

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information
on Request

RWANDA

2024 (Second Round, Phase 1)

Global Forum on Transparency and Exchange of Information for Tax Purposes: Rwanda 2024 (Second Round, Phase 1)

PEER REVIEW REPORT ON THE EXCHANGE
OF INFORMATION ON REQUEST

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Reader's guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum's work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.

The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction's compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.
2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

Consideration of the Financial Action Task Force Evaluations and Ratings

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML/CFT) standards. Its reviews are based on a jurisdiction's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, Annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to www.oecd.org/tax/transparency and <http://dx.doi.org/10.1787/2219469x>.

Abbreviations and acronyms

2016 Terms of Reference	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015
AML	Anti-Money Laundering
AML	Anti-Money Laundering
CDD	Customer Due Diligence
CMA	Capital Market Authority
DTC	Double Taxation Convention
EOI	Exchange of Information
EOIR	Exchange of Information on Request
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EUR	Euro
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FRW	Rwandan franc
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
Multilateral Convention	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
RRA	Rwanda Revenue Authority
TIN	Taxpayer Identification Number

Executive summary

1. This report analyses the implementation of the standard of transparency and exchange of information on request (the standard) in Rwanda on the second round of reviews conducted by the Global Forum. As Rwanda joined the Global Forum in 2017, no assessment of Rwanda was conducted under the first round of peer reviews. Therefore, this is the first assessment of Rwanda.
2. Due to the limited practical experience of Rwanda in exchange of information on request (EOIR), and in accordance with the 2016 Methodology for peer reviews and non-member reviews, as amended in 2021, this report assesses only the adequacy of Rwanda's existing legal and regulatory framework in force in Rwanda as of 22 July 2024 against the 2016 Terms of Reference (Phase 1 review). The assessment of the practical implementation of this legal framework will be conducted at a later stage (Phase 2 review) and launched in June 2027 at the latest (see Annex 3).
3. This report concludes that Rwanda has in place a legal and regulatory framework that generally ensures the availability of, access to and exchange of all relevant information for tax purposes, but that this framework requires improvement in one area.

Summary table of determinations on the legal and regulatory framework of Rwanda

Element	Second Round Report (2024)
A.1 Availability of ownership and identity information	In place
A.2 Availability of accounting information	In place
A.3 Availability of banking information	Needs improvement
B.1 Access to information	In place
B.2 Rights and Safeguards	In place
C.1 EOIR Mechanisms	In place
C.2 Network of EOIR Mechanisms	In place
C.3 Confidentiality	In place
C.4 Rights and safeguards	In place
C.5 Quality and timeliness of responses	Not applicable
OVERALL RATING	Not applicable

Note: The three-scale determinations for the legal and regulatory framework are In

place, In place but needs improvement, Not in place. (For the Phase 2 review, the four-scale ratings for the legal and regulatory framework and its implementation in practice are Compliant, Largely Compliant, Partially Compliant and Non-compliant.)

Transparency framework

4. Rwanda's company laws require the availability of information on the identity and legal ownership of Rwandan entities and foreign entities registered to conduct business in Rwanda. The constitutive documents of new entities must contain this information to be incorporated or registered by the Registrar General. The Registrar General keeps a register with this information. Obligations to keep updated company registers and to update the Registrar General of changes within seven days of the change ensure that up-to-date legal ownership information is available with the entities and the Registrar General. Retention of records is ensured through a standard ten-year minimum retention period for the entities and for the Registrar General with whom the companies must deposit their legal ownership records when they cease to exist.

5. The standard requires the availability of information on beneficial owners of legal entities and arrangements. Rwanda has recently implemented a three-pronged approach to meet this requirement. The main source of beneficial ownership information is the newly established requirements for legal entities and arrangements to maintain an internal register of beneficial owners with a corresponding obligation for the Registrar General to maintain several central registers of beneficial ownership. Beneficial ownership information may also be available from persons with reporting obligations under the Anti-Money Laundering (AML) law (AML-obliged persons) in cases where the legal entity or arrangement has a relationship with an AML-obliged person, although this is not mandatory. Deficiencies identified in the AML framework may be compensated by the regime requiring entities and the Registrar General to maintain beneficial ownership information, although this regime is in its nascent stage. However, in respect of beneficial ownership information of bank account holders, where the AML framework is the only source of beneficial ownership requirements, one identified deficiency may have an impact on compliance with the standard.

6. A combination of obligations imposed in the laws establishing or recognising legal entities and arrangements and the tax laws require the availability of accounting information of legal entities and arrangements. The AML framework, and to a lesser extent the banking laws, contain an obligation for banks to obtain and retain details of their customer's identity (including beneficial ownership) and all banking transactions.

Key recommendation

7. The AML framework mandates banks (as AML-obliged persons) to conduct risk-based customer due diligence when establishing a business relationship, when there are doubts regarding the veracity or adequacy of previously obtained customer identification data or while performing prescribed occasional transactions. Guidelines prescribe updating of beneficial ownership information at least once annually and also whenever the bank becomes aware of a change in the data related to beneficial ownership. However, in respect of low-risk customers for which simplified due diligence applies, updating of beneficial ownership information can be done at a frequency lower than that applicable otherwise and this lower frequency is not specified in the legal framework. Accordingly, a recommendation has been given under Element A.3 for Rwanda to ensure that complete and up-to-date beneficial ownership information is available for bank accounts in all cases.

Exchange of information

8. Rwanda's network of EOI agreements covers 151 jurisdictions, through the Convention on Mutual Administrative Assistance in Tax Matters (the Multilateral Convention), 20 bilateral double taxation agreements and the East African Community Regional Agreement for the Avoidance of Double Taxations and the Prevention of Fiscal Evasion. Exchange can take place with 141 partners with whom an instrument is in force.

9. Rwanda can rely on a specific provision in its Tax Procedures Law for obtaining information requested in an EOI request regardless of any domestic tax interest, which is in line with the standard.

10. The present report does not include any key recommendations on exchange of information as Rwanda's EOI framework has no material deficiencies.

11. Rwanda does participate in the exchange of information in practice, although it has limited experience in this area. Over the last three years, Rwanda received eight requests for information and also sent eight requests to partners. Two peers provided peer inputs. One peer highlighted that the responses received from Rwanda were timely and complete while the other peer noted some difficulties with receiving timely responses although the delay was due in part to that peer's delay in providing further information requested by Rwanda. This report does not cover the assessment of EOI in practice which will be subject to a future Phase 2 review at a later date.

Next steps

12. This report only assesses Rwanda's legal and regulatory framework for transparency and exchange of information for tax purposes. It is determined to be "in place" for Elements A.1, A.2, B.1, B.2, C.1, C.2, C.3 and C.4 of the standard and "in place but needs improvement" for Element A.3. Each element will be rated and the overall rating given at the conclusion of the Phase 2 review.

13. This report was approved by the Peer Review Group of the Global Forum on 8 October 2024 and adopted by the Global Forum on 20 November 2024. A self-assessment report on the steps undertaken by Rwanda to address the recommendation made in this report should be provided to the Peer Review Group in accordance with the methodology for enhanced monitoring as per the schedule laid out in Annex 2 of the methodology. The first such self-assessment report from will be expected in 2026, and thereafter, once every two years.

Summary of determinations, ratings and recommendations

Determinations	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities (Element A.1)		
The legal and regulatory framework is in place		
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements (Element A.2)		
The legal and regulatory framework is in place		
Banking information and beneficial ownership information should be available for all account-holders (Element A.3)		
The legal and regulatory framework is in place but needs improvement	Customer due diligence measures require identification of beneficial owners of customers and updating this information on an ongoing basis in specific situations or at least once annually in any case for high risk or normal risk customers. However there is no specified frequency in the legal and regulatory framework for updating beneficial ownership information of low-risk customers that are subject to simplified customer due diligence.	Rwanda is recommended to ensure that in all cases up-to-date beneficial ownership information for all bank accounts is available in line with the standard.

Determinations	Factors underlying recommendations	Recommendations
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) (Element B.1)		
The legal and regulatory framework is in place		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information (Element B.2)		
The legal and regulatory framework is in place		
Exchange of information mechanisms should provide for effective exchange of information (Element C.1)		
The legal and regulatory framework is in place		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners (Element C.2)		
The legal and regulatory framework is in place		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received (Element C.3)		
The legal and regulatory framework is in place		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties (Element C.4)		
The legal and regulatory framework is in place		

Determinations	Factors underlying recommendations	Recommendations
The jurisdiction should request and provide information under its network of agreements in an effective manner (Element C.5)		
Legal and regulatory framework:	This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made.	

Overview of Rwanda

14. This overview provides some basic information about Rwanda, which serves as context for understanding the analysis in the main body of this report. Rwanda is a land-locked country in east-central Africa bordered by Uganda to the north, Tanzania to the east and Democratic Republic of Congo to the west. It gained independence from Belgium on 1 July 1962 and had an estimated population of 13.8 million in 2022. Its population has increased rapidly over the last decades, despite a significant drop from 7.9 million in 1993 to 5.7 million in 1995 due to the 1994 genocide.

15. Rwanda's first official language is Kinyarwanda, alongside French and English as the other official languages. Kigali is the capital and the city where institutions have their headquarters.

16. The official currency is the Rwandan franc (currency code: FRW). As of 10 April 2024 one Euro (EUR) was worth 1416.50 Rwandan francs.¹

17. In 2022, the Gross Domestic Product (GDP) per capita was EUR 2 572 of which 22.5% consisted of revenues from exporting goods and services. Trade is concentrated on a few export products: coffee, tea and minerals such as gold, tin ores and tungsten. The high reliance on revenues generated by the export of gold makes the economy vulnerable to price fluctuations in this commodity. Around two-thirds of all exports go to the two main export partners: Democratic Republic of Congo and United Arab Emirates. Moreover, foreign direct investment flows account for 3% of the GDP.

Legal system

18. Rwanda is a democratic Presidential Republic established by its Constitution, which was adopted by referendum in 2003. The Constitution sets out the rights and freedoms of Rwandan citizens, the duties of the State

1. Source: National Bank of Rwanda webpage: <https://www.bnr.rw/> (consulted on 10 April 2024).

and citizens and establishes three independent branches of government – the legislature, the executive and the judiciary.

19. Rwanda's legal system is based on a mixture of civil and common law with both systems incorporated into its national laws. Its legal system relies on a single national law applicable to the whole territory. The hierarchy of laws is set out in Article 95 of the Constitution. The Constitution is the supreme law, followed by the organic laws, international treaties and agreements ratified by Rwanda, ordinary laws, orders and regulations. In case of conflict between domestic laws and international treaties and agreements, Article 95 of the Constitution provides that a law cannot contradict another law that is superior in hierarchy. Thus international treaties and agreements override any conflicting provisions in ordinary law, orders or regulations. Article 171 of the Constitution seeks to avoid conflicts between the Constitution and organic laws,² and international treaties or agreements, by prohibiting ratification of a treaty or agreement with such a conflict until the conflicting provision of the Constitution or organic law is modified.

