

# doing business in Rwanda

POPULATION  
12.3M



CURRENCY  
RWANDAN  
FRANC (RWF)

GMT+2



OFFICIAL LANGUAGE  
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country profile											
<b>government structure</b>	<ul style="list-style-type: none"> <li>• <b>Executive:</b> The president is the head of state and the prime minister is the head of government. The presidential term is five years, renewable once. The president appoints the prime minister and cabinet members are selected from political organisations on the basis of seats held by those political organisations in the Chamber of Deputies.</li> <li>• <b>Legislature:</b> Rwanda has a bicameral parliament.</li> <li>• <b>Judiciary:</b> The judiciary is composed of the ordinary courts and specialised courts. Ordinary courts consist of the Supreme Court, the Court of Appeal, the High Court, intermediate courts and primary courts. Specialised courts comprise of commercial courts and military courts. The Supreme Court is the highest court in Rwanda.</li> <li>• <b>Next Presidential elections:</b> August 2022.</li> </ul>										
<b>economic data</b>	<table> <tbody> <tr> <td>• Nominal GDP (USD billions):</td> <td>9.41</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>776.20</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>6.00</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>21.92</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>42.06</td> </tr> </tbody> </table> <p>*Source: IMF</p> <ul style="list-style-type: none"> <li>• Agriculture remains the base of the Rwandan economy in spite of the ongoing transition towards manufacturing and services. Rwanda targets to increase industrial contribution to GDP to 26% by 2020.</li> <li>• Rwanda's main export partners are the United Arab Emirates, Kenya, Switzerland, Democratic Republic of the Congo, the United States, and Singapore. The main export commodities include coffee, tea, hides, and tin ore.</li> <li>• Rwanda's main import partners are China, Uganda, India, Kenya, Tanzania, and the United Arab Emirates. The main import commodities include foodstuffs, machinery and equipment, steel, petroleum products, cement and construction material.</li> </ul>	• Nominal GDP (USD billions):	9.41	• GDP per capita (USD):	776.20	• Inflation rate (% change):	6.00	• Government revenue (% of GDP):	21.92	• Government gross debt (% of GDP):	42.06
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<b>risk ratings</b>	<ul style="list-style-type: none"> <li>• World Economic Forum Global competitive index (2017-2018): 58/137</li> <li>• World Bank ease of doing business (2018): 41/190</li> <li>• Corruption perception index (2017): 48/180</li> </ul>										

international treaties and memberships	
<b>international and regional organisations and customs unions</b>	<ul style="list-style-type: none"> <li>• African Union</li> <li>• African Continental Free Trade Area</li> <li>• Common Market for Eastern and Southern Africa ("COMESA")</li> <li>• East African Community ("EAC")</li> <li>• Economic Community of Central African States</li> <li>• Economic Community of the Great Lakes Countries</li> <li>• International Conference on the Great Lakes Region</li> <li>• International Monetary Fund</li> <li>• Nile Basin Initiative</li> <li>• World Bank</li> <li>• Rwanda receives preferential treatment under the agreements listed here: <a href="http://ptadb.wto.org/Country.aspx?code=646">http://ptadb.wto.org/Country.aspx?code=646</a></li> </ul>
<b>bilateral investment treaties</b>	<ul style="list-style-type: none"> <li>• Rwanda has bilateral investment treaties with the Belgium-Luxembourg Economic Union ("BLEU"), Germany, Republic of Korea, Switzerland and the United States.</li> <li>• Treaties have been signed with Mauritius, Morocco, South Africa, Turkey, and the United Arab Emirates but these have not yet entered into force.</li> <li>• A new treaty with BLEU has been signed but is not yet effective, which will replace the existing treaty once effective.</li> </ul>
<b>investment-related agreements / institutions</b>	<ul style="list-style-type: none"> <li>• African Growth and Opportunity Act</li> <li>• Multilateral Investment Guarantee Agency; and</li> <li>• World Trade Organization.</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>• International Centre for the Settlement of Investment Disputes ("ICSID") – Washington Convention)</li> <li>• UN Commission on International Trade Law</li> <li>• UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)</li> <li>• United Nations Convention on Commercial Arbitration</li> </ul>
<b>intellectual property ("IP") treaties</b>	<ul style="list-style-type: none"> <li>• A comprehensive list of IP-related treaties signed by Rwanda is available at: <a href="http://www.wipo.int/wipolex/en/profile.jsp?code=rw">http://www.wipo.int/wipolex/en/profile.jsp?code=rw</a></li> <li>• See the trade marks section below for further detail.</li> </ul>



