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KIGALI ATTORNEYS
LAW FIRM

Rwanda Tax Reform 2025

LEGAL ANALYSIS AND STRATEGIC OPPORTUNITIES
FOR BUSINESSES AND INVESTORS

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EXECUTIVE SUMMARY

RWANDA TAX REFORM 2025:

Key Points for Businesses and Investors

The 2024/25-2025/26 Rwandan tax reform introduces a coherent set of measures aimed at broadening the tax base, modernizing the system, supporting economic transformation, and attracting strategic investment. It reflects the country's pro-business orientation, combining fiscal discipline, sectoral incentives, and alignment with international standards.

KEY HIGHLIGHTS

- **VAT:** Expanded exemptions (health, education, EVs), reintroduced VAT on mobile phones, ICT and logistics; clearer taxable operations.
 - Excise duties: New cosmetics tax (15% on CIF), increases on alcohol, cigarettes, airline; fuel levy indexed to CIF.
 - Hybrid & electric vehicles:
 - EVs: fiscal advantages maintained until 30 June 2028 (VAT + import duties exempt).
 - Hybrids: end of VAT/duty exemption; excise based on age (5% / 10% / 15%).
 - Corporate Income Tax (CIT): reduced from 30% to 28%.
 - Capital Gains Tax: increased from 5% to 10%.
 - Digital Services Tax (DST): new 1.5% tax on revenues of digital platforms with significant presence.
 - Tourism tax: 3% on accommodation starting 1 July 2025.
 - Environmental levy: applied to imported products packaged in plastics.

- Machinery & raw materials: strategic exemptions until 30 June 2026 to support industrialization.
- Long-stay accommodation: VAT exemption for stays over 90 days.
 - Logistics & transport: freight transport now taxable at 18%, with potential upstream VAT recovery.

STRATEGIC IMPACTS

- Winning sectors: industry/manufacturing, energy & e-mobility, long-stay rental real estate, health, education, agro-processing, tourism.
- Sensitive sectors: ICT importers, hybrid vehicle importers, telecom operators, real-estate-heavy companies (CGT).
 - Strong investor opportunities: EVs, green infrastructure, PPP projects, industrialization/digitalization, affordable housing (zero-rated VAT).

NEW OBLIGATIONS

- Mandatory EBM system updates.
 - Registration for tourism tax (accommodation sector).
- Commercial contract updates (VAT clauses).
- Product classification reviews (RRA codes).
- DST compliance for foreign digital platforms.

RWANDA'S POSITIONING

- Committed to Vision 2050 & NST1/NST2.
 - Pro-investment reforms with disciplined budgeting.
 - OECD/BEPS alignment, fiscal transparency, advanced digitalization.

The 2025 reform is not punitive: it redistributes tax pressure, reinforces fiscal discipline, while maintaining strong sectoral incentives. For investors, it creates a clearer, digitalized environment oriented toward green growth and industrial transformation.

II. CONTEXT: A STRUCTURING, PRO-BUSINESS REFORM ALIGNED WITH VISION 2050

The 2024/25–2025/26 Rwandan tax reform is part of a profound transformation of the country's economic, financial, and regulatory framework. It is anchored in a long-term strategic vision (Vision 2050) and the National Strategy for Transformation (NST1/NST2), which place private investment, industrialization, digitalization, and good governance at the center of growth.

Far from being a simple technical update of the tax system, this “fiscal package” constitutes a structural reform designed to strengthen domestic revenue mobilization, improve tax equity, stimulate productivity, and support priority strategic sectors.



1. MACROECONOMIC AND STRATEGIC FOUNDATIONS

a) Vision 2050: A Competitive, Export-Oriented Economy

The reform aligns with the national ambition to:

- achieve upper-middle-income status by 2035,
- reach high-income status by 2050.

To achieve these targets, Rwanda must:

- diversify its tax base,
- reduce external dependency,
- attract private capital into industry, energy, infrastructure, ICT, and real estate.

The 2025 fiscal package responds directly to these requirements.

b) NST1/NST2: Fiscal Discipline and Modernization

NST priorities include:

- full digitalization of the tax administration (RRA),
- widening the tax base through formalization,
- strengthening domestic financing,
- targeted incentives for industry and the green economy,
- protection of vulnerable groups through more equitable taxation.

The tax reform is directly linked to these national priorities.



