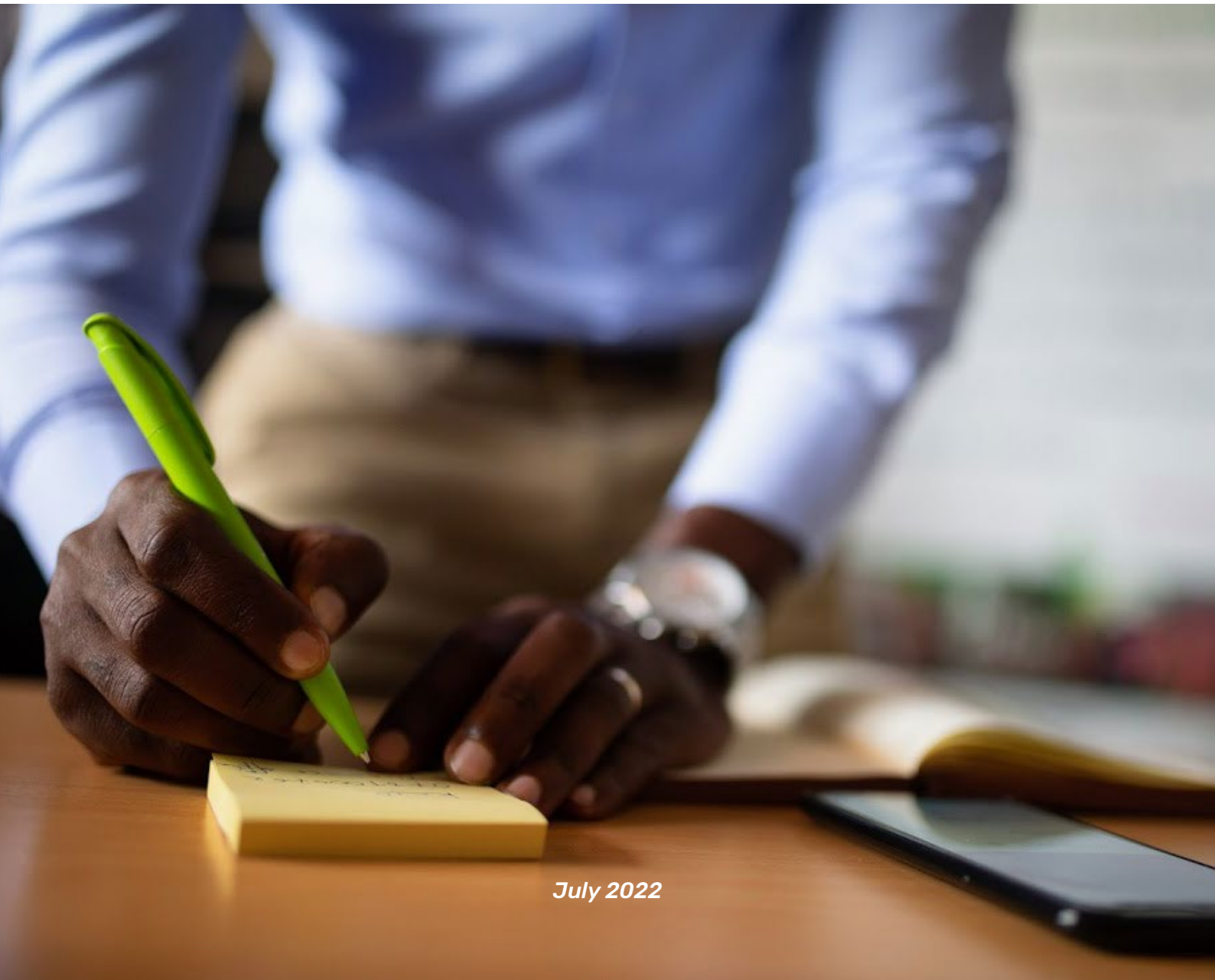




How to Open and Close a Business in Rwanda



July 2022

Contents

About TRAIDE Rwanda	3
1. Introduction	4
2. Company types in Rwanda	5
2.1 Requirements for registration	6
2.1.1 Domestic company	6
2.1.2 Multi-shareholder company	6
2.1.3 Non-governmental organization (NGO)	6
2.1.4 Foreign company/branch	6
2.1.5 Individual enterprise	7
3. Overview of registration and de-registration processes	8
3.1 Registration process	8
3.2 Deregistration process	9
4. Registration process in more detail	10
4.1 Rwanda Development Board (RDB)	10
4.1.1 Introduction	10
4.1.2 Registration	10
4.2 Rwanda Revenue Authority (RRA)	11
4.2.1 Introduction	11
4.2.2 Registration	11
4.3 Rwanda Social Security Board (RSSB)	12
4.3.1 Introduction	12
4.3.2 Registration	12
5. De-registration process in more detail	14
5.1 Rwanda Revenue Authority (RRA)	14
5.1.1 Application for tax clearance	14
5.1.2 De-registration for centralized taxes	14
5.1.3 How to get a de-registration form	15
5.1.4 De-registration (combined procedure)	15
5.1.5 De-registration for decentralized taxes	15
5.2 Rwanda Social Security Board (RSSB)	16
5.2.1 Application for RSSB Clearance Certificate via RRA	16
5.3 Rwanda Development Board (RDB)	16
6. Conclusion	17
Annex 1: How to choose the right legal advisor	18



About TRAIDE Rwanda

This report has been written by TRAIDE Rwanda. TRAIDE is a trade facilitation program commissioned by the Embassy of the Kingdom of the Netherlands in Rwanda. The program aims to increase sustainable trade and investments between Rwanda and the Netherlands.

