



**RWANDA REVENUE AUTHORITY**  
TAXES FOR GROWTH AND DEVELOPMENT

**FAQs**

**FREQUENTLY ASKED QUESTIONS**

Ask something

## INTRODUCTION

Questions asked by taxpayers cover a number of aspects including registration and deregistration, income tax, Value Added Tax (VAT), E-tax, Local Government Taxes (LGT), motorvehicle services, withholding tax, tax procedures law as well as electronic invoicing system commonly know as Electronic Billing Machine (EBM) among others.

Following are some of the Frequently Asked Questions which were compiled up to date.



**FREQUENTLY ASKED QUESTIONS  
ON BUSINESS REGISTRATION /  
DEREGISTRATION**

1

## How can I find online business deregistration form at RRA website?

- Go to [www.rra.gov.rw](http://www.rra.gov.rw)
- Choose domestic tax services
- Click on registration & De-registration
- Go to "Forms"
- Click on "Read more"
- Choose the appropriate form depending on the type of business (individual, company) or the type of tax (PAYE). The form is opened in PDF, ready for print out.

2

## What is a Taxpayer Identification Number (TIN)?

This is a unique number, which is issued to a taxpayer by the tax Administration.

Note that Taxpayer Identification Number (TIN) is offered free of charge.

3

## How can someone get a TIN?

Subject to the provisions of other Laws related to the registration of legal entities, a person who sets up a business registers the business with the Registrar General.

However, a person who carries out non-commercial activities which can generate tax has the responsibility to register with tax Administration.

4

### How can I register the business (Registration of company and individual enterprises) through RDB website?

**Step 1.** Go to [www.rdb.rw](http://www.rdb.rw)

**Step 2.** Click on e-services

**Step 3.** Click on business registration

**Step 4.** Click on register here (create your account by filling the table)

**Step 5.** Login (By using the email ID and password created on step 4)

**Step 6.** Register your business

**Step 7.** Choose domestic for company or enterprise for individual enterprise

**Step 8.** Fill the required information and follow the process

**Step 9.** Attach your scanned ID or other document

**Step 10.** Check the update through online dashboard (Maximum expected time: 6 hours)

**Step 11.** To print registration certificate, Click on certificates

5

### How can I register the business on VAT (VAT registration of company and individual enterprises) through RDB website?

**Step 1.** Go to [www.rdb.rw](http://www.rdb.rw)

**Step 2.** Log in (By using the same email ID and password created during company registration)

**Step 3.** Click on request for VAT certificate

**Step 4.** Click on proceed

**Step 5.** Enter company turnover or expected turnover

**Step 6.** Click on Submit

**Step 7.** Go to certificate

**Step 8.** Choose Value Added Tax

**Step 9.** Click on filter

**Step 10.** Click on print

6

## How can I request for tax account inactivity online?

### Step 1:

Download **de-registration** form **through RRA website:**

- Go to [www.rra.gov.rw](http://www.rra.gov.rw),
- Choose domestic tax services,
- Click on registration & deregistration
- Go to Forms, then choose the form needed whether for company or Individual.
- Fill the form properly then scan it in PDF format with representative ID as one Document, if married use both IDs, and save it. **(Should save all as one Document)**

### Step 2:

**Back to RRA website [www.rra.gov.rw](http://www.rra.gov.rw),**

- Go to Pay Domestic Taxes Here
- Login with TIN and password
- Then go to online request menu
- Chooses Inactivate Request then Chose the Tax you want to deactivate

- Type in the reason for de-registration
- Browse the Saved filled form and Submit

7

## How can I request for business deregistration online?

1. Taxpayer has to declare all declarations from the start date up to the date s/he needs to apply for deregistration.
2. Taxpayer will download **de-registration** form **through rra website: [www.rra.gov.rw](http://www.rra.gov.rw), domestic tax services, registration&deregistration,Form,read more** and fill it properly and attach an ID or PASSPORT copy . Taxpayer scans it in PDF format and save it.
3. Taxpayer **logins** with his TIN and password
4. Taxpayer passes through **online request** menu
5. Taxpayer chooses **de-registration request** and submit
6. Taxpayer types the reason for de-registration
7. Taxpayer uploads the de-registration form and ID for Rwandan or PASSPORT for foreigner scanned in PDF format and submits the request.



