 172,500$
- $SRL = FRW 50/\text{litre} * 9,000 \text{ litres} = FRW 450,000$
- $Road Toll = \$152 * FRW 832/\$ = FRW 126,464$
- $Fuel Levy = FRW 7,500,000 * 15\% = FRW 1,125,000$
- $AUL = FRW 6,500,000 * 0.2\% = FRW 13,000$
- $Computer Processing Fee = FRW 3,000$

Therefore, the total duties to be paid are FRW 6,387,864.

Of this, the WHT 5% of FRW 375,000 can be claimed back in domestic Income Tax declarations.

Clearing Agents

What are Clearing Agents?

A clearing agent (or customs agent) is a company licensed to transact any business related to the import or export of goods. Clearing agents interact with the revenue authority on behalf of the taxpayer. Clearing agents are trained and licensed by the revenue authority ensuring that all customs procedures are followed correctly.

There are 236 clearing agents licensed to operate by RRA as of May 2024. For the full list, see the RRA website at:

<https://www.rra.gov.rw/en/customs-services/licencing-of-agents/updated-list-of-clearing-agencies>

Who needs to contract Clearing Agents?

Any taxpayer wishing to import or export goods valued at more than FRW 500,000 is required to contract a clearing agent to carry out the importation or exportation process on their behalf.

What are the roles of taxpayers and Clearing Agents?

The importing or exporting taxpayers must contract clearing agents. The taxpayers may contract different clearing agents to conduct the import/export procedures on their behalf.

The taxpayer is responsible for providing the clearing agent with all required documents (see page 360 for the documents required for imports and exports) and for paying all due taxes and fees. These can be paid by the taxpayer directly, or through the clearing agent.

The clearing agent is responsible for exercising due diligence in ensuring the documentation provided by the taxpayer is valid and accurate, correctly identifying the HS Codes, submitting import or export declarations, printing assessment notices and if necessary paying Customs Duties on the taxpayers' behalf, facilitating any queries/statement of offence or verification by Customs staff and awaiting and receiving release orders, and exit notes. The clearing agent retains responsibility for the goods until they leave the border post or dry port.

What is the licensing process of Clearing Agents?

Clearing agents must apply for a license from the Commissioner for Customs in order to operate. If approved, clearing agents are licensed for a period of at least one year, before they must be renewed. The Commissioner may also suspend or revoke a license in the event of a breach of laws, procedure, negligence or unsatisfactory conduct.

Who is responsible in the event of penalties and fines?

Both taxpayers and clearing agents are jointly liable in the event of penalties and fines.

Border Posts and Dry Ports

What are Border Posts and Dry Ports?

Importing and exporting of goods can only be done at authorised customs border posts, customs offices outside Rwanda, virtual offices in partner states and dry ports. Border posts are customs offices at the border with a neighbouring country, whilst dry ports are inland customs offices. There are RRA customs offices outside Rwanda at Dar Es Salaam, Eldoret and Mombasa.

The list of currently operating customs border posts and dry ports is displayed on page 386. However, Customs Administration is receptive to taxpayers' behaviour, and may open or close border posts depending upon demand and the frequency of trade. Taxpayers may contact customs to request to import or export through other potential border posts.

Border Posts

Rwanda borders Uganda to the North, Tanzania to the East, Burundi to the South and the Democratic Republic of Congo (DRC) to the West. The border posts for each of the neighbouring countries are:

- Uganda

- Buziba, Rwempasha, Buhita, Gatuna, Kagitumba, Cyanika
- Tanzania
 - Rusumo
- Burundi
 - Akanyaru-Haut, Akanyaru-Bas, Rutete, Ruhwa
- DRC
 - Gisenyi Corniche, Gisenyi Poids-Lourds, Kabuhanga, Bugarama, Rusizi 1, Rusizi 2 / Mururu

Customs office outside Rwanda

Goods that are imported from overseas are declared at RRA customs offices at the port of entry of Dar Es Salaam or Mombasa. On entry to Rwanda, checks will be undertaken to ensure the goods are the same as those declared at the port.

Dry Ports

Not all imports and exports are processed at Border Posts, some consignments are declared and processed at dry ports. This is typically because of the nature of the products, the value or the entry. There are three main types of inland border post:

- Dry ports capable of handling high-value consignments, with associated licensed warehouses
 - Dubai Port World (DPW) - Masaka, Magerwa - Gikondo, Bolloré (former

SDV) - Free Zone, Rubavu Inland Office,
Mutara

- Airports
 - o Kigali Airport and Rusizi Airport
- Oil Depots
 - o Such as Gatsata, Kabuye, Rusororo and Jabana Oil Depots

When are imports declared at Dry Ports?

There are three situations when imports must be declared at inland border posts.

Firstly, dry ports must be used when importing at a border goods above a certain value. The import value threshold varies depending upon the capacity of the border post, see the list of border posts on page 386.

The main dry port for this use is Dubai Port World in Kigali - Masaka. However, Rubavu Inland Office and Mutara are also used for this purpose for imports into Gisenyi and Rusizi border posts respectively.

Dry ports must also be used for processing and declaring imports when goods are imported by airplane to an airport. The goods must be declared at the airport they land at. The process is the same as at Border Posts.

Finally, imported fuel and petroleum products must be processed and declared at oil depot dry ports. The importer can choose whichever oil depot to use.

When are Dry Ports used for exports?

There is no threshold of value for declaring exports at a border. The taxpayer may choose whether to declare at a Border Post or a Dry Port.

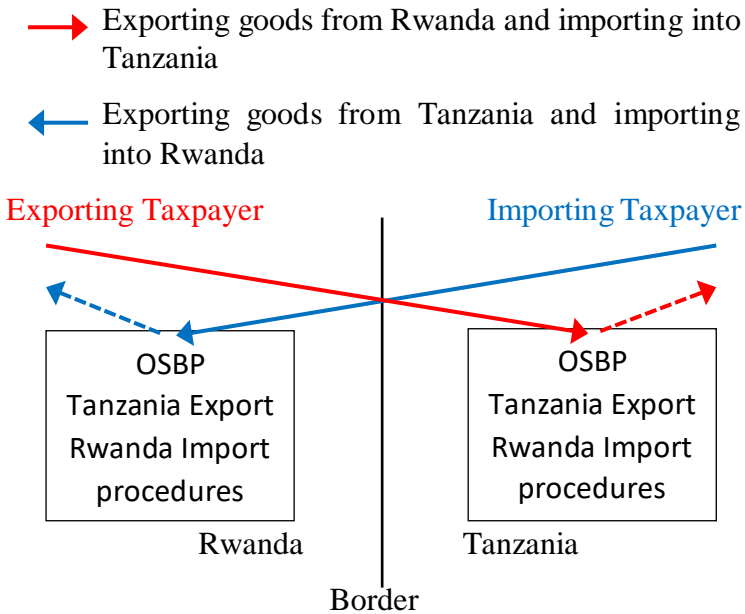
What are One Stop Border Posts (OSBPs)?

One Stop Border Posts (OSBPs) are border posts where RRA Customs Officials work in the same building as the neighbouring country Customs Officials. This allows the export procedures of the neighbouring country, and the import procedures of RRA (or vice versa) to be conducted in one place at one time, reducing the time taken when importing or exporting goods.

Note that there are three types or models of OSBPs:

- Juxtaposed model: State A and state B share facilities in the country of entry. For example, Rusumo;
- Straddled model: Where a single facility is built across a border line for the two adjoining states. For example, Nemba;
- Wholly located model (single country): Single shared border facility is constructed in one of the countries to house officers from both countries to carry out border controls. For example, Ruhwa OSBP.

For the Juxtaposed model, the Clearing Agent only needs to visit the border post in the country they are importing into, as displayed in the example below of Rusumo OSBP.



List of Border Posts and Dry Ports

The list of currently operational customs Border Posts and Dry Ports is displayed below, including details of the border country, opening hours, manager contact details, import declaration value threshold (FRW) and notes such as if the Border Post is a One Stop Border Post (OSBP).

The import value threshold (FRW) refers to the value of imports that can be processed directly at that border post. It is important to note that higher value consignments are still able to pass through this border post, but must be

declared and processed at a Dry Port, see page 384 for more details.

Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
11AH	Akanyaru-Haut	Burundi	06:00 - 18:00	078818 5739	500,000	OSBP in process
11BZ	Buziba	Uganda	06:00 - 18:00	078818 5763	500,000	
11GA	Gatuna	Uganda	24 hours	078818 5731	2,500,000	OSBP
11GI/HQ01	Magerwa - Gikondo	Dry Port	07:00 - 24:00	078818 5712 077818 5713		
11GT	Gatsata Oil Depots	Dry Port	08:00 - 24:00	078818 5668		
11KA	Kagitumba	Uganda	24 hours	078818 5732	3,000,000	OSBP

Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
11KB	Kabuye Oil Depots	Dry Port	24 hours Weekend: 08:00 – 17:00	078818 5599		
11RS	Rusororo Oil Depots	Dry Port	07:00 - 24:00 Weekend: 08:00 – 17:00	078818 5912		
11RE	Rutete (Nemba)	Burundi	04:00 - 22:00	078818 5578	2,000,000	OSBP
11RU	Rusumo	Tanzania	24 hours	078818 5735	2,500,000	OSBP

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Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
11DPW	DPW - Masaka	Dry Port	7:00 – 12:00	0788198500		
11SDV	Bollore Logistics RW (SDV)	Dry Port	7:00 – 24:00	252575584		
12KP	Kigali Poste	Dry Port	07:00 - 19:00	078818 5547		
21KA	Kigali Airport (Freight)	Dry Port	07:00 - 24:00	078818 5717		
22AE	Kigali – Aéroport (Passengers)	Dry Port	24 hours	078818 5724		

Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
31CY	Cyanika	Uganda	06:00 - 19:00	078818 5737	3,000,000	OSBP in process
31GC	Gisenyi Corniche	DRC	06:00 - 18:00	078818 5738	1,000,000	
32PL	Gisenyi Poids-Lourds	DRC	06:00 - 18:00	078818 5667	1,000,000	
32RB	Rubavu Inland Office	Dry Port	06:00 - 18:00	078818 5738		
41BU	Bugarama	DRC	06:00 - 18:00	078818 5746	1,000,000	

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Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
41MT	Mutara	Dry Port	07:00 - 17:00	078818 5729		
41CY	Rusizi 1	DRC	06:00 - 22:00	078818 5744	1,000,000	
41MU	Rusizi 2 / Mururu	DRC	06:00 - 18:00	078818 5745	1,000,000	
41KA	Rusizi Airport	Dry Port	06:00 - 16:30	078818 5829		
41RZ	Raha Warehouse	Dry Port	07:00 - 17:00	078818 5829		
41RU	Ruhwa	Burundi	06:00 - 18:00	078818 5728	1,000,000	OSBP

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Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
11JB	Jabana Oil Depots	Dry Port	07:00 - 24:00 Weekend: 08:00 – 17:00	078818 5768		
11RWA	Rwabuye	Dry Port	08:00 – 17:00 Weekend: 08:00 – 17:00			
12RW	Rwempasha	Uganda	06:00 – 18:00		500,000	

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Code	Name of Border Post or Dry Port	Border Country	Opening Hours	Contact Number	Import Value Threshold (FRW)	Notes
	Heart of Africa	Dry Port				
	Uzima Safi	Dry Port				

Declaring Imports and Exports

What is the general procedure when declaring imports or exports at Border Posts or at Dry Ports?