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legal regime	
<b>applicable legal regime</b>	<ul style="list-style-type: none"> <li>Rwanda's legal system is based on French / Belgian civil law, but there has been a gradual introduction of the Anglo-Saxon common law system. The current Rwandan legal system is a hybrid containing both civil and common law features.</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>In the event of a dispute arising between a foreign investor and the Rwanda Development Board ("RDB") or the government in respect of a registered business enterprise, all efforts are made to settle the dispute through negotiations towards an amicable settlement. If the dispute is still not settled through negotiations, it may be submitted for arbitration in accordance with the following methods, as may be mutually agreed upon by the parties involved: <ul style="list-style-type: none"> <li>within the framework of bilateral or multilateral agreement on investment protection to which the government and the country of which the investor is a national are parties; or</li> <li>in accordance with any other international procedure for the settlement of investment disputes.</li> </ul> </li> <li>Disputes between companies may be resolved through amicable settlement or out of court settlement (conciliation and arbitration), either under an ad hoc or institutional arbitration, with the Kigali International Arbitration Centre serving as a platform for arbitrations (in the latter case). Recourse to an arbitration body based outside Rwanda is also possible. Alternatively, disputes may also be resolved through the ordinary court system (the Commercial Court, the Commercial High Court, the Court of Appeal and the Supreme Court depending on the magnitude of the claim).</li> </ul>
<b>land acquisition, planning and use</b>	<ul style="list-style-type: none"> <li>The use and management of land are governed by Law N° 43/2013 of 16/06/2013 Governing Land in Rwanda. In terms of this law, foreigners are entitled to an emphyteutic lease on land, not exceeding 49 years, and which is based on a land use business plan approved by relevant authorities.</li> <li>Foreigners may be granted freehold titles in special economic zones, or if provided for by an international convention Rwanda is a signatory to, or under the condition of reciprocity derived from bilateral agreements.</li> </ul>

competition	
<i>merger control</i>	<ul style="list-style-type: none"> <li>The Rwandan Competition and Consumer Protection Act ("the <b>Competition Act</b>") regulates merger control in Rwanda.</li> <li>The Competition Act defines a merger as occurring when (i) two or more enterprises join together to form a new enterprise; and (ii) one or more enterprises join together and directly or indirectly merge their assets through the purchase of equity shares or part of assets of another company.</li> <li>The Rwandan competition authority is yet to be established and will be responsible for determining merger notification thresholds.</li> <li>The Rwandan competition authority will take into account public interest considerations in making a determination on the merger.</li> <li>Rwanda is a pre-implementation regime, therefore approval must be sought from the Rwandan competition authorities prior to implementation of the proposed transaction.</li> <li>Rwanda is a member of the regional competition bodies, COMESA and the EAC. The EAC is not operational yet, while COMESA does have merger control. Merger activities in Rwanda should be conducted with COMESA in mind.</li> </ul>
<i>prohibited practices</i>	<ul style="list-style-type: none"> <li>The Competition Act prohibits horizontal and vertical agreements, decisions and concerted practices between undertakings that have, as their object, the undermining, prevention, restriction or distortion of competition, unless they are exempt or form part of a single economic entity.</li> <li>Cartel conduct (such as price fixing, market division and collusive tendering) and minimum resale price maintenance are prohibited by the Competition Act.</li> <li>The Competition Act prohibits abuses of dominance.</li> <li>A firm engaging in a restrictive horizontal or vertical agreement, or abusing its dominant position, commits an offence and may face sanctions including administrative fines ranging from 5% to 10% of the enterprise's annual turnover of the preceding fiscal year in which the offence occurred.</li> <li>COMESA regulates prohibited practices in the COMESA area and activities in Rwanda should be conducted with this regional competition body in mind.</li> </ul>
<b>employment requirements</b>	
<i>immigration</i>	<ul style="list-style-type: none"> <li>Any enterprise investing at least USD100,000 in Rwanda is automatically granted the right to appoint three expatriates.</li> <li>Expatriates may work in Rwanda, provided they have a work permit issued by the Directorate General of Immigration and Emigration.</li> <li>Work permits are usually granted to foreign enterprises approved to operate in Rwanda if the applicants are key personnel. However, any</li> </ul>