**FREQUENTLY ASKED QUESTIONS ON**  
**CORPORATE INOCME TAX (CIT)**  
**PERSONAL INCOME TAX (PIT)**  
**INCOME QUARTERLY PREPAYMENT (IQP)**

1

## Who is a casual labourer?

A casual labourer is an employee who performs labour that does not require special skills and who is employed for an aggregate period not exceeding thirty (30) days during a twelve (12) months period;

2

## What is the difference between personal income (PIT) tax and corporate income tax (CIT)?

PIT is income tax for sole traders, partnerships and unincorporated businesses, while CIT is income tax for companies.

3

## How can I declare CIT/PIT?

- Go to RRA website [www.rra.gov.rw](http://www.rra.gov.rw)
- choose declare other taxes here
- Choose pay domestic taxes
- Enter TIN and password then sing in
- Click on tax declaration
- Click on new declaration
- See pending declaration with specific declaration period
- Open declaration and proceed with filling
- Submit your declaration
- Get acknowledgement receipt with reference number
- Choose mode of payment (mobile money, or e-payment)
- Submit your payment.

## 4

**What is the tax period for PIT/CIT?**

The income tax is calculated for the calendar year, which starts on 1st January and ends on 31st December.

The Minister may, upon written request, allow in writing a taxpayer to apply any other twelve (12) months period as a tax period if the taxpayer fulfils the following conditions:

- 1° to be an entity subject to corporate income tax;
- 2° to keep books of accounts according to generally accepted accounting principles.
- 3° to present sound reasons for changing his or her tax period.

## 5

**What is the deadline for income tax declaration?**

An individual who carries out taxable income generating activities prepares an annual tax declaration in accordance with procedures specified by the tax administration and he or she submits the declaration with annexes comprising the balance sheet, profit, and loss account for that tax period and other annexes thereto drawn according to the requirements of the generally recognized accounting principles and any other relevant document required by the tax administration not later than 31st March of the following tax period, unless otherwise provided by the Law

6

## Who are persons not required to file annual income tax declaration?

A person is not required to file his or her annual tax declaration if the person:

- 1° has an annual turnover of less than two million Rwandan francs (FRW 2,000,0000);
- 2° receives only employment income;
- 3° receives only income on investment that is subject to withholding tax

7

## How are quarterly prepayments computed and paid?

During the current tax period, the taxpayer declares and pays to the account of the Tax Administration before and not later than 30 June, 30 September and 31 December of the year of taxable business activities, a quarterly prepayment tax calculated from **tax paid for the previous annual tax period divided by the turnover of the same tax period, times the current quarterly turnover**.

This amount is reduced by the tax withheld in that quarter, unless the taxable income is not included in the total taxable income.



# **FREQUENTLY ASKED QUESTIONS ON VALUE ADDED TAX (VAT)**

1

## What does it require to register for VAT?

A taxpayer must register for VAT if his/her turnover is above FRW 20,000,000 for any twelve-month period, or above FRW 5,000,000 for three consecutive months.

In addition, any taxpayer may choose to register voluntary for VAT.

2

## Value added tax declaration periods

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

3

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

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

**4. Input tax:** value added tax payable in respect of a taxable asset or taxable imported goods but does not include a penalty imposed

**5. Output tax** tax imposed on goods or services made or supplied by a person;

6

**What are the rates for value added tax?**

1° zero percent (0%) on taxable goods or services that are zero-rated;

2° eighteen (18%) percent for other goods and services

7

**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.

8

**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.

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 FRW500000

Medium taxpayers carries forward up to FRW2000000

Large taxpayer carries forward up to FRW 5000000

### **9**

### **What is a 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.

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.



# **FREQUENTLY ASKED QUESTIONS ON ELECTRONIC BILLING MACHINE (EBM)**

1

## Which are the types of EBM software?

Software for Tablet, software for POS, software for android, software for Computer, online software.

