

# ENS Rwanda in brief

Welcome to the third issue of ENS' Rwanda in brief, focusing on the latest legal and regulatory updates across Rwanda's corporate commercial, banking and finance industries.

With ambitions to become a middle-income country by 2035 and a high-income country by 2050, Rwanda has adopted various policies, laws and instruments aiming at driving social and economic transformation.

The adopted regulatory instruments will facilitate economic growth and with further regulation focusing on improving the business environment.

## corporate commercial

- **Law Governing Privatisation**

- Law No. 045/2024 of 31/05/2024 governing privatisation, effective from 7 June 2024, applies to the privatisation by the state of its property composed of state-owned companies and shares held by the state in other companies. The Law establishes guiding principles for privatisation; attracting participants into privatisation initiatives; accelerating macro-economic development through income-generating activities, export promotion, import substitution, market competition and job creation; reducing the financial and administrative burden placed on the state regarding the management of its property; increasing efficiency in the management of privatised companies for generating higher revenues; allocating privatisation proceeds to other priority activities; and creating competitive markets for the provision of services. It repeals Law n° 2 of 11/3/1996 governing privatisation and public investment.

- **The Law Governing Cooperatives**

- Law No. 057/2024 of 20/06/2024 governing cooperatives in Rwanda, gazetted on 8 July 2024, repeals Law No. 024/2021 of 27/04/2021 governing cooperatives in Rwanda. It determines the establishment, organisation and functioning of

cooperatives; sets out principles that govern a cooperative; as well as various types and categories of cooperatives.

- The recent amendments to the Cooperative Law introduce several significant changes. Key among these is the stricter eligibility criteria for board members, who are now prohibited from serving on the management of other cooperatives or being employed by central or decentralized government entities directly involved in cooperative development. Additionally, the shareholding threshold has been raised, allowing members to hold up to ten times the nominal value of shares, up from the previous limit of 5 (five). Furthermore, cooperatives must now meet additional requirements to secure legal personality, including providing member identification, addresses, and information on beneficial owners.

- **State Owned Companies**

- Presidential Order No. 067/01 of 28/08/2024 on state-owned companies, effective from 28 August 2024, determines prerequisites for the establishment of a state-owned company (“SOC”) and additional rules for its management.
- The Presidential Order clarifies that a SOC may be established by the Government of Rwanda, a state organ affiliated to the central government with a legal personality or a decentralised entity with a legal personality to safeguard public interest; to enhance basic public services to improve the well-being of the population; to fill the gaps in essential economic activities that are not yet attractive to the private sector; to catalyse private sector participation in strategic sectors of the economy, or for any other reason approved by the cabinet relating to national investment policies and strategies.

## banking

- **Law No. 044/2024 of 30/05/2024 Governing Banks**

- The new law governing the organisation of banking and will govern the organisation of banking, management and supervision of banks operating within the Republic of Rwanda, replacing the Law no 47/2017 of 23/9/2017 governing banks.
- One of the pivotal changes in the new law governing banks is the allowance for foreign banks to establish branches or their representative offices in Rwanda. Previously, foreign banking entities had to register as separate legal entities to operate in the country.

- The law also clarifies its applicability to banking groups and financial holding companies and excludes investment banks, which are governed by the law regulating the capital market in Rwanda.
- Furthermore, private banking services have been explicitly included, targeting high-net-worth individuals.
- The new law governing banks empowers the Central Bank of Rwanda to issue regulations establishing bank categories based on their services, their legal status as well as their mode of operations, regulations determining specific requirements and other modalities for the establishment and supervision of a branch of a foreign bank, and regulations determining the authorization and operational requirements of a representative office of a foreign bank in Rwanda.

- **Law Establishing the Deposit Guarantee Fund**

- The Law No. 039/2024 of 22 March 2024, which came into effect on 9 April 2024, establishes the Deposit Guarantee Fund for banks and deposit-taking microfinance institutions.
- This law repealed Law No. 31/2015 of 5 June 2015, which previously governed the organisation and functioning of the deposit guarantee fund for banks and microfinance institutions.
- This new law seeks to strengthen the Deposit Guarantee Fund and protect depositors' funds in financial institutions and bolster public confidence in the banking system by introducing government subsidies as an additional source of property for the fund.