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	<p>enterprise may recruit any category of expatriate skilled labour if Rwandans are not available. The enterprise will be required to prove that they have conducted a labour market test and failed to get local candidates who meet the requirements.</p> <ul style="list-style-type: none"> <li>A foreigner who has a contract of employment of more than 90 days must apply for a work permit within 15 working days from the day of entry in Rwanda.</li> </ul>
<i>local employment vs secondment</i>	<ul style="list-style-type: none"> <li>In terms of Rwanda's employment legislation, an employee may be seconded to Rwanda, as it is not a legal requirement for the employee to be employed by a local entity in Rwanda when performing services in Rwanda. However, employment contract performed in Rwanda is governed by Rwandan law.</li> <li>However, employment by a local entity may be a prerequisite for applying for a work permit.</li> </ul>
<i>fixed-term contracts and temporary employment services</i>	<ul style="list-style-type: none"> <li>Fixed-term contracts are allowed, specifying a fixed period of employment, at the end of which the contractual relationship is automatically terminated.</li> <li>Fixed-term contracts may be renewed as many times as agreed on by the parties.</li> <li>Rwandan employment legislation does not provide for labour brokers and this is not a familiar concept in practice.</li> </ul>
<i>payment in local currency</i>	<ul style="list-style-type: none"> <li>Remuneration must be paid in local currency.</li> </ul>
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> <li>The law is silent about the validity and enforceability of restraint of trade agreements.</li> </ul>
<b>foreign investment regime</b>	
<b>investment regime</b>	<ul style="list-style-type: none"> <li>The Investment Law governs foreign investment in Rwanda.</li> <li>The RDB operates a one-stop-centre for purposes of business registration and investors can apply for company incorporation and obtain a tax identification number ("TIN") with the RDB. Representatives from the Rwanda Revenue Authority ("RRA"), Department of Immigration and Emigration, Rwanda Environment Management Authority and the Rwanda Land Management and Use Authority are available at the RDB.</li> </ul>
<b>registration / licensing requirements</b>	<ul style="list-style-type: none"> <li>It is not compulsory for investors to register their investment with the RDB and obtain an investment registration certificate, but registration is required in order to benefit from incentives available to priority sectors.</li> <li>Foreign investors making an investment of at least USD250,000 and local investors making an investment of at least USD100,000 will qualify for an investment certificate, which entitles them to tax incentives.</li> </ul>

<b>non-industry registration / licences</b>	<ul style="list-style-type: none"> <li>The following general non-industry specific registrations / licences may also be required:</li> </ul>
<i>Rwanda Revenue Authority (RRA)</i>	<ul style="list-style-type: none"> <li>All taxpayers must register with the RRA.</li> <li>Upon incorporation, a company is automatically registered with the RRA and its company code serves as its TIN.</li> <li>If an enterprise's turnover exceeds the VAT registration threshold (see 'tax' below, it should also specifically apply for VAT registration.</li> </ul>
<i>Rwanda Social Security Board ("RSSB")</i>	<ul style="list-style-type: none"> <li>Every employer who employ employees must register with the RSSB and also register its employees with the Board.</li> </ul>
<b>industry-specific licences</b>	<ul style="list-style-type: none"> <li>Industry-specific licences may also be required.</li> </ul>
<b>incentives</b>	<ul style="list-style-type: none"> <li>Incentives include: <ul style="list-style-type: none"> <li>reduced corporate income tax rates applying for a period of five years to newly listed companies;</li> <li>tax exemption available to an international company which has its headquarters or regional office in Rwanda;</li> <li>a seven-year tax holiday and reduced corporate income tax rate of 15% available to registered investors in priority sectors;</li> <li>a five-year tax holiday available to microfinance institutions;</li> <li>tax exemption for a registered investor investing in products used in export processing zones (EPZs)</li> </ul> </li> </ul>
<b>exchange control regulation</b>	<ul style="list-style-type: none"> <li>Rwanda does not impose any foreign exchange controls.</li> </ul>
<b>types of entities available for foreign investment</b>	<ul style="list-style-type: none"> <li>Public limited companies;</li> <li>private limited liability companies;</li> <li>partnerships; and</li> <li>registered branch of a foreign company.</li> </ul>