2. INSTITUTIONAL STAKEHOLDERS INVOLVED IN THE REFORM

The reform involved several key institutions:

a) MINECOFIN (Ministry of Finance and Economic Planning)

Lead institution responsible for:

- 2024/25-2025/26 budget guidelines,
- public consultations,
- macroeconomic impact assessments.

b) Rwanda Revenue Authority (RRA)

Central role in:

- identifying distortions in the tax system,
- implementing electronic invoicing (EBM),
- expanding the VAT base,
- modernizing customs and excise procedures,
- designing the Digital Services Tax (DST).

c) Rwanda Development Board (RDB)

Interface with investors, responsible for:

- collecting private sector feedback,
- integrating fiscal measures into investment incentive regimes,
- ensuring consistency with SEZ/EPZ frameworks and strategic sectors.

d) Parliament & Thematic Committees

Legislative validation of texts:

- Law No. 009/2025 (VAT),
- Excise adjustments,
- CGT and CIT amendments,
- Introduction of tourism and environmental taxes.

e) Cross-sectoral Institutions

- Gender Monitoring Office (GMO): gender-sensitivity analysis for certain measures.
- International partners (OECD, World Bank, AfDB): technical alignment.

3. METHODOLOGY: A CALIBRATED REFORM BASED ON ANALYSIS & CONSULTATION

The reform was developed through a structured approach:

a) Public & Sector Consultations

MINECOFIN and RRA consulted:

- economic operators (industry, telecoms, tourism, real estate),
- chambers of commerce,
- professional associations,
- financial institutions,
- foreign investors.

These consultations led to adjustments (e.g., pharmaceutical exemptions, e-mobility revisions).

B) ECONOMIC & SOCIAL IMPACT STUDIES

Budget frameworks 2024/25 and 2025/26 include:

- revenue simulations,
- price-consumer impact analyses,
- scenarios for industrial machinery & EV imports,
- effects on productive investment.

c) Regional and International Benchmarking

Comparisons with:

- EAC peers (excise duties, logistics VAT),
- global DST trends (Kenya, South Africa, EU, OECD),
- green taxation (EV incentives).

d) Alignment with International Standards (OECD/BEPS/G20)

Particularly on:

- digital economy taxation,
- tax base erosion prevention,
- transparency and information exchange,
- domestic resource mobilization.

4. WHY REFORM NOW?

a) Economic Priorities

- Rising public investment needs (infrastructure, energy, urbanization).
- Budget pressures tied to external shocks.
- Need for a broader, more stable tax base.

b) Social Priorities

- Supporting health, education, nutrition.
- Protecting vulnerable households through targeted exemptions.

c) Industrial & Technological Priorities

- Development of industrial value chains.
- Energy transition (electric mobility).
- Support to export-oriented companies and special economic zones.

d) Private Investment Priorities

The reform brings:

- greater clarity,
- improved predictability,
- a framework aligned with international standards,
- reinforced sector-specific incentives.

This reform is part of a coherent strategy: modernizing the tax system, making it fairer, supporting growth, attracting investment, and enabling Rwanda's structural transformation.



The fiscal package must be analyzed as a whole as a major economic instrument serving Vision 2050: not as a set of isolated measures.