TRAIDE enables (Dutch) companies to do responsible business in Rwanda. We identify business opportunities, support, and promote trade and investments between Rwanda and the Netherlands, and contribute to local private sector development. We are active in various sectors such as agriculture, renewable energy, circularity, and digitalisation. Activities include the development of business opportunity reports, matchmaking services, support with responsible business conduct and investment cluster development.

Interested to learn more? Please get in touch via rwanda@traide.org or visit our website (www.traide.org) and LinkedIn page (www.linkedin.com/company/traide-foundation).

1 | Introduction

This report contains information for foreign investors on how to register and de-register a company in Rwanda. It seeks to improve access to information, procedures, and the policies of the three institutions that are most important when it comes to registering/de-registering a company. These institutions are the Rwanda Development Board (RDB), the Rwanda Revenue Authority (RRA), and the Rwanda Social Security Board (RSSB). Having a good understanding of procedures and legal obligations can prevent foreign businesses in Rwanda from being penalized by RDB, RRA, or RSSB. In this report, both registration and de-registration procedures at RDB, RRA and RSSB are explained.

Generally, (foreign) entrepreneurs do not encounter many issues when registering a business in Rwanda. Fast registration is one of the selling points of Rwanda, as it usually takes companies less than 24 hours. Ease of registration and a conducive environment for doing business distinguish Rwanda from most other African countries.

Business registration is done by the office of the Registrar General under RDB and is completed online via the RDB website or at the RDB one-stop center in Kigali, at other RDB offices outside Kigali, Business Development Fund (BDF) offices, or certain cafes that work as IREMBO agents (the latter incurs a service fee). IREMBO is an e-platform offering e-government services and e-businesses. After registration at RDB, a taxpayer receives a unique Tax Identification Number (TIN), which is equal to the company number. Following the registration at RDB, the business registration process continues at RRA which is completed at RRA headquarter in Kigali or RRA offices in the district. The business registration process at RRA is completed at the RRA headquarters for centralized taxes and at the RRA district office (or at the decentralized taxes department at the RRA headquarters) for decentralized taxes. Finally, businesses register at the RSSB for the payment of pension and maternity taxes.

This report aims to shed light on information, procedures, and the policies of the RDB, RRA and RSSB when it comes to registering and de-registering a company in Rwanda.

TRAIDE published a similar report in 2019, which has been updated in July 2022. Please note that certain numbers and information might become outdated. We therefore encourage all foreign investors, in addition to this report, to consult with the RDB, business networks or TRAIDE Rwanda about new developments and potential changes.

Abbreviations and acronyms

BRC	Business Registration Certificate
CIT	Corporate Income Tax
CLE	Continuous Legal Education
EIS	Electronic Invoice System
MoMo	Mobile Money
PAYE	Pay As You Earn
PIT	Personal Income Tax
RBA	Rwanda Bar Association
RCA	Rwanda Cooperative Agency
RDB	Rwanda Development Board
RGB	Rwanda Governance Board
RLGMS	Rwanda Automated Local Government Taxes Management System
RRA	Rwanda Revenue Authority
RSSB	Rwanda Social Security Board
TCC	Tax Clearance Certificate
TIN	Tax Identification Number
VAT	Value Added Tax

2 | Company types in Rwanda

Companies in Rwanda are governed by the current LAW No 007/2021 OF 05/02/2021 GOVERNING COMPANIES published in the Official Gazette No 04 *ter* of 08/02/2021. There are two main categories of company in Rwanda: 1) private companies, and 2) public companies. In turn, private companies are commonly separated into two groups: 1) partnerships or companies where the liability is not limited, and 2) partnerships or companies whose liability is limited by shares.

Generally speaking, companies have to fulfil the following requirements to be qualified as a company:

- Have a unique company name.
- Have one or more shareholders.
- In the case of a company limited by shares, have one or more shares.
- Have one or more directors, at least one of whom must be a Rwandan resident.

A company qualifies as a private company when it has:

- A company name ending with the words “Private limited company” or the letters “Ltd”.
- One or more shares with restricted rights of transfer.
- One or more shareholders with unlimited or limited liability.
- One or more directors, of whom at least one must be ordinarily resident in Rwanda.