- **Law Governing Deposit Taking Microfinance Institutions**

- Law No. 063/2024 of 20/06/2024 amending Law No. 072/2021 of 05/11/2021 governing deposit-taking microfinance institutions was gazetted on 9 July 2024. This law was specifically amended to pave the way for the regulation of tontines, a sector that had previously operated without any formal oversight.
- Article 104 of Law n° 072/2021 of 05/11/2021 governing deposit-taking microfinance institutions, was amended to include tontines which is defined as a scheme through which a group of individuals contribute sums of money to make collective savings and lend money to one another among themselves on such terms as agreed upon among themselves.
- This law also grants the Minister in charge of finance authority to determine the organisation and functioning of tontines through an order.

- **Directive on Private Banking**

- Directive No. 2600/2024-00040 [613] of 03/07/2024 on private banking services was gazetted on 3 July 2024. The directive sets out a regulatory and supervisory framework applicable to licensed commercial banks that wish to provide private banking services.
- Licensed Commercial banks that wish to offer private banking to high-net-worth individuals as determined by the directive, must first secure a non-objection letter from the National Bank of Rwanda (“NBR”).
- Additionally, since private banking services involve offering other wealth management services that are not regulated by NBR, the directive also requires the potential private banking service provider to obtain authorization or license from those relevant regulators or outsource those services from other licensed service providers.

- **Ministerial Order Governing Tontines**

- Effective from 22 August 2024, tontines are now regulated by the ministerial order n° 001/24/10/TC of 21/08/2024 governing tontines. This Ministerial order came into force following the abrogation of Law No. 063/2024 of 20/06/2024 amending Law No. 072/2021 of 05/11/2021 governing deposit-taking microfinance institutions that granted the Minister in charge of Finance to regulate this sector.
- This Ministerial Order regulates key aspects of tontine operations, including the process of establishing a tontine, admitting, or dismissing members, registration, and dissolution, as well as the rights and obligations of members.
- Under this Ministerial Order, Tontines will now be required to register through the administration of the Sector in which it operates additionally, tontines will subsequently attain legal personality like companies or NGOs.

- **New frw 5000 and frw 2000 Bank Notes**

- Presidential Order n° 073/01 of 29/08/2024 issuing a new banknote of Rwanda Francs (FRW 5,000 and FRW 2,000). The purpose of this order is to modernise the country's currency by incorporating advanced security features to prevent counterfeiting. Importantly, the new banknotes will be in circulation simultaneously with the existing banknotes, which retain legal tender status in Rwanda.

## immigration

- **Advance Passenger Information**

- On 13 May 2024, the Government of Rwanda introduced a Ministerial Order no 001/01 of 10/05/2024 determining elements of advance passenger information and passenger name record data, and time of their transmission. This Ministerial order determines (a) elements of Advance Passenger Information and Passenger Name Record data; (b) time limits for transmission of Advance Passenger Information and Passenger Name Record data; and (c) faults and their sanctions, modalities of administering the sanctions and appeal.
- With this Ministerial Order, transport carriers are now required to transmit to the Directorate General of Immigration and Emigration Advance Passenger Information data prior to starting the journey to Rwanda. Additionally, the order also prescribes penalties for non-compliance with the requirements of this ministerial order.

## non-governmental organisation

- **Law Governing NGOs**

- Law n° 058/2024 of 20/06/2024 Governing Non-governmental Organisations was gazetted on 17 of July 2024. The new law determines the establishment, organisation and functioning of non-governmental organisations and repeals and consolidate the Law n° 04/2012 of 17/02/2012 governing the organisation and functioning of national non-governmental organisations, and Law n° 05/2012 of 17/02/2012 governing the organisation and functioning of international non-governmental organisations.
- The new law extends its application to umbrella organizations and forums of umbrellas, with "umbrellas" referring to NGOs engaged in related activities. To attain legal personality, these umbrellas must consist of at least ten NGOs. Furthermore, multiple umbrellas carrying out similar activities can now form a forum of umbrellas.
- The Rwanda Governance Board has also been assigned the responsibility of registering both national and international NGOs, a task previously managed by the Directorate General of Immigration and Emigration for international NGOs. The Board will also oversee the monitoring and evaluation of NGO performance to ensure

transparency and accountability. Additionally, NGOs are now explicitly permitted to engage in commercial activities, provided they comply with relevant laws, and all profits must be reinvested into activities aligned with the NGO's objectives.