III. LEGAL MAPPING OF THE 2024/25-2025/26 FISCAL PACKAGE

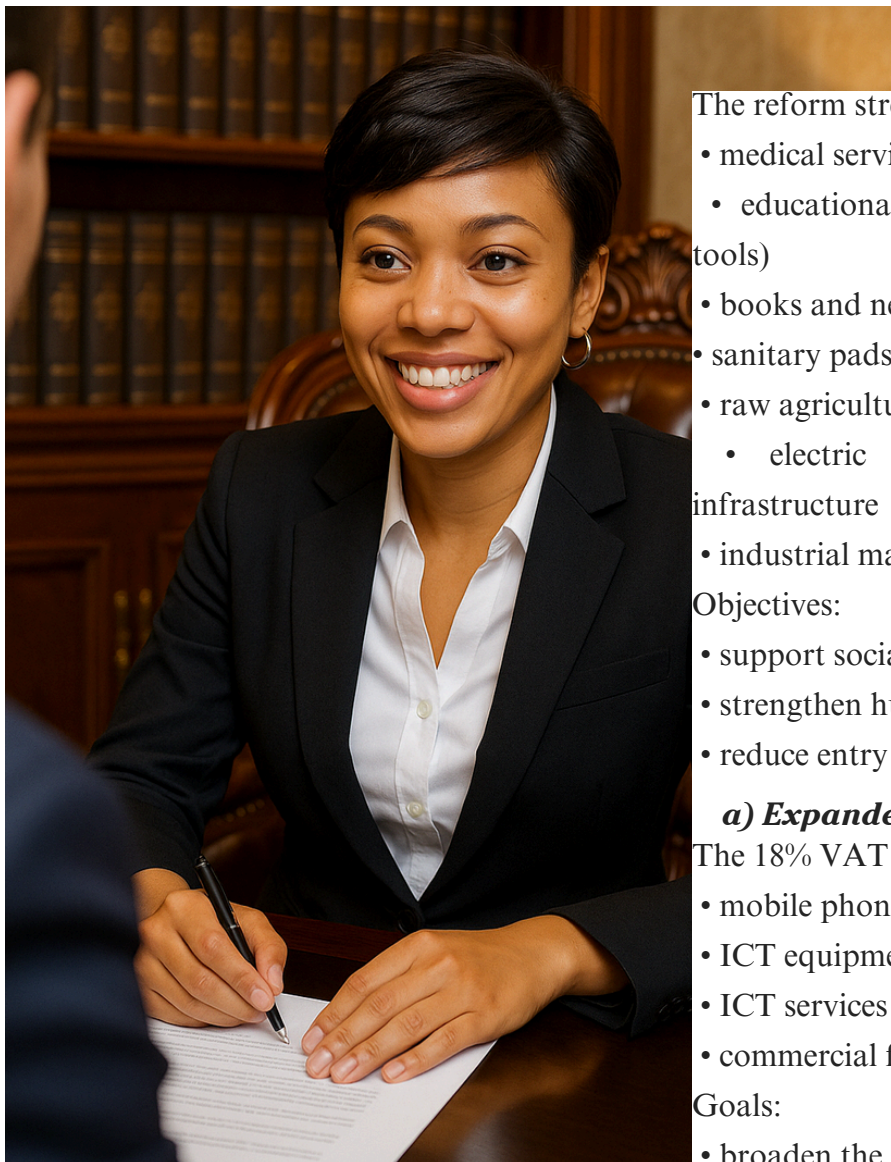
The reform introduces simultaneous changes across several branches of Rwanda’s tax system: VAT, excise duties, corporate income tax, capital gains tax, sector-specific taxation, environmental taxation, and digital economy taxation. Together, these measures create a modernized, more transparent, and more investment-oriented fiscal framework aligned with the country’s growth objectives.



TABLE 1: SUMMARY OF 2024/25-2025/26 TAX AMENDMENTS

Tax	Before	After Reform	Impact on Businesses & Investors	Recommended Actions
VAT (Law No. 009/2025)	Limited exemptions; EVs and machinery already incentivized	Expanded exemptions (health, education, EVs); VAT reintroduced for phones/ICT; freight transport taxable	Higher ICT/logistics costs; lower EV & industrial costs; clearer supply rules	Review pricing; update EBM; confirm exemption eligibility
Excise Duties	Stable rates on alcohol, tobacco, airtime, fuel	Higher rates on alcohol, cigarettes, airtime; new 15% excise on cosmetics; fuel levy indexed to CIF	Retail & telecom sectors more exposed; e-mobility becomes more attractive	Adjust margins; anticipate increases; renegotiate distribution contracts
Hybrid/EV Vehicles	Hybrids fully exempt; EVs already incentivized	Hybrids now taxed (VAT + age-based excise); EVs remain fully exempt until 2028	Strong shift toward EVs; hybrids less attractive	Prioritize EVs; adjust fleet strategy; use import incentives
Corporate Income Tax (CIT)	30%	28%	Positive fiscal relief; improved competitiveness	Review structuring; update long-term financial models
Capital Gains Tax (CGT)	5%	10%	Higher cost on real-estate/share disposals; due diligence increases	Optimize transaction timing; structure via SPVs
Digital Services Tax (DST)	No specific tax	1.5% on digital revenues with significant economic presence	Foreign platforms more regulated; fairer taxation	Check taxable presence; adjust licensing/contracts
Tourism Tax (3%)	Not applicable	3% on accommodation (from 1 July 2025)	Low but constant impact on hotels	Update EBM; review long-stay pricing
Environmental Levy	No general tax on packaging	0.2% levy on imported plastic-packaged goods	Encourages sustainable alternatives	Review supply chain; adopt alternative packaging
Machinery & Raw Materials	Varied duties; limited exemptions	Expanded exemptions until 2026	Major opportunity for manufacturers	Import before exemption deadline