A business can be registered in the RDB system as either a domestic company, individual enterprise, or foreign company. Registering as ‘domestic’ is done by domestic companies or foreign subsidiaries. Registering as an individual enterprise is for sole traders or partnerships with less than RWF 10,000 turnover per day. Registering as ‘foreign’ is for existing companies that are registered in a foreign country. It does not include the domestic subsidiaries of the foreign company¹.

There are five categories in which a company can be placed:

- A company limited by shares;
- A company limited by guarantee;
- A company limited by shares and by guarantee;
- An unlimited company;
- A protected cell company.

A company limited by shares and by guarantee may be public or private. However, a company limited by guarantee, or an unlimited company, cannot be a public company. From the categories mentioned above, under domestic company, the Company Act recognizes four legal types:

- limited by share
- limited by guarantee
- limited by share and by guarantee
- unlimited.

¹ https://www.rra.gov.rw/fileadmin/user_upload/rra_tax_handbook_november_2019.pdf

2.1 REQUIREMENTS FOR REGISTRATION

All company types follow the same registration procedures, although requirements vary.

2.1.1 Domestic company

The documents and information required for registering a domestic company are:

- Company name approved: name which is not similar to other businesses names that are registered in the system of RDB.
- Company address in Rwanda where it is based.
- Description/categorization of business activities.
- Email address of the managing director, a shareholder, or an authorized representative.
- Phone number of the managing director, a shareholder, or an authorized representative.
- Managing director's personal contact information (address and phone number).
- Board members' personal and contact information.
- ID/passport copy/scan of the managing director or of one of the shareholders of the company being formed, or of an authorized representative.

For more information, visit <https://businessprocedures.rdb.rw/procedure/4/5?!=en>.

2.1.2 Multi-shareholder company

Additional documents and information are required for companies with multiple shareholders:

- Personal and contact information of shareholder(s).
- Notarized Memorandum of Association form according to the business category (scanned copy signed by all shareholders or their legal representative(s)).

2.1.3 Non-governmental organization (NGO)

Additional documents are required for non-governmental organizations (NGOs), associations or cooperatives registering a business:

- Evidence of registration at the Rwanda Governance Board (RGB) or Rwanda Cooperatives Agency (RCA).
- Notarised board resolution with containing the decision to register a business.

2.1.4 Foreign company/branch

The following documents and information are required for registration of foreign companies or branches:

- Notarized certificate of incorporation issued by the registration authority in the country of the headquarters.
- Notarized articles of association for corporate entity shareholder(s).
- Notarized shareholder/board resolution containing the decision to open a branch and the appointment of a branch representative residing in Rwanda.
- List detailing the director(s) residing in Rwanda (minimum is one resident).
- Passport copies of the shareholders/directors.
- Memorandum of Association form according to the business category (scanned copy of the original signed by all shareholders or their legal representative(s)).
- Notarized power of attorney to represent the company in Rwanda.
- Notarized power of attorney for company registration.
- Articles of association of the holding company.

For more information, visit <https://businessprocedures.rdb.rw/procedure/11/7?!=en>.