2

## Which requirements to get EBM software?

- To have a tax account
- Application form signed by the owner or legal representative of companies
- To fill commitment form signed which you can found through this website: <https://ebm2.rra.gov.rw/api/ConfirmForm>
- RDB registration certificate
- TIN registration certificate
- Copy of ID or Passport (for foreigners) of the business owner or company representative
- Have a Computer / laptop or a smart phone android 8.0 and above

3

## How to get EBM software in a smart phone?

### 1<sup>st</sup> step

- Go to following website: <https://myrra.rra.gov.rw/>
- Choose signup to fill taxpayer information enter your TIN
- Fill taxpayer information go to verify then you will get taxpayer informations like name telephone email and address province district sector; also you fill Location information

- Fill user Information : go to individual verify then fill ID then go to verify, create a password then go to send to get a verification code used to finish sign up

## 2<sup>nd</sup> step

- Go to website: <https://myrra.rra.gov.rw/>
- Enter your TIN
- Enter pass word
- Login
- Fill taxpayer informations
- Choice type of EBM
- Add required attachments
- Submit
- Send your request via email: [ebm2.installation@rra.gov.rw](mailto:ebm2.installation@rra.gov.rw)
- Call 3004 after choosing language choose 1 to get an EBM approval
- Guidance for installation by EBM staff

### 4

#### How to request a password for EBM V2?

Fill the request form provided by RRA and attach copy of ID or passport (for foreigners); Power of attorney if the applicant is not the owner of business, then send application to this email: [ebm2.installation@rra.gov.rw](mailto:ebm2.installation@rra.gov.rw)

### 4

#### How to proceed when a computer or a smartphone containing EBM is stolen?

Declaration of a theft of when a computer or a smartphone containing EBM to RIB to get a theft written certificate.

To apply another EBM software, requirement to get another software to replace the stolen one are application for another EBM Software, identifying serial number of a computer or a telephone which will contain EBM; apply to this website: [ebm2.installation@rra.gov.rw](mailto:ebm2.installation@rra.gov.rw)

6

**Which Technical assistance for EBM with technical problems?**

Present the problem to RRA officer to help sort out the problem, or he can call 3004 call center phone then choose 1 to get an EBM staff support who can help via **team viewer** or **any desk** applications. Issues which can be fixed include:

- Items not send which occur many times when a computer or telephone containing EBM pass a time without internet connect;
- Forget a password for EBM V2,
- Changing EBM V2 Software from one Computer to another
- Computer/ laptop containing EBMV2 software gets permanently Crushed
- Re-installation of EBM V2 when a computer or a telephone gets damaged or needs to be repaired
- Request for EBM sales in system
- Training on EBM V2 usage

7

### How do I get purchase code?

- Dial \*800#
- Choose language 1 for Eng or 2 for Kiny
- Choose 5
- Enter Buyer's TIN
- Enter Seller's TIN
- Finally press 1

An SMS with a purchase code will be sent to buyer's telephone number which is registered with RRA

8

### Are taxpayers without TIN also required to issue a purchase code before they are given EBM receipts?

No. In the process of issuing EBM receipt, the supplier will only insert custom's telephone number and choose individual instead of cooperate

9

### How do I manage contact information for TIN protection?

- Login into E-tax system
- Click on Update Details
- Select Taxpayer contact management
- Fill all mandatory fields in My Contact Management form
- Click Save

You can add as many contacts as you wish after saving

10

**If I press +800# do I have to incur some charges?**

Yes, Frw 15 for each purchase code requested if you use MTN line.  
There is no fee if you choose to use Airtel / Tigo line

11

**How long does the purchase code last?**

- Purchase code expires after being used
- Purchase code expires when the buyer changes from one seller to another

12

**Does someone who is issuing an EBM invoice to a non-business entity requires purchase code?**

Yes, as long as the invoice is issued using a TIN of that non-business entity



# **FREQUENTLY ASKED QUESTIONS ON WITHHOLDING TAX (WHT)**

1

**What is the WHT rate on employment income?**

The withholding tax on employment income is paid according to the rates provided in the tables below:

**Table 1: From November 2022 to October 2023**

Monthly Taxable Income in Rwandan francs (FRW)		Tax rate
From	To	
0	60,000	0%
60,001	100,000	20%
100,001	More	30%

**Table 2: From November 2023 onwards**

Monthly Taxable Income in Rwandan francs FRW		Tax rate
From	To	
0	60,000	0%
60,001	100,000	10%
100,001	200,000	20%
200,001	More	30%

Employment income from a casual labourer is subject to tax on the special rate of fifteen percent (15%). However, in computing casual labourer's tax, an income not exceeding sixty thousand Rwandan francs (60,000 FRW) per month is rated at zero percent (0%).

2

### How much tax does RRA Withhold on goods imported for commercial use?

A withholding tax of five percent (5%) of the value of goods imported for commercial use shall be paid at custom on the cost insurance and freight (CIF) value before the goods are released by customs.

The withholding tax referred to above shall be deducted from the income tax when it is declared and paid.