20. The legislative power is vested in Rwanda's bicameral Parliament comprising the Chamber of Deputies and the Senate. The Chamber of Deputies comprises 80 members, 53 of whom are elected based on voting in a proportional representation system, 24 are women elected by specific electoral colleges in accordance with the national administrative entities, 2 are elected by the National Youth Council and 1 by the National Council of Persons with Disabilities. The Senate comprises 26 members who are elected or designated by specific bodies or appointed by the President of the Rwandan Republic. The Parliament's function is to debate and pass laws and exercise oversight of the executive. Article 97 of the Constitution vests executive power in the President of the Republic, who is directly elected by simple majority and the Cabinet. The Cabinet is made up of the Prime Minister, Ministers, Ministers of State and other members who may be determined by the President of the Republic.

21. Article 149 of the Constitution vests the judicial authority in the judiciary³ composed of Ordinary Courts and Specialised Courts established by organic laws.⁴ The Constitution also establishes the independence of the judiciary as well as its financial administrative autonomy. There are

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2. Organic laws which regulate key constitutional matters such as establishment of judiciary, conduct of elections, etc.
 3. The High Council of the Judiciary is the supreme governing organ of the Judiciary that sets general guidelines governing its organisation.
 4. In addition to the Judiciary, Rwanda has the Abunzi system which is a mediation committee based on the traditional system for resolving minor civil and land-related disputes at the sector and cell level. The system, which is recognised in Article 142 of the Constitution, is administered by persons elected by their peers based on their

five types of ordinary courts and by order of superiority are as follows: the Supreme Court, the Court of Appeal, the High Court, the Intermediate Courts and Primary Courts. Furthermore, there are two types of specialised courts: commercial and military courts. Matters relating to tax are generally adjudicated in the commercial courts.

Tax system

22. Law No. 08/2009 determining the organisation, functioning and responsibilities of Rwanda Revenue Authority (RRA) establishes the RRA as Rwanda's tax authority to administer and collect taxes in Rwanda. The RRA is a public institution with financial and administrative autonomy. It is managed by senior management and a Board of Directors and is supervised by the Ministry of Finance and Economic Planning.

23. Rwanda operates both a source and residence-based taxation system. Resident entities, i.e. those established under Rwandan law or with their place of effective management⁵ in Rwanda at any time during the tax period, are taxed on their worldwide income. However, where such income is taxed in another country, a unilateral tax credit not exceeding the tax that would have been payable on that income in Rwanda is allowed. Income that is deemed to be sourced within Rwanda is liable to tax in Rwanda. Non-resident entities are taxed on income sourced in Rwanda through a permanent establishment.

24. Law No. 027/2022 establishing taxes on income (Income Tax Law), as amended, imposes a standard corporate income tax rate of 28% with lower rates provided for certain industries or sectors of the economy, as well as newly listed companies based on the percentage of shares publicly traded. Micro-enterprises with turnover of less than FRW 12 million (EUR 8 471) in a tax period pay a flat tax (ranging between FRW 60 000 to FRW 300 000 (EUR 42 to EUR 212)), while small businesses with turnover between FRW 12 and 20 million (EUR 8 471 and 14 119) pay a lump sum tax at the rate of 3% of turnover. The tax year is the calendar year.

integrity and conciliatory skills. Decisions of the Abunzi Committee are binding but may be appealable in primary courts.

5. An entity is deemed to have its place of effective management in Rwanda if Rwanda is the location: of its day-to-day control and management; of its shareholders' meetings, where its books of accounts are prepared and kept; or where its main shareholders or directors are resident (Article 2 of Ministerial Order No. 003/19/10/TC of 29 April 2019 determining a taxpayer's permanent residence and the location of effective place of management).

25. Rwandan resident individuals are subject to personal income tax on their worldwide income. An individual is resident in Rwanda if the individual fulfils one of the following conditions, i.e. the individual:

- has a permanent residence or habitual abode⁶ in Rwanda
- is a Rwandan representing Rwanda abroad
- is present in Rwanda during the tax year for a period(s) in aggregate of 183 days or more
- is present during the tax period⁷ of assessment and has been present for periods averaging more than 122 days in each of the preceding tax periods.

26. Personal income tax is paid annually on profits or turnover and monthly on gross salary. Tax rates are progressive and range from 0% to 30% for both business and employment income.

27. Rwanda imposes other taxes. The Income Tax Law imposes withholding taxes on certain payments such as dividends financial interests, royalties, management and technical service fees, to persons who are not Rwandan registered taxpayers or taxpayers who have not made recent income tax declaration. Other direct taxes imposed by Rwanda include capital gains tax, immovable property tax, rental income tax and trade licences. Indirect taxes are the value added tax and excise duty.

Financial services sector

28. The financial sector in Rwanda represents around 48% of Rwanda's GDP with an asset base of FRW 9 635 billion (approximately EUR 7 billion) as of June 2023.⁸ The sector is made up of deposit taking financial institutions (banks and microfinance), the non-bank institutions such as pension, insurance and non-deposit taking providers and the securities market. The banking sub-sector accounts for two-thirds of the total financial sector's assets and consists of 15 banks: 10 commercial banks (9 subsidiaries of foreign banks), 3 microfinance banks, 1 development bank and 1 co-operative

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6. Permanent residence of a taxpayer refers to the taxpayer's home, house, apartment, a hotel or any other residential quarters in Rwanda where the taxpayer usually stays (Article 1 of Ministerial Order No. 003/19/10/TC of 29 April 2019 determining a taxpayer's permanent residence and the location of effective place of management).
 7. The tax period is the calendar year from 1 January to 31 December unless the Minister permits a taxpayer to use another 12-month period (Article 8, Income Tax Law).
 8. Monetary Policy and Financial Stability Statement (MPFSS), September 2023, <https://www.bnr.rw/>.

bank. Three of the commercial banks are also licensed to provide custodial services. Microfinance institutions contribute only 6% of the financial sector's assets, representing FRW 598 billion (EUR 422 million) but have the highest number of entities with 458 institutions, mainly savings and credit co-operatives.

29. The non-bank sub-sector is composed of insurance, pension and non-deposit taking financial service providers and account for a quarter of the financial sector's assets. The pension sub-sector is composed of 1 public pension scheme and 12 private pension schemes. It is dominated by the mandatory public pension scheme for all salaried workers. Total pensions assets stood at FRW 1 576 billion (EUR 1 billion) as of June 2023, representing 16% of the total assets of the financial sector. The insurance sub-sector with 15 institutions offering life and non-life insurance accounted for 9% of the total assets of the financial sector (FRW 877 billion or EUR 619 million) as of September 2023.

30. Thirty-nine non-deposit taking lending institutions hold aggregate assets of FRW 89 billion (EUR 63 million) which represents just under 1% of financial sector assets. This sub-sector is composed of 15 debt collection companies, 21 lending-only institutions, 9 trust and company service providers (TCSPs), 1 credit guarantee scheme, 1 leasing company and 2 factoring companies. In addition, the financial sector has a number of other financial service providers, including foreign exchange bureaus and payment system service providers.

31. The total assets of the Rwanda securities market amounts to less than 1% of the total assets of the financial sector. The actors in this market include the Rwanda Stock Exchange with ten listed companies, a commodity exchange, six security brokers or dealers, one sponsoring broker,⁹ three investment banks, one investment advisor, three custodians, seven investment managers, two collective investment schemes and three credit rating agencies. Market capitalisation as of 31 December 2023 was at approximately EUR 2.7 billion.

32. The regulation of the financial sector is shared between the National Bank of Rwanda (Central Bank) and the Capital Market Authority (CMA). The National Bank of Rwanda supervises all the entities in the sector, except for the securities market participants, which are under the purview of the CMA.

9. An entity licensed by the Capital Market Authority to arrange deals, and provide advice in relation to the issuance of capital market instruments.

Anti-money laundering framework

33. The Anti-Money Laundering (AML) framework in Rwanda is based on the Law No. 028/2023 on the prevention and punishment of money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML Law). Articles 12, 13, 14 and 20 of this law contain the customer due diligence (CDD) requirements, with specific requirements in respect of legal persons, legal arrangements, beneficiaries of long-term insurance policies and the record keeping obligations of AML-obliged persons. The AML-obliged persons under the AML Law are financial institutions, legal professionals when conducting specified transactions, auditors, accountants, tax advisors, real estate agents, dealers in precious metals and stones, persons involved in money distribution business, trust and company services providers and casinos and national lotteries gaming halls. This primary law is complemented by regulations and guidelines issued by different AML supervisory authorities. The Financial Intelligence Centre (FIC) is the authority charged with receiving and analysing suspicious transaction reports and other information related to offences under the AML Law and disseminating the results of their analysis to relevant authorities. Co-ordination of the supervisory authorities falls under the purview of the Co-ordinating Council, which is the national committee charged with co-ordinating the AML efforts under Article 37 of the AML Law.

34. The International Monetary Fund conducted the first mutual evaluation of Rwanda's AML regime in June 2012. The Mutual Evaluation Report was adopted by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)¹⁰ Council of Ministers in 2014.¹¹ The evaluation concluded that Rwanda was Non-compliant with Recommendation 5 (now Recommendation 10 on Customer due diligence), Recommendation 12 (now Recommendation 22 on Designated Non-Financial Business and Professions – Customer due diligence), Partially Compliant with Recommendation 33 (now Recommendation 24 on the transparency of legal entities) and Recommendation 34 (now Recommendation 25 on the transparency of legal arrangements) was determined not to be applicable.

35. Between 2017 and 2018, Rwanda conducted a National AML Risk Assessment in collaboration with the ESAAMLG and the World Bank. Following the recommendation of the report from this exercise, Rwanda established the FIC to replace the Financial Investigation Unit as the national authority receiving and analysing suspicious transaction reports and other information related to money laundering and associated predicate

10. FATF-style regional body in which Rwanda is a member.

11. <https://www.esaamlg.org/reports/Mutual%20Evaluation%20Report%20of%20Rwanda.pdf>.

offences, terrorist financing, etc. and disseminating the results of such analyses to relevant authorities. In addition to the establishment of the FIC, different laws, regulations and guidelines were enacted by different institutions to address the findings of the risk assessment.

36. Rwanda is undergoing its second-round mutual evaluation by ESAAMLG which started in September 2022. The on-site visit took place from 26 June to 14 July 2023. The report was approved by the 47th ESAAMLG Task Force of Senior Officials meeting held in April 2024 and is awaiting approval of the Council of Ministers of the ESAAMLG Region.