Step 1: Taxpayer prepares all necessary documents and contracts a Clearing Agent.

Step 2: The Clearing Agent prepares and submits an import or export declaration to RRA using the Rwanda electronic Single Window (ReSW).

Step 3: The Clearing Agent receives assessment notices, containing the amounts of customs duties due. The taxpayer pays all customs duties due, either directly or through the Clearing Agent. The assessment notice may contain different 'Doc IDs' for different tax types. If so, these must each be paid separately.

Step 4: The ReSW system allocates the consignment to a certain Customs channel. If verification is required, Customs Officers will request the necessary documents and/or access to the consignment. If there are any problems, further action may be required.

Step 5: After successful verification, the Customs Officer provides the taxpayer with a release order.

Step 6: The taxpayer pays any due warehousing fees, if applicable, to the warehouse owner.

Step 7: The taxpayer receives an exit note and may leave with their consignment.

When consignments are continuing to Dry Ports for declaration, what is the procedure at Border Posts?

When declaring at Dry Ports except airports, see page 383, there are three steps to be fulfilled at the Border Posts whilst on the way to the Dry Ports. These are:

- The consignment is sealed to ensure that it is not opened or altered before reaching the Dry Port.
- The Customs Officer generates a Warehousing Document on the Rwanda electronic Single Window (ReSW) system. This is provided for free.
- The consignment may continue to the Dry Port and begins declaration as explained on page 394.

What is the procedure at the ports of Dar es Salaam or Mombasa when importing?

There are two options available to taxpayers when importing through the Dar Es Salaam or Mombasa ports.

Firstly, the full declaration process as explained on page 394 can be carried out at the port, including payment of Customs Duties and all necessary verifications.

Alternatively, the process for when consignments are continuing to Dry Ports for declaration as explained above can be carried out at the port, including sealing the consignment and generating a Warehousing Document. The document are then checked again at the Border Post on the way to the Dry Port and new seals are added.

Facilitation Schemes

What are the available taxpayer facilitation schemes?

RRA recognises the importance of trade to Rwanda's development. Therefore, RRA has implemented many additional schemes to facilitate taxpayers in the import and export process. Each of these are discussed in more detail below, and include:

- For small scale traders:
 - o Simplified Trade Regime (Simplified Customs Declaration and Simplified EAC Certificate of Origin)
- For frequent, compliant traders:
 - o Gold Card Scheme
 - o Authorised Economic Operator
 - o Pre-payment facility
 - o Compliance Certificate (Quitus Fiscal)
- For certain types of goods:
 - o Pre-clearance facility
 - o Immediate Release of Goods
 - o Duty Remission scheme
- For any taxpayers:
 - o Cargo Tracking System
 - o Mobile Cargo Scanners

Taxpayers may benefit from many of these facilitation schemes at the same time. It is important to note that the majority of these facilitation schemes require the taxpayer or their clearing agent to apply, see each of the explanations in turn below.

What is the Simplified Trade Regime?

The simplified trade regime is available to taxpayers and small-scale traders importing or exporting goods valued at less than FRW 500,000 per consignment (Simplified Customs Declaration) and \$ 2,000 per consignment (Simplified EAC Certificate of Origin).

The Simplified Customs Declaration is a direct assessment made by a customs officer to the taxpayer while the Simplified EAC Certificate of Origin is issued by a customs officer at any border post. In addition to the required documents the taxpayer should pay FRW 500 as computer processing fees either for Simplified Customs Declaration or for Simplified EAC Certificate of Origin.

It is important to note that traders using the simplified trade regime are still required to pay any due Customs Duties as normal.

What is the Gold Card Scheme?

The Gold Card Scheme is a privileged status available to importers/exporters who have a good compliance record with RRA. Members of the Gold Card Scheme gain many benefits including quick release and priority clearance of consignments during the importing and exporting process. Taxpayers must apply for Gold Card Scheme membership, which requires:

- Good history of compliance with all RRA departments.

- Imported or exported goods with the total CIF value above FRW 200,000,000 during the year.

For more details on the benefits and application process for the Gold Card Scheme, see the RRA website at: <https://www.rra.gov.rw/en/customs-services/importers/gold-card-scheme-information-for-applicants>

What is the Authorised Economic Operator (AEO)?

The AEO is a privileged status available to taxpayers who have a good compliance record with all applicable EAC tax administrations. The benefits available to AEOs are similar in nature and even greater than for the Gold Card Scheme, described above, and are available throughout the EAC, but have even stricter application requirements.

For more details on the benefits and application process to be certified as an AEO, see the RRA website at:

<https://www.rra.gov.rw/en/customs-services/importers/authorized-economic-operators-aeo>

What is the pre-payment facility?

The pre-payment facility allows taxpayers to apply to set up accounts with RRA to pay in advance for any due Customs Duties, reducing the time taken when importing or exporting. Taxpayers must apply for the pre-payment facility, and approval is based upon their frequency of imports and previous tax compliance.

In order to apply for the pre-payment facility, taxpayers must request the Prepayment Account Application Form.

The application form is submitted to the Commissioner for Customs Services Department. Once approved, there is no limit to the amount that can be paid into the pre-payment account, and the taxpayer receives notification each time the account is used.

What is a Compliance Certificate (Quitus Fiscal)?

A Compliance Certificate (Quitus Fiscal) is available, upon request, to taxpayers who have demonstrated a history of correct tax compliance. The benefit of Compliance Certificate (Quitus Fiscal) is that certified taxpayers are not required to pay WHT 5%.

The procedure and requirements for applying for a Compliance Certificate (Quitus Fiscal) are listed in more detail on page 55, but in terms of Customs, the taxpayer is required to have:

- Imported goods with the total CIF value above FRW 200,000,000 during two years with at least FRW 100,000,000 each year.
- A physical business address in Rwanda.

What is the pre-clearance facility?

The pre-clearance facility allows the clearing agent to begin the declaration process for certain goods before they arrive at a border post. The types of goods that are allowed pre-clearance include:

- Imported goods produced within the EAC, also referred to as Intra-Regional Trade.
- Perishable goods, such as:

- Food
- Medicine
- Live animals
- Fragile or difficult to unload goods.
- Government institution or project materials.

For Intra-Regional Trade, this facility is granted automatically and no application is required. The clearing agent can immediately begin the declaration process.

For other consignments, of goods produced outside the EAC, the clearing agent can apply for pre-clearance in the Rwanda electronic Single Window (ReSW) system. If the request for pre-clearance is approved, the clearing agent can begin the declaration process and pay any due taxes and fees as normal before reaching the border post or dry port.

What is the Direct Delivery of Goods?

The Direct Delivery of Goods facility, also referred to as Dédouanement À Domicile (DAD), allows the customs procedures for certain goods to be carried out at a taxpayer's premises rather than at border posts or dry port, subject to approval. The types of goods that are allowed Direct Delivery include:

- Perishable goods, such as:
 - Food
 - Medicine
 - Live animals
- Fragile or difficult to unload goods.
- Government institution or project materials.

- Exempted goods.

For consignments of this nature, the clearing agent can apply for Direct Delivery in the Rwanda electronic Single Window (ReSW) system. If the request for Direct Delivery is approved, the consignment can be immediately released from the border post and dry port, and then kept at a taxpayer's premises until Customs Officials have completed the verification process.

What is the Duty Remission scheme?

The Duty Remission scheme is an exemption from import duty available to taxpayers who are importing goods to be used as inputs in the production of goods for export, or in the production of particular goods for home consumption. The list of particular goods for home consumption that the Duty Remission scheme can apply to is contained within EAC gazettes, available at:

<https://www.rra.gov.rw/en/customs-services/eac-gazette>

Taxpayers must apply for the Duty Remission scheme by writing a letter to the Commissioner for Customs Services Department (CSD), explaining the reasons for application. If approved, the Duty Remission is valid for a period of twelve (12) months.

There are conditions attached to the Duty Remission scheme. A taxpayer must:

- Pay Import Duty on any imported goods not used in the production of goods for export or particular goods for home consumption.

- Any unpaid Import Duty that is liable is subject to a penalty of 10% of the dutiable value.
- Submit quarterly returns to the Commissioner for Customs Services Department (CSD) giving relevant information as required.
 - A taxpayer who does not submit a return as required is liable to a fine of USD 2,000 (two thousand US Dollars).

What is the Regional Electronic Cargo Tracking System?

The Regional Electronic Cargo Tracking System (RECTS) is a facilitation scheme aimed at increasing the security of consignments by electronically sealing and monitoring the trucks from regional ports to Rwanda. Any tampering with the seal, or unexpected deviations from the transit path, can be instantly detected and responded to by Rapid Response Units (RRUs).

The RECTS is only available for consignments using the Northern Corridor, i.e., from the port of Mombasa in Kenya to Rwanda. In addition, there is currently no fee or application process for the RECTS, but the allocation and arming of electronic seals is decided by RRA staff at the Port of Mombasa. RECTS is under development through the Southern Corridor, i.e., from the port of Dar Es Salaam in Tanzania to Rwanda.

What are Mobile Cargo Scanners?

RRA has three mobile cargo scanners, situated at Magerwa - Gikondo Dry Port, Gatuna and Rusumo Border Posts. The mobile cargo scanners are able to carry out physical verification of medium risk consignments with reduced intrusion and time. Taxpayers can request for mobile cargo scanners to be used at these locations free of charge through their Clearing Agent.

Importing Motor Vehicles

What is the process for importing motor vehicles?

Imported motor vehicles must be declared at ‘DPW – Masaka, Magerwa - Gikondo’ Dry Port. See page 384 for the process at Border Posts when declaring at Dry Ports. If the motor vehicle does not have a number plate, they will receive a transit number plate until the process is completed.

Once at DPW – Masaka or Magerwa - Gikondo, the process for declaring imported motor vehicles is similar to declarations of other types of goods, see page 394. The only difference is the additional step of registration of the motor vehicle.

