

# U.S. Country Commercial Guides



Rwanda  
2019

## Table of Contents

<b><i>Doing Business in Rwanda</i></b>	<b>5</b>
Market Overview	5
Market Challenges	7
Market Opportunities	7
Market Entry Strategy	8
<b><i>Political Environment</i></b>	<b>10</b>
<b><i>Selling US Products &amp; Services</i></b>	<b>11</b>
Using an Agent to Sell US Products and Services	11
Establishing an Office	11
Franchising	11
Direct Marketing	11
Joint Ventures/Licensing	11
Selling to the Government	11
Distribution & Sales Channels	12
Express Delivery	12
Selling Factors & Techniques	12
eCommerce	13
Trade Promotion & Advertising	14
Pricing	15
Sales Service/Customer Support	15
Protecting Intellectual Property	16
Due Diligence	16
Local Professional Services	16
Principal Business Associations	16
Limitations on Selling US Products and Services	16
Web Resources	17
<b><i>Leading Sectors for US Exports &amp; Investments</i></b>	<b>18</b>
Energy	18
Agriculture Sector	20
Telecommunications	24
Travel and Tourism	25
Financial Services	26
<b><i>Customs, Regulations &amp; Standards</i></b>	<b>27</b>

Trade Barriers _____	27
Import Tariff _____	27
Import Requirements & Documentation _____	28
Labeling/Marking Requirements _____	29
U.S. Export Controls _____	30
Temporary Entry _____	30
Prohibited & Restricted Imports _____	30
Customs Regulations _____	30
Standards for Trade _____	31
Trade Agreements _____	32
Licensing Requirements for Professional Services _____	33
Web Resources _____	33
<b><i>Investment Climate Statement</i></b> _____	<b>34</b>
Executive Summary _____	34
Openness to and Restrictions upon Foreign Investment _____	36
Bilateral Investment Agreements and Taxation Treaties _____	39
Legal Regime _____	39
Industrial Policies _____	44
Protection of Property Rights _____	46
Financial Sector _____	47
State-Owned Enterprises _____	50
Responsible Business Conduct _____	51
Corruption _____	51
Political and Security Environment _____	53
Labor Policies and Practices _____	53
OPIC and Other Investment Insurance Programs _____	55
Foreign Direct Investment and Foreign Portfolio Investment Statistics _____	55
Contact for More Information on the Investment Climate Statement _____	57
<b><i>Trade &amp; Project Financing</i></b> _____	<b>58</b>
Methods of Payment _____	58
Banking Systems _____	59
Foreign Exchange Controls _____	60
US Banks & Local Correspondent Banks _____	60
Project Financing _____	60
Financing Web Resources _____	60

<b>Business Travel</b>	<b>62</b>
<b>Business Customs</b>	<b>62</b>
<b>Travel Advisory</b>	<b>62</b>
<b>Visa Requirements</b>	<b>62</b>
<b>Currency</b>	<b>62</b>
<b>Telecommunications/Electronics</b>	<b>63</b>
<b>Transportation</b>	<b>63</b>
<b>Language</b>	<b>63</b>
<b>Health</b>	<b>64</b>
<b>Local Time, Business Hours and Holidays</b>	<b>64</b>
<b>Temporary Entry of Materials or Personal Belongings</b>	<b>64</b>
<b>Travel Related Web Resources</b>	<b>65</b>

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## Doing Business in Rwanda

### Market Overview

Rwanda is a small but growing market, with a population of 12.2 million people and a Gross Domestic Product (GDP) of USD 9.14 billion dollars, according to the World Bank. Rwanda enjoys strong economic growth, averaging over seven percent annually over the last two decades. The Rwandan economy grew more than eight percent in 2018 as higher global prices for some traditional exports, improved agricultural output, growth in transport and tourism, and a rebound in construction activities helped the country to recover from drought and a cyclical downturn in 2016. The International Monetary Fund (IMF) expects Rwanda's Real GDP to grow between 7-8 percent in 2019 and 2020. There are many positive big picture economic signs: inflation was below five percent in 2018, the country maintains its reputation for low corruption, Rwanda's debt-to-GDP ratio, at 47.1 percent is relatively low (but growing quickly), and the percentage of foreign assistance (external grants and loans) in the country's annual budget has dropped from over 80 percent a decade ago to 32.4 percent in the 2018/2019 National Budget. Rwanda enjoys relatively high rankings in the World Bank's Ease of Doing Business Index, which ranked Rwanda 29th out of 190 economies in the 2019 report—second-best in sub-Saharan Africa behind Mauritius.

Leading sectors include energy, agriculture, trade and hospitality, and financial services. Rwanda's economy is overwhelmingly rural and heavily dependent on agriculture. Strong growth in the services sector, particularly construction and tourism, has contributed to overall economic growth. GDP per capita was USD 830 in 2018, according to the IMF. The government's economic priority is turning Rwanda into a regional trade, logistics, and conference hub. Pillars of this strategy include the construction of several new international business class hotels, a convention center in downtown Kigali, a brand new inland container terminal and bonded warehouse in Kigali, and expanding and investing in the fleet for the national carrier RwandAir. Construction of the new Bugesera International Airport is ongoing, with the first phase scheduled to begin operation in 2021.

Rwandan exports increased by 5.5 percent year-on-year in 2018, reaching USD 995.7 million, according to the National Bank of Rwanda. Commodities, particularly gold, tin, tantalum, tungsten, tea, and coffee, generated over 57 percent of Rwanda's export revenue. Rwanda earned USD 90.5 million from tea exports in 2018, a 7.4 percent increase from 2017. Over the same period, coffee accounted for USD 68.7 million worth of exports, up 7.2 percent from the previous year. Major markets for coffee exports are the United States and Europe, while the Middle East and Pakistan are the main buyers of Rwandan tea. Tourism is the country's leading foreign exchange earner, with total revenues estimated at USD 438 million in 2017, according to the Rwanda Development Board (RDB). This is due to successes in leisure tourism as well as smaller but rapidly growing business tourism, also known as Meetings, Incentives, Conferences and Events (MICE).

Rwanda's small industrial sector contributes around 16 percent to GDP and employs less than three percent of the population. The services sector – including tourism - generates almost half of GDP (47 percent) and has grown at an average annual rate of around eight percent in recent years. Rwanda is highly import-dependent, and the Rwandan government faces chronic and large current account deficits. In 2018, imports totaled USD 2.425 billion compared to USD 2.215 billion in 2017, an increase of 9.5 percent due to ongoing large infrastructure projects and growing industry. Import of capital and intermediary goods increased by 10.4 percent and 12.4 percent respectively between the last two years according to the National Bank of Rwanda (BNR). In 2017, principal imports included electrical machinery and parts; electronic equipment and parts; machinery appliances and parts; vehicles and accessories; cereals and other food stuff; pharmaceutical products; cement and construction equipment including iron and steel; and energy and petroleum products. China, Europe, Uganda, Kenya, India, the United Arab Emirates, and Tanzania are among Rwanda's major suppliers.

U.S.-Rwanda bilateral trade has grown rapidly in recent years. After Rwanda implemented new higher tariffs on imports of secondhand clothing and footwear in 2016, the U.S. government partially suspended African Growth and Opportunities Act (AGOA) benefits for apparel products from Rwanda, effective May 2018. Many other Rwandan exports to the United States are still eligible for trade preferences under the Generalized System of Preferences and AGOA. Rwandan exports to the United States have grown over 150 percent from 2010 to 2018. U.S.-Rwanda bilateral trade in 2018 totaled USD 92.7 million (USD 25.3 million in exports to Rwanda, USD 67.4 in imports from Rwanda) compared to 109.8 (USD 66.1 million exports to Rwanda and USD 43.7

million imports from Rwanda) the year before; the decline is mostly due to fewer aircraft exports. Top U.S. exports to Rwanda include aircraft and parts; mechanical and electrical machinery and related parts; and medical, pharmaceutical, and scientific equipment and products.

Less than seven percent of Rwanda’s total goods exports went to the United States in 2018. USD 3.86 million in total Rwandan exports to the United States came under AGOA, primarily apparel, travel goods, handbags, and arts and crafts (up from USD 2.16 million in 2017, 1.22 million in 2016 and USD 435,000 in 2015).

In 2007, Rwanda joined the East African Community (EAC). Rwanda is also a member of the Common Market for Eastern and Southern Africa (COMESA). Rwanda is the only nation in the region to have concluded a Bilateral Investment Treaty (BIT) with the United States. Rwanda has also concluded a Trade and Investment Framework Agreement (TIFA) with the United States. In 2009, Rwanda became the newest member of the Commonwealth and is scheduled to host the Commonwealth Heads of Government meeting in 2020. Rwanda joined the OECD Development Center in 2019.

Rwanda is a member of the Northern Corridor initiative, which includes Kenya, Uganda, South Sudan, and Ethiopia as core members and the Democratic Republic of the Congo (DRC), Burundi, and Tanzania as observers. Rwanda is also at the forefront of the Central Corridor initiative, which also includes Burundi, DRC, Tanzania, and Uganda. Unlocking some of the larger infrastructure projects, such as rail transportation, envisioned under these initiatives could help to reduce the cost of conducting business and transporting goods across the region.

Rwanda benefits from low violent crime rates; its strong police and military provide a security umbrella that minimizes potential criminal activity and political conflicts.

Leading reasons to consider the Rwandan market for U.S. export expansion include:

- **Sustained high economic growth:** Strong average year-on-year GDP growth albeit from a low base, relatively low inflation, low (but growing) debt-to-GDP ratio;
- **Low corruption:** One of Africa’s four least corrupt nations and 48th in the world in the Transparency International’s 2018 Corruption Perception Index;
- **Easy to start a business:** Top global consistent reformer since 2008 (World Bank Doing Business Report), 2nd easiest place to do business in sub-Saharan Africa. Investors can register a business online or in person in as fast as six hours through the Rwanda Development Board.
- **Access to markets:** Rwanda’s market of 12.2 million people has a growing middle class, plus a market and customs union with a market potential of 162 million consumers in the EAC. Close access to the eastern DRC market of approximately 35 million people.
- **Untapped investment opportunities:** Potential opportunities for investment are particularly attractive in the following sectors: infrastructure, energy, agriculture, tourism, manufacturing, information and communication technology, mining, financial services, real estate, and construction.

Summary of Basic Economic Statistics (2016/2017 figures)

Population Total :	12,208,407 (2017 World Bank)
Real GDP growth :	8.6 percent (2018)
GDP at current prices :	USD 9.135 billion (2017 World Bank) RWF 8,190 billion (2018 National Institute of Statistics Rwanda (NISR))
GDP per capita:	USD 830 (2018 IMF)

Consumer price inflation:	CPI increased by 1.1 percent on average between December 2017 and December 2018.
Total Exports:	USD 995.7 million (2018 BNR)
Total Imports:	USD 2,425 billion (2018 BNR)
Exports to the USA:	USD 67.39 million (2018 USTC)
Imports from the USA :	USD 25.33 million (2018 USTC)
Exchange rate:	900 RWF on May 11, 2019

### Market Challenges

- **Landlocked:** Rwanda is landlocked and transportation costs for imports and exports are among the highest in the world. The country lacks a link to regional railway networks, which means all trade is conducted by road or air. Non-tariff barriers add to high transportation costs leading to inflated prices of domestically manufactured products, as most raw materials used for manufacturing need to be imported.
- **Cost of electricity:** Rwanda's average energy costs, at \$0.19 per kilowatt-hour (KwH) exceeds the rate in other East African countries and ranks in the top 10 most expensive tariffs in Sub-Saharan Africa.
- **Low purchasing power:** Annual per capita income at USD 720 in 2017.
- **Low level of human resource development:** General shortage of skilled labor including accountants, lawyers, technicians, tradespeople, and other skilled professions.
- **Limited Access to finance:** High interest rates and limited local capital markets.
- **Competition from state-owned enterprises:** Some investors complain about competition from state-owned and ruling party-aligned businesses.
- **Investor aftercare issues:** While business registration is easy, implementation can be less smooth due to delays in government payments for services or goods delivered, changes in memorandum of understanding (MOU) conditions during contract negotiations, and/or additional tax assessments. Investors also face difficulty in obtaining or renewing work visas for expatriates due to the government's demonstrated preference for hiring local or EAC residents over third country nationals.
- **Taxation:** Investors have cited the inconsistent application of tax incentives and import duties as a significant challenge to doing business in Rwanda. Under Rwandan law, foreign firms should receive equal treatment with regard to taxes, as well as access to licenses, approvals, and procurement. Foreign firms should also receive VAT tax rebates within 15 days of receipt of relevant documents by tax authorities, but firms often complain that the process for reimbursement can take months or years and often involves lengthy audits by and negotiations with the Rwanda Revenue Authority (RRA). Some investors express frustration that audits are conducted with great frequency, even on businesses that have demonstrated excellent compliance.

### Market Opportunities

- **Market access:** Rwanda, as an EAC member, has access to a regional market of over 162 million consumers. Close access to the eastern DRC market of approximately 35 million people.
- **Energy:** The government has outlined a strategy to achieve universal access to electricity by 2024, supplied by a roughly even mix of on-grid and off-grid connections. While Rwanda's independent power producer projects are expected to generate more power than projected demand over the next

decade, opportunities for U.S. companies to invest in off-grid projects and transmission and distribution are growing.

- **Infrastructure:** The government, in pursuit of its goal to position Rwanda as a regional hub for tourism, services, and logistics, completed a number of high-profile infrastructure projects including the Kigali Convention Center and two new international business class hotels in 2016. The government has ambitious plans for future projects including a new international airport (Bugesera); “Kigali Innovation City;” tourist facilities; wastewater treatment and potable water facilities; and large ticket items such as railways to Tanzania and regional oil pipelines.
- **Construction:** The construction sector is booming, especially in Kigali. There is a significant gap in domestic production of concrete, steel, and other construction materials relative to demand, and need for the construction of affordable homes that meet local standards.
- **Agriculture:** Rwanda’s agriculture sector employs 68 percent of the country’s population, but contributes only one-third of the country’s national GDP. The government aims to boost that figure through the addition of high-value horticultural processing (including coffee washing, roasting, and packaging), expansion of irrigation and mechanization, and increased production and processing of value-added agriculture goods (e.g., dairy, tomato ketchup, mushrooms, honey). Rwanda also aims to move from subsistence crops to export oriented commercial farming.
- **Information Communication and Technology:** Rwanda continues to be one of the fastest growing African countries in ICT and there are several avenues for growth for the ICT sector – from e-commerce and e-services, mobile technologies, applications development and automation to becoming a regional center for the training of ICT professionals and research. The government has stated its intent to provide internet access to the entire population. Rwanda has installed over 5,000 kilometers of fiber optic cable throughout Rwanda, with regional links to neighboring countries, and is one of the few countries in Africa to have built a national high-speed 4G LTE wireless broadband network. Adequate numbers of skilled IT professionals are also still lacking, but Carnegie Mellon University has established a campus in Kigali with a focus on this sector.
- **Tourism:** The government projects high tourism growth rates over the next several years. Opportunities exist in hospitality, entertainment, tour operations, and training services. Rwanda’s safe environment, central location less than five hours from most African countries by air, increasing number of direct flights to multiple regional and international locations, and growing list of business class and luxury hotels, joined by the Kigali Convention Center, make it a prime destination for business, event, and conference tourism in the region.
- **Mining:** The mining sector has expanded since privatization in 2007. The Rwandan government has set high targets for mineral exports over the next several years. Rwanda offers opportunities in exploration, extraction, and processing. Potential investors should note that Rwanda is subject to Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

## Market Entry Strategy

Visiting Rwanda is critical for those considering entering into business in the country. We strongly encourage visitors to pay a courtesy call on the U.S. Embassy’s Economic and Commercial Section for the latest information and market developments. The Embassy provides a variety of services to assist U.S. firms with market entry. For assistance, please contact the Economic and Commercial Section at +(250) 252-596-400 or by email at [KigaliEcon@state.gov](mailto:KigaliEcon@state.gov).

The Rwanda Development Board (RDB), a Rwandan development agency, is responsible for promoting investment and facilitating market entry for investors. The RDB is a good place to start when considering establishing a business in Rwanda. The RDB offers a range of services to potential investors, including assistance to acquire licenses, certificates, approvals, authorizations, and permits required by law to set up and operate a business enterprise in Rwanda. Any agreements negotiated with RDB involving tax issues should be separately and fully approved by RRA before being finalized to improve enforceability of tax provisions. Visit the RDB’s website at [www.rdb.rw](http://www.rdb.rw) for further information. The Rwandan Private Sector Federation ([www.psf.org.rw](http://www.psf.org.rw)), a public-private partnership umbrella organization with strong ties to the government, East

African Business Council ([www.eabc.info](http://www.eabc.info)), Rwanda Bankers' Association ([www.rba.rw](http://www.rba.rw)), and the Rwanda Tours & Travel Association ([www.rttarwanda.org](http://www.rttarwanda.org)) can also provide information on potential local business partners.

## **Political Environment**

For background information on the political and economic environment of Rwanda, please click on the following link:

<https://www.state.gov/countries-areas/rwanda/>.

## **Selling US Products & Services**

### **Using an Agent to Sell US Products and Services**

Using a local agent who speaks the national languages (Kinyarwanda, English, French, and Swahili) can help with licensing, locating warehouse space, hiring staff, and other administrative start-up tasks. Using an agent or distributor is not legally required in Rwanda.

In general, finding a reliable agent or distributor requires a visit to meet with local businesspeople. Through a Contact List, Gold Key Service (GKS), or International Partner Search (IPS), the U.S. Embassy's Economic and Commercial Section can assist U.S. firms interested in a relationship with local partners. For more information on these services, please [visit](#) or contact the U.S. Embassy Economic and Commercial Section at (250) 252-596-400 or [KigaliEcon@state.gov](mailto:KigaliEcon@state.gov).

When interviewing potential agents, key criteria include contacts with the appropriate labor market, ability to secure warehouse space, knowledge of local competition, previous work experience, and proven ability to work with government officials and U.S. businesses.

When interviewing distributors, key considerations include the distributor's sales records, sales territory, sales force, product mix, facilities, marketing policies, and customer profile.