DETAILED LEGAL ANALYSIS BY TAX CATEGORY



The reform strengthens exemptions for:

- medical services and pharmaceutical products
- educational materials (including digital learning tools)
- books and newspapers
- sanitary pads
- raw agricultural products
 - electric vehicles (EVs), batteries, charging infrastructure
- industrial machinery (until 30 June 2026)

Objectives:

- support social sectors,
- strengthen human capital,
- reduce entry costs for industrialization.

a) Expanded Exemptions

The 18% VAT is now reintroduced for:

- mobile phones
- ICT equipment
- ICT services
- commercial freight transport

Goals:

- broaden the tax base,
- improve sector fairness and neutrality.

c) Clarification of Taxable Operations

The law clarifies VAT application to:

- domestically manufactured products,
- imported products,
- services supplied in Rwanda (including cross-border services).

This reduces legal uncertainty and strengthens predictability for operators.

1. VALUE ADDED TAX (VAT)

Reference: Law No. 009/2025 amending Law No. 049/2023

a) Expanded Exemptions

The reform strengthens exemptions for:

- medical services and pharmaceutical products
- educational materials (including digital learning tools)
- books and newspapers
- sanitary pads
- raw agricultural products
 - electric vehicles (EVs), batteries, charging infrastructure
- industrial machinery (until 30 June 2026)

2. EXCISE DUTIES: CONSUMPTION, TELECOMS, FUELS

a) New Excise Duties

- Cosmetics/beauty products: 15% of CIF
- Cigarettes: Rwf 230/pack + 36% retail price
- Beer: 65% of factory price
- Airtime: 12% in 2024/25, rising toward 15%
- Fuels: fuel levy = 15% of CIF, replacing fixed tax



b) Policy Rationale

- behavioral taxation,
- financing infrastructure (fuel levy),
- regional alignment.

3. HYBRID VEHICLES & ELECTRIC MOBILITY

a) Electric Vehicles (EVs): Reform Winners

Until 30 June 2028:

- VAT exemption
- import duty exemption
- excise duty exemption

Objective: accelerate full electrification and reduce emissions

b) Hybrid Vehicles: End of Preferential Treatment

Hybrids now face:

- 18% VAT
- age-based excise:
 - <3 years: 5%
 - 4–7 years: 10%
 - 8+ years: 15%

Intent: discourage importation of older, less energy-efficient hybrid models.

4. CORPORATE INCOME TAX (CIT)

a) Reduced Statutory Rate

- Before: 30%
- After: 28%

Benefits:

- improved regional competitiveness,
- higher margins in key industrial sectors,
- enhanced attractiveness for foreign direct investment (FDI).

5. CAPITAL GAINS TAX (CGT)

a) Rate Doubled

- 5% → 10%

Applies to all disposals of real estate and shares.

b) Legal Implications

- SPV structuring becomes more relevant,
- enhanced due diligence requirements,
 - importance of transaction timing optimization.

6. DIGITAL SERVICES TAX (DST)

a) 1.5% on Digital Revenues

Applicable to companies:

- without physical presence in Rwanda,
- but with significant economic presence.

b) Objective

Align Rwanda with OECD/G20 international digital tax trends.

7. SECTOR-SPECIFIC TAXES

a) Tourism Tax (3%)

Applies to accommodation services from 1 July 2025

b) Environmental Levy (0.2%)

Applied to plastic-packaged imported products.

c) Commercial Licensing Reform

A single district-level commercial licence replaces multiple local taxes administrative simplification.

The 2024/25–2025/26 fiscal package is a comprehensive reform designed to:

- broaden the tax base,
- influence economic behavior,
- encourage industrial development,
- harmonize the tax system with international standards.

Rwanda's fiscal environment becomes clearer, more structured, and more attractive for productive investment provided operators understand and anticipate the new compliance obligations.

4. CORPORATE INCOME TAX (CIT)

The 2024/25-2025/26 measures reshape costs, margins, and investment priorities across sectors. Key changes include the expansion/adjustment of VAT exemptions (health, education, machinery and raw materials until 30 June 2026; fully electric vehicles and charging infrastructure until 30 June 2028), clarification of the VAT base (goods and services supplied in Rwanda), reintroduced VAT on ICT devices/services, VAT on freight logistics, the new tourism levy (3%), and the increase in Capital Gains Tax to 10%. Several measures affecting commercial real estate and affordable housing alter return profiles.