Registration of the motor vehicle first requires the owner to have a unique Taxpayer Identification Number (TIN). If they do not already have a TIN, they are provided with one. Secondly, the owner must provide a passport photo and either a Rwandan ID card or passport.

Finally, they are registered as owner of the motor vehicle, and provided with a Rwandan number plate and ‘Yellow Card’ logbook. This initial registration service and the provision of the number plate has already been paid for within the Motor Vehicle Registration Fee (MVF).

How are imported brand new motor vehicles valued?

Brand new imported motor vehicles are valued at Cost, Insurance and Freight (CIF) using the transaction price invoices or equivalent documents as normal. When a

customs officer is not satisfied with the transaction price, other customs valuation methods can be applied to determine customs value.

How are imported used motor vehicles valued?

Used or second-hand imported motor vehicles are valued using the depreciation method. The transaction price may also be used in special circumstances.

The first step of the depreciation method is to download the valuation database. The link to the spreadsheet is available on the RRA website at:

<https://www.rra.gov.rw/en/customs-services/valuation-gateway>

The valuation database contains details on the brand, mark, engine, drive, year and body style. Identify the exact description of the motor vehicle, and then note the ‘When New Price (\$)’. This price, in US Dollars, is the base of the depreciation. Contact RRA if you cannot identify the appropriate motor vehicle. An example view of the valuation database is shown below.

1	A	B	C	D	E	F	G
1	BRAND	MARK	ENGINE	DRIVE	YEAR	WHEN NEW PRICE(S)	BODY STYLE
2	AUDI	A1 (TFSI 122)	1.4TC/4	FWD	2015	28279	3-DOOR HATCHBACK
3	AUDI	A1 (TFSI 185)	1.4TSC/4	FWD	2015	40847	3-DOOR HATCHBACK
4	AUDI	A3 SEDAN (1.4 TFSI 30)	1.4TC/4	FWD	2015	28907	4-DOOR SEDAN
5	AUDI	A3 SEDAN (1.8 TFSI 40 QUATTRO)	1.8TC/4	FWD/AWD	2015	37548	4-DOOR SEDAN
6	AUDI	A3 SEDAN (1.8 TFSI 40)	1.8TC/4	FWD/AWD	2015	34406	4-DOOR SEDAN
7	AUDI	A4 (1.8T 120)	1.8TC/4	FWD	2015	36417	4-DOOR SEDAN
8	AUDI	A4 (1.8T 170)	1.8TC/4	FWD	2015	43989	4-DOOR SEDAN
9	AUDI	A4 (2.0T QUATTRO)	2.0TC/4	4WD	2015	50273	4-DOOR SEDAN
10	AUDI	A4 (3.0T QUATTRO)	3.0SC V6	4WD	2015	55615	4-DOOR SEDAN
11	AUDI	A5 CABRIOLET (TFSI)	1.8TC/4	FWD	2015	61428	2-DOOR CONVERTIBLE
12	AUDI	A5 CABRIOLET (TFSI)	2.0TC/4	4WD	2015	67240	2-DOOR CONVERTIBLE
13	AUDI	A5 CABRIOLET (TFSI)	3.0SC V6	4WD	2015	75316	2-DOOR CONVERTIBLE
14	AUDI	A5 COUPE	1.8 TC/4	FWD	2015	55143	2-DOOR COUPE
15	AUDI	A5 COUPE	2.0TC/4	4WD	2015	61585	2-DOOR COUPE
16	AUDI	A5 COUPE	3.0SC V6	4WD	2015	70602	2-DOOR COUPE
17	AUDI	A5 SPORTBACK	1.8TC/4	FWD	2015	51970	5-DOOR LIFTBACK
18	AUDI	A5 SPORTBACK	2.0TC/4	4WD	2015	57814	5-DOOR LIFTBACK
19	AUDI	A5 SPORTBACK	3.0SC V6	4WD	2015	65858	5-DOOR LIFTBACK

The depreciation method then uses a standardised depreciation rate depending upon the age of the car. The depreciation schedule is shown below:

Date of Manufacture	Depreciation
Less than 1 year ago	0%
Between 1 and 2 years ago	20%
Between 2 and 3 years ago	30%
Between 3 and 4 years ago	40%
Between 4 and 5 years ago	50%
Between 5 and 6 years ago	55%
Between 6 and 7 years ago	60%
Between 7 and 8 years ago	65%
Between 8 and 9 years ago	70%

Between 9 and 10 years ago	75%
More than 10 years ago	80%

What are the Customs Duties on imported motor vehicles?

The rates of Customs Duties on imported motor vehicles are summarised on page 408 below. In addition, a flat rate Motor Vehicle Registration Fee (MVF) is charged upon all imported motor vehicles without any exemptions. This depends upon the capacity or displacement of the engine in cubic centimetres (cc) and is displayed on page 370.

The final tab of the depreciation method spreadsheet, titled ‘Depreciation Schedule’ can be used to estimate the Customs Duties due for imported motor vehicles.

Example 84

Rukundo is importing a 1997 Rav4 with a 1.8 litre engine, 2 Wheel Drive (2WD) and three doors. In the valuation database, the listed Price When New (\$) is USD 13,200.

BRAND	MARK	ENGINE	DRIVE	YEAR	NEW PRICE (\$)	BODY STYLE
TOYOTA	RAV4	1.8	2WD	1997	13,200	3 DOOR WAGON

In the ‘Depreciation Schedule’ tab, Rukundo enters the necessary details in the yellow boxes as shown below.

Vehicles	Cate- gory	Impor t Duty	Excise Duty	VAT	IDL	WH T 5%	AUL
Non-utility motor vehicles							
Engine capacity less than 1,500cc	A	25%	5%	18%	1.5%	5%	0.2%
Engine capacity between 1,501cc and 2,500cc	B	25%	10%	18%	1.5%	5%	0.2%
Engine capacity more than 2,501cc	C	25%	15%	18%	1.5%	5%	0.2%
Utility motor vehicles							
Tractors	D	0%	0%	18%	1.5%	5%	0.2%
Minibuses (with less than 25 seats)	E	25%	0%	18%	1.5%	5%	0.2%
Buses (with 25 seats or more)	F	10%	0%	18%	1.5%	5%	0.2%
Pick-up truck	G	25%	0%	18%	1.5%	5%	0.2%
Truck (carrying capacity below 20 tonnes)	H	10%	0%	18%	1.5%	5%	0.2%

Truck (carrying capacity 20 tonnes and above)	I	0%	0%	18%	1.5%	5%	0.2%
---	---	----	----	-----	------	----	------

What are the requirements for receiving special number plates and exemption from certain Customs Duties when importing motor vehicles?

The normal number plate provided for Rwandan motor vehicles begins with 'RA'. There are also public institution number plates such as 'RDF', 'RNP' or 'GR'. These vehicles must have all customs duties due paid as normal.

On the other hand, some international institutions and foreign investors are exempt from all customs duties, except for Motor Vehicle Registration Fees (MVF). The number plates are issued by RRA, but require supporting documents from other public institutions. These include:

- 'IT' Foreign Investors and other foreign persons for temporarily residence

This requires a recommendation letter to the Commissioner for Customs Services Department (CSD) of RRA from concerned public institution. 'IT' number plate is only valid for one year, before requiring renewal.

Other requirements include:

- Guarantee letter;
- Valid passport;
- Valid VISA;
- Valid ID Card for foreigners
- 'CD' Diplomatic and Consular staff

This requires a letter from the Ministry of Foreign Affairs and Cooperation (MINAFFET) to the Commissioner for

CSD of RRA, highlighting their diplomatic status and a reciprocal letter of approval.

- ‘UN’ United Nations agencies

This requires a letter from the Ministry of Foreign Affairs and Cooperation (MINAFFET) to the Commissioner for CSD of RRA, highlighting their UN status, and a reciprocal letter of approval.

Which customs duties must be paid when transferring ownership of motor vehicles with IT, CD or UN number plates to a buyer without the same status?

When transferring ownership of any motor vehicles with IT, CD or UN number plates to a buyer who is not subject to the same privileges, the buyer must pay all Customs Duties due on imported motor vehicles, see page 408, except for Motor Vehicle Registration Fees (MVF) that have already been paid for that motor vehicle.

Can Right-Hand Drive motor vehicles be imported?

Right-Hand Drive (RHD) motor vehicles, where the steering wheel is on the right-hand side of the car, are not allowed to be imported into Rwanda, except for:

- Diplomats or drivers with a medical condition. In both these cases, this requires permission from the Ministry of Infrastructure (MININFRA).
- Trucks with a carrying capacity above 20 tonnes

Customs Penalties and Fines

What law governs Customs Penalties?

Penalties for Customs offences concerning both imports and exports are listed in Articles from 93 to 218 of the EAC Customs Management Act (CMA). This Tax Handbook gives some examples of the offences and penalties. The latest version of the EAC CMA is available on the RRA website at:

<https://rwandatrade.rw/media/EAC%20Customs%20Management%20Act%20-%20Rev%202009.pdf>

Note that penalties described as ‘not exceeding’ may be reduced through amicable agreement with the taxpayer.

When can goods be seized by RRA?

RRA has the right to forfeiture (seize without compensation) any of the following types of goods:

- Prohibited goods.
- Restricted goods dealt with contrary to regulations.
- Uncustomed goods, where goods have not followed full and correct customs procedures.
- Concealed goods, or goods mislabelled or contained in any way likely to deceive any officer.
- Smuggled goods.
- Falsely documented or declared goods.
- Goods subject to Customs control which are without authorisation moved, altered or interfered with.

What are the penalties for concealing, smuggling or mislabelling goods?

Anyone who is found concealing or smuggling any goods, or which are mislabelled or contained in anyway likely to deceive any officer is liable on conviction to:

- Pay any unpaid Customs duties.
- Imprisonment not exceeding five years.
- Fine not exceeding 50% of the dutiable value (CIF) of the goods.
- Confiscation of goods.
- Additional fines provided under VAT and Excise Duty laws may also apply.

What are the penalties for submitting false documents or declarations?

Anyone who submits any documents that are found to be false or incorrect is liable on conviction to:

- Pay any unpaid Customs duties.
- Imprisonment not exceeding three years.
- Fine not exceeding USD 10,000 (ten thousand US dollars).
- Additional fines provided under VAT and Excise Duty laws may also apply.

What are the penalties for interfering with goods subject to Customs control without authorisation?

Anyone who moves, alters, interferes with goods subject to Customs control without authorisation is liable on conviction to:

- Pay any unpaid Customs duties.
- Imprisonment not exceeding three years.
- Fine not exceeding USD 1,000 (one thousand US dollars).

What is the penalty for aiding or abetting any offences?

Anyone who aids, abets, counsels or procures the commission of an offence is liable to the same penalty prescribed for that offence.