### **Establishing an Office**

The RDB provides an efficient business registration service and potential tax incentives to investors in the energy, ICT, logistics, and light manufacturing sectors. The RDB offers one of the fastest business registration processes in Africa. New investors can register online at the RDB's website and receive a registration certificate in person in as fast as six hours at RDB's Office of the Registrar General. RDB's "one-stop shop" helps foreign investors secure required approvals, certificates, and work permits to start their businesses. Investors should be aware that RDB often is unable to enforce tax incentives it has offered – even when in contracts and formal legal agreements - and all such incentives should be reviewed and approved separately by the Rwandan Revenue Authority (RRA) in writing to improve enforceability. RDB is often unable to assist with long-term work and residence permits for expatriate and third country staff after the initial start-up phase of a business as well. For current regulations and/or assistance, contact the Rwanda Development Board at [www.rdb.rw](http://www.rdb.rw).

### **Franchising**

Franchising is still uncommon in Rwanda, although FedEx, MoneyGram, DHL, Western Union, and Jibu Water have established franchise operations here. Regulations in this sector are not yet well established.

### **Direct Marketing**

Marketing is conducted primarily through word-of-mouth, radio, mobile phone ads, printed journals and outdoor campaigns. The internet, social media, and mobile phones, in particular, are emerging as important marketing media. The Rwandan postal system is insufficiently developed to support large-scale direct marketing.

### **Joint Ventures/Licensing**

The government encourages joint ventures with foreign firms, particularly in sectors requiring expertise not available in Rwanda. Investment conferences and trade missions to seek partners are carried out by Rwandan businesses frequently in Asia, the United States, Europe, and the Middle East. Over the past three years, the Rwandan government has exhibited strong interest in establishing public private partnerships (PPP), particularly in the energy and infrastructure sectors. The Rwandan government has created a number of special purpose vehicles (SPVs) to facilitate PPPs and joint ventures with foreign investors.

### **Selling to the Government**

Government contracting and purchasing is a significant factor in the Rwandan economy as it addresses infrastructure deficits that include energy, transportation, communications, health, and education.

Government spending accounted for 15 percent of Rwanda's economic activity in 2018 according to National Institute of Statistics for Rwanda (NISR).

In 1997, the government established the National Tender Board, which issues and manages procurement rules, regulations, guidelines, and policies. In 2008, the National Tender Board was replaced by the Rwanda Public Procurement Authority (RPPA), which serves as the government's procurement agency mandated to ensure transparency in government tenders. On occasion, government entities bypass the RPPA and issue tenders directly. Oversight of government finances is carried out by the Auditor General's Office, which was established in 1999 to carry out continuous government audits. Annual audits are available on line at: <http://oag.gov.rw/documents/reports-to-parliament>. For more information, visit the RPPA's website at [www.rppa.gov.rw](http://www.rppa.gov.rw). Government entities keep annual procurement plans and bidding information on their respective websites.

Rwanda is not a party or an observer to the WTO plurilateral Agreement on Government Procurement or a party to a free trade agreement with the United States that contains commitments on government procurement. The United States and Rwanda do have a bilateral investment treaty. Many governments finance public works projects through borrowing from Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" chapter for more information.

### **Distribution & Sales Channels**

Few non-agricultural products are produced in Rwanda, which leaves most distribution and sales channels reliant on import-export partners. No single company dominates the import-export business. Instead, numerous trading companies import goods, mostly from the region, as well as Europe, China, India, and the United Arab Emirates. Construction of the Kigali Free Trade Zone (KFTZ) was completed in 2012. The KFTZ is designed to serve as a distribution platform to the entire Great Lakes region. The KFTZ's location allows for easy access to the main road corridors to Uganda (en route to Kenya's port of Mombasa) and Tanzania (en route to the port of Dar es Salaam), as well as to Kigali International Airport. It was also designed for easy access to the planned new international airport in Bugesera, and future potential rail links. Currently, the nearest railway terminal is a dry port located in Isaka, Tanzania, almost 500 miles from Kigali. Goods shipped by rail are transferred to trucks in Isaka for the remaining journey to Kigali, adding to the time and cost of goods shipped to and from Rwanda.

Transport remains one of the biggest economic challenges in Rwanda. Transportation expenses in Rwanda are nearly twice as high as in most of its EAC neighbor countries (except Burundi and eastern DRC). Delays in delivery of imports and exports are common and manufacturers in Rwanda in time-sensitive industries often rely on expensive air transport to ensure timely receipt of inputs and timely export of finished goods. Government-owned airline RwandAir currently subsidizes cargo export rates in an effort to support the growth of export industries.

### **Express Delivery**

Rwanda's express delivery industry is a nascent and growing sector as the e-commerce, online marketplaces and Rwandans with internet access continue to grow in importance. FedEx, DHL, and UPS operate in the country through franchisees. High express shipment charges have made it very expensive to ship to Rwanda. Rates range from USD 50 to USD 112 per kilogram to ship products from the United States to Rwanda within 6-10 business days. To get an online quote for FedEx, DHL, and UPS, visit the following [website](#).

Customs barriers are particularly important to express delivery providers who offer guaranteed delivery times. Delays at customs reduce delivery speeds, potentially increasing costs for consumers who provide fast, on-demand, integrated, tracked, and door-to-door movement of shipments.

### **Selling Factors & Techniques**

Introducing new products to the Rwandan market requires extensive market research to identify potential customers' buying patterns and preferences. This applies particularly to unknown brand names. One way of launching a new product in Rwanda is by exhibiting at a trade show. Promotional "give-aways" are also popular. An editorial and/or advertisement in local newspapers, specialized trade publications, or on the radio

will also enhance awareness of the product. Although Rwanda has four official languages, promotional material is typically printed in English.

Members of the Rwanda business community typically speak English and/or French as second and third languages, though many Rwandan customers speak only Kinyarwanda, occasionally with some knowledge of Swahili. Experienced businesspersons recommend providing promotional materials in Kinyarwanda when marketing consumer goods, especially with new or unfamiliar products. The limited purchasing power of the majority of the population may require businesses to adjust their products, packaging sizes, and pricing structure to fit local tastes and levels of disposable income. Rwanda has a small but growing number of consumers who can afford premium products, particularly high-end vehicles and consumer electronics.

## **eCommerce**

### Current Market Trends

Of Rwanda's 12.2 million estimated population, approximately 3.8 million have access to the internet, most commonly via mobile phone. Internet access and speed are improving, driven by the rollout of a national 4G LTE network and fiber optic lines. The government is committed to developing eCommerce and has put in place measures to protect users of online services by adopting global standards like the proprietary information security standard, which is the payment card industry data security standard.

The Government of Rwanda provides services to both citizens and businesses through e-government portals, such as Irembo, including as the preferred method to taxes and fees. Many citizens and businesses still use traditional ways of physical interactions, and many transactions are in cash.

### Domestic eCommerce (B2C)

At present, the use of eCommerce for "Business to Client" remains limited for the most part to the airline, hospitality, banking, food delivery, and courier services sectors. eCommerce is relatively new in Rwanda, but the sector is growing quickly as local tech start-ups and international payers have entered Rwanda's market in the past few years, including Jumia, an online food ordering platform.

### Cross-Border eCommerce

China and United Arab Emirates are the main eCommerce commercial partners and online ordering typically goes through Alibaba and Ali Express. Most Rwandan importers use these two long-term suppliers and orders are transmitted by email and phone. Payments are transmitted through Western Union, MoneyGram, and HubShil.

### B2B eCommerce

"Business to Business" eCommerce is limited in the goods market but more advanced in services, particularly financial services (interbank market).

### eCommerce Services

Despite limited skilled labor in general, services in software engineering and web-designing are widely available. Carnegie Mellon University opened a campus in Kigali in 2012, its first in sub-Saharan Africa, and currently offers masters-level courses in information and communication technologies.

### eCommerce Intellectual Property Rights

Detailed information on intellectual property in Rwanda can be accessed here: <http://businessprocedures.rdb.rw/menu/30?l=en>

### Popular eCommerce Sites

<https://www.jumia.rw/> (grocery, food, travel, real estate and miscellaneous)

<http://www.gurisha.com/> (classifieds)

<http://www.beautyofrwanda.com/products/> (crafts)

<http://grocewheels.com/> (Grocery)

<http://www.carisoko.com/> (vehicles)

#### Online Payment

Credit and debit cards are generally limited to the capital of Kigali and selected hotels and restaurants in urban areas such as Musanze, Rubavu and Rusizi. In 2011, Visa Inc. opened an office in Kigali and the company is working to broaden electronic payment services. The RRA is also encouraging more electronic payments as they believe it will increase the percentage of transactions that are properly taxed. The number of credit cards in use rose from 418 in 2012 to 3,638 in 2018, while the number of debit cards increased from 390,000 in 2012 to 883,755 in 2018.

#### Mobile eCommerce

M-commerce, where cell phones are used to pay for goods and services, has advanced beyond mobile banking to debit and credit transactions. M-commerce is particularly attractive in Rwanda due to the rapid increase in the number of cell phones, limited access to the Internet, and poor fixed-line infrastructure. Mobile banking platforms via cellular telephony is growing and close to becoming a fully viable manner of conducting electronic commerce throughout Rwanda, but there are multiple phone carriers operating separate payment systems. Rwandans commonly pay for electricity, water and other services through mobile platforms, and routinely transfer money to family, friends, and relatives using these services.

#### Digital Marketing

Marketing is conducted primarily through word-of-mouth, radio, mobile phone ads, newspapers and outdoor campaigns. The internet, social media, and mobile phones, in particular, are emerging as important marketing media.

#### Major Buying Holidays

Major consumer “buying holidays” are Christmas and New Year’s eve, Eid al-Fitr, and Valentine’s Day.

#### Social Media

Social media is widely used in Rwanda including WhatsApp, Twitter, Facebook, and LinkedIn. Many startups and small and medium-sized companies use Facebook for advertising.

### **Trade Promotion & Advertising**

Government-owned mass media outlets (radio, television, and newspapers) and privately-owned magazines, newspapers, radio stations are the major means of advertising. Radio advertising and outdoor campaigns are likely to reach a wider audience than television, as televisions remain rare in households outside of major towns. Local and regional newspapers in Kinyarwanda, English, and French enjoy relative wide circulation and sell advertising space. Advertising by e-mail, telephone, and text message has become popular.

The Rwanda Private Sector Association (PSF) organizes several international trade fairs in Rwanda each year. These events attract many foreign and local exhibitors. For more information, contact PSF at <http://www.psf.org.rw/>.

U.S. companies can also contact the U.S. Embassy Kigali’s Economic and Commercial Office for a single company promotion service.

Please refer to the following list for more information. Disclaimer: This list is not comprehensive, and inclusion does not constitute an endorsement or recommendation by the U.S. Government.

The Private Sector Federation Rwanda

Address: Gikondo MAGERWA

Kigali- Rwanda PO Box 319

E-mail: [info@psf.org.rw](mailto:info@psf.org.rw)

Telephone: +(250)-252-570650 Fax: +(250)-252-570650

Website: <http://www.psf.org.rw>

#### Advertising agencies

- Alliance Media <http://www.alliancemediacom.com/>
- Creative Communications <http://www.cc-creativecomms.com/>
- Cube <http://www.cube.rw/>
- Colours Ltd <http://www.colours-printing.com/>
- Digital Creation <http://www.dcs.rw/>
- llume creative studio [www.illumecreativestudio.com](http://www.illumecreativestudio.com)
- Irony Media & Communications
- Nomad <http://www.thenomad.agency/>
- Rwandan Broadcasting Agency <http://www.rba.co.rw/>

#### Newspapers/Online News

- The New Times Publications <http://www.newtimes.co.rw/>
- The East African-Rwanda Today <http://www.theeastafrican.co.ke/rwanda/1433210-1433210-cyribg/index.html>
- IGIHE Ltd <http://www.igihe.com/>
- The Kigali Today Group <https://ktpress.rw/>
- Rwandan Eye <http://rwandaeye.com/>
- News of Rwanda <http://www.newsofrwanda.com/>
- The Rwanda Focus <http://www.focus.rw/wp/>
- Taarifa <https://taarifa.rw/>

#### Radio stations/ TVs

- **Radio stations:** Amazing Grace Radio, City Radio, Contact FM, Flash FM, Isango Star, Radio Izuba, Radio Maria, Radio 10, Radio Communautaire (RC) Huye, RC Nyagatare, RC Rubavu, RC Musanze, RC Rusizi, Radio Maria, Radio Salus, Sana Radio, Umucyo Radio, Voice of Hope, Voice of America, Radio Hhuguka, Radio Isangano , Royal Radio
- **TVs:** Rwanda Television, Contact TV, Flash TV, TV 10, TV 1, Family TV

#### Pricing

Pricing formulas will vary from one product to another based on supply, demand, landed cost, margin expectations, and competitive alternatives. Prices in Rwanda are liberalized, aside from petroleum products and certain commodities, which the government sets after limited consultation with industry stakeholders. The standard-rated value added tax (VAT) is 18 percent, however, there are some services and goods which are either zero-rated or exempt. The penalty for missing or late payment of VAT is 10 percent per month. The Rwanda Revenue Authority administers [VAT](#). The RRA Tax Handbook covers detailed steps to register, declare and pay taxes. The latest version can be found [here](#). Prices of imported goods are high due to customs duties, transportation costs, and depreciation of the local currency (Rwandan francs) against the U.S. dollar.

#### Sales Service/Customer Support

Sales service is available for most products in Rwanda, but customer service levels are poor in comparison to international standards. Many firms in Rwanda do not give high priority to customer support and suffer from a lack of customer loyalty. The government and importers of sophisticated industrial equipment generally ask for after-sale service agreements. There are a growing number of small computer and electronics companies specializing in after-sales support, however most multinational companies in Rwanda service local clients via their offices in Nairobi or Johannesburg.

Foreign firms may increase market share by providing higher levels of service, including professional repairs and maintaining a well-trained staff of service technicians capable of advising customers as well as repairing their equipment. It is helpful for companies to prepare their sales materials both in English as well as the local language, Kinyarwanda.

### **Protecting Intellectual Property**

In any foreign market, companies should consider several general principles for effective management of their intellectual property. For background on these principles, please link to our article on [Protecting Intellectual Property](#) and also [Corruption](#). Rwanda is not on the USTR's annual Special 301 Report.

### **Due Diligence**

U.S. companies should perform due diligence on potential local partners, distributors, or agents prior to any proposed business deals. The U.S. Commercial Service can provide valuable background information on Rwandan firms through our [International Company Profile](#) (ICP) service. Further information can be obtained by contacting your local U.S. Export Assistance Center (see contact numbers at the end of this guide). A list of local attorneys and consultancy firms can be found at the [U.S. Embassy's website](#). *Disclaimer: This list is not comprehensive, and inclusion does not constitute an endorsement or recommendation by the U.S. Government.*

### **Local Professional Services**

Firms should retain a local attorney when doing business in Rwanda, particularly as Rwandan employment law can prove difficult for American firms to uphold correctly. Attorney lists are available from the [U.S. Embassy in Kigali](#). Some large accounting and professional service firms are active in Rwanda.

### **Principal Business Associations**

**The Private Sector Federation (PSF) – Rwanda** is a professional organization, dedicated to promote and represent the interests of the private sector in Rwanda, but its chair is selected and appointed by the government and the organization receives funding from some government agencies. It is an umbrella organization that groups ten professional chambers. The PSF was established in December 1999, replacing the former Rwanda Chamber of Commerce and Industry. PSF's primary roles are to represent and serve the interests of the entire private sector through lobbying and advocacy, while at the same time providing timely and relevant business development services that lead to sustainable private sector-led economic growth and development. U.S. companies are welcome to join the PSF. See [www.psf.org.rw](http://www.psf.org.rw) for more information.

**The East African Business Council (EABC)** is the umbrella organization of the private sector in East Africa, headquartered in Arusha, Tanzania. Established in 1997, EABC facilitates private sector participation in the integration process of the EAC to improve the region's trade and investment climate. Currently, EABC has 54 associations and 102 corporate members. Membership is open to all companies and business associations with interest and operations in the region. See <http://www.eabc.info> for more information.

**The Rwanda Bankers' Association (RBA):** Any licensed banks in Rwanda are eligible for membership in the RBA. See [www.rba.rw](http://www.rba.rw) for more information.

**Rwanda Tours & Travel Association (RTTA).** The association represents a wide spectrum of travel and vacation operators active in Rwanda. See <http://www.rtta.rw/> for more information.

### **Limitations on Selling US Products and Services**

Rwanda has neither statutory limits on foreign ownership or control, nor any official economic or industrial strategy that discriminates against foreign investors in selling product and services. Local and foreign investors have the right to own and establish business enterprises in all forms of remunerative activity. The Rwandan

constitution stipulates that every person has the right to private property, whether personal or in association with others. The government cannot violate the right to private ownership except in the public interest and only then after following procedures that are determined by law and subject to fair compensation. In 2015 Rwanda's expropriation law was ostensibly amended to make it more protective of the rights of property owners in case of expropriation in public interest, but a number of property owners continue to claim that the expropriation of their property was below market value and not in accordance with the expropriation law.

[The 2009 Company Act](#) establishes licensing regulations for business operations. See following [link](#) for further information.

## **Web Resources**

- [U.S Embassy Kigali](#)
- [Rwanda development Board](#) (RDB)
- [Private Sector Federation](#) (PSF)
- [Rwanda Revenue Authority](#) (RRA)
- [Ministry of Trade and Industry](#) (MINICOM)
- [National Bank of Rwanda](#) (BNR)
- [Rwanda Standards Board](#) (RSB)
- [Rwanda Public Procurement Authority](#) (RPPA)
- [Rwanda Banker's Association](#) (RBA)

## Leading Sectors for US Exports & Investments

### Energy

#### Overview

About half of Rwandans currently have access to electricity. In a bid to position Rwanda as a services hub for east and central Africa, the Rwandan government committed itself to a large number of power purchase agreements with independent power producers to increase generation capacity. With a projected surplus of power set to exceed demand by approximately 200MW in 2024, the Rwandan Government is shifting its focus to increasing access, stimulating demand, and strengthening the transmission network. By 2024, Rwanda plans to supply electricity to 100 percent of the population, 52 percent through the grid expansion and 48 percent through off-grid technologies. It also targets improvements in the grid network, including reducing system losses and improving reliability, as well as connecting with neighboring countries and importing and exporting power across borders. Several U.S.-based or owned micro-hydro, off-grid solar, and mini-grid firms are active here; there are many opportunities for firms providing innovative and affordable transmission and distribution systems and equipment.