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private limited liability company	
<b>minimum number of shareholders</b>	<ul style="list-style-type: none"> <li>A minimum of one shareholder is required and the maximum allowed is 100.</li> <li>There is generally no requirement for local shareholding, but it may be required in specified industries.</li> </ul>
<b>minimum share capital</b>	<ul style="list-style-type: none"> <li>There are no minimum share capital requirements in Rwanda, except for companies in the banking and financial services sector.</li> <li>In practice, companies are generally registered with a share capital of between RWF100,000 and RWF1-million.</li> </ul>
<b>directors</b>	<ul style="list-style-type: none"> <li>A private company must have at least one director who is a resident of Rwanda, but does not need to be a Rwandan citizen.</li> </ul>
<b>company secretary</b>	<ul style="list-style-type: none"> <li>A private company is not required to appoint a company secretary.</li> </ul>
<b>auditor</b>	<ul style="list-style-type: none"> <li>A private company must appoint an auditor.</li> </ul>
<b>registered address</b>	<ul style="list-style-type: none"> <li>Every private company must have a registered office in Rwanda to which all communications and notices may be addressed and which may constitute the address for service of legal proceedings on the company.</li> <li>A company may have its registered address at the office of its accountants, lawyers or a third party.</li> </ul>
<b>shelf companies</b>	<ul style="list-style-type: none"> <li>Shelf companies are not available for purchase in Rwanda.</li> </ul>
<b>registration process</b>	<ul style="list-style-type: none"> <li>Companies are registered online with the Registrar of Companies at the RDB and it takes approximately one day to complete registration once all the required documents have been submitted.</li> </ul>

tax			
<b>tax system</b>	<ul style="list-style-type: none"> <li>Rwanda has a residence-based tax system in terms of which residents are subject to tax on their worldwide income and non-residents are subject to tax only on their Rwandan-sourced income.</li> </ul>		
<b>corporate residence</b>	<ul style="list-style-type: none"> <li>A company is deemed to be resident in Rwanda if it:                             <ul style="list-style-type: none"> <li>is established according to Rwandan law;</li> <li>has its place of effective management in Rwanda; or</li> <li>is a Rwandan government company.</li> </ul> </li> </ul>		
<b>corporate tax rate</b>	<ul style="list-style-type: none"> <li>Resident companies and permanent establishments of foreign companies are subject to corporate income tax at a rate of 30%.</li> <li>Preferential rates apply to qualifying investors, including newly listed companies, venture capital companies, international companies, micro-finance companies.</li> </ul>		
<b>capital gains tax ("CGT")</b>	<ul style="list-style-type: none"> <li>Capital gains arising on the sale of business assets are included in ordinary taxable income and subject to tax at the standard rate of 30%.</li> <li>Capital gains realised on the sale or transfer of shares is subject to CGT at the rate of 5%.</li> </ul>		
<b>withholding tax ("WHT") rates</b>	<b>WHT rate (%)</b>		
	<b>payment to</b>	<b>residents</b>	<b>non-residents</b>
	branch profits	0%	0%
	dividends	15% 5% (for EAC resident beneficiaries)	15% 5% (for EAC resident beneficiaries)
	interest	15% 5% (on listed and government securities)	15% 5% (for EAC resident beneficiaries and treasury bonds with a maturity of 3 years and more)
	royalties	15%	15%
	Management and technical services fees	15%	15%
<b>double tax agreements ("DTAs")</b>	<ul style="list-style-type: none"> <li>DTAs are in force with Belgium, Jersey, Mauritius, Singapore and South Africa.</li> </ul>		

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<b>losses</b>	<ul style="list-style-type: none"> <li>Losses may be carried forward for five years.</li> <li>Depreciation allowances claimable in a loss-making year may be carried forward indefinitely.</li> <li>Foreign-source losses may not be offset against domestic-source business profits.</li> </ul>								
<b>transfer pricing</b>	<ul style="list-style-type: none"> <li>In terms of Rwanda's transfer pricing rules, transaction between related parties must be entered into an arm's length basis</li> <li>Related parties are defined as any person who acts or is likely to act in accordance with directives, opinions or wishes communicated or not communicated.</li> </ul>								
<b>thin capitalisation</b>	<ul style="list-style-type: none"> <li>In terms of Rwanda's thin capitalisation rules, the maximum accepted debt : equity ratio is 3:1 for related party loans.</li> <li>The restriction does not apply to commercial banks and insurance companies.</li> </ul>								
<b>employee taxes</b>	<p>The income tax rates applicable to resident individuals are:</p> <table border="1"> <thead> <tr> <th>annual chargeable income (RWF)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>up to 360 000</td> <td>0%</td> </tr> <tr> <td>360 001-1 200 000</td> <td>20%</td> </tr> <tr> <td>above 1 200 000</td> <td>30%</td> </tr> </tbody> </table>	annual chargeable income (RWF)	tax rate	up to 360 000	0%	360 001-1 200 000	20%	above 1 200 000	30%
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<b>social security contributions</b>	<ul style="list-style-type: none"> <li>Both employees and employers must make monthly social security contributions to the RSSB.</li> <li>The employer contribution rate is 12.8% of the employee's gross salary, made up as follows: <ul style="list-style-type: none"> <li>medical insurance: 7.5%;</li> <li>occupational hazards: 2%;</li> <li>pension scheme: 3%; and</li> <li>maternity leave benefits: 0.3%.</li> </ul> </li> <li>The employee contribution rate is 10.8% of the employee's gross salary, made up as follows: <ul style="list-style-type: none"> <li>medical insurance: 7.5%;</li> <li>pension scheme: 3%; and</li> <li>maternity leave benefits: 0.3%.</li> </ul> </li> <li>Local and expatriate employees must contribute to the mandatory pension scheme managed by the RSSB, with no exemption available for foreign employees working in Rwanda.</li> </ul>								