Recent developments

37. During the recent years, Rwanda has made changes to its legal and regulatory framework to comply with the standard. In particular these changes were aimed at ensuring the availability of legal and beneficial ownership information for all relevant entities and arrangements and reinforcing the capacity of the authorities responsible for monitoring compliance with the requirements. Amendments were made to the companies' legislation to expressly abolish bearer shares, to require the use of physical address instead of electronic addresses as registered addresses by entities. Rwanda also introduced requirements in various laws for entities or arrangements and the companies registrar to maintain beneficial ownership information. Provisions have also been made for the deposit of the records of entities and arrangements with regulators at the end of their life.

Part A: Availability of information

38. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of banking information.

A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

39. Rwanda's legal and regulatory framework requires that identity and ownership information of relevant entities and arrangements is available in accordance with the standard. Companies, partnerships, trusts, foundations and co-operatives are required to provide this information upon registration with the Registrar General or the Rwanda Co-operative Agency, as the case may be. Notification of change requirements on the legal entities and arrangements ensure that the registers held by the Registrar General are updated when there is a change in legal ownership information. The requirements apply similarly to foreign companies with a permanent establishment in Rwanda and foreign trusts having property in Rwanda or being administered by a Rwandan resident. Annual filing requirements on companies also provide for periodic updates. The records held by the Registrar General are kept for a minimum of ten years. Legal entities and arrangements have a uniform minimum retention period of ten years. Except for trusts, legal entities and arrangements must also hand over the records to the Registrar General when they cease to exist, to be kept for a further ten years. The records of trusts which cease to exist must be kept by the trustee for ten years.

40. Rwanda has implemented a multi-pronged approach to require the availability of beneficial ownership information in accordance with the standard. This includes the customer due diligence (CDD) requirements on Anti-Money Laundering (AML)-obliged persons in the AML Law, and requirements in company law on entities and arrangements to keep internal

registers of beneficial owners and finally, requirements to ensure the beneficial ownership information in the internal registers kept by entities and arrangements is mirrored in the central registers kept by the Registrar General. Similar to legal ownership information, records of beneficial owners must be maintained while a person is a beneficial owner and for ten years after the person ceases to be a beneficial owner. The delivery of the records by the legal entities and arrangements (except for trusts) to the Registrar General on their cessation to be kept for ten years ensures the records are retained for the minimum period required under the standard.

41. The regimes requiring entities and arrangements to keep beneficial ownership information, though in line with the standard, were recently established and the AML regime does not cover all relevant entities and arrangements. Guidance issued by the different authorities supervising AML-obliged persons on the methodology of identification of the beneficial owners is not consistent in all cases, although the main guidance is in line with the standard. The implementation of the various requirements will be assessed in the Phase 2 of the review process.

42. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Rwanda in relation to the availability of ownership information.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.1.1. Availability of legal and beneficial ownership information for companies

Types of companies

43. Law No. 007/2021 governing companies (hereinafter Companies Law) provides for the incorporation of different types of companies as private¹² or public companies in Rwanda, defined as follows in Article 2:

- **Company limited by shares** (*société à responsabilité limitée par actions*): a company in which the liability of shareholders is limited to the amount paid or unpaid on the shares held by them. As of 30 June 2023, there were 148 146 limited liability companies of which only 928 were public companies.

12. Private companies cannot have more than 100 members or shareholders and restrict the right to transfer their shares or debentures.

- **Company limited by guarantee** (*société à responsabilité limitée par garantie*) is a company in which the liability of its members is limited to the amount agreed by members and is used primarily by non-profit organisations. They cannot be public companies. As of the 30 June 2023, there were 779 companies limited by guarantee (see paragraph 205-210).
- **Company limited by shares and guarantee** (*société à responsabilité limitée par actions et par garantie*): a company in which liability of shareholders is limited to the paid or unpaid amount on their shares or where liabilities of members are limited to the amount that members undertake to contribute to the assets of the company in case of winding up. They can either be public or private companies (Article 11). There were 357 private and 13 public companies limited by shares and guarantee as of 30 June 2023.
- **Unlimited company** (*société à responsabilité illimitée*): a company for which the liability of members or shareholders is not limited, where all members or shareholders have total and joint liability to cover all contingent debts. They are precluded from being public companies. However, 10 of the 836 unlimited companies in existence as of 30 June 2023, were erroneously registered as public companies. This is in the process of being corrected by the Registrar General.
- **Protected cell company** (*société à cellules protégées*): a company in which a single legal entity consists of a core linked to several cells, each cell having separate assets and liabilities and separate shares. As of 30 June 2023, there was only one private protected cell company.
- **Community benefit company** (*société d'intérêt Communautaire*): a company with mainly social objectives whose surpluses are re-invested, for that purpose, in the business or in the community rather than being driven by the need to maximise profit for its shareholders or owners. As of 30 June 2023, there was only one community benefit company.

Legal ownership and identity information requirements

44. The legal ownership and identity requirements for companies are found mainly in the Companies Law but there are also requirements for the legal ownership information to be held under the tax law. The AML Law requirements do not ensure availability of complete legal ownership information in all cases. The following table shows a summary of the legal requirements to maintain legal ownership information in respect of companies.

**Companies covered by legislation regulating
legal ownership information¹³**

Type	Company Law	Tax Law	AML Law
Limited liability company	All	All	Some
Company limited by guarantee	All	All	Some
Company limited by shares and guarantee	All	All	Some
Unlimited company	All	All	Some
Protected cell company	All	All	Some
Community benefit company	All	All	Some
Foreign companies (tax resident)	All	All	Some

Companies Law requirements

45. The Companies Law, in Articles 19 and 20, sets out the requirements for legal ownership and identity information to be presented to the Registrar General **at the time of incorporating a company**. The application for incorporation must include:

- incorporation documents signed by each shareholder or member of the applicant
- prescribed consent forms signed by each shareholder or member
- prescribed consent forms signed by each person named as director or secretary
- the memorandum of association stating the proposed name of the company, address of its registered office in Rwanda, its proposed business activity, type of company, extent of liability of shareholders, information relevant to the specific company as prescribed by the law and such other information as may be required in the Registrar General's regulations
- if the company has a share capital, the memorandum of association must also include the full name and address of every shareholder at incorporation along with the shares to which each shareholder has agreed to subscribe and the consideration provided or to be provided in respect of those shares

13. The table shows each type of entity and whether the various rules applicable require availability of information for “all” such entities, “some” or “none”. “All” means that the legislation, whether or not it meets the standard, contains requirements on the availability of ownership information for every entity of this type. “Some” means that an entity will be covered by these requirements if certain conditions are met.

- where the company has articles of association, a copy thereof
- beneficial owners' information.

46. Article 22 of the Companies Law makes the registration of a company by the Office of the Registrar General compulsory. The application for registration of a company is a fully automated process that is free of charge. Upon receipt of an application for registration that fulfils the requirements of the law, the Registrar General must register the application, register the details of the company in the Register of companies and businesses, and issue a certificate of incorporation. The certificate of incorporation states the company's registered name, registered code, type and date of incorporation. Once incorporated, the company has legal personality.

47. The company is subject to record keeping obligations to ensure it has up-to-date legal ownership and identity information on its shareholders (which include the legal owners of the core as well as the cells in the case of a protected cell company) at all times. These requirements are set out in Article 111 of the Companies Law and require the records to be kept at the registered office, i.e. a location in Rwanda at which the company's management is based or at any other place in Rwanda,¹⁴ for at least ten years from the end of the year to which the record relates. Any change in the location of the records must be notified to the Registrar General within ten days.

48. Among the records required to be kept by the company are its incorporation documents, **a register of shares and debentures**, an alphabetically arranged index of shareholders and an internal register of beneficial owners. In addition, companies are required to maintain a capital account for each class of shares stating the name and address of each shareholder along with the type and class of shares held.

49. Under Article 114 of the Companies Law, a director and a company secretary are entrusted with responsibility for ensuring that the register of shares and debentures is properly kept. Notwithstanding, the company may appoint an agent to maintain the register in Rwanda on its behalf. The register must contain the following particulars:

- shares and debentures issued
- names, number of shares held and latest known addresses of shareholders and debenture holders, including persons who had been shareholders or debenture holders within the last ten years
- the date of allotment of shares and the change of ownership of shares or debentures within the last ten years

14. Article 2 of the Companies Law.

- any restrictions or limitations on the transfer of shares or debentures set out in the incorporation documents or in the terms of issue of the shares or debentures.

50. In case of a change, Article 111 requires the register to be updated within seven days from the date of the change. Furthermore, the transfer of shares in a company is effected by entry of the name of the transferee in the company's register of shareholders unless varied by the company's incorporation documents. To effect a transfer, the company must receive a share transfer form signed by the transferor (i.e. the shareholder or other person who has a right to the shares by operation of law) and transferee, the original share certificate or substitute document and where the share is being transferred by a person by operation of law, sufficient evidence of such transmission. Upon receipt of the required documents, unless the board of directors resolves to refuse or delay the registration of the transfer, the company enters in its register of shareholders the name of the transferee as the new shareholder.¹⁵

51. While the Companies Law sets clear obligations for companies to keep complete and up-to-date legal ownership information related to shareholders, i.e. owners of shares, there are no equivalent obligations for the information on members, i.e. persons who agreed to pay a specific amount in case of the company's inability to pay its creditors. The law simply indicates that members are individuals or legal persons whose name is entered in the register of guarantees, but the law contains no further mention of this register. However, the Rwandan authorities apply the provisions relating to the register of shareholders with the necessary modifications to guarantors who are considered as legal owners.

52. The Registrar General is also a source of legal ownership and identity information by virtue of the duties prescribed in the Companies Law.

53. Companies are required to submit an annual return updating legal ownership and identity information held by the Registrar General (Article 143 of the Companies Law). The annual return contains particulars relating to:

- the location of any records that are not kept at the registered office of the company
- full names and addresses of the directors and secretary of the company
- the shares allotted and the value of consideration of each share allotted
- full names and addresses of all the shareholders and the number of shares held by each

15. Article 75 of the Companies Law.

- details of shareholders who ceased to be shareholders since the filing of the last return
- the details of any transfers of shares.

54. Finally, Article 193 provides for notice of alteration of incorporation documents to be delivered to the Registrar General within ten working days of the alteration. While the article does not specifically refer to a change in shareholding as an alteration of incorporation documents, the Rwandan authorities interpret this provision to require notification of changes in shareholding. The Rwandan authorities report that in practice companies file notification of changes in shareholding under Article 193. It remains that the law refers only to the allotment and creation of new shares, and not to the mere transfer of shares. Thus, even if many companies notify the Registrar of transfers in practice, this does not amount to an enforceable obligation. The practical implementation of the law will be reviewed in Phase 2.

55. In conclusion, the Companies Law requires legal ownership and identity information in respect of companies to be available with the companies themselves and the Registrar General. Companies are required to provide this information as part of their incorporation application, and to keep a register of shareholders including a record of the transfer of any shares for a period of ten years. Up-to-date information on the legal owners of domestic companies is available with the Registrar General through the requirements to register the company's constitution documents presented at the time of incorporation and for companies to notify the Registrar General of certain changes and to file annual reports. In any case, the Registrar General must be kept abreast of the place where the company holds its records and both the records of the company and the register kept by the Registrar General for a minimum of ten years are publicly searchable.