2.1.5 Individual enterprise

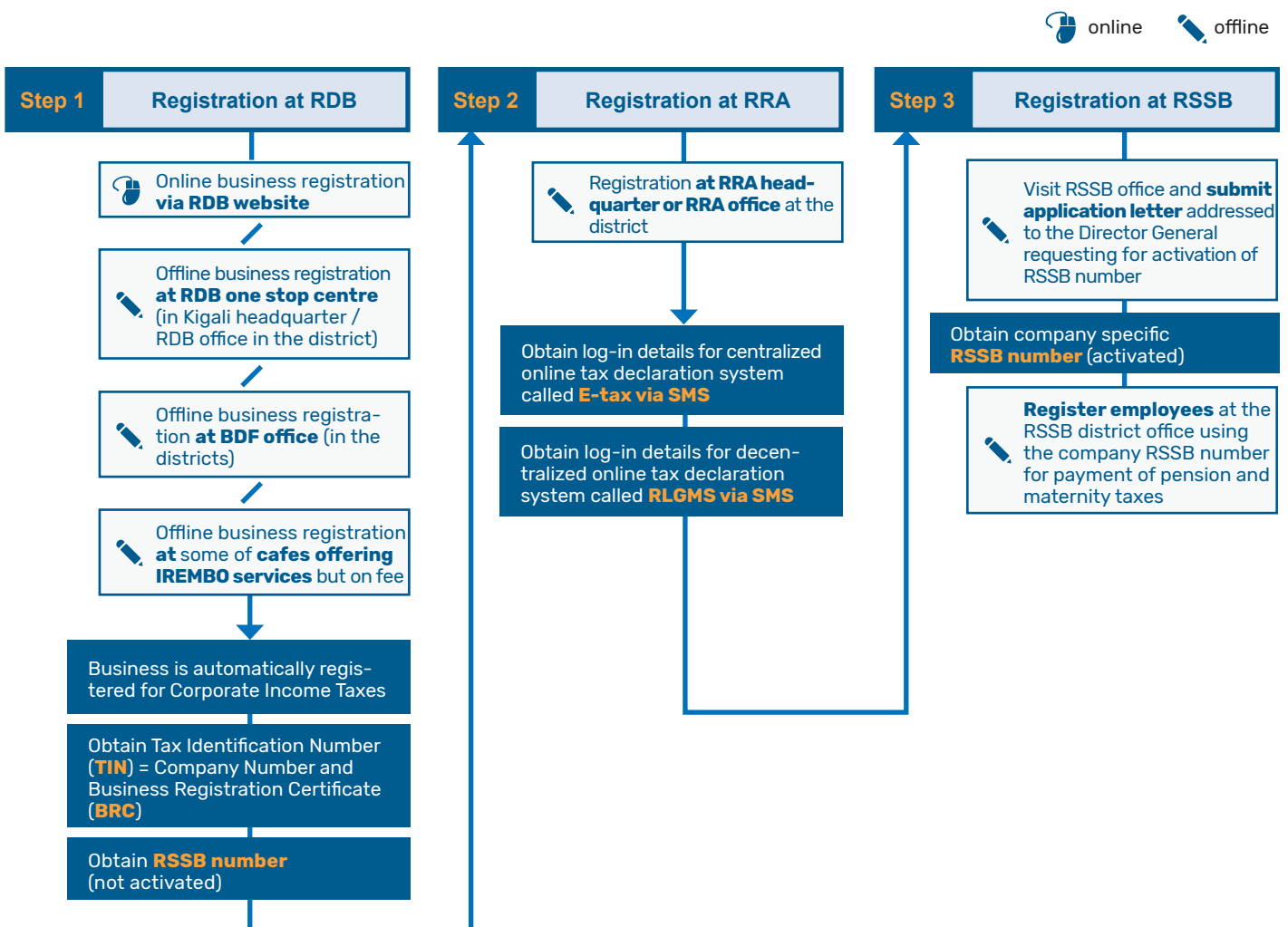
Documents and information required for registering an individual enterprise include:

- Company name.
- Email address of the managing director or of an authorized representative.
- Contact details (phone number) of the managing director or of an authorized representative.
- ID/passport copy/scan of the managing director or of an authorized representative.
- Scanned passport-size photo of the business owner.
- Description/categorization of business activities.

For more information, visit <https://businessprocedures.rdb.rw/procedure/8/6/step/13?l=en>.

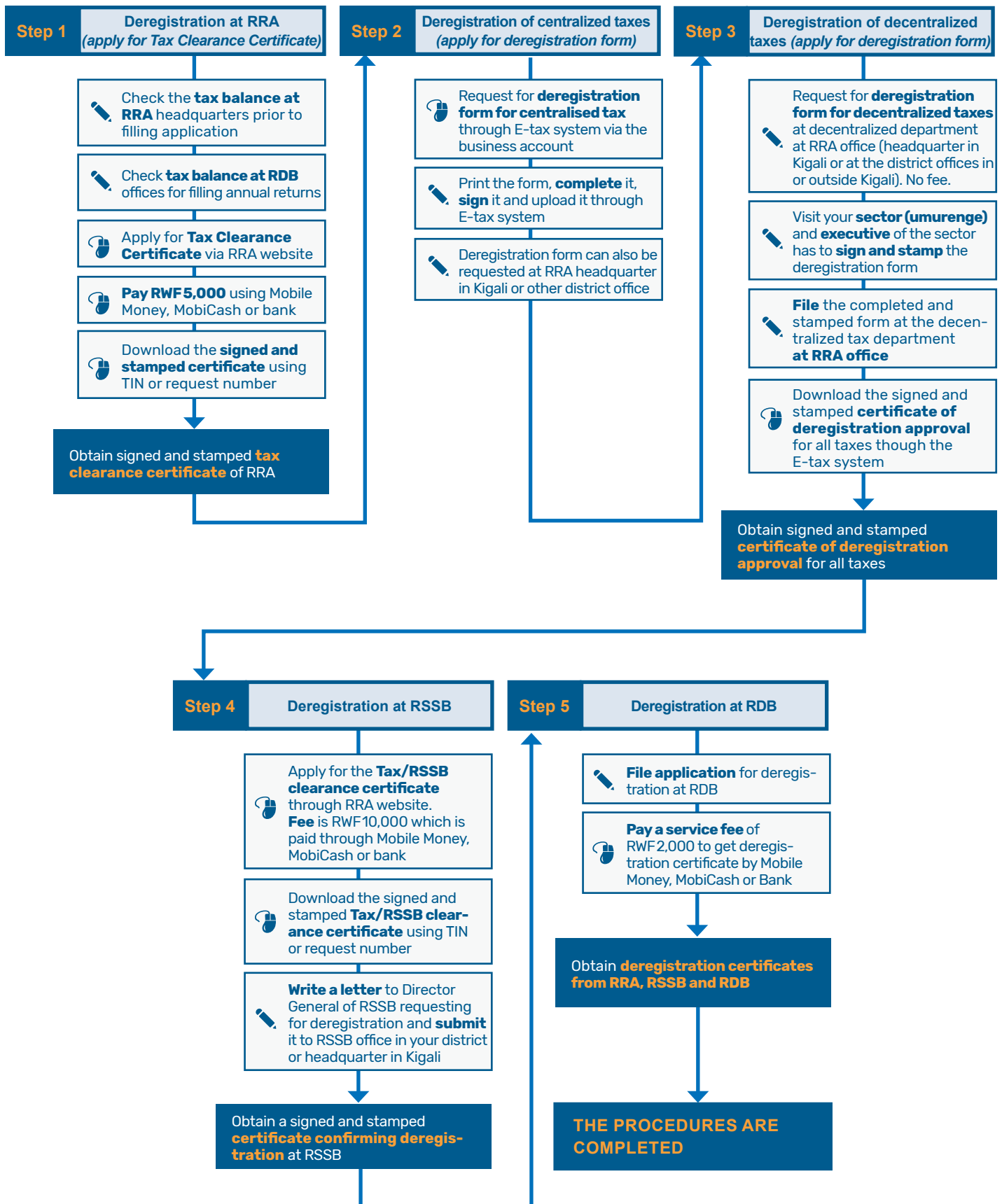
3 | Overview of registration and de-registration processes