<b>payroll taxes</b>	<ul style="list-style-type: none"> <li>There is no payroll tax in Rwanda.</li> </ul>
<b>stamp duty</b>	<ul style="list-style-type: none"> <li>There is no stamp duty in Rwanda.</li> </ul>
<b>VAT</b>	
<i>taxable supplies</i>	<ul style="list-style-type: none"> <li>VAT is levied on the supply of goods and services in Rwanda and on the importation of goods and services.</li> </ul>
<i>VAT rate</i>	<ul style="list-style-type: none"> <li>18%</li> </ul>
<i>registration threshold</i>	<ul style="list-style-type: none"> <li>Any person whose annual turnover exceeds RWF20-million in the previous fiscal year or RWF5-million in the preceding calendar quarter, or is likely to exceed such thresholds in the coming year, must register for VAT purposes.</li> </ul>
<i>reverse VAT on imported services</i>	<ul style="list-style-type: none"> <li>Resident companies are required to account output VAT in respect of imported services rendered by non-resident companies in terms of the VAT reverse charge mechanism.</li> <li>When the same or similar services are not available in Rwanda, such VAT may be claimed as an input credit by the recipient of the services.</li> </ul>

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trade marks	
<b>international conventions, treaties and arrangements</b>	<ul style="list-style-type: none"> <li>African Regional Intellectual Property Organization</li> <li>Madrid Union (Protocol)</li> <li>Paris Convention for the Protection of Industrial Property</li> <li>Trade-Related Aspects of Intellectual Property Rights</li> </ul>
<b>classification</b>	<ul style="list-style-type: none"> <li>International classification of Goods and Services applies.</li> </ul>
<b>categories of trade marks</b>	<ul style="list-style-type: none"> <li>Provision is made for:                             <ul style="list-style-type: none"> <li>service marks;</li> <li>certification marks; and</li> <li>collective marks.</li> </ul> </li> </ul>
<b>filing requirements</b>	<ul style="list-style-type: none"> <li>Application letter;</li> <li>Power of Attorney duly executed and notarised;</li> <li>a representation of the trade mark;</li> <li>a duly completed application for industrial property rights form; and</li> <li>proof of payment of the registration fees.</li> </ul>
<b>procedure</b>	<ul style="list-style-type: none"> <li>Applications are logged with the Office of the Registrar General / IP Registry and the application fee is paid.</li> <li>On submission, the Registrar General carefully examines the application to ensure that it does not lack distinctiveness, does not resemble or is not similar to flags, coats of arms, emblems, etc., of states or international organisations.</li> <li>If the Registrar General has no objection, the trade mark is published / advertised.</li> <li>If no legitimate objection is brought to the attention of the Registrar General, a registration certificate is issued.</li> </ul>
<b>oppositions</b>	<ul style="list-style-type: none"> <li>The timeframe to submit an opposition against the trade mark registration and a geographical indication is 60 days from the date of publication.</li> <li>The empowered authority may send a copy of this opinion to the applicant, who may, within the prescribed time limit and in the prescribed forms, send to the empowered authority a response explaining the grounds on which he / she bases his/her application. In the absence of such a response, he/she may be considered to have abandoned his / her application.</li> <li>Where the applicant sends a response, the empowered authority may transmit a copy of that response to the opposing party and, after hearing the parties, if one or both of them wish to be heard, and examining the substantive issues, may decide whether it is appropriate to register the mark.</li> <li>Provisions of the national laws of the member country apply.</li> </ul>

## duration and renewal

- A trade mark registration is effective for an initial period of 10 years and is thereafter renewable for further periods of 10 years.
- A grace period of 10 months may be granted for the payment of the renewal fee after the deadline, subject to payment of the prescribed surcharge.

For more information or assistance please contact:

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