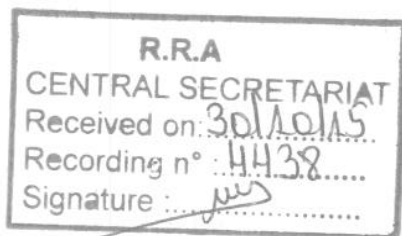


REPUBLIC OF RWANDA



29 OCT 2015
Kigali,
N° 3221/10/15/CE

MINISTRY OF FINANCE AND
ECONOMIC PLANNING
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Tel: +250-577994 Fax: +250-577581
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Commissioner General
Rwanda Revenue Authority
P.O Box 3987
KIGALI

Dear Mr. TUSABE,

RE: List of additional agricultural inputs and other agricultural and livestock materials and equipment exempt from the Value Added Tax

Pursuant to the Law no 37/2012 of 09/11/2012 establishing the Value Added Tax, as modified and complemented to date, especially in its article 6, 14 °,

I am pleased to submit to your office the approved list of additional agricultural inputs and other agricultural and livestock materials and equipment exempt from the Value Added Tax for implementation.

Sincerely,


Claver GATETE
Minister

Cc:

- Minister of Agriculture
- Minister of State in charge of Economic Planning
- Permanent Secretary and Secretary to the Treasury
- C.E.O of Rwanda Private Sector Federation

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ADDITIONAL LIST OF AGRICULTURAL INPUTS AND OTHER AGRICULTURAL AND LIVESTOCK MATERIALS AND EQUIPMENT TO BE EXEMPTED AS PER VAT LAW NO 37/2012 OF 09/11/2012 ESTABLISHING THE VALUE ADDED TAX, AS MODIFIED AND COMPLEMENTED TO DATE, ESPECIALLY IN ARTICLE 6; 14⁰,

14.3.2 FARM IRRIGATION EQUIPMENT, TOOLS AND INSTRUMENTS (SI)

Irrigation machines & localized irrigation systems

1. Center pivot irrigation system, moving lateral systems and spare parts
2. Wiring and equipment for electrically driven or controlled machines
3. Power Units & Generators/Generator Sets, head controls and spare parts
4. Remote Monitoring and Control Sets/equipments and accessories + spare parts
5. Laboratory test equipments for irrigation purposes
6. Advanced ICT for Graphic symbols for pressurized irrigation system management
7. Automatic pumping/control stations and spare parts
8. Suction screens, Suction Hose, Discharge Hose, Victaulic couplings & fittings
9. Boom sprayers, rotating sprinklers and spare parts
10. Cast iron pipes for irrigation, Hydrants & Hoses for irrigation
11. Sprayers or Sprinklers nozzles and spare parts
12. Solid set sprinkler system
13. Sip Pump for irrigation and spare parts
14. Hydraulic ram pumps and spare parts
15. Directional devices (stop & non- return check valves, regulating valves, isolating valves)
16. Volumetric valves, irrigation hydrants
17. Measuring devices (water meters, flow controllers, water & pressure gauges)
18. Reel Machine systems and polyethylene tubes

19. Traveller irrigation machines, soft wall & couplings
20. Automatic turf irrigation systems
21. Controllers, Water meters, Air Relief valves, Pressure Relief
22. Butterfly, Primer, Gate & Specialty Valves, Flanges, Flange Gaskets
23. Mini-Sprinklers, Pressure Regulators, filters, Fittings & Accessories
24. Emitters and emitting –pipe systems & pressure gauges
25. Emitting devices & F Filtration systems
26. Fertigation equipments, fittings, spare parts and accessories
27. Chemical injector pumps and accessories, spare parts
28. Safety devices for chemigation and accessories, spare parts
29. Thermoplastic collapsible hoses for irrigation
30. Strainer filters-filters for micro-irrigation
31. Automatic self-cleaning strainer filters
32. Aluminum pipes for irrigation and fittings
33. Quick coupling pipes for movable irrigation supply
34. Polyethylene (PE) for irrigation laterals and fittings
35. Plastic saddles for polyethylene pressure pipes
36. Connection and control accessories for use in irrigation systems
37. Valves, Fittings, Repair Parts & Accessories
38. Galvanized pipes for irrigation
39. Gates, Valves, Fitting and accessories
40. HDPE Pipes for irrigation
41. Irrigation Pumps and accessories and spare parts
42. Light steel pipes for irrigation
43. Polyvinylchloride (P.V.C) pipes for Irrigation development
44. Tubing for drip irrigation
45. Plastic lining sheeting for water harvesting
46. Dam sheets and special welding machines for repairing damaged sheets
47. Water tanks for water storage, water harvesting & in drip irrigation systems
48. Pedal pumps for irrigation and spare parts
49. Rope and washer pumps and spare parts
50. Open canal automation systems (up or downstream regulation devices of discharge)
51. Field EC instruments for rapid water quality control of irrigation/drainage water (in-out)
52. Large-scale, movable spraying machines for crop disease control or protection
53. Rain gun for irrigation
54. Rain gun stand (Raiser) and fittings
55. Gate valves
56. Socket valves
57. GI quick coupling pump connectors male and female



NOTE: Inputs, Materials and equipment on this list which are rabbled with (SI)-meaning Sensitive Item(s) which may be used in other sectors other than agriculture, will be exempted from VAT upon obtaining a recommendation (clearance) from Ministry of Agriculture or its agencies certifying that such goods are being purchase for use in Agricultural production.