**Power Africa Support:** Power Africa is a market-driven, U.S. Government-led PPP aiming to double access to electricity in sub-Saharan Africa. It offers private sector entities tools and resources to facilitate doing business in Africa's power sector. In 2016, the Electrify Africa Act institutionalized Power Africa. Learn more about the full [Power Africa toolbox](#) or other [opportunities offered by Power Africa](#).

Power Africa is supporting Rwanda's energy sector development through wide-ranging technical assistance, in cooperation with the Government of Rwanda, international finance institutions, development agencies, and private sector partners. Power Africa supports the utility in streamlining processes in project development to ensure achievement of power sector milestones and strengthen operational capacity of the system. Along with other donors, Power Africa is advising the government on the design and implementation of its off-grid strategy. It is also mobilizing off-grid finance through USAID's Development Credit Authority, technical assistance to local financial institutions, and the U.S. African Development Foundation (USADF) has provided grant funding to women-owned Rwandan off-grid businesses. Power Africa has also assisted with the development of new policies and procedures that will facilitate private-sector led IPP investments, as well as supporting planning, operation, and maintenance improvements of the generation, transmission, distribution systems. In moving beyond traditional grid access, support for off-grid electricity access has been a significant part of Power Africa engagement. Learn more about how Power Africa is partnering to address key challenges in Rwanda's electricity sector and supporting private sector investment in energy at: <https://www.usaid.gov/powerafrica/rwanda>.

#### Leading Sub-Sectors

- Electricity access – on and off-grid (solar home systems and mini-grids)
- Electricity transmission and distribution
- Regional electricity system integration and power trading
- Power sector policies and planning
- Institutional capacity building

#### Opportunities

- Power transmission and distribution equipment and services
- Off-grid energy solutions, including rooftop solar products

- Technical assistance and services

#### Web Resources

Rwanda Ministry of Infrastructure: [www.mininfra.gov.rw](http://www.mininfra.gov.rw)

Rwanda Development Board: [www.rdb.gov.rw](http://www.rdb.gov.rw)

Rwanda Utilities Regulatory Authority: [www.rura.gov.rw](http://www.rura.gov.rw)

Rwanda Energy Group (REG): [www.reg.rw](http://www.reg.rw)

Energy Private Developers (EPD): <http://www.epdrwanda.com/>

## Agriculture Sector

### Overview

Agriculture has served historically as a mainstay of Rwanda's economy. Contributing one-third of Rwanda's GDP and employing approximately 70 percent of the country's working population, it remains a key sector in Rwanda's efforts to foster private sector development.

Agriculture is a priority sector in Rwanda's Vision 2050 national development strategy. The government aims to replace subsistence farming with a fully monetized and technology intensive commercial agriculture and agroprocessing by 2050. Principal agricultural exports are coffee, tea, and some value-added agricultural products such as canned tomatoes, honey, French beans, passion fruit, macadamia and mushrooms. Rwanda export a large number of live animals, unprocessed meat and dairy products across the border to eastern DRC. The increase in flight routes in and out of Rwanda with RwandaAir and other carriers to Europe and Asia has facilitated an increase in fresh agriculture products exports from Rwanda. Rwanda presents a number of advantages in Agriculture. Its high altitude and temperature allows year-round cultivation. In 2018, a study sponsored by USAID identified export opportunities in fresh crops such as passion fruit, snow peas, chili and mushroom. There are also opportunities in input provision, crop aggregation for export and cold chain logistics provision. Rwanda will need to increase the extent of cultivated land under irrigation, while importing increased amounts of inputs, such as seeds, fertilizers, and small-scale machinery, to achieve its value-added agricultural development goals. Rwanda is landlocked and land is divided into small parcels which poses a challenge to large commercial farming but can allow specialty crops.

### Agriculture Sector Profile

	2014	2015	2016	2017	2018
Total Local Production*	1,394billion RWF= \$2,048,605,140	1,547billion RWF= \$2,273,452,046	n.a	n.a	n.a
Total Exports**	\$212,298,182	\$237,569,586	\$247,775,529	\$356 million***	n.a
Total** Imports	\$348,907,737	\$323,019,921	\$321,950,589	n.a	n.a
Imports** from the US	\$648,925	\$1,565,246	\$1,357,207	n.a	n.a
Total Market Size	n.a	n.a	n.a	n.a	n.a
Exchange Rates	680 RWF = 1USD	716 RWF = 1USD	789 RWF = 1USD	900 RWF = 1USD	n.a

Source: \*National Institute of Statistics of Rwanda (NISR), Statistical Yearbook, 2016 edition (SYB2016), November 2016. Note: Agriculture production here includes food crops, export crops and livestock

Source:\*\* UN Comtrade Database, May 16, 2017

Source:\*\*\*Rwanda National Agriculture Export Board

### Leading Sub-Sectors:

Leading subsectors include grains (such as maize and beans), vegetables, and livestock. Due to climate changes and Rwanda's proximity to large markets such as Uganda, Burundi, and Eastern DRC, demand for food exports is high.

### Opportunities

- Agro-processing
- Storage facilities
- Fertilizers
- Pyrethrum (a natural, flower-derived insecticide) farming and processing
- Horticulture and plant propagation
- Farm equipment
- Education and farmer training

### Web Resources

Ministry of Agriculture: <http://www.minagri.gov.rw/>

Rwanda Development Board: [www.rdb.gov.rw](http://www.rdb.gov.rw)

National Agriculture Export Board: <https://naeb.gov.rw/index.php?id=1>

## Mining and Minerals

### Overview

Rwanda is one of the world's largest producers of tin, tantalum, and tungsten (3Ts), and also exports some gold and gemstones. Rwanda also possesses a variety of minerals such as silica sands, kaolin, vermiculite, diatomite, clays, limestone, talcum, gypsum, and pozzolan. Small-scale mining accounts for around 80 percent of the country's mineral output. The government is eager to formalize the sector, attract international mining investors, and increase processing of minerals in the country. A new Rwanda Mining, Gas and Petroleum Board was established in 2017 to coordinate government efforts in these sectors. Potential investors should note that Rwanda is subject to Section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which includes the 3Ts and gold.

### Minerals Sector Profile

	2014	2015	2016	2017	2018
Total Local Production	n.a	n.a	n.a	n.a	n.a
Total Exports	\$210,283,513	\$147,936,651	\$166,733,414	\$375,208,304	n.a
Total Imports	N/A	N/A	N/A	n.a	n.a
Imports from the US	N/A	N/A	N/A	n.a	n.a
Total Market Size	n.a	n.a	n.a	n.a	n.a
Exchange Rates	n.a.	n.a.	n.a.	N/A	N/A

Source: UN Comtrade Database, May 16, 2017 (Commodity codes : 26 and 71)

Note: The most important sub-codes are 2609 (Tin Ore), 2611 (Tungsten), 2614 (Titanium), 2615 (Nobium Tantalum), 7108 (gold). For codes description and other details, visit <https://comtrade.un.org/db/mr/rfCommoditiesList.aspx>

### Leading Sub-Sectors

- Tin Ore
- Tungsten
- Nobium-Tantalum
- Gold

### Opportunities

- Mineral exploration (Tin, Tungsten, Coltan, and Gemstones)
- Industrial mining equipment
- Targeting value-addition
- Partnerships with local mining companies
- Trade in minerals

## Web Resources

Rwanda Mining, Petroleum & Gas Board: <https://www.rmb.gov.rw/index.php?id=188>

Ministry of Environment: <http://www.minirena.gov.rw/>

Rwanda Development Board: [www.rdb.gov.rw](http://www.rdb.gov.rw)

Rwanda Mining Association: <https://rma.co.rw/>

## Telecommunications

### Overview

Rwanda continues to be one of the fastest growing African countries in ICT and there are several avenues for growth for the ICT sector – from e-commerce and e-services, mobile technologies, applications development, and automation to becoming a regional center for the training of ICT professionals and research. The GOR has installed over 5,000 kilometers of fiber optic cable throughout Rwanda, with regional links to neighboring countries. Rwanda is also one of the few countries in Africa to have launched a high-speed 4G LTE wireless broadband network in Kigali, though uptake is slow. The RDB launched its concept for the Kigali Innovation City project at the 2016 World Economic Forum in Kigali, and is up to several hundred million dollars in investment for the project, in addition to a USD 100 million Rwanda Innovation Fund. Adequate numbers of skilled IT professionals are also still lacking.

### Leading Sub-Sectors

- Telecommunications
- Internet
- Software

### Opportunities

- Business process outsourcing (BPO)
- Technical training institutes for ICT specialized courses
- Software development (mobile applications, innovative e-payment solutions)
- Internet data centers (computer security management and disaster recovery planning facilities)
- Kigali Innovation City
- SMART energy grid development
- Access network/Last mile connectivity (fibre-to-the-home, curb etc.)
- ICT financing mechanisms
- Business development centers

### Web Resources

Ministry of ICT (MITEC): [www.mitec.gov.rw/home/](http://www.mitec.gov.rw/home/)

Rwanda Development Board: [www.rdb.gov.rw](http://www.rdb.gov.rw)

## Travel and Tourism

### Overview

Rwanda has four national parks (Volcanoes, Nyungwe, Akagera, and Gishwati-Mukura) and natural assets, including six volcanoes, 23 lakes and numerous rivers, and rare species such as mountain gorillas. Tourism is the leading foreign exchange earner for the country. Tourism earnings were estimated at USD 438 million in 2017 compared to USD 390 million in 2016 and USD 368 million in 2015, according to the RDB and the National Bank of Rwanda. Rwanda is establishing itself as a regional and global hub for conferences and events, having hosted the African Nations Cup (soccer championship), World Economic Forum Africa, and the African Union Summit recently. Rwanda is scheduled to host the Commonwealth Heads of Government meeting in 2020. An increase in traffic of major airline companies to Rwanda contributes to the growth of Rwanda's tourism sector.

### Leading Sub-Sectors

- Hospitality and hotels
- Transportation and tourist services
- Tourist infrastructure

### Opportunities

- Management and advertising for domestic and international meetings, conferences and conventions.
- Tourism and hospitality training schools
- Construction of a cultural village
- Creation of environmentally-friendly recreation parks in Kigali
- Tourism and sports activities around Lake Kivu
- Eco-tourism in Rwanda's national parks
- Development of exhibition centers in and around Kigali City

### Web Resources

Rwanda Development Board (RDB) [www.rdb.rw/](http://www.rdb.rw/); <http://visitrwanda.com/>

Rwana Convention Bureau: <http://www.rcb.rw/>

Randa Travel and Tourism Association: <http://www.rtta.rw/>

## Financial Services

### Overview

There are currently 11 commercial banks in Rwanda as well as a number of microfinance institutions and rural savings and credit cooperatives. The sector is overseen by the National Bank of Rwanda. Growth potential remains strong with only 42 percent of the population engaged in the formal financial system. Banks wishing to establish a presence in Rwanda must apply for a license from the National Bank of Rwanda by presenting a business model showing that there is a gap in the market and demonstrating a minimum share capital of approximately USD 8 million. In order to improve access to credit, a private credit reference agency has been set up, of which all banks and other financial institutions must be members. Other companies such as utilities can be voluntary participants.

The three largest commercial banks in descending order of market share are: Bank of Kigali, Banque Populaire du Rwanda (BPR), and I&M Bank. Other foreign banks present in Rwanda are: Ecobank, GT Bank, Equity Bank, Kenya Commercial Bank and the Commercial Bank of Africa (CBA).

### Opportunities

- Commercial bank products and services, particularly in rural areas
- Competitive loan facilities
- Agricultural products/services financing
- Development banks especially to finance SMEs
- Microfinance opportunities
- Mortgage financing
- Investment banking services
- Training of financial sector professionals
- Insurance services especially re-insurance
- Equity and bonds purchases at Rwanda's capital market
- Provision of life policies and other innovative insurance products such as agriculture and medical schemes
- Special financing solutions i.e. private equity funds
- Institutional and human capacity building in capital and financial markets.

### Web Resources

Rwanda Development Board (RDB): [www.rdb.rw/](http://www.rdb.rw/)

National Bank of Rwanda (BNR): <http://www.bnr.rw>

Rwanda Bankers Association (RBA): <http://rba.rw/>

## Customs, Regulations & Standards

### Trade Barriers

There are no special barriers to U.S. trade and investment, but in July 2016 the government increased tariffs for used clothing imports from any country by about 1000 percent. Constraints to increased trade and investment are limited infrastructure, bureaucratic procedures, shortage in foreign exchange, and high transportation and transaction costs.

Most imports and exports are shipped by road from the ports of Mombasa (Kenya) and Dar es Salaam (Tanzania), a distance of up to 1,500 km. Commercial traffic to and from the ports is subject to frequent delays, numerous weigh points, high transportation costs, and occasional theft. These hindrances can cause unpredictable delays when importing goods into the country. As such, shipping insurance and freight forwarding services may prove difficult to acquire in Rwanda. As a landlocked country, Rwanda's economy is vulnerable to potential disputes with neighboring countries; tension between Rwanda and Uganda in 2019 has anecdotally slowed some imports and exports.

Rwanda hopes to generate higher trade volumes under the Single Customs Territory (SCT), a trilateral initiative among Rwanda, Kenya, and Uganda. Under the SCT, customs revenues are collected at the ports of Mombasa and Dar es Salaam and remitted to the destination member state.

### Import Tariff

Rwanda is a member the [East African Community](#) (EAC) customs union along with Burundi, Kenya, Tanzania, Uganda, and South Sudan. Customs tariffs, rules of origin, import prohibitions, and trade remedy regulations have been harmonized through the EAC. Rwanda applies the EAC common external tariff (CET) on the c.i.f. (cost, insurance and freight) value of imports. Three band duty structure for imports from outside of the EAC:

Product	Rwanda/ EAC
Capital Goods and Raw Materials	0%
Intermediate Goods	10%
Finished Goods	25%
Sensitive Goods	Varying per country

Note: There are two exceptions to the CET: "Stay of Applications" and the "Duty Remission Scheme".

A stay of application is a different rate of import duty from the CET available for specific products. These are negotiated on a country-by-country basis, but once agreed are available for all importing taxpayers. The stay of application rate can be higher or lower than the CET rate. Once approved, the stay of applications are published by product (using HS Codes) in [EAC gazettes](#).

The Duty Remission scheme is an exemption from import duty available to taxpayers who are importing goods to be used as inputs in the production of goods for export, or in the production of particular goods for home

consumption. The list of particular goods for home consumption that the Duty Remission scheme can apply to is contained within [EAC gazettes](#).

Taxpayers must apply for the Duty Remission scheme by writing a letter to the Commissioner for Customs Services Department (CSD), explaining the reasons for application. If approved, the Duty Remission is valid for a period of twelve (12) months. For more information on conditions and recent changes in duty remission and stay of applications, please contact RRA.

In addition to import duty (applied on CIF value), other taxes and levies are paid in the customs. These include excise duty (varying rates depending on products applied on CIF+Import duty+handling fees), VAT (18 percent applied on CIF+Import duty+Excise duty+Handling fees. VAT can be reclaimed but is often difficult and time-consuming to obtain from the RRA), Withholding tax (varying rates depending on products applied on CIF value), Infrastructure development levy (1.5 percent applied on CIF value), Strategic reserves levy (applied only on fuel and petroleum products and assessed per liter) and African Union Levy (0.2 percent applied on CIF value). In addition to other taxes, motor vehicles pay Registration Fee depending on engine capacity (cc). Warehousing fees are paid directly to bonded warehouses for storing consignments and rates vary depending on size, weight and length of storage time.

Clearing agents have access to the One Single Electronic Window and are trained by RRA to assess duties and provide required information to their clients. RRA keeps an updated list of [agents](#).

The RRA has expanded customs processing facilities, increased personnel and introduced a computerized system to reduce corruption. Other trade facilitation schemes include Simplified Trade Regime, Gold Card Scheme, Authorized Economic Operator, Pre-Payment Facility, Quitus Fiscal, Pre-Clearance Facility, Immediate Release of Goods, Duty Remission Scheme, Cargo Tracking System and Mobile Cargo Scanners.

Detailed information on current taxes, including import tariff lists and facilitation schemes, can be found at the Rwanda Revenue Authority website: [www.rra.gov.rw](http://www.rra.gov.rw).

Border posts are located in Rubavu at the border with North Eastern DRC, Kagitumba and Gatuna at the border with Uganda, Rusumo at the border with Tanzania, Akanyaru at the border with Burundi and Cyangugu at the border with eastern DRC. USAID, through Trademark East Africa, and other donors are supporting border post improvement and expansion projects. Note a [map of border posts](#).

## **Import Requirements & Documentation**

Import documentation to Rwanda includes:

1. Air Way Bill (Airfreight) or Bill of Lading (Seafreight)
2. Commercial Invoice(s) or equivalent document
3. Packing List
4. Import Declaration Form (IDF). (from the Importer)
5. Importer's Tax Identification Number (TIN) and VAT numbers
6. Duties and Taxes Exemption Certificates, if any
7. National Drug Authority Certificate / Permit for import of drug and pharmaceuticals
8. Phyto Sanitary certificates for import of agricultural products.
9. Registration / De-registration Card of country of origin of old/used vehicles
10. Gift Certificates, if gifted to any organization eligible for duty free clearance
11. Passport of the individual for clearance of personal effects
12. Certificate of Origin – especially for goods imported from COMESA countries

[EAC rules of origin](#).

### [COMESA rules of origin.](#)

Since 2012, the RRA has employed the One Single Electronic Window – an online system for filing, issuing, and modifying export and import declarations. Through scanning and uploading of key documentation such as certificates of origin or quality and customs declarations, the system allows importers, exporters, or their brokers to send or receive information or documents to the concerned agencies related with the clearing process at one point without moving from one agent to another.

Access [Electronic Single Window](#).

Learn more about [Import Procedures for Importation into Rwanda](#).