TABLE: SECTOR IMPACTS & STRATEGIC OPPORTUNITIES

Industry & Manufacturing

Relevant Measures:

- Temporary VAT exemption on machinery & raw materials (until 30/06/2026)
- Clarified taxable supplies

Expected Effects:

- Lower net CAPEX
- Faster commissioning of industrial facilities
- Improved price competitiveness

Strategic Actions:

- Accelerate equipment imports before 2026
 - Structure supply chains to maximize VAT recovery
- Model margin sensitivity when exemptions expire

Health & Pharmaceuticals

Relevant Measures:

- VAT exemption on medical services and pharmaceutical products

Expected Effects:

- Lower final prices
- Increased demand and reduced operational costs

Strategic Actions:

- Deploy integrated service models (clinics + pharmacy supply)
- Structure procurement contracts to optimize VAT flows



Expected Effects:

- Need for revised pricing models
- Strong development of long-stay and serviced apartments

Strategic Actions:

- Design VAT-optimized long-stay packages
- Develop corporate/NGO relocation contracts
- Update EBM to integrate VAT + tourism tax

Strategic Actions:

- Renegotiate contracts to integrate VAT
- Optimize EBM invoicing cycles
 - Implement cashflow solutions (discounting, factoring).

Tourism & Hospitality

Relevant Measures:

- Tourism tax: 3% (from July 2025)
- Stays >90 days now VAT-exempt

Education & EdTech

Relevant Measures:

- **VAT exemption on educational materials, including digital tools**

Expected Effects:

- Lower cost of learning materials
- Strong scalability potential for EdTech platforms

Strategic Actions:

- Invest in localized content
- Build bundles (device + content)
- Adopt multi-institution subscription models

Logistics & Freight Transport

Relevant Measures:

- Freight transport now taxed at 18% VAT (recoverable upstream)

Expected Effects:

- Higher apparent cost but potential VAT neutrality
- More pressure on cashflow

Expected Effects:

- Reduced Total Cost of Ownership (TCO) for EVs
- Declining attractiveness of hybrids

Strategic Actions:

- Invest in EV fleets
- Deploy charging stations
- Build “fleet-as-a-service” models



ICT & Digital Economy

Relevant Measures:

- VAT reintroduced on phones & ICT equipment/services
- Digital Services Tax: 1.5%

Expected Effects:

- Slight increase in acquisition costs
- Heavy compliance obligations for digital actors

Strategic Actions:

- Structure local presence and invoicing chains
- Differentiate pricing (B2B vs B2C)
- Offer device + service bundles

Real Estate

Relevant Measures:

- Capital Gains Tax: 10%
- Commercial property tax: 0.3%
- Affordable housing: zero-rated VAT

Expected Effects:

- Higher cost on asset disposals
- More attractive commercial property
- Strong incentives for affordable housing

Strategic Actions:

- Build affordable housing pipelines
- Use SPVs to optimize CGT
- Align financing on long-term cashflows

Agri-business

Relevant Measures:

- VAT exemptions on raw agricultural products
- Livestock insurance incentives

Expected Effects:

- Lower upstream costs
- More stable producer income

Strategic Actions:

- Adopt aggregation models
- Invest in mechanization under exemption
- Build integrated processing chains