Foreign companies

56. Article 247 of the Companies Law as amended, mandates a foreign company, i.e. a company incorporated outside of Rwanda that establishes a place of business in Rwanda, to apply for registration with the Registrar General within ten working days of establishing a place of business. Failure to register the foreign company within the ten days is an offence for which the company and its director are each liable to a fine of between FRW 1 million (EUR 706) and FRW 3 million (EUR 2 118). While there is no guidance in the legislation on what constitutes a place of business for the purpose of registration, the Rwandan authorities indicate that the term is interpreted to include a foreign company which has its head office or its management in Rwanda. As of 30 June 2023, there were 729 foreign companies registered in the register of companies in Rwanda.

57. The application for registration must be signed by the foreign company's representative. The application form must be accompanied by a copy of evidence of the foreign company's registration, a certified copy of the company's constitution document¹⁶ (with a certified translation where required), a memorandum of understanding or power of attorney to represent the company in Rwanda and a declaration of the authorised representative of the company. The application for registration must state the following information in respect of the foreign company:

- name, the principal place of business and address of the company
- the full names and residential addresses of its directors
- its accounting reference date
- the full name, address, taxpayer identification number (TIN) or other identification number of shareholder and the number of shares held
- beneficial ownership information.

58. The obligations of the Companies Law, including the obligation to keep a register of shares and debentures under Article 114, apply to foreign companies. Article 257 places the burden of meeting this requirement on the authorised representative of the foreign company. Furthermore, the directors of a foreign company registered in Rwanda are required to file an annual return with the Registrar General and list shareholders, including their names, address, TIN or other identification number and number of shares held.

59. Consequently, legal ownership and identity information of foreign companies registered in Rwanda is available with the Registrar General.

Companies that cease to exist

60. Article 280 of the Companies Law provides that a company ceases to exist upon removal from the register. Removal of a company from the register strips the company of its legal personality but does not affect the liability of its former directors or shareholders or any other person for acts or omissions that occurred prior to its removal from the register.

61. The Registrar General may remove a company from the register for various reasons: the company has been liquidated¹⁷ or dissolved,¹⁸ the

16. It is not required to be submitted if it only details the internal management of the company.
17. An application for removal can also be made where the company is insolvent and no liquidator is acting or the liquidator has failed to file insolvency documents with the Registrar General or where a liquidator files the final report and accounts of liquidation and statement required under the insolvency law.
18. A request for removal may be made by a duly authorised shareholder, the board of directors or any other person. A procedure is set out in Article 208 for a solvent

company seems to have ceased its activities (be defunct) and does not comply with its obligations vis-à-vis the Registrar, a third party has asked for its removal (shareholder, creditor, etc.). The Registrar General must give at least 30 days' notice of the intention to remove the company from the register and grounds for doing so, to the company, to any secured party with a registered interest in the company's property (creditor), and to the Rwanda Revenue Authority (RRA)(see also paragraph 73). In case a company removed from the register still had assets, they devolve to the State.

62. Legal ownership information of companies which cease to exist would be held by the Registrar General, as it receives updated information with the annual return. In addition, since an amendment to the Companies Law in 2023, Article 111 directs the company secretary, directors or liquidators to file copies of the company's records with the Registrar General within 30 days of the company ceasing to exist. Thereafter, the Registrar General retains the documents for ten years. The Phase 2 review will analyse how the Registrar General ensures in practice the deposit of the records holding legal ownership information of companies which cease to exist (see Annex 1).

63. The Companies Law The Companies Law provides for restoration of a company by the Registrar General or by the court within ten years of its removal from the register (Articles 287 and 288). The Registrar General may take the initiative to restore a company or act on an application, if satisfied that (i) the company was carrying on business at the time of its removal and was therefore wrongly removed as being defunct, or (ii) there was another reason for the company's continued existence, or (iii) the company was party to legal proceedings or (iv) was subject to an insolvency process. In addition to these grounds, the court is empowered to restore a company where the applicant had an undischarged claim against the company or intended to pursue a right of action on behalf of the company or otherwise where it is just and equitable to do so. Before restoration to the register by the Registrar General or the court, any default for which the company was removed from the register must be remedied. Thus where failure to keep updated legal ownership information was the fault for which a company was removed from the register, the Registrar General would have to be provided with updated legal ownership information before the company is restored. Further, only the court can restore the company to the register as if it had not been removed from the register. As the possibility of restoring a removed company is limited to ten years, which corresponds to the retention of the documents, the procedure would not entail a loss of legal ownership information.

company which has satisfied its liabilities and distributed its surplus assets to request removal from the register.

64. Articles 317 to 322 of the Companies Law allow companies to transfer their incorporation to another jurisdiction (re-domiciliation). To apply for this procedure, the company must: be solvent and not be in liquidation or receivership, receive a no objection notice from the RRA, and provide documentary evidence which satisfies the Registrar General that the company is to be incorporated or registered in another jurisdiction. The application must be approved by the shareholders and notice of the application must be published before the company is removed from the register. The company ceases to exist in Rwanda upon the removal of the company from the register, thus the requirement in Article 111 for the company secretary or director to file copies of its records, including its register of shares and debentures, with the Registrar General applies to a redomiciled company. Again, the Registrar General keeps any legal ownership information received from the company for ten years.

Tax law requirements

65. Legal ownership and identity information on companies is available to the RRA through information sharing with the Registrar General. The RRA receives this information from the Registrar General upon the incorporation of domestic companies or the registration of foreign companies. This allows the RRA to automatically assign TINs to the entities.

66. The RRA also collects legal ownership information for taxpayers registered for value added tax through the process of opening an account for the electronic billing machines used in the administration of that tax. As part of the application, taxpayers are required to disclose their shareholders' names, telephone numbers, national identification or TIN and attach a copy of the company's incorporation or registration certificate. This requirement applies to all taxpayers engaged in business activities.

67. The RRA has recently developed an annex to the prescribed annual income tax declaration which taxpayers must complete with their up-to-date legal and beneficial ownership information as part of the annual income tax filing. Taxpayers were required to file the annex for the first time by 31 March 2024 for the 2023 tax period. The taxpayer is required to update legal ownership information held by the RRA as Article 11 of the Tax Procedures Law imposes a duty on taxpayers to notify the RRA of any changes related to the taxpayers or to their activities within seven days of becoming aware of the change. The Rwandan authorities inform that changes in this article include any change in the ownership of the taxpayer.

Anti-money laundering law requirements

68. Article 11 of the AML Law requires an AML-obliged person to undertake customer due diligence (CDD) when establishing a business relationship. This includes identifying the customers and verifying their

identity using reliable, independent sources of information. The customer's identity should also be verified through information on the name, legal form and proof of existence, the address of its registered office and principal place of business, if different.

69. In addition, Article 13, which relates specifically to CDD measures for a legal person or arrangement, requires the AML-obliged person to understand the nature of the customer's business and its ownership and control structure. Regulation No. 002/FIC/2023 relating to anti-money laundering, combating the terrorist financing and financing of proliferation of weapons of mass destruction (AML Regulations) expands on this requirement slightly under Article 9, where one of the basic requirements for account opening is information on the legal form, status and structure of the legal person.

70. While the AML Law does require AML-obliged persons to obtain information to identify the legal ownership structure of their customers, it is not clear what level of detail would be required to fulfil this requirement. Service providers who may be involved in the incorporation of companies are designated as AML-obliged persons; their involvement, however, is not a requirement for the incorporation of a legal entity. Furthermore, there is no other requirement for entities established or carrying on business in Rwanda to enter into a business relationship with an AML-obliged person. Consequently, the AML Law requirements do not ensure the availability of legal ownership information in all cases.

Legal ownership information – Enforcement measures and oversight

71. The Office of the Registrar General in the Rwanda Development Board and the RRA are the main authorities exercising oversight and enforcement of the requirements to maintain ownership and identity information of legal entities.

Registrar General

72. Under Articles 326 and 327 of the Companies Law, the Registrar General may apply administrative fines between FRW 500 000 (EUR 353) and FRW 2 million (EUR 1 412) for failure to keep or update the records required under the law and for failure or delay in providing the Registrar General with documents as prescribed by the law. The penalties apply to all domestic companies as well as foreign companies.

73. The Registrar General may also remove a company from the register for failure to file its annual return under the Companies Law (see also paragraph 61). In this case, the Registrar General must give notice of intention to remove the company from the register and must be satisfied that no person has objected to the removal. If an objection is received within 20 days of

publication of the notice of intention, the Registrar General cannot proceed with the removal unless the objection has been withdrawn, the facts on which it is based are no longer correct or the Registrar General is satisfied that the objection is frivolous or vexatious.

74. The Office of the Registrar General, with a monitoring and compliance team of 19 permanent and 40 temporary staff, uses a combination of awareness-raising, monitoring and enforcement measures to ensure compliance of companies. Public awareness activities began in 2022 and were organised in different districts of Rwanda following the enactment of the new Companies Law and in preparation for certain amendments to the regime in March 2023. The Office of the Registrar General broadcast explanations of companies' obligations on widely followed national television and radio stations. Newspaper articles on companies' compliance obligations were published in two local newspapers. In addition, the Office of the Registrar General organised a webinar and 11 seminars which were attended by close to 1 000 companies, members of the public and industry representatives. Other channels such as the website of the Office of the Registrar General and direct messages were also used to sensitise companies about their legal obligations. Companies are also required to update their legal ownership information held with the Registrar General whenever they request any service offered by the Office of the Registrar General.

75. The Office of the Registrar General carried out monitoring actions informed by the results of a self-assessment questionnaire distributed to all companies. From a total of 2 794 responses,¹⁹ 25% of respondent companies indicated that they maintain an adequate, accurate and up-to-date index of shareholders and a slightly higher number (27%) of respondents update their register of shares as required. As a result of these initial findings, off-site and on-site inspections were planned from November 2023. On-site inspections were conducted on 232 companies with non-compliance with company law requirements, including the requirement to keep shareholder registers, identified in 159. The Office of the Registrar General has since issued warning letters for the companies to address the non-compliance.

Rwanda Revenue Authority

76. The RRA can apply administrative fines ranging from FRW 50 000 (EUR 35) to FRW 500 000 (EUR 353) for failure to comply with the obligation to register as a taxpayer. The RRA employs a combination of engagement and monitoring activities to ensure taxpayers comply with their registration and filing obligations.

19. This represents approximately 0.02% of the total number of companies incorporated or registered in Rwanda.

77. The Registration Filing and Payment Division has a unit of 25 staff responsible for monitoring registration compliance of taxpayers and updating the taxpayer registry.

78. The Compliance Monitoring Team in the Registration Filing and Payment Division has been charged with monitoring the updating of ownership and identity information through the annex to be filed with tax returns commencing in 2024.