3

### What is Withholding tax rate on allowance to a Board member?

Withholding tax on allowance allocated to a member of the Board of directors and any other member of a similar organ, is taxable at a rate of thirty percent (30%).

4

### What is the rate for Withholding tax on public tenders?

A withholding tax on public tenders of three percent (3%) of the sum of invoice, excluding the Value Added Tax (VAT), is retained when successful bidders of public tenders are paid.

However, a tax of fifteen percent (15%) shall be withheld on public tenders if the recipient is not registered with the Tax Administration or is registered but does not have his/her previous income tax declaration.

A withholding tax on payment made to a person registered with the Tax Administration shall be deducted from income tax during the income tax declaration and its payment.

5

## What is the time for declaration of withholding taxes?

The person who withholds taxes is required to file a tax declaration and make payment in accordance with the procedures prescribed by the Tax Administration within a period of fifteen (15) days after the month in which the taxes were withheld.



# **FREQUENTLY ASKED QUESTIONS ON LOCAL GOVERNMENT TAXES**

1

## How can someone declare Trading license using internet?

- Open RRA website: [www.rra.gov.rw](http://www.rra.gov.rw)
- Click on Online Services
- Click on District Revenues
- Click on Taxes (Imisoro)
- Connect yourself (user name: TIN and password)
- Select Tax type as Trading license
- Select year
- Then Submit
- Click on Assessment number/ Document Number
- Enter the Annual Trading license
- Click on Calculate Tax
- Click on Submit

2

## What is the deadline for trading license tax declaration and payment?

The trading licence tax assessed by a taxpayer himself/herself is paid to the tax administration not later than 31st January of the tax year.

3

## What are the entities exempted from trading license tax?

Non-commercial State organs, as well as small and medium enterprises during the first two (2) years following their establishment, are exempted from trading licence tax

4

### How to declare cleaning fees using M-declaration?

- Dial \*800#
- Select 1: English
- Select 2: Kinyarwanda
- Select 3: Local government taxes
- Select 3: Cleaning fees
- Enter the TIN
- SELECT DISTRICT
- Enter district CODE
- ENTER Fiscal year
- ENTER the month
- ENTER the amount
- CONFIRM and get acknowledgement

5

### How to pay cleaning fees using M-declaration?

- Dial \*182#
- Select 3 Kwishyura
- Select 6 Rwanda Revenue
- Put in RRA Reference number
- Enter Momo PIN

6

### What are Interests and penalties for late payment of LGT taxes and fees?

The tax not paid on time bears an interest of one point five percent (1.5%). The interest is calculated on a monthly basis, non-compounding, counting from the first day after the date the tax should have been paid until the day of payment, which is included. Every month started will count as a complete month.

Except the interest payable, a surcharge equivalent to ten percent (10%) of the tax due must be paid. However, such a surcharge cannot exceed an amount of one hundred thousand Rwandan francs (FRW100, 000). Any taxpayer who fails to file a tax declaration on time and the one who files a false declaration are liable to a penalty of forty percent (40%) of the tax due.

**7****How is rental income tax rate determined?**

The rental income tax rate is determined as follows:

1. zero percent (0 %) for an annual rental income from one Rwandan franc (FRW 1) to one hundred eighty thousand Rwandan francs (FRW 180,000);
2. twenty percent (20 %) for an annual rental income from one hundred eighty thousand and one Rwandan francs (FRW 180,001) to one million Rwandan francs (FRW 1,000,000);
3. thirty percent (30 %) for an annual rental income above one million Rwandan francs (FRW 1,000,000).

**8****How is rental income tax computed?**

The taxable rental income is obtained by deducting from the gross rental income fifty percent (50%) considered as the expenses incurred by the taxpayer on maintenance and upkeep of the rented property. When the taxpayer produces the proof of bank interest payments on a loan for the construction or purchase of a rented property, the taxable rental income is determined by deducting from gross rental income fifty percent (50%) considered as the expenses incurred for upkeep of the property plus actual bank interest paid from the beginning of the rental period within the tax period.

9

## What is the payment period for district fees?

Fees levied on a service are paid before the service is delivered.

Fees payable on a monthly basis are paid to the tax administration not later than the fifth (5) of the month following the taxable month.