3.1 REGISTRATION PROCESS



3.2 DEREGISTRATION PROCESS

 online  offline



4 | Registration process in more detail

We now examine in more detail the registration process through the Rwanda Development Board (RDB), Rwanda Revenue Authority (RRA), and Rwanda Social Security Board (RSSB).

4.1 RWANDA DEVELOPMENT BOARD (RDB)

4.1.1 Introduction

The RDB is a government institution mandated to accelerate Rwanda's economic development by enabling private sector growth.² The RDB provides support to companies and individuals who are looking to invest in Rwanda. RDB plays a key role in the government of Rwanda's aim for Rwanda to become one of the best places for doing business in Africa, and the world.

4.1.2 Registration

Any person who sets up a business is obliged to first register with the RDB and RRA within seven days of starting the business or activity and establishing the company. The RDB and RRA systems are integrated to speed up the registration process. A taxpayer automatically gets a TIN number after registration at RDB and with that, is automatically registered to pay Income Tax.

Some other types of taxes need to be registered separately at the RRA, as will be explained in other chapters. The Enterprise/Company code is also the 'Tax Identification Number' (TIN) of the company, which is required for two separate registration procedures at the RRA: (1) centralized taxes and (2) decentralized taxes.

Please note that if your business does not start operating within a period of one month after the business registration at RDB, you will need a letter from the district labor inspector to prove that you have not been operating. All businesses registered at RDB are obliged to file centralized and decentralized taxes at RRA, as well as annual returns at RDB. Filing annual returns at RDB is done annually before the deadline of March 31 via the RDB's online business registration system. It makes no difference whether a business has generated income or revenues. You can file zeros if there were no profits or company revenues.

In case of any issues during the registration process, you can call the RDB customer care line on 1415.

To register online via the RDB website:

- Visit the 'Business registration' of the RDB website at <https://brs.rdb.rw/busregonline>.
- Create an account for new users, or log-in with your details if you already have an account.
- Complete the business registration application.

² <https://rdb.rw/about-rdb/>

4.2 RWANDA REVENUE AUTHORITY (RRA)

4.2.1 Introduction

The RRA is the government institution responsible for assessing, collecting, and accounting for tax, customs, and other specified revenues. RRA is also mandated to collect non-tax revenues.³ The government established the RRA with the aim of improving its resource mobilization and to assist taxpayers to meet and understand their tax obligations. A taxpayer is an individual person or a person who has registered a business/company in Rwanda and required to pay different types of tax.

4.2.2 Registration

Registration for centralized taxes is done at the RRA headquarters, except for Corporate Income Tax, which is done immediately after registration at RDB, for which you only need the Business Registration Certificate (BRC) or Tax Identification Number (TIN). Centralized taxes include Personal Income Tax (PIT), Corporate Income Tax (CIT), Value Added Tax (VAT, for those registered for VAT), Pay As You Earn (PAYE, for those qualifying), and Withholding Tax of 3%, 5% and 15% (for those qualifying). Each tax declared must be paid immediately, as detailed by the law. Centralized taxes can be paid online via E-payment.

Registration for decentralized taxes can be done at the RRA district office where your business is registered. Alternatively, you can visit the decentralized tax department at the RRA headquarters. Decentralized taxes are trading license fees and cleaning fees. You need your Tax Identification Number (TIN) to register, as well as a local mobile phone number.