Paying Taxes

Methods of Paying Taxes

How can taxes and fees be paid?

Taxpayers should submit tax declarations before paying taxes. Tax declarations provide the necessary information to calculate the correct amount of tax due.

The process of submitting the relevant tax declarations is different for each tax type, and is discussed in greater detail in their respective chapters of the Tax Handbook.

However, after declaring, the methods of paying taxes are the same for all types of domestic taxes, customs duties and local government taxes and fees. There are four possible methods of paying all types of taxes and fees:

- Online using Internet Banking and E-Payment.
- On mobile phones or through agents using MTN Mobile Money and airtel money.
- Through Mobicash agents.
- In person at a bank outlet.

It is important to note that it is not possible to pay taxes in cash at RRA offices.

The details needed each method of paying taxes are the same. However, there are many advantages for taxpayers to paying taxes online or mobile phones. This Tax Handbook aims to provide the information necessary for all methods of paying taxes.

For all methods of paying taxes, it is important to save any receipts confirming the payment.

What are the advantages of paying taxes using Internet Banking, E-Payment, MTN Mobile Money/Airtel Mobile Money or Mobicash?

The benefits of paying online, on mobile phones or through licensed agents are:

- Pay taxes anytime, anywhere.
- Avoid travel costs of visiting a bank.
- Avoid queuing times at banks.
- Avoid safety risks of carrying cash.

What details are needed when paying taxes?

There are two main details needed when paying taxes. The first detail needed is the ‘RRA Reference Number’ of the declaration that has been submitted. The second detail needed is the amount of tax due to be paid. Note that the amount due may also include any penalties and fines referring to that declaration.

Both these details are in the ‘Acknowledgement Receipts’ generated after submitting all tax declarations.

Acknowledgement Receipts

What are Acknowledgement receipts?

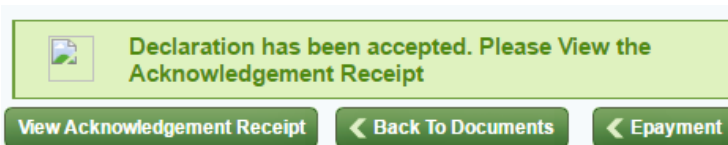
After submitting a declaration, for all types of taxes and fees, there is an option to download and view the acknowledgement receipt.

Acknowledgement receipts confirm the details of the taxpayer, contain details of the taxes and fees that must be paid, and provide the RRA Reference Number for the account the tax must be paid into. This RRA Reference Number is also known as the 'Doc ID', or 'Doc No'.

The RRA Reference Number is very important to ensure that the taxes are paid into the correct RRA tax account, and that the payment is attributed to the correct taxpayer. The RRA Reference Number and total tax due is highlighted in the examples for each broad tax type below.

Domestic Taxes

In the case of domestic taxes on the E-Tax system, acknowledgement receipts can be viewed by clicking on 'View Acknowledgement Receipt' immediately after submitting the declaration, as seen below.




Alternatively, from the E-Tax homepage, hover the mouse on 'Tax Declaration' and click on 'Submitted Declarations'. Choose the year of the tax period, and

optionally the tax type, then click submit. Find the relevant submitted tax declaration, click on the Document Number, and the following options appear. Again, click on ‘View Acknowledgement Receipt’.

19	40731371	VAT-VALUE ADDED TAX	01-Oct-2016 to 31-Oct-2016	15-Nov-2016	15-Nov-2016	NA	October	2016	Original	Submitted	10:02:04
<div style="display: flex; justify-content: space-around;"> View Declaration View Annexures View Acknowledgement Receipt Epayment </div>											


An example acknowledgement receipt for domestic tax declarations is displayed below. The associated RRA Reference Number and total tax due are highlighted.



**Republic
Of
Rwanda**

E-Filing Tax Acknowledgement

**Rwanda
Revenue
Authority**



Full Name : Tax Center:


TIN: Tax Type: PAYE Doc No: **0074570280**

From Date : 01-Jan-2016 To Date : 31-Jan-2016 Submitted Date: 15-Feb-2016

Assess No: 10380040	Declaration Due Date: 15-Feb-2016	Payment Due Date: 15-Feb-2016
Tax To Pay: 28,526,264	Penalty To Pay: 0	Interest To Pay: 0
Tax Paid: 28,526,264	Penalty Paid: 0	Interest Paid: 0
Credit Claimed: 0	Total Tax Due: 0	

Authorised RRA Officer: ONLINE ONLINE

Signature



Customs Duties

In the case of customs duties, the acknowledgement receipt is more commonly referred as the ‘Assessment

Notice'. This can be accessed by Clearing Agents through the Rwanda electronic Single Window (ReSW) system. The Clearing Agent then provides the taxpayer with the assessment notice in order to pay the taxes and fees due.

Different types of customs duties can be required to be paid to different accounts. Therefore, each assessment notice may have multiple RRA Reference Numbers with different amounts of tax due. The associated RRA Reference Numbers and amounts of tax due are highlighted in different colours in the example below.

Rwanda Revenue Authority
Customs Services Department



Assessment Notice

Customs office: 11GI - Gikondo

Declaration reference

Model	Customs reference	Declarant reference	Assessment reference	Packages
IM 4	19/06/2017 C 15566		20/06/2017 L 22389	867

Declarant	Consignee

Global taxes

Tax code	Tax description	Tax code
PRF	Computer Processing Fee	3,000
Total Global taxes		3,000

Item taxes

Tax code	Tax description	Tax value
C02	Customs duty non petroleum products	662,498
V02	Value Added Tax non petroleum prods	1,861,939
W01	Withholding tax	0
QIF	Quality Inspection Fees	14,454
IDL	Infrastructure Development Levy	75,213
Total Item taxes		2,614,104

0025654-11-65		Receveur des Douanes	ECR
Tax code	Tax description	Tax value	
C02	Customs duty non petroleum products	662,498.00	
QIF	Quality Inspection Fees	14,454.00	
Total 0025654-11-65		676,952.00	



00551087588000

0025654-12-62		Receveur TVA	ECR
Tax code	Tax description	Tax value	
V02	Value Added Tax non petroleum prods	1,861,939.00	
Total 0025654-12-62		1,861,939.00	



00551087588100

Office stamp _____ Signature _____

Customs office: 11GI - Gikondo

Declaration reference

Model	Customs reference	Declarant reference	Assessment reference	Packages
IM 4	19/06/2017 C 15566		20/06/2017 L 22389	867

Declarant	Consignee

0025654-16-50		Redevance Informatique	BCR
Tax code	Tax description	Tax value	
PRF	Computer Processing Fee	3,000.00	
Total 0025654-16-50		3,000.00	

00551087588300

50470780164		Infrastructure Development Levy	BCR
Tax code	Tax description	Tax value	
IDL	Infrastructure Development Levy	75,213.00	
Total 50470780164		75,213.00	

05510875810000

Total assessed amount for the declaration 2,617,104
Total amount to be paid 2,617,104

Local Government Taxes and Fees

In the case of Local Government Taxes (LGT) and Fees on the LGT system, this can vary slightly for the type of tax or fee. Typically, acknowledgement receipts can be viewed by clicking ‘Get Acknowledgement’ immediately after submitting the declaration, as seen below.

Declaration submitted successfully. Tax To Pay is : RWF

Please enter Email

Send Email

Please enter Phone No

Send SMS





Declare Another TaxType

Declare Another Document

Acknowledgement Receipt

Here For You, To Serve - Call the RRA Call Centre on 3004

The taxpayer can also enter their email address or phone number to receive the RRA Reference Number and tax due. An example acknowledgement receipt for LGT and fees declarations is displayed below. The associated RRA Reference Number and total tax due are highlighted.

 Republic Of Rwanda		Acknowledgement Receipt		Rwanda Revenue Authority 				
TIN			 RRA REF NO: 0866138031					
Name:			<small>DISCLAIMER: RECEIVED</small>					
Tax/Fee Type:	Trading License							
From Date	To Date	Submitted Date	Declaration Due Date	Payment Due Date				
01/01/2016	31/12/2016	27/02/2017	06/04/2016	06/04/2016				
Plate No/Unit	AssessNo	Tax To Pay	Tax Paid	Penalty To Pay	Penalty Paid	Interest To Pay	Interest Paid	Tax Due
ALIMENTATION	24586358	40000	0	20000	0	8400	0	68400
Total Amount :								68400
Authorised RRA Officer:					 Tue May 23 15:28:06			
Signature								

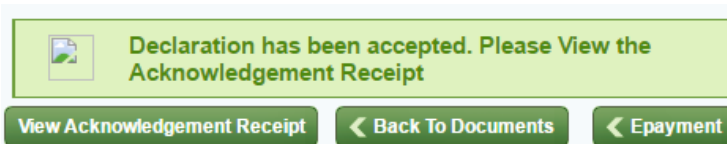
Paying Taxes online using Internet Banking and E-Payment

Option 1: Using the banks' internet banking systems

All commercial banks in Rwanda now offer internet banking services. However, the process of using these internet banking systems varies depending on the bank. It is not possible to cover each system in this Tax Handbook, but bank staff will be able to assist with registering and using internet banking, including explaining how to pay taxes.

Option 2: Using the Domestic Taxes E-Payment system

In the case of domestic taxes, after submitting the declaration it is possible to directly access the domestic taxes E-Payment system, by clicking 'E-payment'.



This shows the following screen. Clicking on the 'Select Bank to Pay' drop-down menu lists the banks that are linked with the domestic taxes E-Payment system.

It is important to note that taxpayers may need to register for internet banking directly with their bank before paying taxes on the E-Payment system.

Make Payment	
Tin	
RRA Reference No	0407313714
Assess No	9128007
Tax Type	VAT-VALUE ADDED TAX
Declared Amount	433264
Paid Amount	0
Amount To Pay	433264
Select Bank to pay:	-- Please Select -- ▾
<input type="button" value="Submit"/>	

After the taxpayer has selected their bank from the drop-down menu and clicked ‘submit’, they will be directed to the online banking system of their bank. Follow the bank instructions to complete the payment. The exact steps may vary by bank.

Paying taxes on mobile phones using MTN Mobile Money/Airtel Mobile Money

This can be done individually, or through a Telecom agent. To pay taxes individually, register on Telecom Mobile Money requires a SIM-card, and registering an account at any Telecom Mobile Money agent. The taxpayer does not need to register with MTN/Airtel to pay taxes through an agent.

It is important to note that there are small additional transaction fees payable to MTN that vary depending upon the amount of tax being paid.