Fees payable once a year are paid not later than 31st December of the taxable year

10

## How can someone declare rental income tax?

- Open RRA website: [www.rra.gov.rw](http://www.rra.gov.rw)
- Click on Online Services
- Click on District Revenues
- Click on Taxes (Imisoro)
- Connect yourself (user name: TIN and password)
- Select Tax type as Rental Income Tax
- Select year
- Then Submit
- Click on Assessment number / Document Number
- Enter the monthly & annual Rental Income
- The client is asked if he/she has a bank loan or not, if not click No, if yes click Yes and fill the necessary information,
- Click on Calculate Tax
- Click on Submit

11

## Who is required to pay tax on rental income tax?

Everyone who owns a rented property pays income Tax.

12

**When do they pay tax on rental income?**

The rental income tax is payable by the 31<sup>st</sup> on the first month of each year.

13

**Who is the taxpayers for immovable property tax?**

The immovable property tax is assessed and paid by the owner, the usufructuary or any other person considered to the owner.

14

**What is the immovable property exempted from immovable property tax?**

- The same building the owner designated as his residence.
- Immovable property determined by the District Council and donated to vulnerable groups.
- Immovable property belonging to the Government real estate.
- Immovable property belonging to Foreign Diplomatic missions in Rwandan if their Countries do not levy tax on immovable property of Rwanda's diplomatic missions.
- Land used for agricultural and livestock less than two hectares ( 2ha).
- Land reserved for construction of houses in rural areas no basic infrastructure has been erected.

15

### What is the tax rate on plots of land?

- The tax rate on plot of land varies between zero( Frw 0 ) and three hundred (Frw 300) Rwandan Francs per square meter.
- The District Council determines the tax rate on square meter of plot of land based on criteria and standard rates set by an order of the Minister in charge of taxes.

16

### What is the tax rate on buildings?

The tax rate is:

- One percent( 1%) of the market value of a residential buildings.
- Zero point five percent (0,5%) of the market value of the building of commercial buildings
- Zero point one percent (0,1%) of the market value of industrial buildings.

17

### What is the time and cycle for payment of tax on immovable property?

- The tax on immovable property is paid to the tax administration not later than 31 December of the year that corresponds to the tax period.



# **FREQUENTLY ASKED QUESTIONS ON MOTORVEHICLE**

1

## What are the taxes exempted on a car from returning residents?

Only pays number plate and should have been with that car for over one year

2

## What is the process for getting Duplicate of lost logbook or motor Vehicle/ Motorcycle

- Announcement through Radio
- Pay Frw 5,000 fees for duplicate Log Book
- Pay 1,000 for Ownership Certificate from RRA to be presented to RIB,
- Loss Declaration from RIB Valid for 30 days
- Declaration form from traffic police (Head quarter)
- Have no arrears with traffic police

**Note:** Request can be done online by the taxpayer.

3

## How can I get a Duplicate of Lost Number Plate of motor vehicle/ Motorcycle

- Announcement through the radio
- Pay 1000 for Ownership Certificate from RRA to be presented to RIB,
- Loss Declaration from RIB Valid for 30 days
- Motor vehicle /motor cycle physical checking form signed and stamped by a Revenue Investigation officer
- Pay fees (Frw 15,000/ for one lost number plate for vehicles; Frw 15,000 for lost motor cycle number plate) for duplicate plate
- Have no arrears with traffic police
- RRA offices for collection of the plates.

**Note:** Request can be done online by the taxpayer

4

### What is the process for change of old motor vehicle/ cycle log book

- Return old log book
- Pay Frw 5,000 fees for duplicate log book
- In case there is missing or invisible digit on the chassis, you are required to follow the same procedures as if it was lost

**Note:** Request can be done online by the taxpayer.

5

### Change of old Motor vehicle/cycle number plate

- Motor vehicle /motor cycle physical checking form signed and stamped by a Revenue Investigation officer
- Return old number plate (s) for destruction
- Pay fees for duplicate plate (frw 15,000 for one piece for one old motor vehicle number plate; Frw 15,000 for an old motor cycle number plate)

**Note:**

1. Request can be done online by the taxpayer.
2. Pay for two number plates in case it bears the old sticker

6

### What is the process for Motor Vehicle/ cycle Ownership Transfer

For individual:

- Request done online by the taxpayer on RRA website
- Notarized Contract of sale/cession/donation
- 1 passport size photo for the buyer;