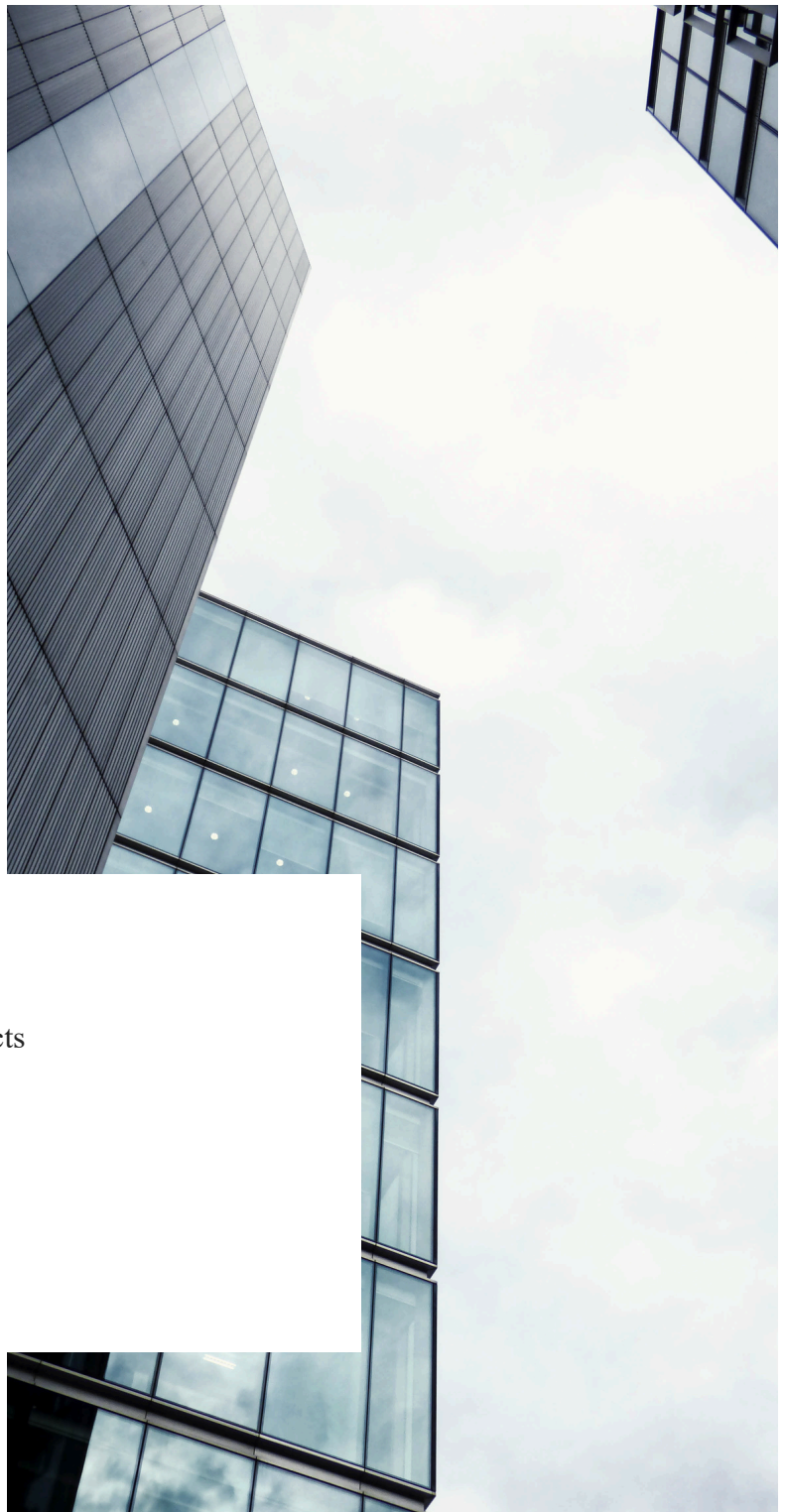
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Relevant Measures:

- Freight transport now taxed at 18% VAT (recoverable upstream)

Expected Effects:

- Higher apparent cost but potential VAT neutrality
- More pressure on cashflow





CASE STUDY (ILLUSTRATIVE): Long-Stay Residence in Kigali

Scenario:

A hotel operator converts part of its property into serviced apartments for stays ≥ 90 days.

Fiscal Outcome:

- VAT exemption for continuous stays > 90 days (new eligibility for hotels/Airbnbs)
- Tourism tax (3%) still applies and must be reflected in EBM invoicing

Impact:

- More competitive rates (VAT-neutral)
- Higher margins via corporate contracts
- Better cashflow visibility

Implementation Steps:

- Create standard “corporate housing” contracts (90–180 days)
- Update EBM settings (VAT + tourism tax)
- Maintain proper evidence of uninterrupted stays

Mini Compliance Checklist:

- EBM/Invoice: correct VAT, tourism tax, and product codes
- Contracts & T&C: updated VAT clauses
- Calendar: plan machinery imports before 30/06/2026; EV investments before 30/06/2028
- Fleet policy: update hybrid/EV strategy
- Digital: determine significant economic presence (DST)
- Real estate: anticipate CGT and prioritize zero-rated affordable housing



MYTHS VS REALITIES

Myth 1: “VAT makes logistics too expensive and reduces demand.”

Reality:

- VAT is recoverable for VAT-registered businesses
- Impact mainly affects cashflow, invoicing processes, and contract structure
- The reform increases transparency and formalization

Opportunity:

Improved supply chain efficiency and optimized VAT recovery.

Myth 2: “Hybrids are now useless and overtaxed.”

Reality:

- Hybrids lose exemptions and now face VAT + excise
- EVs retain full exemptions until 2028

Opportunity:

Shift fleet financing to EVs; invest in charging infrastructure.