79. The effectiveness of the system of enforcement and oversight of the availability of legal ownership information, including the obligation to update the Registrar General and the RRA with changes in legal ownership information, will be further examined in the Phase 2 review (see Annex 1).

Inactive and non-compliant companies

80. While the Companies Law does not define inactive companies, in accordance with the Taxpayer Registry Management Guide, the tax administration classifies as inactive companies those that are no longer carrying on business operations or that do not file the due returns. A company is considered inactive if it is a non-filer, if it files two consecutive nil returns for income tax, or if it files 12 consecutive monthly or 4 quarterly nil returns for value added tax. The RRA's compliance monitoring team is responsible for checking on inactive taxpayers and meets with such taxpayers to ascertain the reasons for their non-compliance. Inactive companies are deregistered by the RRA when the company is dissolved and a certificate of liquidation issued.

81. The Office of the Registrar General has a programme in place to strike off or remove companies from the register that do not meet their filing obligations or are no longer carrying on business. In March 2023, the Registrar General published a notice informing the public that all companies that had been deregistered as taxpayers from the RRA taxpayer index but which had not applied to the Registrar General for removal would be struck off the company's register maintained by the Registrar General. The concerned companies were given 20 days after the publication of that notice to object to their removal. This was followed by the removal of 7 810 companies from the register by 30 June 2024. There were still 5 622 inactive companies remaining after the striking off.

Availability of legal ownership information in EOIR practice

82. The implementation of the legal framework and the availability of legal ownership information on companies in EOIR practice will be examined during the Phase 2 review.

Availability of beneficial ownership information

83. The standard requires that beneficial ownership information be available on companies. In Rwanda, this aspect of the standard is met through recent amendments requiring beneficial ownership information to be kept by the companies and to be submitted to the Registrar General and the RRA. The AML obligations relating to identification of beneficial owners of customers form a supplementary but incomplete source of beneficial ownership information on companies. Each of these legal regimes is analysed below.

Companies covered by legislation regulating beneficial ownership information

Type	Company Law	Tax Law	AML Law
Limited liability company	All	All	Some
Company limited by guarantee	All	All	Some
Company limited by shares and guarantee	All	All	Some
Unlimited company	All	All	Some
Protected cell company	All	All	Some
Community benefit company	All	All	Some
Foreign companies (tax resident)	All	All	All ²⁰

Companies Law requirements

84. The requirements for keeping and reporting of beneficial ownership information to the Registrar General were introduced in the Companies Law in 2021 but were only fully implemented after a further amendment took effect on 30 March 2023.

85. Beneficial ownership information must be presented as part of the particulars for incorporating a company (Article 19) and thereafter the company is required to keep an internal register of beneficial owners (Article 111) and report changes to its internal register of beneficial owners to the Registrar General.

86. The **internal register of beneficial owners** contains the beneficial ownership information as to the shares and other rights in the company. The internal register should capture information with respect to the beneficial

20. Where a foreign company has a sufficient nexus, then the availability of beneficial ownership information is required to the extent the company has a relationship with an AML-obliged person that is relevant for the purposes of EOIR (Terms of Reference A.1.1 Footnote 9).

owner's names, residential, business, postal and email address, telephone number, nationality, date of birth, TIN, date on which the beneficial ownership commenced/ceased, nature and extent of interest held in the company, or the nature and extent of control exercised over the company. Where there is a class of beneficial owners and it is not reasonably practicable to identify each member, information sufficient to identify and describe the class of individuals should be recorded (Article 116).

87. The Companies Law places the duty to maintain an updated internal register of beneficial owners at the registered office of the company on the company secretary or the board of directors, where the company does not have a company secretary. The members or shareholders of the company must make or cause to be made an entry in the internal register of beneficial owners of the beneficial ownership information in relation to their membership or shares.

88. Paragraph 115 of the Registrar General Guidelines on the Identification of Beneficial Owners of Legal Persons and Arrangements (hereinafter "Registrar General Guidelines") requires the company to verify the accuracy of information provided for entry into the beneficial ownership register. An indication is provided on ways to verify the information in practice, such as comparing the data against a national ID or passport or by comparison with a public database or other reliable source.

89. The **definition of "beneficial owner"** is set out in Article 2:

Beneficial owner: the natural person(s) who ultimately owns or controls a legal entity or arrangement or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

90. According to Article 116 bis, paragraph 1, an individual is considered to be a beneficial owner of a company if, acting alone or together with another person, the individual fulfils any one of the following three conditions:

- the individual holds shares or exercises voting rights in a company either directly or indirectly, meeting the required threshold (25%)²¹
- the individual holds a right, directly or indirectly, to appoint or remove a majority of directors of the company
- the individual exercises significant influence or control, directly or indirectly, over the company.

21. Instructions of the Registrar General No. 001/2023/RG of 31 March 2023 determining the threshold for identification of the beneficial owner of a company and of a partnership.

91. While all three of these conditions will render a person a beneficial owner of a company, paragraph 2 prescribes that a cascading approach be applied to identify beneficial owners. Where no beneficial owner is identified with the 25% threshold of voting or shareholding rights or the company secretary has doubt about the accuracy of the beneficial owner identified under this limb, the beneficial owner is the natural person who exercises control through other means.

92. Paragraph 4 then provides that in the event that no natural person is identified after these steps, the person who holds a senior managerial position must be identified as the beneficial owner. Such persons could be the natural persons responsible for the strategic decision making of the company that fundamentally affects its business practices or general direction. Other natural persons who may be identified in this capacity include the natural person exercising control over its daily affairs through a senior management position such as a director, chief executive officer, chief financial officer, managing or executive director or a natural person who has significant authority over the company's financial relationships and ongoing financial affairs.²²

93. The Registrar General's Guidelines contain further guidance on the methodology for determining the beneficial ownership of companies. The Guidelines reiterate the cascading approach in respect of companies limited by shares and require the identification and verification of the beneficial owner by ownership interest before proceeding to control by other means and to the senior managing official only where no natural person has been identified using ownership and control.

94. The cascade approach also applies to beneficial owners of the core of a protected cell company as well as the separate cells of the company.

95. Guidance is provided on control through ownership interest, natural persons who control the company through other means and the natural person who exercises control through positions held in the company.

96. Under beneficial ownership through ownership interests, companies are to identify the natural person(s) holding directly or indirectly at least 25% of the shares and/or the voting rights in the company and shareholders who exercise control alone or together with other shareholders, including through any contract, understanding relationship, intermediary or tiered entity.

97. Under control by other means are the natural person(s) who exert control of the company through other means such as personal connections to the persons that possess ownership, participating in financing the company, or because of close family relationships, historical or contractual

22. Registrar General's Guidelines, paragraph 35.c).

associations, or if the company defaults on certain payments. The Registrar General's Guidelines note that control may also be presumed even if control is never actually exercised, such as using, enjoying or benefiting from the assets owned by the company.

98. The methodology in the Registrar General's Guidelines prescribes a simultaneous approach for companies limited by guarantee. The beneficial owner of such companies is deemed to be the natural person who has the right to exercise ultimate effective control, formal or informal, over the company, the directors or management of the company, the person who has the right to directly or indirectly appoint or remove a majority of directors or has the right to exercise or actually exercises ultimate effective control over the company. The Registrar General's Guidelines note that an individual may exercise ultimate effective control over a company even when the individual is not or is no longer a member or director of the company, however the individual's recommendation is always followed by members of the company.

99. The Registrar General's Guidelines do not contain specific guidance on the methodology to be applied to identify the beneficial owners of companies limited by shares and guarantee. As two different approaches are used for the companies limited by shares and those limited by guarantee, Rwanda should clarify the methodology to be applied to determine the beneficial owners of companies limited by shares and guarantee (see Annex 1).

100. The implementation of the definition and method of identification of beneficial owners will be assessed in the Phase 2 of the review.

101. The **central register of beneficial owners** provided for in Article 116 of the Companies Law is populated by companies, based on the requirement under Article 111 for the company secretary to file the company's internal register of beneficial owners with the Registrar General. The company secretary is required to inform the Registrar General within a period of 14 days of any changes to the internal beneficial ownership register (Article 115). Beneficial ownership information is also part of the annual return companies must submit to the Registrar General (Article 2(20)). The Registrar General is required to verify the accuracy of the internal registers submitted by companies and may require any person to submit information and documents for this purpose. There is no explicit requirement for AML-obliged persons to check the central register of beneficial owners and report discrepancies to the Registrar General.

102. The Company Law provides for the **updating** of the beneficial ownership information. The updating of the internal register of beneficial ownership is requested from the members or shareholders, who must make or cause to be made an entry in the internal register of the beneficial ownership information in relation to his/her membership or shares (Article 116). In addition, the company (its secretary) has the power to give notice to a

shareholder or member of the company requiring that person to disclose the beneficial ownership with respect to their shares (Article 117). Article 118 allows the company to take action against a member for failure to provide beneficial ownership information or providing information that is false, deceptive or misleading. These actions may include restricting or cancelling the member's interest in the company. These provisions are expected to allow the company to be aware of change of beneficial ownership through ownership rights. For other beneficial owners, i.e. having control over the company through other means, the law does not directly provide for periodic checks of the accuracy of the information in the internal register, but the requirement to include beneficial ownership information in the annual return of the company might act as an incentive to actively check whether the information is still up to date. The implementation in practice of the obligation to update beneficial ownership information in the internal register and central register will be assessed in Phase 2.

103. Dormant companies²³ must also maintain beneficial ownership information and make an annual disclosure of the beneficial ownership information to the Registrar General. The central register of beneficial owners must be kept for ten years by the Registrar General. The internal register of beneficial ownership is required to be kept by the company for ten years from the end of the year to which the records relate and must be delivered to the Registrar General when the company ceases to exist. The Registrar General keeps these registers for a further ten years thereafter (Article 111).

104. Compliance with the Companies Law requirements require that up-to-date beneficial ownership information is available with the companies and with the Registrar General. Competent authorities, including the RRA, have access to the central register of beneficial owners as well as the internal beneficial ownership registers of companies (see also Element B.1).

Anti-Money laundering Law requirements

105. The AML Law is the primary AML legislation in Rwanda. Article 36 of the AML Law provides for the supervisory authority to establish guidelines to assist AML-obliged persons to apply the law. Article 42 also empowers the supervisory authority to impose administrative sanctions for failure to comply with the requirements. Guidance and administrative penalties are issued in the form of regulations.

23. Article 263 of the Companies Law provides for a company that is dormant for any period of time during which no significant accounting transaction occurs.

106. Article 2(s) of the AML Law defines beneficial owner as:

a natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is being conducted. It also includes a natural person who exercises ultimate effective control over a legal person or arrangement.