Customs clearance procedures can be found at the [eRegulations Rwanda website](#):

1. Obtain notice of arrival of the goods (avis d'arrivee)
2. Submit goods arrival notice for verification by Rwanda bureau of standards
3. Obtain manifest
4. Submit import document to the clearing agent for tax calculation
5. Pay import tax
6. Obtain an invoice for warehouse handling fees
7. Pay warehouse fees for goods handling
8. Obtain goods exit note

In addition to documentary and physical verification at border posts, importing taxpayers may be subject to Post-Clearance Audits (PCA). PCA is explained in more details [here](#).

### **Labeling/Marking Requirements**

Information on labeling and marking requirements can be obtained by visiting the Rwanda Bureau of Standards (RBS) website: <http://www.rsb.gov.rw/>

Each product has its own labeling requirements but some information is general, including:

- Name of the product
- Name and address of manufacturer
- Country of origin
- Net content/Net weight
- List of ingredients for some products
- Lot identification/Batch number
- Date marking for some products including foods, cosmetics, chemicals, paint, medicines, etc
- Storage conditions for some products
- Instructions of use for some products
- Precautions on chemicals

Official language on labelling:

- Kinyarwanda
- English
- French

An exporter or manufacturer must comply with compulsory requirements of the standards or codes of practice. For more information please visit RSS Website: : <http://www.rsb.gov.rw/>

## **U.S. Export Controls**

### **Temporary Entry**

The RRA Customs Department permits the temporary entry of machinery, equipment, and vehicles. Prior permission must be obtained upon providing Customs with a written request and proof that the product in question will be taken out of the country and that duty and tax will be paid if the product is sold.

Clearing agents first execute bonds that act as guarantees to the RRA, then the goods are escorted to specified bonded warehouses. Goods declared for trade exemptions are not taxed unless sold. Warranty and non-warranty items leaving the country for repair pay VAT upon return.

### **Prohibited & Restricted Imports**

The importation and manufacture of narcotic drugs, firearms, ammunition, explosives, pornography, and items infringing copyrights are prohibited. Exportation and importation of wild specimens of endangered flora and fauna are also prohibited. Importation of genetically modified products is restricted. Note a [complete list of prohibited and restricted](#) goods.

### **Customs Regulations**

The Customs Services Department under the Rwanda Revenue Authority has the primary function of collecting and accounting for import duties and taxes on imports.

All importers must use clearing agents to process goods through customs. Several private warehouses exist, and many businesses have their own warehouses. The cost of warehousing is based on handling charges and length of warehousing.

For further information on customs regulations, please contact:

Assumpta Mukabaranga  
Kigali Field Operations  
Customs Department Services  
Rwanda Revenue Authority  
P.O Box 718 Kigali  
[info@rra.gov.rw](mailto:info@rra.gov.rw)  
Phone: +250 78 8185675  
Website: <http://www.rra.gov.rw/>

Commissioner for Customs Services  
Ms. Rosine Uwamariya  
Rwanda Revenue Authority  
Customs Gikondo Magerwa  
1<sup>st</sup> Floor, P.O. Box 3987–Kigali  
E-mail: [rosine.uwamariya@rra.gov.rw](mailto:rosine.uwamariya@rra.gov.rw)  
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Mr. William Musoni  
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Customs clearance procedures can be found at [RRA Website](#).

## **Standards for Trade**

### **Overview**

The Rwanda Standards Board (RSB) is the government institution charged with the implementation of standards, testing, product certification, accreditation, labeling, marking, and technical regulations. Rwanda standards are flexible market driven. RSB does not have inhouse capacity to develop standards and largely rely on (and coordinate) technical committees made of researchers, manufacturers, academia, other government institutions and consumer represenatives that work together to develop standards. Some new standards are driven from international treaties that Rwanda signs and require revision of existing standards. There is a mix of mandatory and voluntary standards. Standards related to health, safety and protection of environment are mandatory both for local production and import. RSB posts standards under review on its website and issues notifications. Parties that do not have a manufacturing presence in the market can participate in standards development work by filing comments and receiving feedback during public reviews. More information on RSB is available at <http://www.rsb.gov.rw/>

### **Standards**

Rwanda develops domestic standards but also accepts international standards. Rwanda is a member of the EAC Standards Technical Management Committee. Approved EAC measures are generally incorporated into the Rwandan regulatory system within six months and are published in the National Gazette like other domestic laws and regulations. Rwanda is also a member of other the International standardization organizations and accepts their standards. Those include:

- ISO- International Organization for Standardization
- IEC- International Electro-technical Commission
- IEEE- Institute of Electrical and Electronics Engineers
- CODEX-CODEX Alimentarius International Food Standards
- ASTM-American Society for Testing and Materials
- ITU- International Telecommunication Union
- AOAC- Association of Analytical Communities
- OIML- International Organization of Legal Metrology
- COMESA- Common Market for Eastern and Southern Africa
- ARSO- African Organization for Standardization
- AFSEC- The African Electro technical Standardization Commission
- SADC- Southern African Development Community

### **Testing, Inspection and Certification**

Generally, products enter the market freely. RSB is among Rwanda government agencies using the One Single Electronic Window. Any imported product related to health, safety or environment requires an employee of RSB to authorize a Release Order from the customs using the One Single Electronic Window. To allow quick release and avoid custom warehouse charges, RSB is able to conduct quality checks in owner's premises before products can be released into the market.

### **Publication of Technical Regulations**

Proposed technical regulations are regularly published by the RSB. U.S. companies should contact the RSB with comments on any proposed regulations. Final regulations are published in the [Official gazette](#). Time allowed to comment on proposed technical regulations varies between 30-90 days. RSB prepare an annual standards development work plan based on requests from the previous year.

Sample workplan can be found [here](#).

Standards for public review are posted [here](#).

More information on testing can be obtained [here](#).

### **Contact Information**

Rwanda Standards Board  
KK 15 Rd, 49; PO Box: 7099  
Kigali-Kicukiro  
Tel: +250 252-582945/586103, Hotline: 3250  
Website: <http://www.rsb.gov.rw/>

### **Trade Agreements**

Rwanda is one of 19 members of the COMESA ([www.comesa.int](http://www.comesa.int)) that offers preferential terms of trade for its members. Rwanda is also a member of the World Trade Organization (WTO) ([www.wto.org](http://www.wto.org)) and joined the EAC ([www.eac.int](http://www.eac.int)) in 2007 and the Commonwealth (<http://thecommonwealth.org>) in 2009. It is also a member of Economic Community of the Great Lakes and the Economic Community of Central African States. Rwanda hosted the signing ceremony for the African Continental Free Trade Area agreement in 2018, and was one of the first countries to ratify that agreement, which enter into force soon. While the EAC now has a Customs Union and Common Market, the slow pace of regulatory reform, lack of harmonization, non-tariff barriers, and bureaucratic inefficiencies still hamper the free movement of goods, capital, and people. Except for apparel products, Rwanda is eligible for trade preferences under the AGOA (<http://trade.gov/agoa/>), which the United States enacted to extend duty-free and quota-free access to the U.S. market for many goods produced in eligible beneficiary countries

The United States and Rwanda signed a [Trade and Investment Framework Agreement](#) (TIFA) in 2006, and a [Bilateral Investment Treaty](#) (BIT) in 2008.

Rwanda has active [bilateral investment treaties](#) with Germany (1969), Belgium-Luxemburg Economic Union (1985), and the Republic of Korea (2013). Rwanda signed bilateral investment treaties with Mauritius (2001), South Africa (2000), Turkey (2016), Morocco (2016), the United Arab Emirates (2016), and Qatar (2018), but these treaties have yet to enter into force.

Rwanda signed the Economic Partnership Agreement between the EAC and the European Union; this agreement has not yet entered into force

## Licensing Requirements for Professional Services

Rwanda has numerous licensing requirements for carrying out insurance and other professional services, including:

- [Licensing Requirements for banks](#)
- [Licensing Requirements for Mining exploration – exploitation](#)
- [Licensing Requirements of Customs Clearing Agencies](#)
- [Licensing Requirements to operate a Bonded Warehouse](#)
- [License requirements for national TV station/Radio station](#)

## Web Resources

More information on investment related procedures can be found on **eRegulations Rwanda** website. It is an online database designed to provide investors and entrepreneurs with full transparency on investment related procedures in Rwanda <http://rwanda.eregulations.org/>

Rwanda Freight Forwarders Association: <https://www.adrwanda.com/>

## Investment Climate Statement

### Executive Summary

Rwanda enjoys strong economic growth, high rankings in the World Bank's Ease of Doing Business Index, and a reputation for low corruption. The Government of Rwanda (GOR) has undertaken a series of policy reforms intended to improve Rwanda's investment climate and increase foreign direct investment (FDI). In 2018, the GOR implemented additional reforms to decrease bureaucracy in construction permitting, improve the timely provision of electricity, and reduce customs processing times for exporters. The GOR also introduced online certification processes for certificates of origin and phytosanitary approvals. The country presents a number of FDI opportunities, including: manufacturing, infrastructure, energy distribution and transmission, off-grid energy, agriculture and agro-processing, low cost housing, tourism, services, and information and communications technology (ICT). The Investment Code includes equal treatment between foreigners and nationals with regard to certain operations, free transfer of funds, and compensation against expropriation; this treatment is reinforced in the 2008 U.S.-Rwanda Bilateral Investment Treaty (BIT).

According to the National Bank of Rwanda (BNR), the country's Central Bank, Rwanda attracted \$342.2 million in FDI inflows in 2016 (the most recent data available), representing 4 percent of GDP. Rwanda had a total \$1.68 billion of FDI stock in 2016, the latest year data is available. In 2018, the Rwanda Development Board (RDB) reported registering more than \$2 billion in new investment commitments, mainly in manufacturing, mining, agriculture, and agro-processing, 47 percent of which were FDI. In pursuit of Rwanda's goal to become a regional hub for tourism, services, and logistics, the GOR has plans for a number of high-profile infrastructure projects, including Kigali Innovation City in Kigali's Special Economic Zone (SEZ), which will accommodate technological universities and companies working in the tech sector. Construction of Kigali Innovation City is ongoing, with the new campus of Carnegie Mellon University Africa set to open in 2019. Construction of Bugesera International Airport began in 2017, with completion of the first phase planned for 2021, although delays are probable. The GOR is also discussing a rail line to connect with Tanzania.

In February 2019, Standard and Poor's affirmed Rwanda's 'B/B-' long and short-term foreign and sovereign credit ratings. The GOR has developed an export promotion program called "Made in Rwanda". This campaign seeks to diversify exports, ease exchange rate pressure, and reduce the country's trade deficit. Government public debt has rapidly increased over the past few years to more than half of GDP, but most of these loans are on highly concessionary terms. A 2017-2018 investor perception survey by the International Finance Corporation (IFC) found that the majority of existing large companies in Rwanda have plans to invest further in the country. According to the same survey, the most frequently perceived obstacles for current company growth are: access to working capital, shortage of qualified labor, tax levels, tax predictability, and lack of reliable electricity and water (particularly for mining and manufacturing). In the same report, investors suggested that RDB should focus more on after-care services and improving coordination among government institutions.

Many companies report that although it is easy to start a business in Rwanda, it can be difficult to operate a profitable or sustainable business due to a variety of hurdles and constraints. These include the country's landlocked geography and resulting high freight transport costs, a small domestic market, limited access to affordable financing, payment delays with government contracts, and inconsistent enforcement of laws and regulations. Government interventions designed to support overall economic growth can significantly impact investors, with some expressing frustration that they were not consulted prior to the abrupt implementation of government policies and regulations that affected their business. A number of investors have said that tax incentives included in deals signed by RDB are not honored by the lead tax agency, the Rwanda Revenue

Authority (RRA). Similarly, some investors stated that Rwanda’s immigration authority does not always honor the employment and immigration commitments of investment certificates and deals. Some investors reported difficulties in registering patents and having rules against infringement of their property rights enforced in a timely manner. There are neither statutory limits on foreign ownership or control, nor any official policies that discriminate against foreign investors, though some complain about competition from state-owned enterprises (SOEs) and ruling party-aligned businesses.

General labor is available, but Rwanda suffers from a shortage of skilled workers, including accountants, lawyers, electricians, and technicians. Higher institutes of technology, private universities, and vocational institutes are improving. The establishment of Carnegie Mellon University Africa and the opening of a regional Andela office could boost the supply of qualified software developers in the coming years. While electricity and water supply have improved, businesses may continue to experience intermittent outages, especially during peak times, due to distribution challenges. Some investors report difficulties in obtaining foreign exchange from time-to-time, which may be caused by the country running a persistent trade deficit.

Rwanda promotes women and gender equality in all walks of life. Rwanda pioneered a number of projects to promote women entrepreneurs. Both men and women have equal access to investment facilitation and protections.

*Table 1: Key Metrics and Rankings*

Measure	Year	Index/Rank	Website Address
<b>TI Corruption Perceptions Index</b>	2018	48 of 180	<a href="http://www.transparency.org/research/cpi/overview">http://www.transparency.org/research/cpi/overview</a>
<b>World Bank’s Doing Business Report</b>	2019	29 of 190	<a href="http://www.doingbusiness.org/en/rankings">http://www.doingbusiness.org/en/rankings</a>
<b>Global Innovation Index</b>	2018	99 of 126	<a href="https://www.globalinnovationindex.org/analysis-indicator">https://www.globalinnovationindex.org/analysis-indicator</a>
<b>U.S. FDI in partner country (\$M USD, stock positions)</b>	2018	N/A	<a href="http://www.bea.gov/international/factsheet/">http://www.bea.gov/international/factsheet/</a>

<b>World Bank GNI per capita</b>	2017	USD 720	<a href="http://data.worldbank.org/indicator/NY.GNP.PCAP.CD">http://data.worldbank.org/indicator/NY.GNP.PCAP.CD</a>
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Note:

- According to the National Institute for Statistics for Rwanda (NISR), GDP per head in current USD was USD 787 in 2018
- According to BNR, stock of U.S. FDI in the country stood at USD 87.4 million in 2016, however many American investments are via subsidiaries from third countries

## **Openness to and Restrictions upon Foreign Investment**

### **Policies Towards Foreign Direct Investment**

Over the past decade, the GOR has undertaken a series of policy reforms intended to improve the investment climate, wean Rwanda's economy off foreign assistance, and increase FDI levels. Rwanda enjoys strong economic growth, averaging over seven percent annually over the last decade, high rankings in the World Bank's Doing Business report (29 out of 190 economies in 2019 (and second best in Africa) compared to 41 in 2018), and a reputation for low corruption. The Rwandan economy grew more than eight percent in 2018 as higher global prices for traditional exports, improved agricultural output, growth in transport and tourism, and a rebound in construction activities helped the country to recover from drought and a cyclical downturn in 2016. The Rwandan economy will continue to be susceptible to the whims of climatic conditions and fluctuation in global commodity prices for coffee, tea, and minerals.

Potential and current investors cite a number of hurdles and constraints to doing business in Rwanda, including its landlocked geography and resulting high freight transport costs; a small domestic market; limited access to affordable financing; payment delays with government contracts; and frequently inconsistent application of tax, investment, and immigration rules. In order to support export growth, the GOR subsidizes transportation costs for agricultural products. Given Rwanda's landlocked geopolitical situation, the country must rely on strong levels of economic diplomacy with countries that offer access to ports. Any serious breakdown in political relationships with Kenya, Tanzania, or Uganda, could impinge investors' ability to obtain the necessary inputs required for sustained levels of commerce in Rwanda.

RDB was established in 2006 to fast track investment projects by integrating all government agencies responsible for the entire investor experience under one roof. This includes key agencies responsible for business registration, investment promotion, environmental compliance clearances, export promotion and other necessary approvals. New investors can register online at the RDB's website and receive a certificate in as fast as six hours, and the agency's "one-stop shop" helps investors secure required approvals, certificates, and work permits. RDB took steps to enhance investor after-care in 2017, launching a weekly Investor Open House and quarterly investor dialogues, events where RDB senior management officials meet and engage with business leaders. RDB states its investment priorities are innovation and technology, particularly ICT and green innovation; tourism and real estate; agriculture and food security; energy and infrastructure; and mining.

In 2018, the GOR implemented improvements designed to stimulate investments. Examples of these reforms include reducing the time required to obtain construction permits and to clear exports through customs by exporters and enabling a more timely provision of electricity. The GOR also introduced several online

certification processes, including for certificate of origin and phytosanitary approvals. RRA started issuing electronic certificates of origin free of charge. The National Agricultural Export Board issues certificates of origin for tea and coffee free of charge. Rwanda Energy Group (REG) reports that reforms, including a new online application process, have reduced the time for new connections to the electricity grid from an average of 34 days to 20. REG claims that newly introduced automation systems will enable it to better monitor frequency and duration of outages, improving grid stability and uptime. According to RDB, certain construction projects will no longer require geotechnical studies. RDB also says that construction permit applications will no longer require a commencement date.

Investors broadly express satisfaction with RDB's investment facilitation efforts. However, some foreign investors complain that implementation can be less smooth due to delays in government payments for services or goods delivered. Other investors complain that they perceived there were GOR efforts to change contracts or memoranda of understanding after such items were negotiated. Others have faced surprising tax assessments with little notice. Some investors have faced difficulty in obtaining or renewing work visas, perhaps a result of the GOR's demonstrated preference for hiring local or East African Community (EAC) residents over other expatriates. Rwanda's Directorate General of Immigration and Emigration does not always honor the employment and immigration commitments of investment certificates and deals, according to some investors.

A number of investors have said a top concern affecting their operations in Rwanda is that tax incentives included in deals signed by the RDB are not fully honored by the RRA. Investors further cite the inconsistent application of tax incentives and import duties as a significant challenge to doing business in Rwanda. For example, a few investors have said that local customs officials have attempted to charge them duties based on their perception of the value of an import, regardless of the actual purchase price. Under Rwandan law, foreign firms should receive equal treatment with regard to taxes, as well as access to licenses, approvals, and procurement. Foreign firms should receive VAT tax rebates within 15 days of receipt by the RRA, but firms complain that the process for reimbursement can take months, and occasionally years. RRA introduced new software in 2018 that should allow these refunds to be processed and delivered in a more timely manner. VAT refunds may also be held up pending the results of RRA audits. RRA aggressively enforces tax requirements and imposes punitive fines for errors – deliberate or not – in tax payments, according to some investors.