- Photocopy of the ID Card or passport (for foreigners) for the buyer
- Tax Identification Number for the buyer (TIN);
- Motor vehicle physical verification (approved on line by RIED officers)
- Original vehicle Log Book;
- The motor vehicle must be free from tax liabilities;
- Transfer fees: Frw 60,000/ for vehicles Frw 30,000 for motor cycles

Companies/Organizations must present the:

- Evidence of the legal status for associations and other legal entities; and RDB registration Certificate for companies
- Board resolution

### Note:

1. Provide insurance certificates copies from insurance companies.
2. In absence of the seller, the seller representative must present the power of attorney signed by the Notary or Rwandan Embassy for Rwandans leaving abroad
3. In case the seller is VAT registered he or she will have to present EBM Receipt

7

### How can I process motor vehicle off-road (suspension)

Vehicle owners may decide to put their vehicles off-road for a given period. This is done at no expense. The proprietor is required to meet the following RRA procedures:

1. Complete and submit an off-road declaration form;
2. Submit Motor vehicle number plates (pair);
3. Submit the log-book (Yellow Card);

Upon submission of the above requirements, a taxpayer is given an off-road certificate.

**Note:** The motor vehicle / cycle must be free from tax arrears

8

### How to get transfer of auctioned Motor vehicle/ Motor cycle by Government Agencies (GR, RDF, RNP)

- Have sales agreement
- Get auction report
- Show payment receipt
- Pay registration fees are depending on the vehicle/ Motorcycle engine capacity
- Present « Acquit de droit » or “To Whom It May Concern”
- Have 1 passport size photo for the buyer; Photocopy of the ID Card or passport (for foreigners) for the buyer and Tax Identification Number (TIN) for the buyer
- Process motor vehicle / cycle physical verification (approved on line by RIED officers)

9

### How to get transfer of auctioned Motor vehicle/ Motor cycle carried out by RNP OR RRA for private owned plates (GR, RDF, RNP)

- Have a sales agreement
- Get auction report
- Get a payment receipt
- Pay registration fees are depending on the vehicle/ Motorcycle engine capacity
- Possess « Acquit de droit » or “To Whom It May Concern”
- Present 1 passport size photo for the buyer; Photocopy of the ID Card or passport (for foreigners) for the buyer and Tax Identification Number (TIN) for the buyer
- Process Motor vehicle / cycle physical verification (approved on line by RIED officers)



# **FREQUENTLY ASKED QUESTIONS ON TAX PROCEDURES LAW**

1

## What is the rate of interests for late payment?

The rate of interests for late payment is fixed as follows:

1 ° 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;

2 ° 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;

3 ° one point five percent (1.5%), if the taxpayer has recorded a delay of more than twelve (12) months

However, interests for late payment cannot exceed one hundred percent (100%) of the amount of tax.

2

## What is fixed administrative fine for taxpayers who commit wrongful acts?

Administrative fine related to violations of the provisions of the law is established as follows:

1° fifty thousand Rwandan francs (FRW 50,000) for a natural person not engaged in any commercial activity or a taxpayer whose annual turnover is more than two million Rwandan francs (FRW 2,000,000) but not exceeding twenty million Rwandan francs (FRW 20,000,000);

2° three hundred thousand Rwandan francs (FRW 300,000) if the taxpayer is a public institution or a non-profit making organization and if the taxpayer's annual turnover exceeds twenty million Rwandan francs (FRW 20,000,000);

- 3° five hundred thousand Rwandan francs (FRW 500,000) if the taxpayer was informed by the Tax Administration that he or she is in the category of large taxpayers;
- 4° five hundred thousand Rwandan francs (FRW 500,000) if the taxpayer fails to submit his or her certified annual financial statements as required by law; the fine is paid every month until he or she submits them;

If a person commits the same fault for the second time in two (2) years counted from the day of receipt of notification of fine for the first fault, the basic fine is doubled. In case the fault is committed for the third time in that period, the fine is four (4) times the basic administrative fine.

3

**What is the administrative fine for non-declaration of tax on time?**

A taxpayer who fails to declare and pay tax within the time limit provided by law pays such a tax and is liable to an administrative fine as follows:

- 1° twenty percent (20%) of due tax, if the time limit for payment extends for a period of time not exceeding thirty (30) days;
- 2° forty percent (40%) of due tax, if the taxpayer paid within a period ranging from the thirty-first day (31st) to sixtieth (60th) day from the final date of payment;
- 3° sixty percent (60%) of due tax, if the taxpayer exceeds the time limit for payment by more than sixty (60) days.