107. Article 13(1)(c) offers guidance to identify the beneficial owners of a legal person. It requires identifying beneficial owners using the cascading approach, through information firstly, on the identity of the natural persons, if any, who ultimately have a controlling ownership interest in a legal person; secondly, to the extent that there is doubt in identifying a person under the first step or where no natural person exerts control through ownership interests, the identity of the natural person, if any, exercising control of the legal person or arrangement through other means. Finally, where no natural person is identified under the previous steps, the relevant natural person who holds the position of senior managing official should be identified as the beneficial owner.

108. The FIC Guidelines No. 001/2023 on Transparency and Beneficial Ownership (FIC Guidelines) made pursuant to Article 36 of the AML Law provide further guidance on the identification and determination of beneficial owners of legal entities. The Guidelines clarify that a natural person controls the legal person through ownership interest when that person directly (through ownership of shares) or indirectly (through a chain of legal persons) holds at least 25% of the shares or interest in the legal person. The Guidelines indicate that the beneficial owner by controlling ownership interest is the natural person who owns at least 25% of the shares and/or who exercises at least 25% of the voting rights in the legal person. The FIC Guidelines note that in determining the controlling interest in a legal person, ownership interests can be so diversified that there are no natural persons, whether acting alone or together, who exercise control of the legal person through ownership. It further provides that this can be demonstrated in cases where a person holds less than the voting interest/share threshold where the person exercises control over the legal person based on their ownership alone or together with other shareholders, including by way of a contract, understanding, relationship, intermediary or tiered entity. The Guidelines include examples of control through other means such as personal connections to persons in senior positions, significant authority over a legal person's financial relationships, control without ownership by participating in financing the legal person, via close family ties, historical and contractual associations and using, enjoying or benefiting from the assets of the legal person even if control is never exercised.

109. The FIC Guidelines apply to all reporting persons. However, due to the fragmented supervision of AML-obliged persons (see paragraph 127),

different supervisory authorities may also issue inconsistent guidance. An example of this is the guidance issued to chartered accountants.²⁴ In paragraph 11.2, the AML-obliged person is advised to identify one beneficial owner under the control prong for each legal person. The guidance also indicates that under the control prong the beneficial owner is a single individual with significant responsibility to control, manage or direct a legal person and includes an executive officer or senior manager. This does not conform to the standard. However, banks discussed under Element A.3 are not affected by this deficiency as the guidelines issued by the National Bank of Rwanda are not in conflict with the FIC Guidelines.

110. The definition and method of identification of beneficial owner in Rwanda's AML framework capture the elements required by the standard. However, inconsistent guidance is provided by the supervisory authorities on how AML-obliged persons should determine beneficial owners. This may result in uneven application of methodology for determining beneficial owners for different sectors of AML-obliged persons and therefore, the beneficial owner(s) may not always be determined in accordance with the standard. Rwanda should ensure that where specific guidance on interpreting the beneficial ownership requirements is issued by different AML authorities, it is consistent with the standard (see Annex 1).

111. There is no requirement for companies to transact business with an AML-obliged person thus the AML framework does not ensure that beneficial ownership information is available on all companies. Although the definition and methodology for identification of beneficial ownership for AML purposes and for Company Law purposes are generally aligned, there is no interaction between the two approaches (see also paragraph 101).

Customer due diligence obligations

112. Article 11 of the AML Law requires an AML-obliged person to undertake CDD when establishing a business relationship, when having doubts about the veracity or adequacy of previously obtained customer identification data, or in other prescribed circumstances. Article 7 lists the AML-obliged persons, which include a financial institution; an attorney-at-law performing certain transactions, an auditor, accountant, tax advisor, a real estate agent; individuals, institution or company involved in the business of distributing money; casinos, national lotteries gaming halls; and trusts or company service providers.

24. ICPAR Anti-money Laundering Counter Financing of Terrorism and Counter Financing of Proliferation of Risk-based Supervisory Manual.

113. Articles 12 to 17 set out the CDD measures to be undertaken by AML-obliged persons. They must identify the customer, whether permanent or occasional, whether a person or legal arrangement and verify the customer's identity using reliable, independent source documents, data or information. The AML-obliged persons must verify that a person purporting to act on behalf of the customer is authorised to do so, and identify and verify such person's identity. In all cases, the beneficial owner must be identified. Reasonable measures must also be taken to verify the beneficial owner(s)' identity, using relevant information or data obtained from a reliable source before or during the course of establishing a business relationship or conducting occasional transactions or when there are changes to the beneficial ownership information. However, the verification of the identity of the customer and the beneficial owner may be completed after the establishment of a business relationship if: (i) this occurs as soon as reasonably practicable, (ii) this is essential not to interrupt the normal conduct of business or (iii) the AML risks are effectively managed.

114. As part of CDD for natural persons, who may be the customer, person acting on behalf of the customer or the beneficial owner, the AML-obliged person should obtain the full legal and other names, including, marital name, former legal name or alias, telephone number, e-mail address, date and place of birth, nationality, occupation, any public position held or name of employer, residence and domicile address. Verification of the natural person's identity must be done using their official personal identification number or other unique identifier contained in an unexpired official document that has the person's photograph and other documentary evidence specified by the supervisory authority.

115. AML-obliged persons should ensure that information collected under the CDD process is kept up to date and relevant by undertaking reviews of records, particularly for higher risk categories of customers (Article 12(e)(ii)). A similar risk-based approach is prescribed under Article 16 for on-going CDD of existing customers. CDD on such customers must be applied on the basis of materiality and risk at appropriate times, taking account of when the CDD was last done and the adequacy of data obtained. The AML Law does not prescribe specific timelines for on-going CDD but prescribes the minimum considerations which must be taken into account. These are: an indication of a change in the identity of the customer or beneficial owner, transactions inconsistent with their knowledge of the customer, change in the nature or purpose of the business relationship and any other matter which might affect their assessment of the AML risk in relation to the customer. While there is no specified frequency for repeating the CDD measures in the AML Law, the FIC Guidelines direct all AML-obliged persons to update beneficial ownership information at least annually and whenever they become aware of a change in the data related to beneficial ownership.

This requirement supplements the risk-based updates and should generally ensure that up-to-date beneficial ownership information is available with AML-obliged persons in line with the standard. However, for low-risk customers simplified CDD is permitted. Under simplified CDD, it is permitted to update beneficial ownership information at a reduced frequency than at least once annually but there is no guidance on what constitutes reduced frequency. Hence, unlike for enhanced and basic CDD, there is no specified frequency for updating beneficial ownership information under simplified CDD. The frequency of updates of beneficial ownership information of low-risk customers employed by AML-obliged persons in practice will be further examined in the Phase 2 review (see Annex 1).

116. Articles 6-9 of the AML Regulations prescribe three levels of CDD: basic, simplified and enhanced. Basic appears to coincide with the measures required to be undertaken under Articles 12-17 of AML Law described in paragraph 113. Article 17 requires the AML-obliged person to undertake a risk-based approach to the application of the different levels of CDD. Simplified due diligence must be performed if lower risks have been identified. Simplified CDD measures that may be applied include verifying the identity of the customer and beneficial owner after the establishment of the business relationship, reducing the frequency of customer identification updates, reducing the degree of ongoing monitoring and scrutinising transactions based on a reasonable monetary threshold as may be specified and not collecting specific information or carrying out specific measures to understand the purpose and intended nature of the business relationship but inferring the purpose and nature from the type of transaction or business relationship. These measures cannot be used if there is a suspicion of money laundering, terrorist financing or financing of proliferation of weapons of mass destruction.

117. The AML Regulations provide for enhanced CDD. This includes obtaining additional information on the customer such as occupation, volume of assets, information available through public databases and internet and to update regularly identification data of the customer and beneficial owner. It also includes obtaining additional information on the nature of the business relationship, information on the source of funds or customer's wealth, the reasons for intended or performed transaction, obtaining senior management approval to commence or continue the business relationship or requiring first payment using an account in the customer's name held with a bank subject to similar CDD measures. Enhanced measures must be taken if the AML-obliged person knows, suspects or has reasonable grounds for knowing or suspecting the customer or beneficial owner of being engaged in money laundering or financing of terrorism or proliferation of weapons of mass destruction or the transaction is being carried out on behalf of another person who is engaged in these activities.

118. Article 26 of the AML Law allows service providers to rely on a third party to perform CDD or introduced business if certain conditions are met. The conditions are:

- There is no suspicion of money laundering, terrorist financing or financing of proliferation of weapons of mass destruction.
- The AML-obliged person immediately obtains the necessary information concerning CDD measures from the third party, including the identity of each customer and beneficial owner.
- The AML-obliged person takes adequate steps to satisfy itself that the third party –
 - provides copies of identification data and other relevant documentation relating to CDD requirements upon request without delay
 - is established in a State or is subject to the jurisdiction of a State with equivalent CDD requirements
 - is regulated, and supervised or monitored for, and has measures in place for compliance with, CDD and record keeping requirements.

119. Where the AML-obliged person is relying on a third party which is part of the same financial group, the conditions are considered to be met if the group applies CDD and record-keeping requirements and programmes against money laundering, terrorist financing or financing of proliferation of weapons of mass destruction in accordance with the requirements, the implementation of these requirements is supervised at the group level by a competent authority and a higher jurisdiction risk is adequately mitigated by the group's AML policies. Reliance on a third party does not relieve an AML-obliged person of the obligation to apply CDD.

120. Further Article 18 of the AML Law provides that where an AML-obliged person cannot comply with the CDD measures, the AML-obliged person must not open the account or commence business relations, refrain from performing the transaction, terminate the business relationship and consider making a suspicious transaction report, where necessary.

121. Article 20 of the AML Law sets out the requirement for AML-obliged persons to maintain CDD records for at least ten years. Article 33 of the AML Regulations provides the modalities for record keeping when an AML-obliged person suspends or ceases activities. The records in this case must be submitted within 30 days of suspension or cessation of activities to the relevant supervisory authority. The legislation does not specify the time for which those authorities should retain the record but the Rwandan authorities indicate that in practice the records are being kept by the supervisory authorities indefinitely. The keeping of the records of AML-obliged persons

which have suspended or ceased their operations by supervisory authorities in practice will be further examined in the Phase 2 review (see Annex 1).

Tax law requirements

122. In order to ensure that it has beneficial ownership information of taxpayers, the RRA recently developed an annex of legal and beneficial ownership. The annex is to be filed from 2024 as part of the taxpayer's annual return documentation. There are no separate legal requirements for the definition of beneficial owner, and beneficial ownership information to be reported would follow the requirements in the Companies Law. The information in the annex must be updated annually or within seven days of a change, in accordance with Article 11 of the Tax Procedures Law. As this tax approach to availability of beneficial ownership information relies on the Company Law approach, the developments made on the latter apply here too. While there is no formal requirement for discrepancy reporting between the RRA and the Registrar General, the RRA has direct access to the Registrar General's beneficial ownership portal which can be used as a source of verification or identifying anomalies with information submitted by in the beneficial ownership declaration of taxpayers.