Based on Article 15 of Law n° 76/2013 of 11/09/2013, the Office of the Ombudsman has the authority to request that the Supreme Court reconsider and review judgments rendered at the last instance by ordinary, commercial, and military courts, if there is any persistence of injustice. More information on the review process can be found at <https://ombudsman.gov.rw/en/?Court-Judgement-Review-Unit-1375>.

### **Limits on Foreign Control and Right to Private Ownership and Establishment**

Rwanda has neither statutory limits on foreign ownership or control nor any official economic or industrial strategy that discriminates against foreign investors. Local and foreign investors have the right to own and establish business enterprises in all forms of remunerative activity. The Rwandan constitution stipulates that every person has the right to private property, whether personal or in association with others. The government cannot violate the right to private ownership except in the public interest, and only then after following procedures that are determined by law and subject to fair compensation.

The law also allows private entities to acquire and dispose of interests in business enterprises. Foreign nationals may hold shares in locally incorporated companies. The GOR has continued to privatize state holdings, although the government, ruling party, and military continue to play a dominant role in Rwanda's

private sector. Foreign investors can acquire real estate but with a general limit on land ownership. While local investors can acquire land through leasehold agreements that extend to a maximum of 99 years, foreign investors are usually restricted to leases up to 49 years with the possibility of renewal. The government published a new Investment Code in 2015 aimed at providing tax breaks and other incentives to boost FDI. The Investment Code includes equal treatment for foreigners and nationals with regard to certain operations, free transfer of funds, and compensation against expropriation.

### **Other Investment Policy Reviews**

In February 2019, The World Trade Organization (WTO) published a Trade Policy Review for the EAC covering Burundi, Kenya, Rwanda, Tanzania and Uganda. The report is available at: [https://docs.wto.org/dol2fe/Pages/FE\\_Search/FE\\_S\\_S006.aspx?Query=\(@Symbol=%20wt/tpr/s/\\*\)%20and%20\(\(%20@Title=%20rwanda%20\)%20or%20\(@CountryConcerned=%20rwanda\)\)&Language=ENGLISH&Context=FomerScriptedSearch&languageUIChanged=true#](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Query=(@Symbol=%20wt/tpr/s/*)%20and%20((%20@Title=%20rwanda%20)%20or%20(@CountryConcerned=%20rwanda))&Language=ENGLISH&Context=FomerScriptedSearch&languageUIChanged=true#)

The Rwanda annex to the report is available at:

[https://docs.wto.org/dol2fe/Pages/FE\\_Search/ExportFile.aspx?Id=251521&filename=q/WT/TPR/S384-04.pdf](https://docs.wto.org/dol2fe/Pages/FE_Search/ExportFile.aspx?Id=251521&filename=q/WT/TPR/S384-04.pdf)

### **Business Facilitation**

The RDB offers one of the fastest business registration processes in Africa. New investors can register online at the RDB's website (<http://org.rdb.rw/busregonline>) or register in person at the RDB in Kigali. Once a certificate of registration is generated, company tax identification and employer social security contribution numbers are also generated automatically. The RDB "One Stop Center" assists firms in acquiring visas and work permits, connections to electricity and water, and support in conducting required environmental impact assessments.

In 2018, RRA distributed a new electronic billing software and electronic billing machines that should improve efficiency and introduce additional flexibilities for customer-facing businesses. This should also support all customers by allowing vendors to issue official VAT invoices from any computer with the new software. The system submits VAT refund claims directly through the RRA E-Tax Portal, which should reduce the time required to process VAT refunds. To reduce the number of cases subjected to audit, RRA is implementing an automated audit case selection process using a risk-based approach to select taxpayers subjected to audit based on compliance history. The official announcement of these changes is available at: [https://www.rra.gov.rw/index.php?id=286&tx\\_news\\_pi1%5Bnews%5D=166&tx\\_news\\_pi1%5Bcontroller%5D=News&tx\\_news\\_pi1%5Baction%5D=detail&cHash=dfd263b497338982e0a9ebff74d52fdb](https://www.rra.gov.rw/index.php?id=286&tx_news_pi1%5Bnews%5D=166&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=dfd263b497338982e0a9ebff74d52fdb)

The RDB is prioritizing additional reforms to improve the investment climate. By 2020, it hopes to amend the land policy to merge issuance of free hold titles and occupancy permits; introduce online notarization of property transfers; implement small claims procedure to allow self-representation in court and reduce attorney costs; launch electronic auctioning to reduce time to enforce judgments, reducing court fees and allowing payments electronically; and establish a commercial division at the Court of Appeal to fast-track commercial dispute resolution.

Rwanda promotes women and gender equality and has pioneered a number of projects to promote women entrepreneurs, including the creation of the Chamber of Women Entrepreneurs within the Rwanda Private Sector Federation (PSF). Both men and women have equal access to investment facilitation and protections.

## **Outward Investment**

The government does not have a formal program to provide incentives for domestic firms seeking to invest abroad, but there are no restrictions in place limiting such investment.

## **Bilateral Investment Agreements and Taxation Treaties**

### **A. Bilateral Investment Treaties**

Rwanda is a member of the WTO, the EAC, Economic Community of the Great Lakes, the Economic Community of Central African States, and the Common Market for Eastern and Southern Africa (COMESA). Rwanda ratified the African Continental Free Trade Area agreement in March 2018, but its implications for the region remain unclear. While the EAC now has a customs union and common market, the slow pace of regulatory reform, lack of harmonization, non-tariff barriers, and bureaucratic inefficiencies still hamper the free movement of goods, capital, and people in the region. Rwanda takes part in EAC negotiations with other trading partners.

The United States and Rwanda signed a Trade and Investment Framework Agreement (TIFA) in 2006 and a BIT in 2008. Rwanda has active bilateral investment treaties with Germany (1969), Belgium-Luxemburg Economic Union (1985), and the Republic of Korea (2013). Rwanda signed bilateral investment treaties with Mauritius (2001), South Africa (2000), Turkey (2016), Morocco (2016), the United Arab Emirates (2016), and Qatar (2018), but these treaties have yet to enter into force. Rwanda signed the Economic Partnership Agreement between the EAC and the European Union; this agreement has not yet entered into force.

### **B. Bilateral Taxation Treaties**

Rwanda does not have a bilateral taxation treaty with the United States. Rwanda has double taxation agreements with Barbados, Mauritius, the Belgium-Luxembourg Economic Union, the Bailiwick of Jersey, Singapore and South Africa.

After Rwanda implemented new higher tariffs on imports of secondhand clothing and footwear in 2016, the U.S. government partially suspended African Growth and Opportunities Act (AGOA) benefits for apparel products from Rwanda, effective May 2018. Many other Rwandan exports to the United States are still eligible for trade preferences under the Generalized System of Preferences and AGOA.

## **Legal Regime**

### **Transparency of the Regulatory System**

The GOR generally employs transparent policies and effective laws largely consistent with international norms. Rwanda is a member of the U.N. Conference on Trade and Development's international network of transparent investment procedures. The Rwanda eRegulations system is an online database designed to bring transparency to investment procedures in Rwanda. Investors can find further information on administrative procedures at: <https://businessprocedures.rdb.rw/>. Rwandan laws and regulations are published in the Government Gazette and/or online at <http://primature.gov.rw/index.php?id=97>. Government institutions

generally have clear rules and procedures, but implementation can sometimes be uneven. Investors have cited examples of receiving conflicting information from different officials in one or more government departments. Investors have also cited breach of contracts and incentive promises, and the short time given to comply with changes in government policies, as hurdles to comply with regulations.

For example, the GOR submitted a 2019 draft law to Parliament banning single use plastic containers. Investors in the beverage and agro-processing sectors expressed concern that the law would have a serious impact on their operations, that alternative packaging was not available in some cases, and that the GOR did not consult effectively with stakeholders before submitting it. The law would build on a ban on the manufacture and use of polyethylene bags introduced in 2008.

There is no formal mechanism to publish draft laws for public comment, although civil society sometimes has the opportunity to review them. There is no informal regulatory process managed by nongovernmental organizations. Regulations are usually developed rapidly in an effort to achieve policy goals and sometimes lack a basis in scientific or data-driven assessments. Scientific studies, or quantitative analysis (if any) conducted on the impact of regulations, are not generally made publicly available for comment. Regulators do not publicize comments they receive. Public finances and debt obligations are generally made available to the public in reasonable time but only after budget enactment. Finances for SOEs are not publicly available but may be requested by civil society organizations with a legitimate reason.

There is no government effort to restrict foreign participation in industry standards-setting consortia or organizations. Legal, regulatory, and accounting systems are generally transparent and consistent with international norms, but are not always enforced. The Rwanda Utility Regulation Agency (RURA), the Office of the Auditor General (OAG), the Anticorruption Division of the RRA, the Rwanda Standards Board (RSB), the National Tender Board, and the Rwanda Environment Management Authority also enforce regulations. In recent years, the OAG's annual reports to parliament have prompted criminal investigations of alleged misconduct and corruption. Consumer protection associations exist but are largely ineffective. The business community has been able to lobby the government and provide feedback on some draft government policies through the PSF, a business association with strong ties to the government. In some cases, the PSF has welcomed foreign investors which organized other investors to positively affect government policies. However, some investors have criticized the PSF for advocating to businesses about government policies rather than advocating business concerns to the government.

### **International Regulatory Considerations**

Rwanda is a member of the EAC Standards Technical Management Committee. Approved EAC measures are generally incorporated into the Rwandan regulatory system within six months and are published in the National Gazette like other domestic laws and regulations. Rwanda is also a member of the standards technical committees for the International Standardization Organization, the African Organization for Standardization, and the International Electrotechnical Commission. Rwanda is a member of the International Organization for Legal Metrology and the International Metrology Confederation. RSB represents Rwanda at the African Electrotechnical Commission. Rwanda notifies draft technical regulations to the WTO Committee on Technical Barriers to Trade.

### **Legal System and Judicial Independence**

The Rwandan legal system was originally based on the Belgian civil law system. However, since the renovation of the legal framework in 2002, the introduction of a new constitution in 2003, and the country's entrance to the Commonwealth in 2009, there is now a mixture of civil law and common law (hybrid system). Rwanda's

courts address commercial disputes and facilitate enforcement of property and contract rights. Rwanda's judicial system suffers from a lack of resources and capacity, including well-functioning courts, with some cases allegedly backlogged up to five years. Investors occasionally cite what they perceive as the government's casual approach to contract sanctity and say the GOR sometimes fails to enforce court judgments in a timely fashion. In August 2018, the GOR created a Court of Appeal in an attempt to expedite the appeal process without going to the Supreme Court and to reduce backlogs. The new Court of Appeal arbitrates cases handled by the High Court, Commercial High Court, and Military High Court. The Supreme Court continues to decide on cases of injustice filed from the Ombudsman Office and on constitutional interpretation.

A Tax Court is yet to be established in Rwanda. The RDB announced the government's intent to create a commercial division at the Court of Appeal to fast-track resolution on commercial disputes.

### **Laws and Regulations on Foreign Direct Investment**

National laws governing commercial establishments, investments, privatization and public investments, land, and environmental protection are the primary directives governing investments in Rwanda. Since 2011, the government reformed tax payment processes and enacted additional laws on insolvency and arbitration. The 2015 Investment Code establishes policies on FDI, including dispute resolution (Article 9). The RDB keeps investment-related regulations and procedures at: <http://businessprocedures.rdb.rw>.

According to a WTO policy review report dated January 2019, Rwanda is not a party to any countertrade and offsetting arrangements, or agreements limiting exports to Rwanda.

A new property tax law was passed in August 2018. The new law removes the provision that taxpayers must have freehold land titles to pay property taxes. Small and medium enterprises (SMEs) will receive a two-year tax trading license exemption upon establishment. Under the new law, the income threshold reserved for maintenance and upkeep of rented property has increased from 30 to 50 percent, and interest rates on loans are subtracted in the calculation of the taxable value. For residential houses (in excess of the first family home), owners pay 0.25 percent in the first year, 0.5 percent in the second year, 0.75 percent in third year, and graduate to 1 percent from the fourth year onwards. Commercial buildings are taxed 0.2 percent of the property market value in the first year, 0.3 percent in the second year, 0.4 percent in the third year, and 0.5 percent from the fourth year onwards. For industry, the rate is maintained at a flat rate of 0.1 percent of their market value to support the "Made in Rwanda" campaign to promote local manufacturing.

In April 2018, the GOR passed a new law to streamline income tax administration and to clarify the law. A number of items were added to the list of activities giving rise to taxable income. For example, the sale, lease, and free transfer of immovable assets allocated to the business now constitute taxable income. All payments made by a resident of Rwanda on services performed abroad, other than those consumed abroad, constitute taxable income. New articles were added to address transfer pricing rules, preconditions to participate in public tenders, and taxation rules for liberal professionals and consultants. The new law can be accessed here: [http://www.primature.gov.rw/media-publication/publication/latest-offical-gazettes.html?no\\_cache=1&tx\\_drblob\\_pi1%5BdownloadUId%5D=464](http://www.primature.gov.rw/media-publication/publication/latest-offical-gazettes.html?no_cache=1&tx_drblob_pi1%5BdownloadUId%5D=464).

### **Competition and Anti-Trust Laws**

Since 2010, a Competition and Consumer Protection Unit was created at the Ministry of Trade and Industry (MINICOM) to address competition and consumer protection issues. Rwanda has legislation in place to regulate competition. The government is setting up the Rwanda Inspectorate and Competition Authority (RICA), a new independent body with the mandate to promote fair competition among producers. The body

will reportedly aim to ensure consumer protection and enforcement of standards. RICA will serve as a regulatory body to enforce technical regulations and laws related to trade, while the RSB will continue to set quality standards for goods. To read more on competition laws in Rwanda, please visit: <http://www.minicom.gov.rw/index.php?id=136>.

Market forces determine most prices in Rwanda, but in some cases, the GOR intervenes to fix prices for items considered sensitive in Rwanda. RURA, in consultation with relevant ministries, sets prices for petroleum products, water, electricity, and public transport. MINICOM and the Ministry of Agriculture have fixed farm gate prices, or the market value of a cultivated product minus the selling costs, for agricultural products like coffee, maize, and Irish potatoes from time to time. On international tenders, a 10 percent price preference is available for local bidders, including those from regional economic integration bodies in which Rwanda is a member.

Some U.S. companies have expressed frustration that while authorities require them to operate as a formal enterprise that meets all Rwandan regulatory requirements, some local competitors are informal businesses that do not operate in full compliance with all regulatory requirements. Other investors have claimed unfair treatment compared to ruling party-aligned or politically connected business competitors in securing public incentives and contracts.

More information on specific types of agreements, decisions and practices considered to be anti-competitive, or abuse of dominant position, in Rwanda can be found here: <https://rura.rw/fileadmin/Documents/docs/ml08.pdf>

## **Expropriation and Compensation**

The 2015 Investment Code forbids the expropriation of investors' property in the public interest unless the investor is fairly compensated. A new expropriation law came into force in 2015, which included more explicit protections for property owners. Though Rwandan law is clear that private property will be expropriated only in the public interest and after appropriate compensation following market rates, property owners have complained about the definition of "public interest," valuation procedures, payment levels, and timing of payments. A number of property owners have protested expropriation of their property by the City of Kigali and claimed that the compensation offered was below market value and not in accordance with the expropriation law.

A 2017 study by Rwanda Civil Society Platform argues that the government conducts expropriations on short notice and does not provide sufficient time or support to help landowners fairly negotiate compensation. The report includes a survey that found only 27 percent of respondents received information about planned expropriation well in advance of action. While mechanisms exist to challenge the government's offer, the report notes that landowners are required to pay all expenses for the second valuation, a prohibitive cost for rural farmers or the urban poor. Media have reported that wealthier landowners have the ability to challenge valuations and have received higher amounts.

Political exiles and other embattled opposition figures have been involved in taxation lawsuits and "abandoned properties" that led to the auctioning of properties, allegedly at below market values.

## **Dispute Settlement**

### *ICSID Convention and New York Convention*

Rwanda is signatory to the International Center for Settlement of Investment Disputes (ICSID) and the African Trade Insurance Agency (ATI). ICSID seeks to remove impediments to private investment posed by non-

commercial risks, while ATI covers risk against restrictions on import and export activities, inconvertibility, expropriation, war, and civil disturbances.

Rwanda ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 2008.

#### *Investor-State Dispute Settlement*

Rwanda is a member of the East African Court of Justice for the settlement of disputes arising from or pertaining to the EAC. Rwanda has also acceded to the 1958 New York Arbitration Convention and the Multilateral Investment Guarantee Agency convention. Under the U.S.-Rwanda BIT, U.S. investors have the right to bring investment disputes before neutral, international arbitration panels. Disputes between U.S. investors and the GOR in recent years have been resolved through international arbitration, court judgments, or out of court settlements. Judgments by foreign courts and contract clauses that abide by foreign law are accepted and enforced by local courts, though they lack capacity and experience to adjudicate cases governed by non-Rwandan law. There have been a number of private investment disputes in Rwanda, though the government has yet to stand as complainant, respondent, or third party in a WTO dispute settlement. Rwanda has been a party to two cases at ICSID since Rwanda became a member in 1963; one of these cases is an ongoing case brought by an American investor against Rwanda. SOEs are also subject to domestic and international disputes. In 2018, SOEs party to a suit both won and lost several judgments by the Supreme Court, while other cases were settled under arbitration.

#### *International Commercial Arbitration and Foreign Courts*

In 2012, the GOR launched the Kigali International Arbitration Center (KIAC). According to press reports, the KIAC has reviewed 100 cases worth \$50 million in claims involving petitions of 18 different nationalities since 2012. Some businesses report being pressured to use the Rwanda-based KIAC for the seat of arbitration in contracts signed with the GOR. Because KIAC has a short track record and the location of its domicile, these companies would prefer arbitration take place in a third country, and some have reported difficulty in securing international financing due a KIAC provision in their contracts.