Once registered, and with sufficient funds in the account to cover the amount payable, including transaction fees, follow these steps to pay taxes individually:

- Dial *182# to enter the mobile money platform.
- Choose the Language.
- Choose the 'Pay Bill' option.
- Choose the 'RRA' payment option.
- Enter the RRA Reference Number from the Acknowledgement Receipt.
- This will then show the Amount and Taxpayer Name. If these details are correct, enter '1' to proceed with payment.
- Enter Mobile Money PIN to confirm the payment.

To pay through an MTN Mobile Money agent, provide the agent with the RRA Reference Number from the Acknowledgement Receipt and sufficient funds to cover the amount payable, including transaction fees.

Paying taxes through agents with Mobicash

Paying taxes with Mobicash is currently only available through Mobicash agents. The taxpayer does not need to register with Mobicash to pay taxes through an agent.

It is important to note that there are small additional transaction fees payable to Mobicash that vary depending upon the amount of tax being paid.

To pay through a Mobicash agent, provide the agent with the RRA Reference Number from the Acknowledgement Receipt and sufficient funds to cover the amount payable, including transaction fees.

Paying taxes at a Bank

Taxes can be paid at all registered commercial banks in Rwanda. This can be done using a cash deposit slip or by bank cheque. Any payments of FRW 500,000 (five hundred thousand Rwandan francs) or more must be paid by bank cheque only.

When writing a bank cheque, make it out to ‘Rwanda Revenue Authority’, making sure to include the RRA Reference Number, total tax due and tax type.

On the Cash Deposit Slip, enter the following details:

- Beneficiary:
 - Account Number – Write the RRA Reference Number from the Acknowledgement Receipt.
 - Of – Write ‘Rwanda Revenue Authority’.

- Amount – write the ‘Total Tax Due’.
- Paid in by:
 - Name – Write the Taxpayer Name.
 - Address – Write the address of the business or the PO Box number if applicable.
- Comment: Write the tax type, e.g ‘VAT’.

De-Registration

What documents are needed for de-registration?

In the cases of both de-registration of a specific tax type and full de-registration, RRA may request any documents of proof as necessary. The documents that are required may differ depending upon the nature of the request.

When can a taxpayer de-register for a specific tax type?

The process to apply for Dormancy of one or more tax types but having other tax account (s) open:

- Go to www.rra.gov.rw
- Click on “Declare Domestic Taxes here”
- Fill in your TIN and password and click on sign in if you already have an account in E-Tax
- Once logged in click on “online requests”
- Select "Business closure" and a page will appear showing either the presence or absence of tax arrears
- On the displayed page, choose “closure of one tax account”
- Select your preferred method of receiving the OTP: either via phone or email
- Fill in the OTP and click on verify
- Click the submit button and confirm your request.
- Upon successful deactivation, you'll receive a confirmation message.

- Click on "download letter" to obtain your confirmation letter.

There are certain controls in the automation process:

When a taxpayer wishes to close only the VAT or Income Tax account under their TIN while keeping other tax accounts active, this action cannot be done online. In such cases, the taxpayer must write a letter to the Assistant Commissioner in charge of the Registration, Filing, Payment, and Monitoring Division, explaining the reason for the request. The letter should be submitted through the e-Correspondence platform. The registration officer will then review and analyse the request.

When can a taxpayer fully de-register?

A taxpayer, or concerned parties, may request for full de-registration if the taxpayer has:

- Permanently ceased all business activities
- Permanently departed Rwanda
- Deceased

It is important to note that tax declarations must continue to be submitted until the taxpayer receives confirmation that the Rwanda Revenue Authority (RRA) has approved the de-registration. Additionally, a taxpayer cannot be de-registered if there are any outstanding tax arrears. However, in the event of a taxpayer's death, RRA may make certain considerations on a case-by-case basis.

How can a taxpayer fully de-register?

- Go to www.rra.gov.rw
- Click on “Declare Domestic Taxes here”
- Fill in your TIN and password and click on sign in if you already have an account in E-Tax (If you don’t have an account in E-Tax, click "sign up." Enter your TIN and the telephone number you used for TIN registration. Submit to get your password for system access).
- Once logged in click on “online requests”.
- Select "Business closure" and a page will appear showing either the presence or absence of tax arrears.
- On the displayed page, choose “Business closure”.
- Choose one of the reasons for TIN deactivation. (Note that De-registration reason is only applicable when requested by someone representing a deceased TIN holder or for businesses undergoing liquidation or dissolution).
- Select your preferred method of receiving the OTP: either via phone or email.
- Fill in the OTP and click on verify.
- Click the submit button and confirm your request.
- Upon successful deactivation, you'll receive a confirmation message.
- Click on "download letter" to obtain your confirmation letter.

Summary Pages

Registration Summary

How can businesses and individuals get a TIN?

All businesses in Rwanda must register online through Rwanda Development Board (RDB) website. The RDB and RRA systems link to issue a unique Taxpayer Identification Number (TIN).

However, RRA also registers and gives TINs for: Decentralised Entities Taxes and fees and non-businesses.

When must be a taxpayer register their business?

A taxpayer must register their business within seven days of the beginning of the business activity.

How much does it cost to register a business?

It is free to register a business in Rwanda.

How do you register a business?

Taxpayers must register their business on the RDB business registration system. This is an online portal that makes it easier for taxpayers to register a business. This can be done online, or with the help of staff at RDB or Business Development Fund (BDF) telecentres.

How do taxpayers register for specific tax types?

Taxpayers are automatically registered for some tax types when registering their business. Call the RRA call centre toll free 3004 or visit RRA offices to register for other tax types.

Step-by-Step guide to registering as a business getting a TIN with RDB

Step 1: Register and login on the RDB system

Access the RDB business registration system at <https://org.rdb.rw/busregonline> and click on 'Register Here'. Submit the required details. Click the link in the validation email. Return to the RDB system to login.

Step 2: Choose the business category to be registered

The taxpayer must register as a 'Domestic' company, individual 'Enterprise' or 'Foreign' company.

Step 3: Complete the business registration application

Enter all the required business information, including attaching scanned versions of any required documents. Submit the application to register the business and receive the Taxpayer Identification Number (TIN) by SMS.

Step 4: Print Certificates

Login to the RDB system to print the required certificates, including the business certificate and memorandum. The taxpayer is registered and must fulfil all tax obligations.

Step 5: Register, declare and pay all required taxes

The taxpayer is automatically registered for Income Tax and Trading License. Visit RRA offices to register for any additional required taxes, including visiting RRA tax centres.

Domestic Taxes and E-Tax Summary

Which tax types are included in Domestic Taxes?

Domestic taxes include the following tax types:

- Income Tax, including:
 - o Personal Income Tax (PIT)
 - o Corporate Income Tax (CIT)
- Pay As You Earn (PAYE)
- Value Added Tax (VAT)
- Excise Duty
- Withholding Taxes (WHT)
- Gaming Tax
- Mining Royalty Tax
- Capital Gains Tax
- Road Maintenance Levy
- Tourism Tax

What is E-Tax?

Each of the domestic taxes can be declared using E-Tax. This is an online portal that makes it easier for taxpayers to declare domestic taxes. This can be done online. The process of declaring using E-Tax is similar for all domestic taxes.

What is M-Declaration?

The 'Flat Tax', 'Lump Sum' and 'motor vehicle' regimes of Income Tax (PIT and CIT) can be declared on mobile phones using M-Declaration.

How do taxpayers register for E-Tax?

Taxpayers are automatically registered for E-Tax when their business is registered.

What if taxpayers do not know their E-Tax password?

If a taxpayer does not know their E-Tax password, reset it by clicking on 'Forgot Password' or visiting RRA offices.

What are the causes of an annexure not validating?

When completing annexures, ensure to:

- 'enable content' after opening the spreadsheet.
- use the required date format (dd/mm/yyyy) for the dates entered and the computer's settings.
- avoid blank cells for rows that have been started
- click to 'Validate'.

What if the particular tax type or tax period is not available for declaration?

If the tax type and tax period for the relevant declaration is not available on the 'Document Details' screen, the taxpayer can request for it by calling the RRA call centre toll-free 3004 or visiting RRA offices.

What are the causes of a declaration not submitting?

When submitting declarations: the annexures must be uploaded, equal to the declaration form, and all certified.

Step-by-Step guide to using E-Tax to declare and pay domestic taxes

Step 1: Log-in to E-Tax

Access the E-Tax website at <https://etax.rra.gov.rw> and login to the E-Tax system using your TIN and password.

Step 2: Download, complete and save annexures

In E-Tax, hover the mouse over ‘Annexure Downloads’, and click a tax type to download the relevant annexures.

Enter the required information and click ‘Validate’ to save each annexure tab separately in the C:/RRA folder.

Step 3: Complete the declaration form

In E-Tax, choose the applicable declaration and enter the required aggregated values for the tax period. Click to ‘Save’ the declaration and automatically calculate the grey calculation boxes, including the tax due.

Step 4: Upload annexures, compare with the declaration form and submit the declaration

Upload the annexures from the C:/RRA folder and compare the values with the declaration form. If these are equal and correct, certify and submit the declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, Telecom Mobile Money, Mobicash, or at a bank.

Income Tax (PIT and CIT) Summary

What are the two types of Income Tax?

There are two types of Income Tax. Personal Income Tax (PIT) is for individual businesses. Corporate Income Tax (CIT) is for companies.

Who must register for Income Tax?

Taxpayers are automatically registered for the correct type of Income Tax, either PIT or CIT, when registering their business with RDB.

When is the deadline to declare and pay Income Tax?

The tax period for Income Tax is the calendar year, from 1st January until 31st December. The deadline for declaring and paying is March 31st of the following year.

What are Instalment Quarterly Prepayments (IQP)?

In addition, taxpayers are required to declare and pay Instalment Quarterly Prepayments (IQP) if he or she has had a taxable revenue in the previous fiscal year by the deadlines of the following: 30th June, 30th September and 31st December.

All IQPs that are paid can then be claimed back in that tax year's annual Income Tax declarations.

What are the tax regimes and rates for Income Tax?

Income Tax has three ‘regimes’ available for taxpayers:

Annual Turnover	Tax Regime
FRW 2,000,000 – FRW 12,000,000	Flat Tax
FRW 12,000,001 – FRW 20,000,000	Lump Sum
Above FRW 20,000,001	Real Regime

Taxpayers earning motor vehicle transport income may also separately declare Motor Vehicle Income Tax.

Flat Tax

Annual Turnover	Annual Tax Due
FRW 2,000,000 – FRW 4,000,000	FRW 60,000
FRW 4,000,001 – FRW 7,000,000	FRW 120,000
FRW 7,000,001 – FRW 10,000,000	FRW 210,000
FRW 10,000,001 – FRW 12,000,000	FRW 300,000

Lump Sum

Annual Turnover	Income Tax Rate
FRW 12,000,001 – FRW 20,000,000	3% of Turnover

Real Regime

Annual taxable income (profit)	PIT Rate	CIT Rate
FRW 0 – FRW 720,000	0%	28%

FRW 720,001 – FRW 1,200,000	10%	
FRW 1,200,001 – FRW 2,400,000	20%	
Above FRW 2,400,000	30%	

What are the rates for Motor Vehicle Income Tax?