Conclusion

123. The beneficial ownership obligations under the Companies Law were recently imposed on companies but are the most comprehensive set of requirements as they cover all companies, including foreign companies registered in Rwanda, and require that beneficial ownership information is available on companies in line with the requirements of the standard. The sources of beneficial owner information of companies in Rwanda are the entities themselves and the Registrar General since 2023, AML-obliged persons, and from 2024, the tax authority. The AML Law requirements apply to AML-obliged persons but do not cover all companies as there is no requirement for companies to engage an AML-obliged person. Although supervisory authorities have issued some guidance on the methodology for determining beneficial owners, they are inconsistent. The latest source of beneficial ownership information is the tax authority through the requirement to complete and submit an annex of beneficial owners with the tax return and notify the tax authorities of any changes thereto. There is no separate definition of beneficial owners in the tax laws therefore completion of the annex by the entities would be in accordance with the requirements of the Companies Law, which contains the same definition as in the AML Law.

Nominees

124. In addition to requiring beneficial ownership information to be provided by shareholders, Article 116 of the Companies Law requires a nominee shareholder or director to have information on their nominator and the natural person on whose behalf the nominee ultimately acts. This information must also be disclosed to the company and recorded in the register of beneficial owners. Therefore, information on the ownership of companies in Rwanda would be available in line with standard where a legal owner acts on behalf of another person as a nominee.

Beneficial ownership information – Enforcement measures and oversight

125. The requirements on companies to maintain an internal register of beneficial owners is supervised by the Office of the Registrar General through its Business Facilitation Division. A total of 19 staff are involved in compliance activities. The penalties for failure to keep the internal register of beneficial owners and to file beneficial ownership information with the Registrar General are the same as those outlined in paragraph 72 with respect to legal ownership information. Members or shareholders of a company who disclose false beneficial ownership information are liable upon conviction to imprisonment for a term of not less than one year and a maximum two years and to a fine between FRW 5 million (EUR 3 530) and FRW 10 million (EUR 7 060).

126. In order to sensitise companies to the new beneficial ownership requirements, the Registrar General has undertaken a public education campaign using broadcast media, webinars, seminars and on-site visits to companies. The Registrar General started collecting beneficial ownership information on companies in April 2023 and has collected beneficial ownership information on 27 452 companies (27 137 domestic companies and 315 foreign companies), which represents approximately 18% of domestic companies and 43% of foreign companies. Since 1 August 2023, all new companies were registered after providing their beneficial ownership information. The Rwandan authorities indicated that the Registrar General is conducting field visits to monitor compliance of companies with their obligations, including with respect to beneficial ownership obligations, and requires companies requesting any service from the Registrar General to first file the beneficial ownership information. As the regime was recently introduced, the Registrar General has not yet applied any enforcement measures or sanctions.

127. Several authorities supervise AML-obliged persons in Rwanda. The National Bank of Rwanda supervises 15 banks, 67 non-bank financial institutions and 9 trust and company service providers and the Capital Market Authority supervises the 22 AML-obliged entities of the capital

market sector. The Financial Intelligence Centre supervises 98 real estate agents, the Rwanda Bar Association supervises 1 172 attorneys-at-law, the Institute of Certified Public Accountants Rwanda supervises 94 chartered accountants and the RRA supervises 501 tax advisors.

128. Article 67 of the AML Law penalises the failure of an AML-obliged person to comply with the requirements in the law, including the CDD and record-keeping obligations, with the sanctions prescribed by the relevant supervisory authority in regulations. Therefore, each supervisory authority promulgates regulations with the sanctions applicable to the AML-obliged persons under its supervision. Due to the timing of the promulgation of the regulations for sanctions and sensitisation activities, the level of enforcement varies among the supervisory authorities with only some of them reporting the application of sanctions.

129. The regulation promulgated by the National Bank of Rwanda²⁵ provides for the imposition of sanctions depending on the gravity of the fault. Pecuniary penalties ranging from FRW 100 000 (EUR 70) to FRW 3 million (EUR 2 118) may be imposed on AML-obliged persons based on the category in which they fall in the regulations. During the period of 2021-22, the National Bank of Rwanda imposed aggregate monetary penalty amounting to FRW 52 776 252 (EUR 37 258), mainly for breaches related to non-adherence with beneficial ownership and customer due diligence requirements and absence of internal audit review on AML requirements, among others. Other sanctions may be imposed on the institution as well as a member of the board of directors or a senior manager. The sanctions against the latter are a written warning, suspension, revocation of approval and dismissal. The sanctions that may be applied to the institution are:

- written warning (76 issued in 2022 and 32 in 2023)
- suspension of all support from the Central Bank
- prohibition on declaring or paying dividends to shareholders
- prohibition from establishing new branches
- prohibition from engaging in new activities or expanding existing activities
- suspending of lending, investment and credit extension operation
- prohibition from acquiring additional assets through purchase, rent or lease

25. Regulation No. 63/2023 of 25/04/2023 determining administrative sanctions applicable to regulated Institution for non-compliance with the prevention money laundering, financing terrorism and financing of proliferation of weapons of mass destruction requirements.

- prohibition from accepting further deposits, insurance premiums or other lines of credit
- prohibition from declaring any types of bonuses, severance packages, or other discretionary compensation to Board of Directors
- prohibition from declaring any types of salary incentives other than discretionary compensation to senior managers and staff
- prohibition of payment of management and technical fees to parent companies and related parties
- suspension of the licence for a period not exceeding six months
- revocation of licence.

130. The equivalent regulations promulgated by the RRA²⁶ empower the RRA to impose sanctions on tax advisors of written warning, written notice of breach, suspension for not more than two years and an administrative fine of FRW 500 000 (EUR 353) to FRW 2 million (EUR 1 412). These sanctions apply for failure to comply with the record keeping and CDD requirements prescribed by the AML Law and Regulations. In 2023, the RRA undertook different awareness programmes and conducted inspections of its reporting persons, which resulted in warning letters being issued to tax advisors generally, so that they start putting in place the necessary processes to fully comply with their AML obligations.

131. The sanction for failure to comply with record keeping or CDD requirements by the AML-obliged persons operating in the capital market is an administrative fine ranging between FRW 500 000 and FRW 3.5 million (EUR 353 to EUR 2 471). The CMA conducted offsite and onsite inspections for the entities it supervises (8 in 2021, 12 in 2022 and 5 in 2023) but they have not applied any sanctions.

132. The Disciplinary Committee of Rwanda Bar Association may apply sanctions provided in Law No. 83/2013 establishing the Bar Association in Rwanda and determining its Organisation and Functioning (the Bar Association Law) to attorneys-at-law in breach of the AML Law requirements. The sanctions that may be applied are a warning, reprimand, suspension and removal from the role of advocate or intern. The sanctions may also be applied directly by the President of the Bar Association without resort to the Disciplinary Committee. The Rwanda Bar Association has conducted 31 AML inspections and issued 18 letters of recommendations to non-compliant reporting persons for them to address the identified gaps.

26. Commissioner General Regulations No. 002/2023 of 27 January 2023 determining Administrative Sanctions applicable to Reporting Person who does not fulfil his or her or its obligations.

133. Sanctions for chartered accountants are imposed under the professional supervision framework. Guidance is given on the sanctions that may be proposed by the Disciplinary Committee of the Institute of Certified Public Accountants Rwanda and imposed by the Governing Council. The suggested sanction for failure to apply CDD measures, maintain a beneficial ownership register and failure to maintain records is a fine not exceeding FRW 300 000 (EUR 212) for small firms, FRW 600 000 (EUR 424) for medium firms and FRW 1 200 000 (EUR 847) for big firms.²⁷ Between 2021 and 2023, the Institute conducted on-site various inspections of 42 firms and reprimanded 14 firms with warning letters.

134. Oversight and enforcement of the beneficial ownership requirements will be assessed during the Phase 2 review.

Availability of beneficial ownership information in EOIR practice

135. The implementation of the legal framework and the availability of beneficial ownership information on companies in practice will be examined during the Phase 2 review.

A.1.2. Bearer shares

136. Article 57 of the Companies Law was amended on 30 March 2023 to expressly prohibit the issuance of bearer shares. Companies with a share capital must submit their memorandum of association as part of the application for incorporation with the full name and address of every shareholder along with the class and number of shares they have agreed to take and the consideration provided or to be provided for the issuance of shares.

137. The Rwandan authorities indicate that based on the data in the electronic system for the registration of companies, there is no record of bearer shares having been issued by companies in Rwanda before the express prohibition was inserted into the Companies Law. Therefore, only nominative shares can be issued and there are no bearer shares in Rwanda.

27. Paragraph 11.3 ICPAR Anti-money Laundering Counter Financing of Terrorism and Counter Financing of Proliferation of Risk-based Supervisory Manual.

A.1.3. Partnerships

Types of partnerships

138. Partnerships in Rwanda are established under Law No. 008/2021 governing partnerships (the Partnerships Law). The Partnerships Law recognises four types of partnerships in Rwanda:

- **General partnership** in which all partners have unlimited liability and all partners must be natural persons. A general partnership does not have a separate legal personality.
- **Limited partnership** in which one or more partners has unlimited liability and one or more partners has limited liability for the debts of the partnership. A limited partnership does not have a separate legal personality. Partners can be individuals or entities.
- **Limited liability partnership** in which partners' liability for the partnership debts is limited to their capital contribution and is an entity with legal personality. A limited liability partnership has a separate legal personality, and its partners can be individuals or entities.
- **Foreign partnership** is a partnership formed in a foreign country and registered and carrying on business in or from Rwanda²⁸

139. Except for five limited partnerships, no other partnerships were registered in Rwanda as of 30 June 2024. This is because prior to the enactment of the Partnerships Law in 2021, the Rwandan authorities report that there were no partnerships in Rwanda.

Identity information

140. Information on the identity of partners is required to be available with the partnership and the Registrar General. Article 4 of the Partnerships Law provides for the formation of a partnership by two or more partners filing a statement of partnership existence with the Registrar General and complying with the provisions of the Partnerships Law.

141. Article 12 requires every partnership to be registered in accordance with the law. Registration of partnerships is effected by the Registrar

28. Partnerships formed in a member state of the East African Community and a partnership from countries having relevant agreements with Rwanda are accorded national treatment. National treatment arises from the East African Community (EAC) Common Market Protocol to which Rwanda is party and means that partnerships from the EAC that are foreign partnerships should not be treated less favourably than domestic partnerships. The advantage of being accorded this treatment is to allow them to remain competitive with domestic partnerships.

General, within two working days of receipt of the prescribed form and the application file containing the following information/documents:

- Name, type and registered address of the partnership
- the partnership agreement (notarised)
- a consent form signed by each partner or the partner's lawfully authorised agent
- partners' names, ID or passport (for individual) or incorporation documents (for legal entities), address and value of capital contribution
- a declaration containing information on all the beneficial owners.