4

### What is the administrative fine for non-payment of tax on time?

A taxpayer who declares tax due within the time limit provided by law but who does not pay that tax in the prescribed time limit, pays the principal tax and an administrative fine as follows:

- 1° five percent (5%) of due principal tax, when the taxpayer exceeds the time limit for payment for a period not exceeding thirty (30) days from the final date of payment;
- 2° twenty percent (10%) of the principal tax due, if the taxpayer paid within a period ranging from the thirty-first (31 st) day to sixtieth (60th) day from the final date of payment;
- 3° thirty percent (30%) of principal tax due, if the taxpayer exceeds the time limit for payment by more than sixty (60) days from the final date of payment

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### What is the fine for failure to comply with the use of electronic invoicing system for taxpayers not registered in the Value Added Tax?

Any person who is required to issue an invoice generated by an electronic invoicing system recognized by the Tax Administration who fails to do so is liable to an administrative fine of two (2) times the value of the transaction

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### What is the fine related to the Value Added Tax violation?

- 1° if a person carried out business activities without being registered on Value Added Tax where it was so required, he or she is liable to an administrative fine of fifty percent (50%) of the amount of

- Value Added Tax due for the entire period of operation of the business;
- 2° if a non-Value Added Tax registered person issues a Value Added Tax invoice, he or she is liable to an administrative fine of one hundred percent (100%) of the Value Added Tax imposed and pays the tax indicated on that invoice;
  - 3° if a person issues an incorrect Value Added Tax invoice with intention to decrease the amount of Value Added Tax payable or to increase the Value Added Tax input credit, he or she is liable to an administrative fine of one hundred percent (100%) of the amount of the Value Added Tax payable.
  - 4° A public entity and a taxpayer authorized to withhold the Value Added Tax that fail to withhold the Value Added Tax or that withheld Value Added Tax and failed to pay the tax withheld to the Tax Administration pay the Tax not withheld or not paid plus fines and interests for late payment as provided the law

## 7

**What is the fine for failure to use electronic invoicing system by a person registered for the Value Added Tax**

A person registered for the Value Added Tax who sells goods or services without issuing an electronic invoice is liable to an administrative fine of ten (10) times the value of the evaded Value Added Tax. In case the fault referred to in Paragraph One of this Article is repeated within a period of two (2) years, the defaulter is liable to an administrative fine of twenty (20) times the value of the

## evaded Value Added Tax

8

### What is the penalty for non-compliance with obligations of the user of electronic invoicing system?

A person who fails to comply with obligations of the user of the electronic invoicing system provided for under Article 18 of this Law is liable to an administrative fine of two hundred thousand Rwandan francs (FRW 200,000).

In case the fault referred to in Paragraph One of this Article is repeated within a period of two (2) years, the administrative fine is increased to four hundred thousand Rwandan francs (FRW 400,000).

A person registered to the Value Added Tax who carries out a taxable transaction and who delivers an electronic invoice with undervalued price or quantity of goods or services is liable to an administrative fine of ten (10) times the value of the evaded Value Added Tax.

In case the fault referred to in Paragraph 3 of this Article is repeated within a period of two (2) years, the administrative fine is increased to twenty (20) times the value of the Value Added Tax evaded



# FREQUENTLY ASKED QUESTIONS ON E-TAX

## 1. How to request Tax Clearance Certificate

1

### How to request Tax Clearance Certificate

- Go to [www.rra.gov.rw](http://www.rra.gov.rw)
- Choose declare domestic taxes
- Login using TIN and password
- Choose TCC, Quitus and other application
- Click apply here after checking status of tax arrears and clearing them if any
- Under certificate type, choose TCC
- Fill in the reason for application then submit

2

### How do I enable macro in the excel sheet before I start filling taxes?

- Click on "Enable editing"
- Choose "Enable Content"
- Validate and Save after filling the annexure

3

### How do I unlock Data validation in excel sheet after entering the data in annexure?

- Go to down loads and right click on the annexure
- Click on properties
- Click on unblock
- APPLY
- OK
- Open the annexure from the downloads

4

## How can someone change the date format in case of invalid date format message?

- Go to Control panel
- Click on Clock and Region
- Choose Region
- Under format Select English United Kingdom
- Apply
- OK



**RWANDA REVENUE AUTHORITY**  
TAXES FOR GROWTH AND DEVELOPMENT