## gaming

- **Prime Minister's Order No. 028/03 of 28/06/2024 determining the regulatory authority for gaming activities.**
  - This Prime Minister's order is effective from 02 July 2024. Previously, gaming activities in Rwanda were regulated by the Ministry of Trade and Industry, under the 2011 Law on Gaming Activities. The Prime Minister's Order has now delegated the regulation of gaming activities to the Rwanda Development Board ("RDB"). As part of this new role, RDB is empowered to oversight the gaming industry, issuing licenses, and conducting investigations to ensure compliance.
  - Additionally, RDB is mandated to supervise the Consultative Gaming Committee and handle violations, including suspending or revoking licenses where necessary. A new policy on gaming activities is also expected soon.

## environment

- **Ministerial Order Relating to water resource permit**
  - Ministerial Order no 001/MoE/24 of 02/04/2024 relating to water resources use permit was gazetted on 3 April 2024 to replace Ministerial Order n° 002/16.01 of 24/05/2013 determining the procedure for declaration, authorisation and concession for the utilisation of water, governs water resources use permits.
  - It outlines the activities, works, and installations that require a water use permit, along with the conditions, procedures for acquisition, use, extension, and transfer of these permits. It also details the application process and general requirements for obtaining a water use permit before carrying out any relevant activities

## intellectual property

- **Law No. 055/2024 of 20/06/2024 on the protection of intellectual property.**
  - The new law on IP effective from 31 July 2024, repeals Law No. 31/2009 of 26/10/2009 on the protection of intellectual property. The new IP Law provides a more comprehensive guideline on the requirements for registration by broadening the definitions of marks not eligible for registration, including imitative marks, confusing marks and descriptive marks.
  - It introduces several key updates, including the establishment of a dedicated Intellectual Property Office to streamline management, the option for provisional patent applications, and new protections for traditional knowledge and cultural expressions.
  - The law also includes provisions for patent protection for pharmaceuticals, a pre-grant opposition process for patents, and enhanced recognition of international patents and designs.
  - The new IP Law also codifies the prohibition against registration of marks filed in bad faith or those whose registration has the effect of promoting unfair competition, thus strengthening the overall integrity of the trademark system.

## tax

- **Law No. 056/2024 of 26/06/2024 establishing tax on minerals**
  - The new law on tax on minerals gazetted on 5 July 2024, repeals Law No. 55/2013 of 02/08/2013 on mineral tax and establishes the tax applicable to minerals. It addresses previous inefficiencies by differentiating tax rates for processed versus unprocessed minerals. Notably, minerals exported for analysis or re-export, except for gold, are now tax-exempt, which enhances Rwanda's role as a mineral processing hub.
  - The law imposes higher taxes on raw mineral exports and expands the tax base to include additional minerals like platinum group metals and other gemstones. It also introduces a withholding tax for local processing facilities and exporters, except when they are the same entity.

- **Ministerial Order n° 007/24/10/TC of 30/09/2024 determining detailed guidelines for implementation of the common reporting standard**

- This Ministerial order was gazetted on 30 September 2024, it determines – (a) detailed guidelines for implementation of the common reporting standard, reporting requirements and due diligence procedures to be followed by reporting financial institutions; (b) the information to be provided by a reporting financial institution with respect to each reportable account maintained by such a financial institution.
- It aims to implement the Law no 021/2023 of 31/03/2023 governing the automatic exchange of information for tax purposes. Financial institutions, including banks and insurance companies, are now required to report account information to the Rwanda Revenue Authority (RRA).
- The guidelines specify that reports must be submitted by April 30 each year, covering all reportable accounts from the previous calendar year. These accounts remain reportable unless reclassified. For reporting purposes, financial institutions are required to capture account balances or values as of December 31 each year. Certain accounts are exempt from these reporting obligations, including specific retirement or pension accounts and tax-favoured accounts that meet regulatory requirements.
- In terms of reportable information, financial institutions must provide detailed data on account holders, including names, addresses, Taxpayer Identification Numbers (“TIN”), and any income generated. For entities, information on controlling individuals may also need to be reported. However, certain financial institutions, such as state organs, retirement funds, and specific investment vehicles, are excluded from these reporting obligations, provided they meet the criteria set out in the guidelines.