Myth 3: “The 3% tourism tax will harm the sector.”

Reality:

- The rate is low compared to regional standards
- Long-stay segment becomes more attractive due to

VAT exemption

Opportunity:

Long-stay corporate and relocation markets.

Myth 4: “Higher CGT (10%) kills real estate.”

Reality:

- Commercial property tax is reduced
- Affordable housing is zero-rated
- SPVs allow legitimate tax optimization

Opportunity:

Affordable housing and long-stay assets.

Myth 5: “DST will discourage global digital platforms.”

Reality:

- DST at 1.5% aligns with global norms
- Provides a clear, predictable tax framework

Opportunity:

SaaS, e-commerce, and marketplace expansion in Rwanda.

STRATEGIC RECOMMENDATIONS

For Rwandan Businesses

a) Update all commercial contracts

- Include a dynamic VAT clause
- Adjust TTC/HT pricing
- Add tourism tax where applicable

b) Optimize VAT and cashflow

- Streamline VAT recovery
- Align EBM with real invoicing cycles

c) Reinforce supply chain strategy

- Integrate VAT on freight services
- Renegotiate fuel levy clauses

d) Anticipate CGT (10%)

- Conduct due diligence before asset disposals
- Use SPVs where appropriate

e) Leverage incentives

- Machinery (until 2026)
- EVs & charging infrastructure (until 2028)
- Zero-rated affordable housing
- Health, education, agri-business incentives

For Foreign Investors

a) Structuring

- Review DTT applicability
- Prepare SPVs with adequate substance
- Align documentation with BEPS/OECD

b) Capture incentive windows

- Machinery imports before 2026
- EV investments before 2028

c) Optimize entry/exit timing

- Enter under 28% CIT
- Plan disposals under 10% CGT

d) Adapt business models

- Integrate DST in pricing
- Internalize or pass on VAT in logistics

e) Strengthen cross-border compliance

- Transfer pricing documentation
- SaaS/royalties contract compliance
- Digital VAT obligations

For Both Businesses & Investors

Digitalization

- Update ERP, EBM, invoicing and accounting systems

Governance

- Create a Tax & Regulatory Committee
- Conduct annual tax audits
- Adopt internal compliance procedures

VI. INTERNATIONAL TAXATION & CROSS-BORDER STRUCTURING

1. HIERARCHY OF NORMS: PREVALENCE OF DOUBLE TAXATION TREATIES (DTTS)



Rwanda applies a clear legal principle:

Whenever a DTT exists, it prevails over domestic tax law.

This affects:

- Corporate Income Tax
- Withholding Tax (WHT) on dividends, interest, services, management fees
- Profit allocation rules
- Determination of Permanent Establishment (PE)

Key consequence for investors:

Before market entry, it is essential to verify:

- whether a DTT exists,
- reduced WHT rates,
- PE conditions,
- the optimal and legally acceptable SPV jurisdiction.

2. ALIGNMENT WITH OECD/BEPS STANDARDS

Rwanda is undertaking deep modernization aligned with OECD principles:

- taxation of the digital economy
- prevention of base erosion
- fiscal transparency
- transfer pricing requirements
 - documentation of intra-group transactions

a) Transfer Pricing

Related entities must:

- comply with arm's-length pricing,
- prepare internal documentation,
- maintain comparable benchmarks,
- justify actual value creation.

b) Economic Substance

Holdings and SPVs must demonstrate real activity:

- real office presence,
- effective management,
- key personnel or local oversight.

c) Cross-border

transactions to monitor

- ***management fees***
- ***intercompany loans***
- ***royalties***
- ***technical service fees***
- ***SaaS fees***

These flows must be compliant, justified, and market-aligned.

3. DIGITAL SERVICES TAX (DST): INTERNATIONAL SCOPE

DST (1.5%) applies to firms without physical presence, but with significant digital presence in Rwanda.

Targeted sectors:

- international platforms
- cloud/SaaS providers
- marketplaces
- mobile apps

Criteria (indicative, pending formal guidance):

- large Rwandan user base
- revenue generated from Rwanda
- Rwanda-targeted marketing / data usage
- local payments

Structuring Guidance

- determine whether the company qualifies as an “E-Service Vendor”
- verify whether digital VAT also applies
- document cross-border digital flows
- update contracts with distributors/local partners

4. FOREIGN DIRECT INVESTMENT (FDI) STRUCTURING: SPVS

Investors may structure operations through:

- local SPVs,
- joint ventures,
- foreign holdings in treaty jurisdictions.