### **Bankruptcy Regulations**

Rwanda ranks 58 out of 190 economies for resolving insolvency in the World Bank's 2019 Doing Business Report. It takes an average of two and a half years to conclude bankruptcy proceedings in Rwanda. The recovery rate for creditors on insolvent firms was reported at 19 cents on the dollar, with judgments typically made in local currency.

The 2009 Insolvency Law clarified standards for beginning insolvency proceedings, preventing the separation of the debtor's assets during reorganization proceedings, setting clear time limits for the submission of a reorganization plan, implementing an automatic stay of creditors' enforcement actions, introducing provisions on voidable transactions and the approval of reorganization plans, and establishing additional safeguards for creditors in reorganization proceedings.

In April 2018, the GOR instituted a new Insolvency and Bankruptcy Law. One major changes is the introduction of an article on "pooling of assets" allowing creditors to pursue parent companies and other members of the

group, in case a subsidiary is in liquidation. Article 121 states that “On application of the liquidator, creditor or shareholder, the court may order that:

1) any company that is or has been a related company of the company in liquidation must pay to the liquidator the whole or part of any or all of the claims made in the liquidation; 2) where two or more related companies are in liquidation, the liquidations in respect of each company must proceed together, as if they were one company, to the extent the court so orders and subject to such terms and conditions as the court may impose.”

The new law can be accessed here: <http://org.rdb.rw/wp-content/uploads/2018/06/Insolvency-Law-OGNoSpecialbisdu29April2018.pdf>

## **Industrial Policies**

### **Investment Incentives**

The 2015 Investment Code offers a package of benefits and incentives to both domestic and foreign investors under certain conditions, including:

- For an international company with its headquarters or regional office in Rwanda, a preferential corporate income tax rate of 0 percent;
- For any investor, a preferential corporate income tax rate of 15 percent;
- Corporate income tax holiday of up to seven years;
- Exemption of customs tax for products used in Export Processing Zones (EPZ);
- Exemption of capital gains tax;
- VAT refund;
- Accelerated depreciation; and
- Immigration incentives.

Further details on benefits under the Investment Code can be accessed here: [http://businessprocedures.rdb.rw/media/Investment\\_promotion\\_law.pdf](http://businessprocedures.rdb.rw/media/Investment_promotion_law.pdf).

Poorly coordinated efforts between the RDB, RRA, MINICOM, and the Directorate of Immigration and Emigration can lead to inconsistent application of incentives, according to investors. Investors reported that tax incentives included in deals signed by the RDB are not honored by the RRA in all cases or sometimes not in a timely manner. Additionally, investors continue to face challenges receiving payment for services rendered for GOR projects, VAT refund delays, and/or expatriation of profits. In 2016, the GOR instituted a law governing PPPs as a step toward courting investments in key development projects. The law provides a legal framework concerning establishment, implementation, and management of PPPs. Detailed guidelines for the law can be accessed here: <http://rdb.rw/wp-content/uploads/2018/08/PPP-Guidelines.pdf>

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

Rwanda has established the KSEZ, which was set up through the merger of former Kigali Free Trade Zone and the Kigali Industrial Park projects. SEZs in Rwanda are regulated by the SEZ Authority of Rwanda (SEZAR), based at the RDB. Land in KSEZ is acquired through Prime Economic Zone Secretariat, a private developer, under the regulations of SEZAR. The price per square meter is \$62, and the minimum size that can be acquired is one hectare. Bonded warehouse facilities are now available both in and outside of Kigali for use by

businesses importing duty-free materials. The GOR has established a number of benefits for investors operating in the SEZs, including tax and land ownership advantages. A company basing itself in the SEZ can also opt to be a part of the Economic Processing Zone. A number of criteria must be satisfied in order to qualify, such as extensive records on equipment, materials and goods, suitable offices, security provisions, and a number of property constraints. Holding an EPZ license will exempt a company from VAT, import duties, and corporate tax. The company is then obliged to export a minimum of 80 percent of production. Even after considering savings due to these government incentives, a few investors reported that land in the SEZs was significantly more expensive than land outside the zones. The GOR has stated that there are no fiscal, immigration, or customs incentives beyond those provided in the 2015 Investment Code, though media has occasionally speculated that certain investors received additional incentives. The negative list of goods prohibited under the EAC Customs Management Act applies in SEZs. In November 2018, the GOR approved the Bugesera Special Economic Zone (BSEZ), located 45 minutes from Kigali.

Procedural information and cost involved in operating in SEZs can be accessed here: <https://businessprocedures.rdb.rw/procedure/238/189?l=en>

The SEZ policy was revised in 2018. The new policy introduces performance incentives to include indicators such as exports, full time jobs, local supply contracts, and domestic market recapture. Under the new policy, foreigners and locals may only lease land (formerly, foreign investors were able to purchase land outright in SEZ). To read more on the new policy, please see:

[http://www.minicom.gov.rw/fileadmin/minicom\\_publications/documents/SEZ\\_Policy\\_-\\_January\\_2018\\_v2.pdf](http://www.minicom.gov.rw/fileadmin/minicom_publications/documents/SEZ_Policy_-_January_2018_v2.pdf)

Rwanda created the Export Growth Facility (EGF) in 2015, with an initial capital of RWF 500 million, administered by the Development Bank of Rwanda (BRD). German KfW Development Bank injected €8.5 million in support of the fund. The pilot program targets SMEs with export sales below \$1 million. Priority sectors include horticulture, agro-processing, and manufacturing. The facility has three windows: an investment catalyst fund, a matching grant fund for market entry costs, and an export guarantee facility. Investment catalyst funds support private sector investments in export-orientated production through a 6.5 percent subsidy on market interest rates (normally between 16-20 percent). The matching grant fund provides grants (50 percent of the need) for expenditure on specific market entry costs (export strategy elaboration, export promotion, compliance with standards, etc.). The export guarantee fund provides short-term guarantees to commercial banks financing exporters' pre- and post-shipment operations. The export guarantee component is not yet operational. The facility supports both locally and foreign-owned companies in Rwanda; at least one American company has already received a loan.

Rwanda created the Business Development Fund (BDF) in 2011 to provide support to SMEs in credit guarantees, matching grants, asset leasing, and advisory services. BDF works with banks to provide guarantees between 50-75 percent of required collaterals. The maximum guarantee is RWF 500 million for agriculture projects and RWF 300 million for other sectors, for a maturity period of up to 10 years.

The GOR also manages the Rwanda Green Fund (FONERWA) to spur investment in green innovation. The UK Aid Department for International Development, KfW, and other donors have invested in the fund. FONERWA claims projects it supports have created more than 137,000 green jobs to date.

## **Performance and Data Localization Requirements**

There is no legal obligation for nationals to own shares in foreign investments or requirement that shares of foreign equity be reduced over time. However, the government strongly encourages local participation in foreign investments.

There is no requirement for private companies to store their data in Rwanda. Under the National Information and Telecommunication Infrastructure plan, Rwanda is pushing to become a regional ICT hub and has constructed a National Data Center. The facility acts as the country's central data storage facility and houses applications used by government institutions. There is no requirement for foreign IT providers to turn over source code and/or provide access to encryption technology. IT companies dealing with government data cannot store it outside Rwanda or transfer it without GOR approval.

Some investors have cited the GOR's reluctance to support visas for expatriate staff as a significant limitation on doing business in Rwanda. There is no formal requirement that a certain number of senior officials or board members be citizens of Rwanda. Under the 2015 Investment Code, the government allows registered those who invest a minimum of \$250,000 to hire up to three expatriate employees, without the need to conduct a labor market test in Rwanda. Investors who wish to hire more than three expatriate employees must conduct a labor market test, unless the available position is listed on Rwanda's "Occupations in Demand" list. The Directorate General of Immigration and Emigration does not always honor the employment and immigration commitments of investment certificates and deals, according to a number of investors. Investors should be aware that applicants from other EAC countries are given hiring preference over other expatriates.

While the government does not impose conditions on the transfer of technology, it does encourage foreign investors, without legal obligation, to transfer technology and expertise to local staff to help develop Rwanda's human capital. There is no legal requirement that investors must purchase from local sources or export a certain percentage of their output, though the government offers tax incentives for the latter. Unless stipulated in a contract or memorandum of understanding characterizing the purchase of privatized enterprises, performance requirements are not imposed as a condition for establishing, maintaining, or expanding other investments. Such requirements are imposed chiefly as a condition to tax and investment incentives. The GOR is not involved in assessing the type and source of raw materials for performance, but the RSB determines quality standards for some product categories.

Rwanda requires that all U.S. citizens possess a visa to enter Rwanda. A 30-day tourist visa can be purchased for \$30 upon arrival at Kigali International Airport or at a land border. Accepted forms of payment include cash (Rwandan francs or U.S. dollars printed in 2006 or later) and credit cards (Visa or MasterCard). Rwanda requires proof of yellow fever vaccination for travelers coming from a country where yellow fever is endemic or where there is an outbreak of yellow fever. U.S. citizens planning to remain in Rwanda for more than 30 days must apply for a permit within 15 days of arrival. Departures after the visa ending date are fined on a daily basis. The government generally processes visa applications for U.S. citizen investors in a timely manner. However, some investors have complained that the application process for work permits and extended stay visas (over 60 days) has become onerous. Immigration authorities frequently request extra documentation detailing applicants' qualifications and, at times, have taken several months to adjudicate work permit cases. Applicants for work permits may facilitate the process by ensuring that they travel with a) original police background checks, preferably notarized, b) educational documents on original letterhead, and c) a certified copy of diplomas if the original is not carried.

## **Protection of Property Rights**

### **Real Property**

The law protects and facilitates acquisition and disposition of all property rights. Investors involved in commercial agriculture have leasehold titles and are able to secure property titles, if necessary. The 2015 Investment Code states that investors shall have the right to own private property, whether individually or in association with others. Foreign investors can acquire real estate, though there is a general limit on land ownership. While local investors can acquire land through leasehold agreements that extend to 99 years, the lease period for foreigners cannot exceed 49 years, in most cases. Such leases are theoretically renewable, but the law is new enough that foreigners generally have not yet attempted to renew a lease. Mortgages are a nascent but growing financial product in Rwanda, increasing from 770 properties in 2008 to 13,394 in 2017, according to the RDB.

## **Intellectual Property Rights**

The 2015 Investment Code guarantees protection of investors' intellectual property (IP) rights, and legitimate rights related to technology transfer. As a COMESA member, Rwanda is automatically a member of African Regional Intellectual Property Organization. Rwanda is also a member of the World Intellectual Property Organization (WIPO) and is working toward harmonizing its legislation with WTO trade-related aspects of IP. The RDB and the RSB are the main regulatory bodies for Rwanda's intellectual property rights law. The RDB registers intellectual property rights, providing a certificate and ownership title. Every registered IP title is published in the Official Gazette. The fees payable for substance examination and registration of IP apply equally for domestic and foreign applicants. From 2016, any power of attorney granted by a non-resident to a Rwandan-based industrial property agent must be notarized (previously, a signature would have been sufficient). The RSB inspects imported products to ensure compliance with standards. Registration of patents and trademarks is on a first-in-time, first-in-right basis so companies should consider applying for trademark and patent protection in a timely manner. It is the responsibility of the copyright holders to register, protect, and enforce their rights where relevant, including retaining their own counsel and advisors. Through the RSB and the RRA, Rwanda has worked to increase protection of IP rights, but many goods that violate patents, especially pharmaceutical products, make it to market nonetheless. As many products available in Rwanda are re-exports from other EAC countries, it may be difficult to prevent counterfeit goods without regional cooperation. Several investors reported difficulties in registering patents and having rules against infringement of their property rights enforced in a timely manner.

A few companies have expressed concern over inappropriate use of their IP. While the government has offered rhetorical support, enforcement has been mixed. In some cases, infringement has stopped, but in other cases, companies have been frustrated with the slow pace of receiving judgment or in receiving compensation after successful legal cases.

Rwanda has yet to ratify WIPO internet treaties, though the government has taken steps to implement and enforce the WTO TRIPS agreements. IP legislation covering patents, trademarks, and copyrights was approved in 2009. A Registration Service Agency, which is part of the RDB, was established in 2008 and has improved IP right protection by registering all commercial entities and facilitating business identification and branding. Rwanda is not listed in USTR's 2018 Special 301 report or the 2018 Notorious Markets List. Rwanda conducts anti-counterfeit goods campaigns on a regular basis, but statistics on IP enforcement are not publicly available. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

## **Financial Sector**

### **Capital Markets and Portfolio Investment**

Rwanda's capital markets are relatively immature and lack complexity. Many U.S. investors express concern that local access to affordable credit is a serious challenge in Rwanda. Interest rates are high for the region, banks offer predominantly short-term loans, collateral requirements can be higher than 100 percent of the value of the loan, and Rwandan commercial banks rarely issue significant loan values. The prime interest rate is 16-18 percent. Large international transfers are subject to authorization. Investors who seek to borrow more than \$1 million must often engage in multi-party loan transactions, usually leveraging support from larger regional banks. Credit terms generally reflect market rates, and foreign investors are able to negotiate credit facilities from local lending institutions if they have collateral and "bankable" projects. In some cases, preferred financing options may be available through specialized funds including the Export Growth Fund, BRD, or FONERWA.

Only eight companies have publicly listed and traded equities in Rwanda. Rwanda Capital Market Authority was established in 2017 to regulate the capital market, commodity exchange and related contracts, collective investment schemes, and warehouse receipts. Most capital market transactions are domestic. While offers can attract some international interests, they are rare. Rwanda is one of a few sub-Saharan African countries to have issued sovereign bonds. Four new local currency bonds for \$61.8 million in total were issued in 2018, with an average annual yield of 12.1 percent. BNR has implemented reforms in recent years that are helping to create a secondary market for Rwandan treasury bonds. In November 2018, the IMF completed its tenth review of Rwanda's economic performance under the Policy Support Instrument, which can be found here: <https://www.imf.org/en/Publications/CR/Issues/2018/11/30/Rwanda-Tenth-Review-Under-the-Policy-Support-Instrument-Press-Release-Staff-Report-and-46407>

### **Money and Banking System**

Rwanda's financial sector remains highly concentrated. Around 76 percent of all bank assets are held by five of the largest commercial banks (Bank of Kigali, BPR Atlas Mara, I&M Bank, COGEBANQUE, and Equity Bank). The largest, partially state-owned Bank of Kigali (BoK), holds more than 30% of all assets. The banking sector holds around 65 percent of total financial sector assets in Rwanda. Non-performing loans constitute 6.9 percent of all banking sector assets as of June 2018. Foreign banks are permitted to establish operations in Rwanda, with several Kenyan-based banks in the country. Atlas Mara Limited acquired a majority equity stake in Banque Populaire du Rwanda (BPR) in 2016. BPR/Atlas Mara has the largest number of branch locations and is Rwanda's second largest bank after BoK. In total, Rwanda's banks have assets of \$3 billion, according to the BNR, the country's Central Bank. The IMF gives the BNR high marks for its effective monetary policy. BNR introduced a new monetary policy framework in 2019, which shift its tools toward inflation-targeting monetary framework in place of a quantity-of-money framework.

The private sector has limited access to credit instruments. Prospective account holders are expected to provide proof of residency. Most Rwandan banks are conservative and risk-averse, trading in a limited range of commercial products, though additional products are becoming available as the industry matures and competition increases. Rwanda has not lost any correspondent banking relationships in the past three years, and all banks are expected to conform to Basel prudential principles. Most financial services in Rwanda are VAT-exempt.

BNR reported that commercial banks made a total net profit of \$26 million in 2018, but their liquidity ratio was 49 percent (compared to BNR's required minimum of 20 percent), suggesting reluctance toward making loans. Local banks often generate significant revenue from holding government debt and from charging a variety of fees to banking customers. Credit cards are becoming more common in major cities, especially at locations frequented by foreigners, but are not used in rural areas. Rwandans primarily rely on cash or mobile money to conduct transactions.

In 2018, the capital adequacy ratio grew to 21.4 percent from 20.8 percent over the year, well above the minimum of 15 percent, suggesting the Rwanda banking sector continues to be generally risk averse. The number of debit cards in the country grew 8 percent year over year to 945,000 (only 18 percent of Rwandans have bank accounts), and the number of mobile banking customers grew 22 percent to 1,266,000.

## **Foreign Exchange and Remittances**

### *Foreign Exchange*

In 1995, the government abandoned a dollar peg and established a floating exchange rate regime, under which all lending and deposit interest rates were liberalized. BNR publishes an official exchange rate on a daily basis, which is typically within a 2 percent range of rates seen in the local market. Some investors report occasional difficulty in obtaining foreign exchange. Rwanda generally runs a large trade deficit, estimated at 10 percent of GDP in 2018. The Rwandan franc depreciated against the U.S. dollar by 8.9 percent in the fiscal year ending June 2017, and 3.5 percent in the fiscal year ending June 2018, according to BNR.

Transacting locally in foreign currency is prohibited in Rwanda. Regulations set a ceiling on the foreign currency that can leave the country per day. In addition, regulations specify limits for sending money outside the country; BNR must approve any transaction that exceed these limits.

Most local loans are in local currency. In December 2018, BNR issued a new directive on lending in foreign currency which requires the borrow to have a turnover of at least RWF 50 million or equivalent in foreign currency, have a known income stream in foreign currency not below 150 percent of the total installment repayments, and the repayments must be in foreign currency. The collateral pledged by non-resident borrowers must be valued at 150 percent of the value of the loan. In addition, BNR requires banks to report regularly on loans granted in foreign currency.

Full guidance can be accessed here:  
[https://www.bnr.rw/fileadmin/AllDepartment/FinancialStability/lawsandregulations/DIRECTIVE\\_No\\_09-2018.pdf](https://www.bnr.rw/fileadmin/AllDepartment/FinancialStability/lawsandregulations/DIRECTIVE_No_09-2018.pdf)

### *Remittance Policies*

Investors can remit payments from Rwanda only through authorized commercial banks. There is no limit on the inflow of funds, although local banks are required to notify BNR of all transfers over \$10,000 to mitigate the risk of potential money laundering. A withholding tax of 15 percent to repatriate profits is considered high by a number of investors given that a 30 percent tax is already charged on profits, making the whole tax burden 45 percent. Additionally, there are some restrictions on the outflow of export earnings. Companies generally must repatriate export earnings within three months after the goods cross the border. Tea exporters must deposit sales proceeds shortly after auction in Mombasa, Kenya. Repatriated export earnings deposited in commercial banks must match the exact declaration the exporter used crossing the border. Rwandans working overseas can make remittances to their home country without impediment. It usually takes up to three days to transfer money using SWIFT financial services. The concentrated nature of the Rwandan banking sector limits choice, and some U.S. investors have expressed frustration with the high fees charged for exchanging francs to dollars.