## mining

- **Law No. 072/2024 of 26/06/2024 on mining and quarry operations.**

- The new law replaces the Law n° 58/2018 of 13/08/2018 on mining and quarry operations. It significantly increases penalties: illegal mining can now lead to up to 5 (five) years in prison and fines of up to RWF80-million, while illegal trading carries up to ten years in prison and fines up to RWF150 million.
- Unauthorised operators face up to three years in prison and fines of up to RWF80-million, and landowners permitting illegal mining could face up to two years in prison



and fines between RWF25-million and RWF50-million. The government can now also revoke licenses from companies involved in unauthorised activities.

- It simplifies the licensing process, introduces provisions for “critical minerals” and government stake holding in mining operations, and reinforces environmental and social responsibility.

## real estate

- **Ministerial Order No. 002/MoE/24 of 10/07/2024 relating to temporary requisition of land and termination of land ownership contract.**
  - Following the enactment of law N° 27/2021 of 10 June 2021, which governs land and authorises the Minister in charge to issue an order that determines criteria and modalities for the temporary requisition and management of land and requirements and conditions for repossession of such land, the Minister of Environment issued this order on 11 July 2024.
  - As per this order, the government, through the City of Kigali or district authorities may order the requisition of land intended for agriculture, livestock, or forestry that is not being exploited within 6 (six) consecutive months without a valid reason.
  - Landowners receive a prior 90-day written notice, after which they must either provide valid reasons for the delay or submit a development plan to avoid requisition. If no action is taken, the City of Kigali or district may temporarily requisition the land for up to three years for agricultural land or ten years for forestry land, assigning it to an individual capable of exploiting it during the requisition period.
  - In cases of significant non-compliance, land ownership may be permanently terminated, particularly if land is located in areas with infrastructure, and the owner fails to develop it in accordance with the master plan. If ownership is terminated, the land is allocated according to government plans.
- **Ministerial Order No 002/23/10/TC of 24/11/2023 determining the standard rates and other criteria applied to set the tax rate per square meter of the surface of land.**

- This Order was gazetted on 28 November 2023 and repeals Ministerial Order no 001/20/10/TC of 10/01/2020, setting standard rates and other criteria to determine the tax rate applicable to plots of land.
- This order specifies tax rates for various land categories based on factors such as location, use, and size while outlining assessment criteria that include market value, zoning regulations, and development plans. The order also provides implementation guidelines for local authorities and relevant stakeholders to ensure compliance and may include provisions for periodic adjustments to the tax rates in response to market or economic change.
- The standard tax rates on a square meter of land are in the Annex of this Order. Other criteria applied to set the tax rate per square meter of the surface of land set by the order are:
  - class of the city where the taxable plot of land is located;
  - level of development where the taxable land is located;
  - intended use of the taxable land.

## aviation

- **Law No. 059/2024 of 20/06/2024 amending Law No. 20/2018 of 29/04/2018 establishing regulations governing civil aviation.**
  - The amendment was gazetted on 24 July 2024. Key amendments include enhanced safety measures, such as the notification and investigation of aircraft accidents and incidents, along with the introduction of safety recommendations and the wording of some provisions of the previous law. Another notable change is the creation of a high-level Civil-Military Aviation Cooperation Policy Committee, whose responsibilities, organization, and functioning will be determined by a forthcoming Prime Minister's Order.
  - Furthermore, the amendment introduced the establishment of an Aviation Accident and Incident Investigation Directorate General under the Ministry in charge of civil aviation. This Directorate is tasked with overseeing all civil aircraft accident and incident investigations.

## The protection of your personal information is important to us

ENS takes your privacy and the protection of your personal information very seriously and is committed to doing the right thing as underpinned by our [privacy policy](#) and values.

It is our understanding that you are receiving this communication because you are an esteemed client of our firm or have historically elected to opt-in to receive communications from us. If you no longer wish to receive communications from us, please [click here to unsubscribe](#) so we can ensure your details are removed from all our communication lists. Should you change your mind, you can subscribe to specific areas of interest using the following link <http://www.ensafrica.com/contact-us>.

We appreciate your ongoing support and interest.

ENS | original thinking

[info@ENSafrica.com](mailto:info@ENSafrica.com) | [ENSafrica.com](http://ENSafrica.com)

[privacy statement](#) | [unsubscribe](#)



The ENS logo is a stylized, handwritten-style signature of the letters 'ens' in black, followed by a period. The 'e' is lowercase and the 'ns' are lowercase, with a long horizontal stroke extending from the 'e'.