All businesses registered at RDB need to file tax declarations (for income tax) at RRA. It makes no difference whether a business has generated income or not. You can declare zero if there were no profits or company revenues. The annual declaration must be done no later than March 31 of the following tax declaration for the first year of registration. In the following years, centralized taxes are declared and paid on a quarterly basis before the deadlines of June 30, September 30, December 31, and March 31. If you fail to declare taxes before the deadline, a penalty will be imposed by RRA.

4.2.2.1 Electronic Billing Machine (EBM)

The Electronic Billing Machine (EBM) is a machine that helps the taxpayer to print RRA certified invoices and send sales data to the RRA. Some taxpayers confuse the Electronic Invoice System (EIS) with tax: EIS is not a type of tax, but rather helps to improve bookkeeping and the collection of VAT. Every taxpayer should issue EIS invoices to their buyers for every sale they make. Currently, there are two versions of EBM (EBM 1 and EMB 2). EBM 1 is a hardware that has the Certified Invoice System (CIS) and Sales Data Controller (SCD) systems integrated. The new version (EBM 2) is a software that taxpayers can install on their desktop or laptop.

4.2.2.2 Which taxpayers are required to use EBM/EIS?

Two types of taxpayers should use EBM/EIS.

1. VAT-registered taxpayers are required to have at least one EIS/EBM at each of their sales locations. A taxpayer must register for VAT if their turnover is above RFW 20,000,000 for any 12-month period, or above 5,000,000 RWF for three consecutive quarters (consult the *Paying taxes in Rwanda* report⁴ for more information on VAT, or check page 188 of the *Tax Handbook 2019*⁵). Addition, taxpayers may also choose to register for VAT.
2. Taxpayers who are not required to be registered for VAT, but carry out sales transactions, are also required to issue EIS/EBM invoices (*Tax Handbook 2019*, p. 214).

³ <https://www.rra.gov.rw/index.php?id=73>

⁴ www.traide.org

⁵ https://www.rra.gov.rw/fileadmin/user_upload/rra_tax_handbook_november_2019.pdf

EBM version 1

EBM version 1 can be obtained from three licensed suppliers, all of whom facilitate taxpayers by training them on how to use these machines. The suppliers are:

- Inzonvou Technologies Limited, +250 (0)788 555 779, info@inzonvoutech.com
- AA UNI Rwanda Ltd, +250 (0)783 116 776, info@aaunirwanda.com
- Pergamon Group Rwanda Ltd, +250 (0)786 381 374, info.rwanda@pergamongroup.com.

You need to provide the RRA with certain documents to get an EBM 2:

- RDB Business Registration Certificate
- VAT Registration Certificate
- Your National ID or passport, if you are the owner of the company
- Power of Attorney and National ID or passport of the owner, if you are not the owner of the company.

The price of EBM version 1 varies depending on the supplier and the type of configuration. The minimum price is RWF 252,000. EBM version 1 uses a SIM card that needs to be loaded with airtime of RWF 1,000 per month. A taxpayer records EBM under expenses within their income declaration.

Note: After buying an EBM, a taxpayer should take it to an RRA office for registration and activation. In case of any issue or change with EBM, the taxpayer is advised to contact the RRA by phone or visit their office. For further details, check the *Tax Handbook 2019*.

EBM version 2

EBM version 2 is free, but a taxpayer should have a desktop or a laptop on which RRA staff will install the software. Taxpayers can directly get EBM version 2 from the RRA headquarters (Kigali, and in the various district offices of the RRA). A taxpayer needs to first complete a request form via this link <https://ebm2.rra.gov.rw>. This new version of EBM is not compatible with Apple MacBook computers. After the installation of EBM to the taxpayer's desktop or laptop, RRA provides training on how to use it. This training takes place at the RRA headquarters on Mondays, Wednesdays, and Thursdays from 8.00 a.m. to 12.00 p.m. You can access the taxpayer manual on how to use EBM 2 via <https://www.rra.gov.rw/index.php?id=33>.

4.3 RWANDA SOCIAL SECURITY BOARD (RSSB)

4.3.1 Introduction

The Rwanda Social Security Board (RSSB) is the government institution mandated to administer social security in the country. RSSB is a legal authority, as well as administrative and financial autonomy, and is supervised by the Ministry of Finance and Economic Planning (MINECOFIN). RSSB manages six schemes: Pension, Occupational Hazard, Medical, Community-Based Health Insurance (CBHI), Maternity Leave Benefits, and EjoHeza (long-term saving scheme).⁶

4.3.2 Registration

In addition to the company TIN, the RDB system will also automatically generate an RSSB number for the payment of social security. This number is sent to the email address used for registration at RDB. When you have not received an email, you must return to RDB to obtain the number before you visit RRSB.

Unlike the company TIN, the RSSB number is not automatically activated. Business owners need to activate the number at the RSSB headquarters themselves once they commence business activities and start hiring staff. Activation can be completed by submitting a letter addressed to the Director General at the RSSB district office. In many cases, such registrations can be done by an accountant.