Type of Vehicle	Tax Rate per Quarter
Motorcycle cc below 100	FRW 9,000
Motorcycle cc above 100	FRW 18,000
Car	FRW 22,050
Bus/Minibus	FRW 3,000 per seat capacity
Pick-up/Truck with maximum load capacity below 7 tonnes	FRW 15,000 per tonne of capacity, rounded to the nearest half-tonne
Pick-up/Truck with maximum load capacity between 7 - 30 tonnes	FRW 19,500 per tonne of capacity, rounded to the nearest half-tonne
Private Ambulance/ Hearse	FRW 25,000
Wheeled construction/ breakdown/ towing vehicle	FRW 76,800
Caterpillar-tracked vehicle	FRW 195,000

Step-by-Step guide to declaring and paying Flat Tax or Lump Sum regime or IQP using M-Declaration

Flat Tax, Lump Sum or Instalment Quarterly Prepayments (IQP) Income Tax can be declared on mobile phones using M-Declaration.

Step 1: Keep records of all income

Keep records of all income to calculate annual turnover.

Step 2: Register for M-Declaration

Using the mobile phone, dial *800#. Select a language, '2. Other Business Activities' and then '1. Registration'. Enter the TIN and Rwanda National ID number. This step is only required the first-time using M-Declaration.

Step 3: M-Declaration of Income Tax

Using the mobile phone, dial *800#. Select a language, '2. Other Business Activities' and then '2. Declaration. Enter the tax period, whether the taxpayer is 'new' or 'usual' to M-Declaration and the tax period business income.

Step 4: Receive payment details and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN Mobile Money, Mobicash, or at a bank.

Step-by-Step guide to declaring and paying Motor Vehicle Income Tax or IQP using M-Declaration

Motor Vehicle Income Tax must be declared on mobile phones using M-Declaration. The process is the same when declaring Motor Vehicle Income Tax Instalment Quarterly Prepayments (IQP).

Step 1: Register Motor Vehicle for Transport Income use

Visit any RRA offices and register the motor vehicle for transport income use. This use also requires specific insurance to be purchased for the motor vehicle. This step is only required the first-time using M-Declaration.

Step 2: M-Declaration of Income Tax

Using your mobile phone, dial *800#. Select a language, '1. Motor Cycles/Vehicles'. Enter the TIN, number plate of the motor vehicle, tax period and whether you are a 'new' taxpayer or a 'usual taxpayer'.

Step 3: Receive payment details and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Step-by-Step guide to declaring and paying Flat Tax regime using E-Tax

Flat Tax Income Tax can be declared online or with the help of staff at RRA offices with E-Tax.

Step 1: Keep records of all income

Keep records of all income to calculate annual turnover.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Complete form and submit

Complete the declaration form and submit the Income Tax declaration.

Step 4: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Step-by-Step guide to declaring and paying Lump Sum regime using E-Tax

Lump Sum regime PIT or CIT can be declared online or with the help of staff at RRA offices with E-Tax.

Step 1: Keep records of all income

Keep records of all income to calculate annual turnover.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexures

Download, complete, validate and save any applicable Lump Sum Annexures.

This step is only required if the taxpayer has had any tax withheld and paid on their behalf during the tax period.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the Income Tax declaration.

Only upload annexures if the taxpayer has had any tax withheld and paid on their behalf during the tax period.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Step-by-Step guide to declaring and paying Real Regime using E-Tax

Step 1: Bookkeeping

Ensure accurate bookkeeping of all business matters.

Step 2: Certify the financial statements

Submit the financial statements to ICPAR members for validation.

This step is only required if the taxpayer had annual turnover of more than FRW 600,000,000.

Step 3: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 4: Download, complete, validate and save annexures

Download, complete, validate and save the applicable Real Regime annexures, including the Balance Sheet, Profit and Loss Statement and Company Representative annexures.

Step 5: Upload certified financials

Approved certifying audit firm upload certified financials on behalf of their clients through their E-Tax portals.

Step 6: Complete form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the Income Tax declaration.

Step 7: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Step-by-Step guide to declaring and paying Instalment Quarterly Prepayments (IQP) using E-Tax

Lump Sum regime PIT or CIT can be declared online or with the help of staff at RRA offices with E-Tax.

If the taxpayer has had any tax withheld and paid on their behalf during the tax period, also follow the italics steps.

Step 1: Bookkeeping

Keep records of all tax withheld and paid on their behalf.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexures

Download, complete, validate and save any applicable IQP Annexures.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, *upload annexures*, confirm accuracy and submit the IQP declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Pay As You Earn (PAYE) Summary

Who pays PAYE?

PAYE is a tax on employees' income. It is withheld, declared and paid on their behalf by their employers.

Who must register for PAYE?

Any taxpayer who pays its employees in cash, benefits-in-kind or allowances is required to register for PAYE.

What is the rate of PAYE for permanent employees?

Monthly taxable income	Marginal Tax Rate
FRW 0 to FRW 60,000	0%
FRW 60,001 to FRW 100,000	10%
FRW 100,001 to FRW 200,000	20%
Above FRW 200,000	30%

When is the deadline to declare and pay PAYE?

PAYE is declared and paid on a monthly basis. Alternatively, taxpayers with annual turnover below FRW 200,000,000 may choose to declare on a quarterly basis.

Whether monthly or quarterly, the PAYE declaration must be submitted and paid by the 15th of the month following the end of the tax period.

Are PAYE and RSSB contributions declared together?

PAYE and RSSB contributions can be declared together in a 'Unified PAYE declaration' using RSSB system called 'Ishema'.

Value Added Tax (VAT) Summary

What is VAT?

VAT is a tax on the consumption of goods and services. It is indirectly paid by the final consumer of the goods or service. However, it is paid on their behalf by taxpayers on the value added at each stage of production.

Who must register for VAT?

A taxpayer must register for VAT if their turnover is above FRW 20,000,000 for any twelve-month period, or above FRW 5,000,000 for three consecutive months. This includes all taxable, exempt and zero-rated sales.

In addition, any taxpayer may choose to register for VAT.

What is the rate of VAT?

The normal rate of VAT is 18%. There is also a zero-rate (0%) and exemptions applicable for certain types of goods and services. VAT is charged on the value added at each stage of production.

When is the deadline to declare and pay VAT?

VAT is declared and paid on a monthly basis. Alternatively, taxpayers with annual turnover below FRW 200,000,000 may choose to declare on a quarterly basis.

Whether monthly or quarterly, the VAT declaration must be submitted and any tax paid by the 15th of the month following the end of the tax period.

Step-by-step guide to declaring and paying VAT

Step 1: Bookkeeping and issuing EIS invoices.

Ensure accurate bookkeeping including retaining all VAT invoices for inputs and using Electronic Invoicing System (EIS), a type of EBM to issue EIS invoices for all sales.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexures

Download, complete, validate and save the applicable Annexures. This includes tabs for sales, locally purchased inputs, imported inputs, VAT reverse charge and VAT retained by public institutions.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the VAT declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Electronic Invoicing System (EIS) Summary

What are EISs?

EISs refer to methods of printing RRA certified invoices and sending sales data to RRA in real time. EIS invoices are required to be provided to buyers for every sales transaction by every registered taxpayer. An EBM is a type of EIS that can be used to print EIS receipts.

Who needs to have EIS/EBM?

A registered taxpayer (whether VAT registered or not) who carries out sales transaction is required to issue EIS/EBM invoices at their sales locations.

What methods are available to comply with EIS requirements?

Taxpayers who are required to issue EBM invoices can do so by adopting either:

- EBM2.1
- A Virtual Sales Data Controller (VSDC)

How do taxpayers use EIS/EBMs?

EIS/EBMs must be used to produce EIS/EBM invoices for every sales transaction, both to other businesses and final consumers. RRA staff train taxpayers on how to set up, program and use their EIS/EBMs.

The typical process for using EIS/EBMs is to enter the quantity, price and code of each item that is being sold. The taxpayer must then print the EIS/EBM invoice, give

this to the consumer and keep a duplicate EIS/EBM invoice.

What if the EIS/EBM is not working for any reason?

If there is any period where the EIS/EBM is not working, for whatever reason, taxpayers must notify RRA.

Excise Duty Summary

What products pay Excise Duty and what is the rate?

Products	Tax Rate
Juice from fruits, vegetables or other plants whose local raw material content, is at least 30% by weight of its constituents, including water	10%
Other juices from fruits, vegetables or other plants	39%
Lemonades, sodas and other juices	39%
Flavoured or coloured syrups and other preparations intended to be consumed as beverages after simple dilution with water (in the form of powder or granules)	39%
Beer whose local raw material content, excluding water, is at least 70% by weight of its constituents	40%
Other beers	65%
Wine whose local raw material content, excluding water, is at least 70% by weight of its constituents	40%

Other wines	70% of the value of a litre not exceeding FRW 40,000
Brandies, liquors and whiskies whose local raw material content, excluding water, is at least 70% by weight of its constituents	60%
Other brandies, liquors and whiskies	70% of the value of a litre not exceeding FRW 150,000
Other fermented beverages	65%
Other alcoholic beverages with local raw material content	30%
Cigarettes	36% of retail price tax inclusive of a pack of 20 rods plus FRW 230 per pack
Cigar and similar products containing tobacco or tobacco substitutes	160%

Electronic cigarette	FRW 30,000 per unit
Cartridge with liquid for use in electronic cigarette	FRW 24,400 per unit
Premium oil (excluding benzene)	FRW 183 per litre
Gas oil	FRW 150 per litre
Lubricants or fluids for motor vehicle and machinery maintenance	37%
Vehicles with an engine capacity of less than 1500 cc or hybrid vehicles which are not more than three years of age from the date of manufacture	5%
Vehicles with an engine capacity of between 1500 and 2500 cc or hybrid vehicles which are more than three years of age but not more than eight years of age from the date of manufacture	10%
Vehicles with an engine capacity above 2500 cc or hybrid vehicles which are more than eight years of age from the date of manufacture	15%

Sweets and chewing gums	FRW 322/kg
Chocolates	FRW 1,930/kg
Cosmetics and beauty products	15%
Telephone communications	12% for the first year (2025) 14% during the second year (2026) 15% from the third year (2027) and above
Amount or commission charged on financial transactions	15% from 1 st July 2027

Who must register for Excise Duty?