## **Sovereign Wealth Funds**

In 2012, the Rwandan government launched the Agaciro Development Fund (ADF), a sovereign wealth fund that includes investments from Rwandan citizens and the international diaspora. In November 2018, the fund was worth \$58.8 million. The ADF operates under the custodianship of BNR and reports quarterly and annually to the Ministry of Finance and Economic Planning, its supervisory authority. ADF is a member of the International Forum of Sovereign Wealth Funds and is committed to the Santiago Principles. ADF only operates in Rwanda. In addition to returns on investments, citizens and private sector voluntary contributions, and other donations, ADF receives RWF 5 billion every year from tax revenues and 5 percent of proceeds from every public asset that is privatized. The fund also gets 5 percent of royalties from minerals and other natural resources each year. The government has transferred a number of its shares in private enterprises to the management of ADF including those in the BoK, Broadband Systems Corporation (BSC), Gasabo 3D Ltd, Africa Olleh Services (AoS), Korea Telecom Rwanda Networks (KTRN), and the Dubai World Nyungwe Lodge. ADF invests mainly in Rwanda. While the fund can invest in foreign non-fixed income investments, such as publicly listed equity, private equity, and joint ventures, the AGDF Corporate Trust Ltd (the fund's investment arm) held no financial assets and liabilities in foreign currency, according to the 2017 annual report.

## **State-Owned Enterprises**

Rwandan law allows private enterprises to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations. Since 2006, the GOR has made efforts to privatize SOEs; reduce the government's non-controlling shares in private enterprises; and attract FDI, especially in the ICT, tourism, banking, and agriculture sectors, but progress has been slow. Current SOEs include water and electricity utilities, as well as companies in construction, ICT, aviation, mining, insurance, agriculture, finance, and other investments. The government continues to own significant and sometimes controlling interests of companies in mining, construction, banking, hotels, food production, and other sectors. Some investors complain about competition from state-owned and ruling party-aligned businesses. SOEs and utilities appear in the national budget, but the financial performance of most SOEs is only detailed in an annex that is not publicly available. The most recent budget report of the OAG also covers SOEs and has sections criticizing the management of some of the organizations. That public report can be found here: (<http://oag.gov.rw/documents/reports-to-parliament/performance-audit-reports/>). SOEs are governed by boards with most members having other government positions. Each public company is under a government line ministry.

The GOR supports some public enterprises directly from the national budget through net lending estimated at about 2 percent of the GDP in 2018. About 1 percent of GDP is a subsidy to RwandAir for its operational and capital expansion, and the rest of lending includes support to export promotion activities and debt-servicing costs for other public enterprises.

State-owned non-financial corporations include Ngali Holdings, Horizon Group Ltd, Rwanda Civil Aviation Authority, REG, Water and Sanitation Corporation, RwandAir, National Post Office, Rwanda Printery Company Ltd, King Faisal Hospital, Muhabura Multichoice Ltd, Prime Holdings, Rwanda Grain and Cereals Corporation, Kinazi Cassava Plant, and the Rwanda Inter-Link Transport Company. State-owned financial corporations include the NBR, Development Bank of Rwanda, Special Guarantee Fund, Rwanda National Investment Trust Ltd, ADF, BDF and the Rwanda Social Security Board.

The GOR has interests in the BoK, Rwanda Convention Bureau, BSC, CIMERWA, Gasabo 3D Ltd, AoS, KTRN, Dubai World Nyungwe Lodge, and Akagera Management Company, among others.

Ruling Party (Rwandan Patriotic Front) investment arm Crystal Ventures has subsidiaries such as Inyange Industries, NPD Ltd., Bourbon Coffee, ISCO Security, Ruliba Clays, Real Contractors, East African Granite Industries, Nexus, and Stone Craft.

### **Privatization Program**

Rwanda continues to carry out a privatization program that has attracted foreign investors in strategic areas ranging from telecommunications and banking to tea production and tourism. Since the program started in 1995, 56 companies have been fully privatized, seven were liquidated, and 20 more were in the process of privatization by 2017 (latest data available). The RDB's Strategic Investment Department is responsible for implementing and monitoring the privatization program.

Some observers have questioned the transparency of certain transactions, as a number of transactions were undertaken through mutual agreements directly between the government and the private investor, some of whom have personal relationships with senior government officials, rather than public offerings. In February-March 2017, the government sold its 19.8 percent stake in I&M Bank to help finance its equity stake in the Bugesera Airport, currently under construction.

In 2016, the OAG produced a report criticizing RDB's management of the privatization program. The report can be [accessed](http://www.oag.gov.rw/fileadmin/user_upload/Performance_Reports/STRATEGIC_MANAGEMENT_OF_PRIVATIZATION_ACTIVITIES.pdf) here: [http://www.oag.gov.rw/fileadmin/user\\_upload/Performance\\_Reports/STRATEGIC\\_MANAGEMENT\\_OF PRIVATIZATION\\_ACTIVITIES.pdf](http://www.oag.gov.rw/fileadmin/user_upload/Performance_Reports/STRATEGIC_MANAGEMENT_OF_PRIVATIZATION_ACTIVITIES.pdf)

### **Responsible Business Conduct**

There is a growing awareness of corporate social responsibility (CSR) within Rwanda, and several foreign-owned companies operating locally implement CSR programs. Rwanda implements the OECD's Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Rwanda also implements the International Tin Supply Chain Initiative tracing scheme. In 2016, the Better Sourcing Program began an alternative mineral tracing scheme in Rwanda. Rwanda also has guidelines on corporate governance by publically listed companies.

In recognition of the firm's strong commitment to CSR, the U.S. Department of State awarded Sorwathe, a U.S.-owned tea producer in Kinihira, Rwanda, the Secretary of State's 2012 Award for Corporate Excellence for Small and Medium Enterprises. In 2015, U.S. firm Gigawatt Global was also a finalist for the Secretary of State's Award for Corporate Excellence in the environmental sustainability category.

### **Corruption**

Rwanda is ranked among the least corrupt countries in Africa, with Transparency International's 2018 Corruption Perception Index putting the country among Africa's four least corrupt nations and 48th in the world. The government maintains a high-profile anti-corruption effort, and senior leaders articulate a consistent message emphasizing that combating corruption is a key national goal. The government investigates corruption allegations and generally punishes those found guilty. High-ranking officials accused of corruption often resign during the investigation period, and many have been prosecuted. Rwanda has ratified the UN Anticorruption Convention. It is a signatory to the OECD Convention on Combating Bribery. It is also a signatory to the African Union Anticorruption Convention. Giving and accepting a bribe is a criminal act, and

penalties depend on circumstances surrounding the specific case. U.S. firms have identified the perceived lack of government corruption in Rwanda as a key incentive for investing in the country.

Some firms have reported occurrences of petty corruption in the customs clearing process, but there are few or no reports of corruption in transfers, dispute settlement, regulatory system, taxation, or investment performance requirements. A local company cannot deduct a bribe to a foreign official from taxes. A bribe by a local company to a foreign official is a crime in Rwanda. The OAG has pursued many corruption cases in recent years, most of which involved misuse of public funds. The Rwanda Governance Board monitored governance more broadly and promoted mechanisms to control corruption. The RRA's Anticorruption Unit has a code of conduct and an active mechanism for internal discipline. The Office of the Ombudsman, the National Tender Board, RURA, and the NSB also enforced regulations regarding corruption.

A new corruption law was passed in September 2018, extending definitions of corruption and embezzlement and removing the statute of limitations on such crimes. It also removes criminal liability for a person who gives or receives an illegal benefit and informs the justice organs before the commencement of criminal investigation by providing information and evidence.

The new law can be accessed here:

[http://www.rlrc.gov.rw/fileadmin/user\\_upload/Laws2/%5BHOME%5DMOST%20RECENT%20LAWS/New%20law%20fighting%20against%20Corruption%20%282018%29.pdf](http://www.rlrc.gov.rw/fileadmin/user_upload/Laws2/%5BHOME%5DMOST%20RECENT%20LAWS/New%20law%20fighting%20against%20Corruption%20%282018%29.pdf)

There are no local industry or non-profit groups offering services for vetting potential local investment partners, but the Ministry of Justice keeps judgments online, making it a source of information on companies and individuals in Rwanda at [www.judiciary.gov.rw/home/](http://www.judiciary.gov.rw/home/). The Rwanda National Public Prosecution Authority issues criminal records on demand to applicants at [www.nppa.gov.rw](http://www.nppa.gov.rw).

#### *Resources to Report Corruption*

Contact at government agency or agencies are responsible for combating corruption:

Mr. Anastase Murekezi

Chief Ombudsman

Ombudsman (Umuvunyi)

P.O Box 6269, Kigali, Rwanda

Telephone: +250 252587308

[omb1@ombudsman.gov.rw](mailto:omb1@ombudsman.gov.rw) / [sec.permanent@ombudsman.gov.rw](mailto:sec.permanent@ombudsman.gov.rw)

Mr. Felicien Mwumvaneza

Commissioner for Quality Assurance Department (Anti-Corruption Unit)

Rwanda Revenue Authority

Avenue du Lac Muhazi, P.O. Box 3987, Kigali, Rwanda

Telephone: +250 252595504 or +250 788309563

[felicien.mwumvaneza@rra.gov.rw](mailto:felicien.mwumvaneza@rra.gov.rw) / [commissioner.quality@rra.gov.rw](mailto:commissioner.quality@rra.gov.rw)

Mr. Obadiah Biraro

Auditor General

Office of the Auditor General

Avenue du Lac Muhazi, P.O. Box 1020, Kigali, Rwanda  
Telephone: +250 78818980  
[oag@oag.gov.rw](mailto:oag@oag.gov.rw)

Contact at "watchdog" organization

Mr. Apollinaire Mupiganyi  
Executive Director  
Transparency International Rwanda  
P.O: Box 6252 Kigali, Rwanda  
Telephone: +250 788309563  
[amupiganyi@transparencyrwanda.org](mailto:amupiganyi@transparencyrwanda.org) / [mupiganyi@yahoo.fr](mailto:mupiganyi@yahoo.fr)

## **Political and Security Environment**

Rwanda is a stable country with relatively little violence. According to a 2017 report by the World Economic Forum, Rwanda is the ninth safest country in the world. Investors have cited the conducive political and security environment as an important driver of investments. A strong police and military provide a security umbrella that minimizes potential criminal activity.

The U.S. Department of State recommends that U.S. citizens exercise caution when traveling near the Rwanda-Democratic Republic of the Congo (DRC) border, given the possibility of fighting and cross-border attacks involving the Democratic Forces for the Liberation of Rwanda (FDLR) and other armed groups in the region. The FDLR includes former soldiers and supporters of the regime that orchestrated the 1994 Genocide against the Tutsi. Relations between Burundi and Rwanda are tense. There is a risk of cross-border incursions and armed clashes, and accusations in both directions contend that the countries harbor their neighbor's rebel forces. In 2018, there were a few incidents of sporadic fighting in Nyaruguru district and Nyungwe National Park.

Grenade attacks aimed at the local populace occurred on a recurring basis between 2008 and 2014 in Rwanda. There have been several cross-border attacks in Western Rwanda on Rwandan police and military posts reportedly since 2016. Despite occasional violence along the Rwanda-DRC border and the ongoing political crisis in neighboring Burundi, there have been no incidents involving politically motivated damage to investment projects or installations since the late 1990s. Relations with Uganda are also increasingly tense, but leaders continue to emphasize they are seeking a political solution.

Please see the following link for State Department Country Specific Information:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>

## **Labor Policies and Practices**

General labor is available, but Rwanda suffers from a shortage of skilled labor, including accountants, lawyers, engineers, tradespeople, and technicians. Higher institutes of technology, private universities, and vocational institutes are improving and producing more and better-trained graduates each year. In 2017 and 2018, the Ministry of Education (MINEDUC) closed several colleges due to sub-standard practice allegations. The Rwanda Workforce Development Authority sponsors programs to support both short and long-term professional trainings targeting key industries in Rwanda. Carnegie Mellon University opened a campus in

Kigali in 2012—its first in sub-Saharan Africa—and currently offers a Master of Science in Electrical and Computer Engineering and Master of Science in Information Technology. In 2013, the nonprofit university program, Kepler, was established for students to work toward a U.S.-accredited degree through online learning and in-person seminars. Oklahoma Christian University offers an online Master of Business Administration program with on-site support in Kigali. In 2012, the government extended basic compulsory education from nine to 12 years. In 2009, the government designated English, rather than French, as the language of instruction for students from grade four onwards.

Investors are strongly encouraged to hire Rwandan nationals whenever possible. According to the Investment Code, a registered investor who invests an equivalent of at least \$250,000 may recruit three foreign employees. However, a number of foreign investors reported difficulties importing qualified staff in accordance with the Investment Code due to Rwandan immigration rules and practices. In some cases, these problems occurred even though investors had signed agreements with the government regarding the number of foreign employees.

Companies find skill deficits in many sectors when hiring. The Rwandan education system continues to struggle with a shortage of resources and capacity, including due to a shortage of teachers qualified to teach in English after the 2009 transition away from French. A study of dropout and repetition rates conducted in collaboration with MINEDUC and UNICEF published in 2016 found that only 38 percent of those enrolled complete primary education and even a smaller percentage successfully complete secondary education (16 percent complete lower secondary and 10 percent higher secondary level). The official 2018 literacy rate for individuals aged 15 and above is 69.5 percent for women and 77.6 percent for men, according to the GOR. Functional literacy rates are lower according to independent evaluations, particularly in rural areas.

Rwanda has ratified all of the International Labor Organization's eight core conventions. Policies to protect workers in special labor conditions exist, but enforcement remains inconsistent. The government encourages, but does not require, on-the-job training and technology transfer to local employees. The law restricts voluntary collective bargaining by requiring prior authorization or approval by authorities and requiring binding arbitration in cases of non-conciliation. The law provides some workers the right to conduct strikes, subject to numerous restrictions, but strikes are very rare. There is no unemployment insurance or other social safety net programs for workers laid off for economic reasons. The legal framework for employment rights for disabled persons is not as strong as in the United States, but the government and some employers are making efforts to offer reasonable accommodations.

In 2000, the government revised the national labor code to eliminate gender discrimination, restrictions on the mobility of labor, and wage controls. NISR's 2016/2017 Fifth Integrated Household Living Conditions Survey, released in December 2018, found that approximately 10.4 percent of children in Rwanda ages 6-17 are engaged in economic activities, particularly in agriculture and in domestic service. Tea has been included on the U.S. government's List of Goods Produced by Child Labor or Forced Labor since 2010, with an estimated 13,000 children involved in the sector, primarily on small, family-owned farms that sell harvests to larger cooperatives. We have no evidence that children are employed by either tea producers or tea cooperatives in Rwanda. The U.S. Department of Labor-financed "REACH-T" project successfully removed approximately 5,000 children engaged in, or at risk of, child labor in the country's 12 tea-producing districts between 2013 and 2017. Private firms are responsible for their local employees' income tax payments and Rwanda Social Security Board pension contributions. For full-time workers, these payments amount to more than 30 percent of take-home pay, which can be a disadvantage if competing firms are in the informal economy and not compliant with these requirements.

Labor laws are not waived in order to attract or retain investment. There are no labor law provisions in SEZs or industrial parks, which differ from national labor laws. Collective bargaining is not common in Rwanda. Few professional associations fix minimum salaries for their members and some investors have expressed concern that labor law enforcement is uneven or opaque.

In 2018, a new labor law was passed. The law states the Ministry of Labor may establish a minimum wage by ministerial order but does not specify an amount. Among changes in the new law, an employer can now suspend an employee in writing for a period not exceeding 30 days without pay, but the salary will be repaid if the employee proves innocence after the administrative investigation. The minimum working age remains 16, with an exception for 13-15 year olds to perform light work only in the context of an apprenticeship. Damages paid for an employee victim of unfair dismissal cannot go below three months of salary nor exceed six months of salary. For employees with more than ten years of experience with the same employer, damages cannot exceed nine months of net salary. The new law imposes a requirement that both parties consent to any amendment to an employment contract, if the amendment results in changes in salary or other benefits. The probation period has been reduced from six months to three. An employee dismissed for economic or technical reasons and whose dismissal does not last more than six months is entitled to be reinstated without competition when he or she meets the profile required for the position to which the employer seeks to fill.

More information on major changes can be at the Rwanda Law Reform Commission website here: [http://www.rlrc.gov.rw/index.php?id=82&tx\\_news\\_pi1%5Bnews%5D=61&tx\\_news\\_pi1%5Bcontroller%5D=News&tx\\_news\\_pi1%5Baction%5D=detail&cHash=b69f6019dcb0ff868f7ef72b5b034de1](http://www.rlrc.gov.rw/index.php?id=82&tx_news_pi1%5Bnews%5D=61&tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=b69f6019dcb0ff868f7ef72b5b034de1)

Full the new labor law, see: [https://www.mifotra.gov.rw/fileadmin/news\\_import/New\\_Labour\\_Law\\_2018.pdf](https://www.mifotra.gov.rw/fileadmin/news_import/New_Labour_Law_2018.pdf)

**OPIC and Other Investment Insurance Programs**

The Overseas Private Investment Corporation (OPIC) has provided financing and political risk insurance to more than a dozen U.S. projects in Rwanda since 1975. OPIC officials have expressed interest in expanding the corporation’s portfolio in Rwanda and are currently evaluating potential projects. The Export-Import Bank continues its program to insure short-term export credit transactions involving various payment terms, including open accounts that cover the exports of consumer goods, services, commodities, and certain capital goods. The 1965 U.S.-Rwanda Investment Incentive Agreement remains in force; Rwanda and the United States are discussing potential updates to this agreement.