⁶ <https://www.linkedin.com/company/rwanda-social-security-board-rssb/>

Subsequently, all employees paid monthly need to be registered by their employers at the RSSB using the company RSSB number. Every foreign person who is a taxpayer (receives a salary) in Rwanda also needs to register themselves at the RSSB to obtain a personal RSSB number. Legally, employers are responsible to register their employees at RSSB. However, for Small and Medium Enterprises (SMEs) with no HR staff in charge of payroll and social security payments, employers can request their employees to register themselves using the company RSSB number.

After activation of the RSSB number, declaration of the contributions such as maternity, pension and CBHI need to be declared and paid. Declarations and payments are made monthly, no later than the 15th day of the following month. The declaration of pension and maternity contributions can be done through the RRA E-tax system.

Social security is an important element when hiring staff in Rwanda and can be divided into three divisions: working conditions, additional benefits, and fixed taxes. The following regulations should be followed to ensure good working conditions for employees:

- **Working days:** employees are allowed to work a maximum of 6 days per week.
- **Working hours:** employees are allowed to work a maximum of 45 hours per week.
- **Probation period:** the maximum allowed length of probation period is 6 months.
- **Notice period for redundancy dismissal:** the minimum allowed period is 6 salary weeks.
- **Maternity leave:** 90 calendar days/12 weeks. RSSB and the employer each cover 50% of the costs for maternity leave.

5 | De-registration process in more detail

This chapter covers the de-registration processes of the RRA, RSSB, and RDB.

5.1 RWANDA REVENUE AUTHORITY (RRA)

When you want to de-register your company at the RRA, the process starts with an application for a Tax Clearance Certificate (TCC). A TCC shows that your tax account is 'clean', meaning you have filed and paid all required taxes. The certificate can be requested via the RRA website by paying a service fee of 5,000 RWF through MoMo, MobiCash, or a bank.⁷ After the payment, the RRA will check that there are no errors. It is not possible to obtain a TCC if a tax account still has arrears. If your tax account is clean, the procedure takes three days. We recommend that you visit the RRA before applying and making the non-refundable payment. In this way, you can make sure your account is clean before starting the process of applying for TCC.

5.1.1 Application for tax clearance

Applications for a TCC are made online via the RRA website.

- Visit the RRA website: www.rra.gov.rw
- Click on 'Tax/RSSB clearance certificate' (on the right side).
- Click on 'Request'.
- Type in your TIN and reason for clearance application.
- Submit the request.
- Pay service fee of RWF 5,000 using MoMo, MobiCash or a bank payment.
- After two or three working days, download the signed and stamped RRA Clearance Certificate using your TIN or request number.

5.1.2 De-registration for centralized taxes

After obtaining clearance, you can start de-registration. De-registration for centralized taxes at RRA should be done first and can be completed online. It is possible to either de-register the entire business at once or to de-register for a specific type of centralized tax.

For example, you could remain registered for PAYE while being de-registered for VAT. Required documents for de-registration at RRA:

- Submission of annual tax declaration and payment receipt.
- A TCC, which is valid for three months.
- Copy of ID card or passport (for foreign investors).
- De-registration form downloaded from the RRA website.

⁷ https://www.rra.gov.rw/fileadmin/user_upload/rra_tax_handbook_november_2019.pdf

5.1.3 How to get a de-registration form

A business needs a de-registration form to be able to complete the full process of de-registration with the RRA. To get a de-registration form from the RRA:

- Visit the RRA website: www.rra.gov.rw
- Click on 'Domestic tax services'.
- Click on 'Registration & de-registration'.
- Click on 'Forms' and print, as a hard copy is required. https://www.rra.gov.rw/fileadmin/user_upload/de-registration_form_for_companies-english_1_.pdf
- Complete the form.

5.1.4 De-registration (combined procedure)

To follow the de-registration process at RRA:

- Visit the RRA website: www.rra.gov.rw
- Click on 'Pay Domestic taxes here'.
- Type your TIN and password.
- Click on 'Online requests' (on the left side).
- Click on 'De-registration request status'.
- Select tax type: if you want to close the business, select all tax types that your business is registered for. Alternatively, select the specific type of tax you want to de-register. For example, you are registered for PAYE and VAT and want to remain registered on PAYE while de-registering for VAT, select VAT only.
- Click on 'Retrieve'.
- Attach the de-registration form completed with all the requested information, plus a copy of your ID or passport. Married people also need to attach a copy of the ID or passport of their spouse.

5.1.5 De-registration for decentralized taxes

De-registration for the two types of decentralized taxes – cleaning fees and trading licenses – is done simultaneously. You cannot choose to de-register only one of these. The business has to be de-registered for centralized taxes before it is possible to de-register for decentralized taxes. Subsequently, you can proceed by following these steps:

- Visit the decentralized tax department at the RRA headquarters or visit the RRA district office where your company is registered.
- Ask for a de-registration form for decentralized taxes. Please note that it is currently not possible to get the form online.
- Complete the form.
- Take the completed form to the local government office: the sector (Umurenge) where your company is registered.
- Ask the Executive of the sector (Umurenge) to sign and stamp the form.
- Return to the decentralized tax department at the RRA headquarters and file the signed and stamped form.
- Await approval; the process takes between three and five working days.
- Download the certificate of de-registration approval for all taxes through the E-tax system, signed and stamped by the Commissioner General.