Any local manufacturer of a product that is subject to Excise Duty is required to register for Excise Duty.

What information must registered taxpayers record?

Registered taxpayers must keep daily registers of all: taxable products manufactured, taxable products sold, raw materials used and production activities.

When is the deadline to declare and pay Excise Duty?

Excise Duty is declared on a monthly basis and must be declared and paid within five days after the end of each tax period.

What are tax stamps?

A tax stamp is a sign affixed on a product subject to Excise Duty to show retailers and consumers that tax has been paid. The products requiring tax stamps are cigarettes (each pack of 20 individual cigarettes), wines and liquors (each bottle).

Step-by-step guide to declaring and paying Excise Duty

Step 1: Bookkeeping and issuing EBM invoices

Ensure accurate daily registers of: taxable products manufactured, taxable products sold, raw materials used and production activities. Affix tax stamps to required products.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexures

Download, complete, validate and save the Annexures. This includes tabs for raw materials and taxable sales.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the Excise Duty declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Withholding Taxes Summary

Who must register for Withholding Taxes?

Any taxpayer making payments of types of income that require withholding must register for withholding taxes.

Who pays Withholding Taxes?

Withholding taxes are declared and paid by the source of the transaction, on behalf of the recipient.

What is Withholding Tax of 15% (WHT 15%)?

WHT 15% must be withheld and paid on income received by non-registered businesses or registered businesses without a recent income tax declaration. It applies to the following types of income: interest income, dividend income, royalty income, service fees, performance payments, gambling proceeds and payments for goods, services and public tenders.

What is Withholding Tax of 3% (WHT 3%)?

WHT 3% must be withheld and paid by public institutions on payments to the winners of public tenders.

Other Withholdings

Based on Double Taxation Agreement (DTA), withholding tax 15% can have a reduced rate:

- Withholding on interests: 10% or 5% depending on agreement;
- Withholding on dividend: 10% or 5% depending on agreement;

- Withholding on Professional and Management Fees: 12%;
- Withholding on Services: 10%;

Based on other considerations:

- Investments: Withholding on preferential tax (interests, dividend, and royalty) - 0%;
- Taxation of partners in partnership: Withholding on partners. The rate depends on either it is a company – 28% or individual enterprise – following PIT brackets;
- Type of service provided (Commissions – 15%, Board Member Allowance – 30%, Treasury Bonds – 15%, WOP Capital Gain – 10%, and WOP Gaming – 15%)

When is the deadline to declare and pay Withholding Taxes?

Withholding taxes are declared on a monthly basis. The declaration must be submitted and paid, for each type of income separately, by the 15th of the following month.

Step-by-Step guide to declaring and paying Withholding Taxes

Taxpayers must declare and pay withholding taxes on each type of taxable income separately.

Step 1: Withhold tax on taxable payment transactions

Before making payments subject to withholding taxes, withhold the tax due and retain the transaction invoices.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexures

Download, complete and save the applicable Annexures.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the Withholding Tax declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Gaming Taxes Summary

What are Gaming Taxes?

Gaming taxes are paid on transactions of gambling proceeds. This includes Gaming Tax and Withholding Tax of 25% on Gambling Proceeds 40% (Tax on Gaming).

These are declared and paid by the source of the betting company. The player is able to claim the tax paid back in their Income Tax declarations.

Who must register for Gaming Taxes?

Any taxpayer making payments of gambling proceeds must register for both Gaming Tax and WOP-Gaming.

Gambling proceeds are the difference between the winnings of a player and the amount of money invested by the player from the start until the end of the game.

What are the rates of Gaming Tax and WOP-Gaming?

All gambling proceeds are subject to Gaming Tax of 40%.

When is the deadline to declare and pay Gaming Taxes?

Gaming Tax and WOP-Gaming are declared on a monthly basis. These declarations must each be submitted and any tax due paid by the 15th of the following month.

Step-by-Step guide to declaring and paying Gaming Taxes

Step 1: Withhold taxes on gambling proceeds payments

Before making payments of gambling proceeds, withhold the Gaming Tax and the Withholding Tax of 25% on Gambling Proceeds and retain the transaction invoices.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>

Step 3: Download, complete, validate and save annexures

Download, complete, validate and save the applicable Annexures.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit for each of the Gaming Tax.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Mining Royalty Tax Summary

Who must register for Mining Royalty Tax?

Any taxpayer who purchases minerals must register for Mining Royalty Tax.

What is the rate of Mining Royalty Tax?

The rates of Mining Royalty Tax are:

- 3% of the norm value for the mineral category of base metals;
- 2% of the gross value for the category of gemstones;
- 2% of the norm value for the category of platinum group metals;
- 2% of the norm value for the category of rare earth elements;
- 3% of the norm value for the category of energy minerals;
- 0.5% of the norm value for the category of gold.

What is the valuation method of Mining Royalty Tax?

The valuation methods of Mining Royalty Tax are norm value and gross value.

When must Mining Royalty Tax be declared and paid?

Mining Royalty Tax is declared on a monthly basis. These declarations must each be submitted and any tax due paid by the 15th of the following month.

Step-by-Step guide to declaring and paying Mining Royalty Tax

Step 1: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 2: Download, complete, validate and save annexures

Download, complete, validate and save the applicable Annexures.

Step 3: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexures, confirm accuracy and submit the tax declaration.

Step 4: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, E-Banking, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Capital Gains Tax Summary

What is Capital Gains Tax?

Capital Gains Tax applies to the profit from the sale or transfer of shares, licenses, debt instruments, options, guarantees and similar assets.

Who must register for Capital Gains Tax?

The tax on profit from the sale of shares, licenses, debt instruments, options, guarantees and similar assets is withheld, declared and paid by the company whose shares were sold.

What is the tax rate of Capital Gains Tax?

The tax rate of Capital Gains Tax is 10%, applied to the profit from the sale of shares, licenses, debt instruments, options, guarantees and similar assets, where profit equals sale price minus purchase price.

When are the Capital Gains Tax periods and deadlines?

Capital Gains tax must be declared and paid by the 15th of the month after the transaction was made.

Step-by-Step guide to declaring and paying Capital Gains Tax

Step 1: Withhold tax on taxable payment transactions

Before making payments subject to capital gains, withhold the tax due and retain the transaction invoices.

Step 2: Login to E-Tax

Login at <https://etax.rra.gov.rw>.

Step 3: Download, complete, validate and save annexure

Download, complete, validate and save the applicable Annexure.

Step 4: Complete declaration form, upload annexures and submit

Complete the declaration form, upload annexure, confirm accuracy and submit the Capital Gains declaration.

Step 5: View acknowledgement receipt and pay taxes

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Road Maintenance Levy Summary

What is Road Maintenance Levy?

Road Maintenance Levy is a fee collected on taxable motor vehicles to maintain and develop roads.

Who must register for Road Maintenance Levy?

There is no separate registration process for the Road Maintenance Levy for eligible motor vehicles, as their registration information already exists in RRA systems. Owners of eligible motor vehicles are automatically registered.

What is the rate of Road Maintenance Levy?

The Road Maintenance Levy is an annual fixed amount applied to eligible motor vehicle types, as shown in the table below:

Category	Levy Amount (FRW)
Car	50,000
Jeep	50,000
Pick-up	100,000
Microbus	100,000
Minibus	100,000
Bus	100,000
Truck	120,000
Half-trailer	120,000

Trailer	150,000
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When are the Road Maintenance Levy tax periods and deadlines?

Road Maintenance Levy is paid annually and due throughout the current fiscal year, with the final payment deadline on 31st December.

Step-by-Step guide to declaring and paying Road Maintenance Levy.

Road Maintenance Levy is declared through E-Tax, M-Declaration, and on RRA Website. For more details, refer to page 294.

Tourism Tax Summary

What is Tourism Tax?

Tourism Tax is a levy imposed on accommodation services, which involve providing a room or space for sleeping or resting.

Who must register for Tourism Tax?

A provider of room or place to sleep or rest.

What is the rate of Road Maintenance Levy?

The rate of the Tourism Tax on accommodation is set at 3% of the amount paid or payable for accommodation, exclusive of value added tax.

When are the Tourism Tax periods and deadlines?

The Tourism Tax has a monthly period and is due by 15th of the following month.

Step-by-Step guide to declaring and paying Tourism Tax.

Tourism Tax is declared through E-Tax. For more details, refer to page 298.

Decentralised Entities Taxes and Fees Summary

Which tax types are included in Decentralised Entities Taxes and fees?

There are four types of Decentralised Entities Taxes:

- Immovable Property Tax
- Trading License Tax
- Rental Income Tax
- Sale of Immovable Property Tax

There are also a wide range of Decentralised Entities fees including Service Fees and fees for a range of services or authorisations required from Districts.

Who must register for Decentralised Entities Taxes and Fees?

Any person or company who owns or leases land or property, who owns a profit-oriented business of any size, receives rental income from land or property, or fulfils any of the criteria required for Decentralised Entities Taxes and fees is required to register for Decentralised Entities Taxes and fees.

What is the LGT system?

Each of the Decentralised Entities Taxes listed above, and many of the Decentralised Entities fees, must be declared using the Local Government Taxes (LGT) system. The LGT system is an online portal designed to make it easier for taxpayers to declare Decentralised Entities Taxes and

fees. This can be done online, or with assistance from a RRA officer.

How do taxpayers register and login to the LGT system?

Taxpayers must visit any RRA offices with either a Rwandan ID or Passport to register with the LGT system.

Access the LGT system at <https://localgov.rra.gov.rw> and login using the TIN/Username and LGT system password.

What if taxpayers do not know their LGT system password?

If a taxpayer does not know their password, it can be reset by clicking ‘Forgot Password’ on the LGT system login and receiving a new password by SMS or email.

What if the taxpayer cannot find the correct Decentralised Entities Taxes or fee on the LGT system?

If a taxpayer wishes to declare a particular Decentralised Entities Taxes or fee, or tax period, and they cannot find it or are not registered for that Decentralised Entities Taxes or fee, the taxpayer can request for it by calling the RRA Call Centre for free on 3004 or visit nearest RRA office.

Which third parties also collect Decentralised Entities fees?

Ngali Holdings Ltd is mandated to support RRA in collecting all Decentralised Entities fees. MISIC also collects parking fees.

What is the rate for Immovable Property Tax?

Any owner of land and buildings must register for Immovable Property Tax. The immovable property is levied on an annual basis on the surface of a plot of land, and, if there is a building on a plot of land, also the market value of the building(s) and land. The tax rate on the surface of a land ranges between FRW 0 to FRW 80 per square metre. Exemptions from Immovable Property Tax can apply to properties belonging to vulnerable groups, public entities, and foreign diplomatic missions. Exemptions from the land component can apply for land without basic infrastructure and the first 20,000m² of land used for agriculture and livestock. The building component can be exempted for the first residential building of the owner and the commonly owned portions of condominiums.