Approved by;



Clever GATETE
Minister



Date...29th.../10../2015

Ministry of Finance and Economic Planning
Macroeconomic Policy Unit

Tax Policy Committee Meeting
MINECOFIN, October 1st 2015

Minutes of the meeting

The meeting of the Tax Policy Committee was held on Thursday October 1st, 2015 in the boardroom of the office of Government Chief Economist. The meeting started at 3:00 PM and was chaired by Mrs. Amina U. RWAKUNDA- the Senior Economist in MINECOFIN and the chairperson of the Tax Policy Committee. The meeting started with the chairperson welcoming new members namely; Mr. Fred KAREMERA who replaced Mr. Joseph MPUNGA in RDB, and Mrs. Germaine MUKABARISA who replaced Mrs. Christine NYIRANSHIMIYIMANA in MINICOM.

Meeting participants:

1. Mr. Charles KAGAME/ RRA
2. Mr. Fred KAREMERA /RDB
3. Mr. Come NAHIMANA/ PSF
4. Mr. Gerald MUKUBU /PSF
5. Mrs. Germaine MUKABARISA /MINICOM
6. Mr. Emmanuel NKURUNZIZA /MINECOFIN
7. Mrs. Amina U. RWAKUNDA /MINECOFIN
8. Mr. Jackson RUGAMBWA/MINECOFIN

The following items were approved for the agenda:

1. Consideration of the ICT and Education equipment to be exempted as per new VAT Law,
2. Consideration of additional list of agricultural inputs and other agricultural and livestock materials and equipment to be exempted as per new VAT law.
3. Legal status of Tax Policy Committee
4. Hardship tax waiver requests
5. Any other Business

MEETING DISCUSSION AND DECISIONS:

1. Consideration of ICT and Education equipment to be exempted from VAT:

The list was not ready for discussion and the meeting referred the matter to the next TPC Meeting.

2. Consideration of additional list of agricultural inputs and other agricultural and livestock materials and equipment to be exempted as per new VAT law:

The list was approved with amendments (MINAGRI experts were requested to add distinctive specifications to some equipment on the list that are not solely for irrigation purposes to limit possible abuses by importers).

3. The Legal status of Tax Policy Committee:

The meeting referred this agenda item to the next TPC meeting after legal consultations.

4. Hardship waiver of penalties and interest for taxpayers recommended by RRA:

After assessing the basis for each taxpayer's request, the meeting waived off fines and interests for the following taxpayers:

- a) L & M Civil and Electrical Engineering
- b) FERWAFA
- c) MUKAMURIGO Madeleine
- d) University of Tourism, Technology and Business Studies
- e) COMVIVA Technologies

The meeting discussed but did not approve waiver request for Rwanda Biomedical Centre because it lacked a clear basis, but RRA promised to refile the request after a review.

5. Any other Business

a) Application of new Investment Code;

On this item, RDB representative enlightened the meeting about the current challenges in implementing new investment code especially issues related to management of exemptions, duty remissions, acquired rights and monitoring of macroeconomic impact of incentivised investment projects to the economy.

The meeting recommended that RDB organize a retreat bringing together all relevant institutions to agree on joint strategy and the role of each institution in the application of new investment code.

b) Other emerging proposals in amendment of Law relating income Tax:

The meeting reviewed the proposal from Financial Sector, to exempt withholding tax on interest payable to foreign development lending institutions which are exempted from income tax (for example Development Banks). The meeting recommended that the proposal be included in the Draft Income Tax Law.

c) Application of VAT exemption on imported and locally produced goods and services.

The meeting exchanged views on the issue, and noted that VAT exemptions are meant to equally apply to both imported goods and locally produced goods as by WTO principle.

The meeting also requested RRA to use all possible channels to publish to the reach of many Rwandans the approved lists of VAT exempted items. On this matter, PSF agreed to support RRA in publication of those lists through its commercial chambers.

The meeting closed at 5pm.

TPC Secretary:



Mr. Jackson RUGAMBWA

TPC Chairperson:



Mrs. Amina-U. RWAKUNDA