Why use an SPV in Rwanda?

- ring-fence legal liability
- optimize CGT (especially under 10%)
- separate business lines
- manage dividend flows more efficiently

BUT: To comply with BEPS, an SPV must have:

- real presence,
- proper governance,
- local documentation,
- effective operations.

5. DIGITAL, CLOUD, SAAS & CROSS-BORDER CONTRACTING

Contracts must clearly indicate:

- place of supply
- applicable VAT
- DST rules
- transfer pricing guarantees
- server location
- pricing clauses

Major risk:

Improper structuring can result in double taxation (VAT + DST) or unintended PE creation.

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- whether a DTT exists,
- reduced WHT rates,
- PE conditions,
- the optimal and legally acceptable SPV jurisdiction.

6. RECOMMENDATIONS FOR INTERNATIONAL INVESTORS

Before Investment

- Legal/fiscal due diligence
- Tax mapping & incentive verification
- DTT analysis
- SPV structuring

During Operations

- Transfer pricing documentation
- Align invoicing to RRA systems
- Manage cross-border VAT & DST
- Monitor excise & VAT updates

During Exit

- Plan for 10% CGT
- Review asset valuations
- Structure exit through SPVs
- Confirm status of share transfer vs asset sale

VII. WHY RWANDA IN 2025?

A MODERNIZED TAX ENVIRONMENT, INSTITUTIONAL STABILITY, AND A CLEAR LONG-TERM VISION MAKE RWANDA ONE OF AFRICA'S MOST ATTRACTIVE DESTINATIONS FOR STRATEGIC INVESTMENT.



1. EXCEPTIONAL POLITICAL & INSTITUTIONAL STABILITY

- Strong institutions
- Predictable regulatory frameworks
- Fast and transparent decision-making
- Continuous reforms (tax, commercial, property, financial)

2. MODERN AND TRANSPARENT TAX SYSTEM

- Coherent pro-growth fiscal package
- Competitive CIT rate (28%)
- Strategic exemptions (industry, EVs, education, health)
- OECD/BEPS alignment
- Fully digitized tax administration (EBM, unified declarations)

3. A CLEAR NATIONAL VISION: VISION 2050

Key ambitions include:

- industrial upgrading
- green and digital economy
- strategic infrastructure development
- controlled urbanization
- human capital strengthening

Taxation supports and reflects these national priorities.

4. TOP BUSINESS ENVIRONMENT IN AFRICA

- RDB: a highly efficient one-stop center
- Fast company registration
- Legal protection for foreign investors
- Attractive Special Economic Zone (SEZ) regime

5. HIGH-POTENTIAL STRATEGIC SECTORS

a) Industry & manufacturing

- tax exemptions (until 2026)
- national industrialization plan

b) E-mobility & green transition

- full EV exemptions (until 2028)

c) Health, education & human capital

- expanded VAT exemptions

d) Real estate & urbanization

- zero-rated affordable housing

e) Tourism & hospitality

- reformed fiscal framework; long-stay incentives

f) Digital economy

- clear DST framework; rising demand for SaaS/data

6. GOVERNANCE & TRANSPARENCY

- strengthened anti-corruption tools
- digital regulatory reporting
- improved fiscal governance

7. REGIONAL INTEGRATION & MARKET ACCESS

- Active EAC & COMESA membership
- AfCFTA continental market access
- Kigali as a logistics & diplomatic hub

OVERALL:

Rwanda offers in 2025 a rare combination of stability, predictability, continuous reform, and targeted incentives.

The 2024/25-2025/26 fiscal reform consolidates this dynamic and strengthens the country's position as a strategic destination for ambitious investments.

VIII. GENERAL CONCLUSION

The 2024/25-2025/26 fiscal reform marks a decisive step in Rwanda's economic modernization.

It strengthens tax discipline, broadens the tax base, introduces internationally aligned digital taxation, and supports strategic sectors such as industry, green energy, real estate, and tourism.

Rather than being restrictive, the reform enhances predictability and structure for businesses and investors. Incentives particularly on industrial machinery, electric vehicles, affordable housing, and essential services create important windows of opportunity.

Rwanda confirms its ambition to become an African hub for innovation, industry, strong fiscal governance, and international investment.

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It does not replace personalized legal advice.

Any investment or tax structuring decision must be preceded by professional advice tailored to the specific situation of each business or investor.