What is the rate for Trading License Tax?

Any person or business conducting business activities must register for Trading License Tax. Depending upon turnover and location, each business or motor vehicle must pay yearly or quarterly Trading License Tax as per below table:

What is the rate for Rental Income Tax?

Any person receiving rental income on immovable properties must register for Rental Income Tax. 50% of income is exempt.

Annual taxable rental income	Marginal tax rate
FRW 0 – FRW 180,000	0%
FRW 180,001 – FRW 1,000,000	20%
Above FRW 1,000,001	30%

What does the list of Decentralised Entities fees include?

- Fees charged on parking.
- Fees charged on public parking.
- Parking fees on boats.
- Fees on small-scale quarry exploitation
- Fees on civil marriage conducted on days other than official business days.
- Fees on services and documents of immovable property.
- Fees on official certificates of a decentralized entity.
- Fees on authorisation to make or burn clay bricks, tiles, or charcoal.
- Fees on advertising.
- Fees on signpost without advertisement.
- Fees on boat number plates.
- Fees on bicycle number plates.
- Fees on communication towers.

- Fees on transport of materials from quarries and forests.

Step-by-step guide to declaring and paying Decentralised Entities Taxes and fees

Step 1: Login to the LGT System

Access the LGT system at <https://localgov.rra.gov.rw> and login using the TIN/Username and LGT system password.

Step 2: Select the correct Decentralised Entities Taxes or fee to declare

For Decentralised Entities Taxes, click ‘Declaration’ and the drop-down taxes option. Then choose the tax type and tax period that is being declared and click ‘Submit’. Finally, click on the document number of the applicable declaration.

For fees, click ‘Fee Payment Ticket’ and the service type, and select the correct fee from the drop-down menus.

Step 3: Complete declaration form and submit

Enter the required information in the declaration form. Where necessary, click ‘Calculate Tax’, ‘Continue with Annexure’ or ‘Compare with Declaration’ then ‘Submit’.

Step 4: View payment details via the Acknowledgement Receipt, email or SMS, and pay all taxes and fees due

Note the RRA reference number and pay all tax due with E-Payment, MTN/Airtel Mobile Money, Mobicash, or at a bank.

Customs Summary

Who must pay Customs Duties?

Customs duties are taxes and fees paid on imported goods. There is only a nominal processing fee for exports. Customs duties are paid by the importer or exporter of the goods, typically through a Clearing Agent.

What are Clearing Agents?

Clearing Agents are companies licensed by Commissioner for Customs Services to transact any business related to the import or export of goods. Clearing Agents act as a broker between the taxpayers and the revenue authority. Clearing Agents are required to be contracted by any taxpayer wishing to import or export goods valued at FRW 500,000 or above.

How are imported and exported goods valued?

Imports are valued as Cost, Insurance & Freight (CIF). This is equal to the cost of the goods, the cost of any insurance paid on the goods and the freight costs of transporting the goods to Rwanda. Exports are valued as Free On Board (FOB). This is equal to the cost of the goods only.

What is the Import Duty rate?

The Import Duty rate is 0% for imports from within the EAC or COMESA, or the Common External Tariff (CET) rate for imports from outside, typically 0%, 10%, 25% or 35%. The current version of the CET is available

on the RRA website at:

<https://www.rra.gov.rw/index.php?id=243>.

How are Customs Duties calculated?

Import Duty = CIF * Import Duty Rate

Excise Duty = (CIF + Import Duty + HF) * Excise Rate

Note that Handling Fee (HF) is not actually paid to RRA, but is included in Excise Duty and VAT calculations, where: HF = FRW 10 per kg.

VAT = (CIF + Import Duty + Excise Duty + HF) * 18%

Withholding Tax of 5% (WHT 5%) = CIF * 5%

Infrastructure Development Levy (IDL) = CIF * 1.5%

Strategic Reserves Levy (SRL) = FRW 50 per litre of fuel

African Union Levy (AUL) = CIF * 0.2%

Motor Vehicle Fees (MVF) – Between FRW 75,000 and FRW 1,000,000 depending upon the vehicle engine capacity (cc)

Road Toll = \$76 USD for simple trucks, or \$152 USD for heavy commercial trucks (trailer and semi-trailers)

Fuel Levy = 15% of CIF

Export Duty on Raw Hides and Skins = FOB * 80%, or \$0.52 per Kg, whichever is higher.

Computer Processing Fee = FRW 3,000 per normal declaration or FRW 500 per simplified declaration

Quality Inspection Fees (QIF) = (CFR) * 0.2%

Environmental Levy = CIF * 0.2%

Step-by-Step Guide to importing or exporting

Step 1: Taxpayer prepares all necessary documents and contracts a Clearing Agent.

Step 2: The Clearing Agent prepares and submits an import or export declaration to RRA using the Rwanda electronic Single Window (ReSW).

Step 3: The Clearing Agent receives assessment notices, containing the amounts of customs duties due. The taxpayer pays all customs duties due, either directly or through the Clearing Agent. The assessment notice may contain different 'Doc IDs' for different tax types. If so, these must each be paid separately.

Step 4: The ReSW system allocates the consignment to a certain Customs channel. If verification is required, Customs Officers will request the necessary documents and/or access to the consignment. If there are any problems, further action may be required.

Step 5: After successful verification, the Customs Officer provides the taxpayer with a release order.

Step 6: The taxpayer pays any due warehousing fees, if applicable, to the warehouse owner.

Step 7: The taxpayer receives an exit note and may leave with their consignment.

Step-by-Step Guide to Motor Vehicle Ownership Transfer

Step 1: Online Motor Vehicle Transfer Request

The seller applies for online motor vehicle transfer in E-Tax.

Step 2: Visit RRA offices and pay the transfer fee

Visit any RRA offices. If the seller of the motor vehicle has no outstanding tax arrears, RRA staff will provide an assessment notice for the Registration Transfer Fee. This must be paid by either the buyer or the seller.

Step 3: Register the buyer with RRA

If the buyer on the motor vehicle does not yet have a unique Taxpayer Identification Number (TIN), provide RRA staff with a valid Identity Document (ID) or Passport.

Step 4: Provide all required documents

The buyer must provide RRA staff with all the required documents.

Step 5: Updated Yellow Card is provided to the buyer

RRA staff will provide the buyer of the motor vehicle with the updated Yellow Card containing the buyer's details. The process is now finished and the buyer is now the legal owner of the motor vehicle.

Paying Taxes Summary

How can taxes and fees be paid?

After declaring, all types of taxes and fees can be paid:

- Online using Internet Banking and E-Payment (Integration with all banks is underway to enable taxpayers to pay taxes directly within the e-Tax system. The service is already operational with Umwalimu SACCO and Unguka Bank.).
- On mobile phones or through agents using MTN/Airtel Mobile Money.
- Through Mobicash agents.
- In person at a bank.

What are the advantages of paying taxes using Internet Banking, MTN/Airtel Mobile Money or Mobicash?

The benefits of paying online or on mobile phones are:

- Pay taxes anytime, anywhere.
- Avoid travel costs of visiting a bank.
- Avoid queuing times at banks.
- Avoid safety risks of carrying cash.

What details are needed when paying taxes?

There are two main details needed when paying taxes. These are: the RRA Reference Number, also referred to as the 'Doc No', 'Doc ID' or 'RRA Ref No', and the total amount of tax due to be paid.

These are both found in the ‘acknowledgement receipts’ that are generated after submitting a tax declaration.

How can taxes be paid using Internet Banking or E-Payment?

For Internet Banking, the registration and use vary for each bank. Always enter the RRA Reference Number and the amount due from the Acknowledgement Receipt.

How can taxes be paid using MTN/Airtel Mobile Money?

After registering for MTN Mobile Money, dial *182# to enter the platform. Select the language, then ‘Pay Bill’, and ‘RRA’. Enter the RRA Reference Number from the Acknowledgement Receipt. Enter the Mobile Money PIN to pay the amount due, including transaction fees.

How can taxes be paid through MTN/Airtel Mobile Money or Mobicash agents?

Provide the agent with the RRA Reference Number and the amount due from the Acknowledgement Receipt including transaction fees.

How can taxes be paid at a bank?

When paying by Bank Cheque or Cash Deposit Slip, ensure to make the payment to ‘RRA’ and write the RRA Reference Number, the tax type and the amount due.

Tax Types Summary

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
For all businesses...	Income Tax (PIT or CIT), <i>including Income Tax Quarterly Prepayments (IQP)</i>	31 st March of following year	118
		<i>30th June, 31st September and 31st December of current year</i>	131
			314
	Trading License Tax - Annually	31 st January of current year	314
Trading Licence Tax - Quarterly	Q1 – End of January, Q2 – End of April; Q3 – End of July; Q4 – End of October		
... with employees	Pay As You Earn (PAYE)	15 th of following month or quarter	184

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
... with annual turnover above FRW 20,000,000	Value Added Tax (VAT)	15 th of following month or quarter	202
... which import or export goods	Customs Duties	when importing or exporting	355
... which manufacture fruit juices, other juice, lemonades and sodas, cosmetic and beauty products, other alcoholic beverages, beers, wines, spirits, brandies, oils, cigarettes, lubricants and fluids, motor vehicles, powdered milk or airtime, Chocolate, Sweets and Chewing	Excise Duty	5 th of following month	246

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
gum, flavoured and coloured syrup, other fermented beverages, financial transactions			
... which make payments of interest, dividends, royalties, service or consultancy fees, for performances, or to non-registered businesses	Withholding Taxes	15 th of following month	258
... which pay out gambling proceeds	Gaming Taxes	15 th of following month	273
... which deal with minerals (local exploitation)	Mining Royalty Tax	15 th of following month	282

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
... which deal with minerals (export)	Export Tax (Minerals)	Before export	365
... to maintain roads in good condition	Road maintenance Levy	31 st December	292
... paid on accommodation services	Tourism tax	15 th of the following month	296
For all landowners...	Immovable Property Tax	31 st December of same year	303
... renting out property	Rental Income Tax	31 st January of following year	321
...Sale of Immovable Property	Tax on sale of immovable property	Upon transaction	303
For all individuals...			
... who have sold/transferred shares, licenses, debt	Capital Gains Tax	15 th of the following month	290

Description	Tax Type(s)	Declaration and Payment Deadlines	Page
instruments, options, guarantees and similar assets			
For anyone...			
... importing a car	Customs duties	when importing	404
... buying a car locally	Motor Vehicle Ownership Transfer Fees	when buying the car	64
... requiring District's services or authorisation	Decentralised Entities Fees	before the service or authorisation is provided	326

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