5.2 RWANDA SOCIAL SECURITY BOARD (RSSB)

De-registration at RSSB is done after obtaining a Clearance Certificate for your RSSB account, which is done via the website of RRA. (Procedures are detailed under de-registration at RRA).

5.2.1 Application for RSSB Clearance Certificate via RRA

After obtaining a de-registration approval from the RRA, you can proceed to de-register for social security contributions. Application of RSSB Clearance Certificate is done via the website of RR. We recommend applying for an RSSB Clearance Certificate online before visiting the office. Applications for RSSB Clearance Certificates are made online via the RRA website.

- Visit the RRA website: www.rra.gov.rw
- Click on 'Tax/RSSB clearance certificate' (on the right side).
- Click on 'Request'.
- Type your TIN and reason for the clearance application.
- Submit the request.
- Pay the service fee of RWF 10,000 through MoMo, MobiCash or bank payment.
- After two or three days, download the signed and stamped RSSB Clearance Certificate using your TIN or request number.

To de-register your business at RSSB:

- Write a stamped and signed letter addressed to the Director General of RSSB requesting de-registration for pension and maternity contributions.
- Submit letter at RSSB district office or headquarters.
- Collect de-registration RSSB approval at the RSSB office where the request was submitted.

5.3 RWANDA DEVELOPMENT BOARD (RDB)

After obtaining de-registration approval from the RRA, you can proceed to RDB for the completion of the de-registration procedure. Final de-registration at RDB takes one to two working days and requires the payment of a service fee of RWF 2,000. The de-registration of a business is completed once you have received two de-registration certificates: one from RRA and one from RDB.

Required documents for business de-registration at RDB:

- Signed and stamped de-registration certificate approval for all taxes from RRA.
- Business Registration Certificate (BRC) retrieved via RDB online portal (<https://rdb.rw/e-services/>).
- In the case of multiple shareholders: notarized minutes of shareholders' meeting authorizing business closure.

Additionally, owners of individual enterprises need to write a letter requesting business closure to the RDB Registrar General and submit it to RDB headquarter or other offices of RDB outside Kigali.

6 | Conclusion

For a foreign business to start operations in Rwanda, registration is required, which is first done at RDB using online platforms or visiting their offices and to the other institutions like RRA and RSSB. Registration entails for paying different types of tax, depending on the type of business.

It is important to note that if you are registered at RRA and RDB, you are legally obliged to file tax declarations at RRA and annual returns at RDB, even if your business has stopped operating. If you fail to do so, both RRA and RDB will impose penalties. Non-filing of annual returns does not lead to de-registration of a business. De-registration procedures at RDB, RRA and RSSB are separate processes. After de-registering a business at RRA, de-registration needs to be completed at RSSB and RDB. De-registration is only finalised upon receiving written confirmation (de-registration certificates) from all three organizations. If either RRA, RSSB, or RDB has not confirmed your de-registration, you could face penalties.

If you are considering setting up a business in Rwanda, we recommend that you consult foreign businesses already established in the country, tax advisors, or the RDB itself, to be sure about all the procedures that need to be followed, including tax registration to all institutions mentioned in the previous chapters (RDB, RRA, RSSB). For more details on what needs to be done after registration and starting operations, check our report on *Paying Taxes in Rwanda*.

Annex 1 | How to choose the right legal advisor

By means of an Act of the Rwandan parliament in 1997 (Law No 03/97), the Rwanda Bar Association (RBA) was established, which is Rwanda's legal professional organization. The RBA has three organs, which are (1) the General Assembly, (2) the Governing Council, and (3) the President of the Bar. It offers four services:

- **Legal aid.** The RBA (1) provides information to the public, (2) handles complaints between advocates and the public, and (3) provides legal information, advice, orientation, mediation, legal assistance, and representation to indigent and vulnerable people for free.
- **Service to advocates.** The RBA offers training for advocates, Certificat d'Aptitude à la profession d'Avocat certification (CAPA), medical insurance for its members and their dependents.
- **Legal education.** The RBA provides continuous legal education (CLE) to its members. Every application for annual practicing authorization must be accompanied by proof that the applicant has secured at least 2 credits or 30 hours of CLE in the past year.

The list of licensed advocates is updated every year. Companies are advised to ensure that the advocate/legal advisor working with them is on the updated list in that year. In addition, companies could collaborate with the BAR to ensure that they work with the right person, it is advised to have a legal person who is familiar with Rwandan laws. Lastly, we advise to check on different websites and talk to other foreign entrepreneurs sometimes they do have recommendations.



TRAIDE

Increasing Sustainable Trade and Investment
between the Netherlands and Africa

For more information, visit:
www.traide.org