**Foreign Direct Investment and Foreign Portfolio Investment Statistics**

*Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy*

	Host Country	USG or International	or	USG or International
	Statistical Source*	Statistical Source		Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount

<b>Host Country Gross Domestic Product (GDP) (\$M USD)</b>	2018	\$9.2 billion	2017	\$9.135 billion	<a href="http://www.statistics.gov.rw/publication/gdp-national-accounts-2018">http://www.statistics.gov.rw/publication/gdp-national-accounts-2018</a> <a href="http://www.worldbank.org/en/country">www.worldbank.org/en/country</a>
<b>Foreign Investment</b>	<b>Direct</b>	<b>Host Country Statistical source*</b>	<b>USG International Statistical Source</b>	<b>or</b>	<b>USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other</b>
<b>U.S. FDI in Partner Country (\$M USD, stock positions)</b>	2016	\$87.4 million	2016	n.a.	BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
<b>Host Country's FDI in the United States (\$M USD, stock positions)</b>	2018	n.a.	2018	n.a.	BEA data available at <a href="http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm">http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm</a>
<b>Total Inbound Stock of FDI as % of host GDP</b>	2016	5.2%	2018	n.a.	

Table 3: Sources and Destination of FDI

<b>Direct Investment from/in Counterpart Economy Data</b>						
<b>From Top Five Sources/Top Five Destinations (US Dollars, Millions)</b>						
<b>Inward Direct Investment</b>				<b>Outward Direct Investment</b>		
	Amount	100%		Total Outward	Amount	100%
Total Inward						
Mauritius	543.7	32.3%		n.a.		
South Africa	169.5	10%				
Kenya	150.3	8.9%				

Panama	94.8	5.6%
United States	87.4	5.2%

"0" reflects amounts rounded to +/- USD 500,000.

Inward Direct Investment according to IMF's Coordinated Direct Investment Survey (<http://data.imf.org/CDIS>). Data on Rwandan outward FDI is not available.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	n.a	100%	All Countries	n.a	100%	All Countries	n.a	100%
n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Data on Rwanda equity security holdings by nationality is not available. According to a 2017 BNR report, portfolio investment remains the lowest component of foreign investment in Rwanda mainly due to the low level of financial market development. Portfolio investment stock increased to \$100.5 million in 2016, a 3% increase from 2015 levels. In 2016, Rwanda recorded foreign portfolio inflows of \$3 million compared to \$2.5 million in 2015. There is no more recent data available for portfolio investment.

### Contact for More Information on the Investment Climate Statement

Matthew Steed

Economic and Commercial Officer

United States Embassy

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+250-252-596-538

[KigaliEcon@state.gov](mailto:KigaliEcon@state.gov)

## Trade & Project Financing

### Methods of Payment

Importers and exporters can comfortably choose from a wide range of payment methods. Below are some of the most common payment methods:

- **Letters of Credit (LCs)** also known as Commercial or Documentary Credits. The letter of credit allows the buyer and seller to contract a trusted intermediary, in this case a bank, that will guarantee full payment to the seller provided the seller has shipped the goods and complied with the terms of the agreed-upon letter. The LC serves to evenly distribute risk between buyer and seller since the seller is assured of payment when the conditions of the LC are met and the buyer is reasonably assured of receiving the goods ordered. This is a common form of payment, especially when the contracting parties are unfamiliar with each other. LCs are irrevocable, which means that once the LC is established it cannot be changed without the consent of both parties. At least four parties are involved in any transaction using an LC: Buyer or applicant, Issuing bank or Applicant's bank, Beneficiary's bank or receiving bank and Seller or beneficiary.
- **Money transfer agents:** Exporters and their clients can send money internationally, process money orders, bill payments, and prepaid services through international money agents. Agents such as Western Union and MoneyGram offer these services in Rwanda and partner with several banks including Bank of Kigali, Banque Populaire du Rwanda (BPR)/Atlas Mara, Kenya Commercial Bank, and Ecobank.
- **Documentary Collection:** To collect payment from a foreign buyer using documentary collection, the seller sends a draft or other demand for payment with the related shipping documents through bank channels to the buyer's bank. The bank releases the documents to the buyer upon receipt of payment or promise of payment. It is generally safer for exporters to require that bills of lading be "made out to shipper's order and endorsed in blank" to allow them and the banks more flexible control of the merchandise. Documentary collections are only viable for ocean shipments.
- **Drafts (bill of exchange):** A draft (sometimes called a bill of exchange) is a written order by one party directing a second party to pay a third party. Drafts are negotiable instruments that facilitate international payments through respected intermediaries such as banks but do not involve the intermediaries in guaranteeing performance. Such drafts offer more flexibility than LCs and are transferable from one party to another. There are two basic types of drafts: sight drafts and time drafts.
- **Open Account:** Open account means that payment is left open until an agreed-upon future date. It is one of the most common methods of payment in international trade. Payment is usually made by wire transfer or check.
- **Credit Card:** Some banks now offer buyers special lines of credit that are accessible via credit card to facilitate (even substantial) purchases.
- **Cash in Advance:** Cash in advance is risk-free except for consequences associated with the potential non-delivery of the goods by the seller. Cash in advance is usually a wire transfer or a check. Although an international wire transfer is more costly, it is often preferred because it is speedy and does not bear the danger of the check not being honored. For wire transfers the seller must provide clear routing

instructions in writing to the buyer or the buyer's agent. These include: The full name, address, telephone, and telex of the seller's bank, the seller's full name, address, telephone, type of bank account, and account number.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <http://www.Export.gov/TradeFinanceGuide>

In February 2019, Standard and Poor's affirmed Rwanda's 'B/B-' long and short-term foreign and sovereign credit ratings. Fitch's credit rating for Rwanda was last reported at B+ with stable outlook. In general, a credit rating is used by potential creditors and investors to gauge the credit worthiness of Rwanda or any country, thus potentially having an impact on the country's borrowing costs.

## **Banking Systems**

Rwanda's banking system is highly concentrated, but increasingly competitive as foreign banks increasingly look to enter the country. Around 76 percent of all bank assets are held by five of the largest commercial banks (Bank of Kigali, BPR Atlas Mara, I&M Bank, COGEBANQUE, and Equity Bank). The largest, partially state-owned Bank of Kigali (BoK), holds more than 30 percent of all assets. Currently, the banking sector is stable and well capitalized with an industry capital adequacy ratio of 21.4 percent per cent, above the 15 percent central bank regulatory requirement. Rwanda's banking industry is composed of: commercial banks, development banks, cooperative banks, and microfinance banks. As of July 2018, 16 banks were registered with the Rwandan National Bank (BNR): 11 commercial banks, three micro-finance banks, one development bank, and one cooperative bank. There are 439 Savings Credit and Co-operatives (SACCOs), and 20 limited liability microfinance institutions. A list of licensed banks can be found at: <https://www.bnr.rw/index.php?id=174>. Licensing Requirements for banks can be found at: <https://www.bnr.rw/index.php?id=278>

Local banks operate in both local currency and dollar-based accounts. While most suppliers are paid through wire transfers to their domicile bank accounts, many investors eventually open a local account at one of the main local commercial banks.

Starting in 2008, the Rwandan Central bank fixed a capital requirement of five billion Rwanda Francs (\$5.8 million) for commercial banks. All commercial banks have international correspondent banks operating in major cities of the world. ATMs are available, but limited with only 383 in all of Rwanda. Commercial banks are authorized to provide loans in foreign currency. The government has implemented a financial sector development plan that improves access to financial services and competition in the banking sector and in micro-finance. The IMF gives BNR, Rwanda's central bank, high marks for its effective monetary policy.

The private sector has limited access to credit instruments. Most Rwandan banks are conservative, risk-averse, and trade in a limited range of commercial products, though additional products are becoming available as the industry matures and competition increases. Credit cards are not used extensively, except in major hotels, grocery stores, and larger restaurants that cater to tourists. The number of domestically-issued credit cards in the country increased from 516 in 2011 to 3,638 in 2018. The number of debit cards issued in the country has grown more than six-fold since 2011, but remains relatively low at 883,755. In December 2011, Visa International opened an office in Rwanda and announced a partnership with the central bank through which the company is working to expand electronic payment services throughout Rwanda. While the use of credit cards is becoming more popular, Rwanda, especially outside of Kigali, remains primarily a cash-based or mobile cash money-based economy. In 2015, 49 percent of ATMs and 86 percent of point of sale machines were located in Kigali.

## Foreign Exchange Controls

Foreign exchange is liberalized, and commercial banks are allowed to buy foreign currency following an administered floating exchange rate. Controls are limited to cash withdrawals for travelers. Exporters are required to repatriate all export earnings within three months of their export. Repatriated foreign exchange should match the value stated in the export declaration. The central bank aspires to maintain foreign currency reserves equivalent to regionally agreed upon 4.2 months of imports, but has fallen short in recent years.

There are no legal restrictions on capital transfers in and out of Rwanda. Investors can obtain foreign exchange and make transfers at any authorized bank in order to repatriate profits and dividends, and make payments for imports and services. However, some investors have reported problems with their ability to perform currency transactions. The National Bank of Rwanda holds daily foreign exchange sales freely accessed by commercial banks. Bureaucratic hurdles continue to cause delays in processing and effecting transfers. Although there is generally no difficulty obtaining foreign exchange in Rwanda, some investors reported temporary severe foreign exchange shortages and delays in hard currency payments by the government for goods and services that can be delayed by months. Foreign exchange shortages are partly driven by the country's trade deficit, which created instability in the domestic currency market.

## US Banks & Local Correspondent Banks

Most of the larger commercial banks in Kigali maintain correspondent relations with reputable U.S. banks.

## Project Financing

Most of major public infrastructure projects are financed by concessional loans and grants from traditional lenders such as the World Bank and the African Development Bank. Chinese and Indian Export-Import banks financed projects in the past. Rwanda also benefited from European Union infrastructure funding from time to time. Local private projects are financed by local commercial banks and the Rwanda Development Bank.

### Multilateral Development Banks

The U.S. Commercial Service maintains Commercial Liaison Offices in each of the main multilateral development banks, including the World Bank and African Development Bank. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders. Learn more by contacting;

- Commercial Liaison Office to the [African Development Bank](http://www.export.gov/afdb), <http://www.export.gov/afdb>
- Commercial Liaison Office to the [World Bank](http://export.gov/worldbank), <http://export.gov/worldbank>

## Financing Web Resources

- [African Development Bank Group](#)
- [Export-Import Bank of the United States](#)
- [Country Limitation Schedule](#)

- [OPIC](#)
- [The World Bank](#)
- [Trade and Development Agency](#)
- [SBA's Office of International Trade](#)
- [USDA Commodity Credit Corporation](#)
- [U.S. Agency for International Development](#)
- [Development Bank of Rwanda \(BRD\)](#)
- [List of licensed Banks in Rwanda](#)

## **Business Travel**

### **Business Customs**

Rwandan business customs are mostly similar to those in the United States. It is common for people to wear business suits and to exchange business cards during meetings. Culturally, however, a direct “no” to a proposal is rare. Rwandan businesspeople may acknowledge the merits of a proposal, when in fact their actual interest is limited. Oral commitments should not be considered contractually binding, including statements from government officials. Negotiations are often lengthy and contracts have been arbitrarily reopened after signature, especially those containing tax incentives and provisions. International arbitration and mediation clauses in original contracts have helped protect some U.S. investors from payment and contractual disputes. Retention of local legal advice is advised for those considering doing business in Rwanda.

### **Travel Advisory**

The latest travel advisory information can be found at:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>

### **Visa Requirements**

General travel information to Rwanda, including visa requirements can be found at:

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>.

Rwanda requires that all U.S. citizens possess a visa to enter Rwanda. A visa valid for 30 days for the purpose of tourism can be purchased for USD 30 upon arrival at Kigali International Airport or at Rwanda’s land borders. Accepted forms of payment include U.S. dollars printed after 2006 and Visa or Mastercard. For visa information, visit the Rwandan Directorate General of Immigration and Emigration at <http://www.migration.gov.rw>.

U.S. companies that require travel of foreign personnel to the United States should be advised that security evaluations are handled through an interagency process.

Visa applicants should go to the following links.

State Department Visa Website: <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>

U.S. Embassy, Kigali: <http://rw.usembassy.gov>

### **Currency**

The Rwandan franc (RWF) is convertible for essentially all business transactions. U.S. dollars and Euros are accepted for international transactions. Credit cards are not used extensively, except in major hotels, grocery stores, and larger restaurants that cater to tourists. Payment using Mobile-Money or debit cards are accepted in high end hotels and restaurants. The number of domestically-issued credit cards in the country increased from 516 in 2011 to 3,638 in 2018. The number of debit cards issued in the country has grown more than six-fold since 2011, but remains relatively low at 883,755. In 2015, 49 percent of ATMs and 86 percent of point of sale machines were located in Kigali. ATM and point of sale machines are generally available in secondary cities in Rwanda. Many ATMs and point of sales in Rwanda are compatible with Visa and MasterCard debit cards.

## Telecommunications/Electronics

Internet access is available throughout Rwanda, though poor connections outside of major cities and electricity outages may affect access. Rwanda is also one of the few countries in Africa to have launched a national high-speed 4G LTE wireless broadband network. There are few internet cafés outside of the major cities. Mobile phones are increasingly used and are the preferred medium of business communication. Many hotels and some government owned facilities have introduced Wi-fi. Rwandan electricity is 220 volt. Plugs are type C/E/F (similar to most of Europe).

## Transportation

Rwanda does not have railway transport, but the governments of Rwanda, Kenya, Tanzania, and Uganda are discussing the potential extension of railways from Tanzania to Kigali and from Kenya to Kigali. Air transport options are growing rapidly, led by government-owned airline RwandAir.

<b>Airline</b>	<b>Destination</b>
Brussels Airlines	Brussels
Ethiopian Airlines	Addis Ababa, Bujumbura
Kenya Airlines	Bujumbura, Nairobi
KLM	Amsterdam
Qatar Airways	Doha
RwandAir	Abuja, Abidjan, Accra, Bamako, Bujumbura, Brazzaville, Brussels, Cape Town, Cotonou, Dar Es Salaam, Dakar, Douala, Dubai, Entebbe, Guangzhou, Harare, Johannesburg, Juba, Kamembe, Kinshasa, Kilimanjaro, Kinshasa, Lagos, Libreville, London (Gatwick), Lusaka, Mombassa, Mumbai, Mwanza, Nairobi, Tel Aviv, Zanzibar
Turkish Airways	Istanbul
EgyptAir	Cairo

## Language

English and French are the accepted business languages in Rwanda, although many Rwandans may find English communication difficult. Interpreters are generally not required for business meetings. All Rwandans speak Kinyarwanda, and some speak Kiswahili to some degree.

## Health

Medical and dental facilities are limited, and some medicines are in short supply or unavailable; you should carry your own supply of properly labeled medications to cover your entire stay. In Kigali, King Faisal Hospital (<http://kfh.rw/>) is a private facility that offers 24-hour assistance with physicians and nurses on duty in the emergency room. Ambulances are available in Kigali through the Service d'Aide médicale d'Urgence (Emergency Medical Service, SAMU) by calling 912 from any mobile phone, or through King Faisal Hospital at (+250) 078 830 9003. Proof of yellow fever vaccine may be requested for all travelers over 9 months of age, especially those who have visited countries where yellow fever is endemic or has had a recent outbreak; travelers who cannot show proof of vaccination may not be permitted to enter Rwanda.

Malaria is endemic to Rwanda. You are strongly encouraged to take prophylactic medications to prevent malaria. For more information see [www.cdc.gov/malaria](http://www.cdc.gov/malaria). Prophylactic medications should be initiated prior to entry into the endemic area. Some malaria prophylaxis medicines are not available in Rwanda and, because of possible counterfeiting of antimalarial medications, should be obtained from a reliable pharmaceutical source before arrival.

Regular U.S. health insurance may not cover doctors' and hospital visits in other countries. Medicare does not pay for any medical care received outside of the United States or its territories. Having coverage is important, as medical evacuation from Rwanda may cost more than \$80,000. For more information on international medical insurance, please visit: <https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>

The U.S. Embassy maintains a current list of [https://rw.usembassy.gov/wp-content/uploads/sites/147/list-of-physicians\\_7mar2018.pdf](https://rw.usembassy.gov/wp-content/uploads/sites/147/list-of-physicians_7mar2018.pdf). For more information, visit <https://rw.usembassy.gov/u-s-citizen-services/doctors/>

## Local Time, Business Hours and Holidays

Local Time: GMT + 2

Business Hours: 8am – 6pm Monday – Thursday; Friday 8am – 1pm

Rwanda observes a number of public holidays throughout the year. The week following Genocide Memorial Day on April 7 is designated as an official week of mourning. In addition, the last Saturday of every month is designated as the national day of community service, *umuganda*. Most businesses close down, and road traffic is prohibited until approximately midday.

The Government of Rwanda keeps an updated list of holidays here: <http://www.gov.rw/home/official-holidays/>

## Temporary Entry of Materials or Personal Belongings

Items contained in the personal luggage of travelers are exempt from custom duties when items are not for commercial purpose. Commercial samples are exempt from custom duties when their combined value does not exceed 100,000 Rwandan francs (approximately \$120), but should be declared.

For a complete list of the items that are exempt from custom duties under Rwandan law and for a comprehensive list of the required accompanying documentation, please contact the Rwanda Revenue Authority.

Non-biodegradable single-use plastic bags are banned in Rwanda. Travelers carrying them upon arrival at the Kigali International Airport may have them confiscated. Passengers with luggage wrapped in plastic sheeting may be required to remove the plastic before they are allowed to depart the airport.

More information on personal effects and passenger's baggage can be found here: <https://www.rra.gov.rw/index.php?id=246&L=746>

List of prohibited and restricted goods can be found here: <https://www.rra.gov.rw/index.php?id=248&L=746>

For merchandise in baggage: <https://www.rra.gov.rw/index.php?id=249&L=746>

Exempted goods for travelers: <https://www.rra.gov.rw/index.php?id=247&L=746>

### **Travel Related Web Resources**

<https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/Rwanda.html>

[https://rw.usembassy.gov/wp-content/uploads/sites/147/list-of-physicians\\_7mar2018.pdf](https://rw.usembassy.gov/wp-content/uploads/sites/147/list-of-physicians_7mar2018.pdf)