142. Article 16 of the Partnerships Law requires the Registrar General, on receipt of a compliant application for registration, to register the details relating to the partnership in the register of partnerships and issue a certificate of partnership registration. This information is required to be kept for ten years in the register of partnerships by the Registrar General and must be accessible to the public (Article 25).

143. In addition, under Article 22 of the Partnerships Law, a registered partnership is required to maintain at its registered office²⁹ in Rwanda books, records and information related to its partners and activities, for ten years from the date on which a person became a partner. The records must include the partnership agreement, register of partners, internal register of beneficial owners (see also paragraph 147), account of capital distributions and minutes of partners' general meetings.

144. In the event the partnership is dissolved, the partners or liquidator have a duty to submit the books and records to the Registrar General within 30 days of the date of completion of the liquidation. Thereafter the Registrar General is required to keep the records for ten years.

145. Requirements for notification of a change to the Registrar General in any of the details entered in the register of partnerships (Article 27) and change in the partnership's registered office (Article 20) ensure that the register of partnerships is kept updated. A limit of ten working days is provided for business partners to notify the Registrar General of any change of details entered in the register in relation to the partnership. The Registrar General must update the register within ten working days after being satisfied that the person notifying the change meets the requirements.

146. Identity information of foreign partnerships carrying on business in Rwanda would be available at the partnerships' registered offices in Rwanda as well as with the Registrar General. The requirements outlined

29. A registered office is defined in Article 1 of the Partnership Law as "a place in Rwanda where the duties of managing a partnership are performed".

in paragraphs 143 to 145 for domestic partnerships also apply to foreign partnerships. Foreign partnerships are required to register before carrying on business in Rwanda. Article 117 of the Partnerships Law contains an exclusive list of actions, each of which will qualify a foreign partnership as doing business in Rwanda. They include taking part in legal proceedings, holding meetings or other activities related to its internal affairs, holding a bank account, securing, paying or enforcing rights in relation to debts and investing in funds or holding property. For registration with the Registrar General, the foreign partnership is required to submit a certified copy of the certificate of registration or similar document issued by its country of origin, identification documents of its partners, a copy of its charter or agreement or instrument defining its constitution, if any, certified by the country of registration. The foreign partnership is required to have a registered office in Rwanda and retain there the documents submitted to the Registrar General for registration as well as a document containing particulars of all partners and their interest in the partnership and the internal register of beneficial owners. The foreign partnership must appoint one of its partners or employees who resides in Rwanda as a compliance officer to ensure the foreign partnership's compliance with the legal requirements. The foreign partnership must also provide the Registrar General with the details of the compliance officer and his or her consent. Article 17 of the Partnerships Law contains a special procedure for foreign partnerships ceasing to carry on business in Rwanda. They must notify the Registrar General within seven days of ceasing their business, publish a notice of cessation in the local media and transmit copies of all records and documents they were required to keep to the Registrar General within 30 days of sending the notification of cessation to the Registrar General.

Beneficial ownership

147. Following amendments to the Partnerships Law, since 30 March 2023 new partnerships and existing partnerships (within 60 days), are required to maintain an internal register of beneficial owners at their registered office. These requirements apply equally to foreign partnerships and must be fulfilled by their compliance officer. In addition, the requirement for beneficial ownership information to be submitted on applying for registration of a partnership and the requirement for the establishment of a central register of beneficial owners of partnerships ensures that beneficial ownership information of partnerships is also available with the Registrar General.³⁰

148. Obligations for having and updating beneficial ownership information, updating the internal register of beneficial owners within seven days of

30. Articles 23 bis and 119 bis of the Partnerships Law as amended by Law No. 018/2023.

any change and notifying the Registrar General of changes to the internal register within ten days of the occurrence of the change are explicitly set out in Article 23 ter of the Partnerships Law.

149. Beneficial ownership information in respect of a person must be kept for the duration of them holding this status and for ten years after cessation of being beneficial owners. As described in paragraph 144, beneficial ownership information must be handed over to the Registrar General by the liquidator or partners upon dissolution of a partnership.

150. Beneficial owner is defined in the Partnerships Law as:

- a natural person who ultimately owns a legal entity or arrangement;
- a natural person who ultimately controls a legal entity or arrangement;
- a natural person on whose behalf a partnership-related transaction is being conducted;
- a natural person who exercises ultimate effective control of a legal person or arrangement;

151. Article 4 bis of the Partnerships Law sets out the conditions in which a natural person, acting alone or together with others, is considered as a beneficial owner of a partnership. A person is a beneficial owner of a partnership if the person has, directly or indirectly, a capital contribution or voting rights in a partnership up to the required threshold (25%),³¹ exercises, directly or indirectly, a significant influence or control over the partnership management, or the person acts in his or her capacity in case of a general partnership. The law indicates that where a legal person is a partner in a partnership, the beneficial ownership in relation to that legal person should be determined in accordance with the relevant laws. Thus, if a partner is a company, the beneficial owner of the company would have to be determined in accordance with the Companies Law.

152. Guidance on the methodology for identifying the beneficial owners of partnerships is included in the Registrar General's Guidelines. It indicates that the identification of the beneficial owners of a partnership depends on whether the partnership is treated as a separate legal person or as a legal arrangement. The identification of beneficial owners of partnerships with legal personality follows the process for identifying the beneficial owners of legal entities. The Registrar General's Guidelines note that there could be cases where natural persons other than partners are exercising effective control over the partnership and in such cases should be identified as

31. Instructions of the Registrar General N° 001/2023/RG determining the threshold for identification of the beneficial owner of a company and of a partnership.

beneficial owners. Specific guidance is provided for identifying the beneficial owners of each type of partnership that may be formed in Rwanda.

153. Paragraph 50 of the Registrar General's Guidelines contains guidance on general partnerships. As general partnerships do not have separate legal personality and the partners are all natural persons, all the partners of a general partnership acting in their own capacity should be identified as beneficial owners. A second step is introduced when there is doubt whether any of the partners identified are beneficial owners, in which case, the natural persons exercising ultimate control over the management of the business must be identified. Control is presumed where an individual is entitled to the partnership's assets on winding up or dissolution. This approach would capture all the partners of a general partnership in line with the standard as the general partners would be identified under the first step, and if there is doubt that they are captured under the first step then they would be identified as the natural persons exercising ultimate control over the management of the business of the partnership at the second step.

154. The Registrar General's Guidelines prescribe a three-step simultaneous approach for the identification of the beneficial owners of limited partnerships, another type of partnership lacking legal personality. At the first step, the natural persons holding the general partner position must be identified. The second step requires the natural persons who directly or indirectly, whether acting alone or jointly, ultimately have a controlling interest in the partnership to be identified. This means the natural persons entitled to or owning at least 25% of the capital or profits of the partnership directly or indirectly. The final step requires the identification of the natural persons (if any) acting alone or jointly, who exercise significant influence or control, over the management of the business of the partnership. The Registrar General's Guidelines provides some examples of these circumstances. The Guidelines make it clear that if a legal entity or arrangement is a party to the partnership, then the beneficial owners of the legal entity or arrangement qualify as the beneficial owners of the limited partnership.

155. The process for identifying the beneficial owners of limited liability partnerships, which have legal personality, follows the three-step cascading approach described in paragraph 91 with respect to companies. Under the first step are the natural persons who, directly or indirectly, individually or jointly with another person, control the partnership through partnership interest or right. It provides as examples individuals holding directly or indirectly at least 25% of the capital contribution or voting rights in the conduct and management of the partnership's business and natural persons who exercise control alone or together with other persons with a partnership interest through a contract, understanding, relationship, intermediary or tiered entity. The second step, engaged only if there is doubt regarding the persons identified under step one, requires identification of the natural persons who

control the limited liability partnership through other means. Examples of control by other means are provided, including through personal connection to a person that possesses ownership, participation in financing, close and intimate family relations and right to appoint the majority of managing officials. The final step, engaged where no natural persons are identified under the first two steps, is to identify the natural persons who exercise control through positions held in the limited liability partnership. Examples given of such persons is the manager and individuals responsible for the strategic decisions that are fundamental to the business practices or general direction of the partnership.

156. The Partnerships Law prescribes the minimum information that must be kept in the internal register of beneficial owners. It requires identification information to be kept in respect of each beneficial owner and captures the same information as described in paragraph 86 under Element A.1.1. The Registrar General is empowered to require any person to provide information and documents for this purpose although there is no specific provision requiring AML-obliged persons to report beneficial ownership information to the Registrar General. Further annual update of the central register is made possible by a requirement to file an annual statement confirming that information held on its partners and beneficial owners is both up-to-date and accurate.³²

157. The Partnerships Law provides different mechanisms to ensure the partnership obtains the beneficial ownership information. The partnership can give written notice to a person it knows or reasonably believes to be the beneficial owner to confirm their beneficial ownership or confirm or correct any particulars concerning the person. The partnership may also give notice to a third party that it knows or reasonably believes to know the identity of the beneficial owner or the identity of another person likely to know, to obtain information on identity and particulars of the beneficial owner. The person must respond to the notice within 30 days of receipt. In case of non-co-operation, the partnership may restrict such a person from exercising rights in the partnership and where the non-co-operating party is a partner, manager or compliance officer, he or she is liable to a fine of not less than FRW 2 million (EUR 1 412) and not greater than FRW 5 million (EUR 3 530). In addition, Article 27 bis requires beneficial owners who acquire, increase or reduce their interest in the partnership to notify the partnership within ten days of the change. Beneficial owners who cease their interest or change any of their particulars captured in the register must notify the partnership. No penalty is provided for beneficial owners who default on these obligations. However, in case these persons are given notice to provide the information and are non-compliant, the partnership may restrict such a person from exercising rights in the partnership. The

32. Articles 45, 83 103 bis, 122, Partnerships Law as amended by Law No. 018/2023.

effectiveness in practice of the mechanisms to ensure that internal register of beneficial owners of partnerships is kept updated will be further examined in the Phase 2 review (see Annex 1).

158. There is no requirement for partnerships to engage or transact business with AML-obliged persons, but where engaged, beneficial ownership information of partnerships may also be available with AML-obliged persons. Article 13 of the AML Law which contains specific CDD measures for legal persons or legal arrangements indicates that for a legal arrangement other than a trust, the persons in equivalent or similar positions referred to for a trust must be identified. This would seem to require the persons making capital contributions to the partnerships, the beneficiaries of partnership income and person managing the partnership's assets to be identified as beneficial owners. Determination of the beneficial owners of limited liability partnerships would follow that of other legal persons such as companies.

159. Guidance on applying the beneficial ownership requirements to different types of partnerships can be found in Article 19 of Guidelines No. 001/CMA_G/2023 of 29 September 2023 on Prevention of Money Laundering and Terrorism Financing in Capital Markets (CMA Guidelines). The CMA Guidelines apply to financial institutions regulated by the CMA. The CMA Guidelines mirror the guidance in the Registrar General's Guidelines described at paragraph 153 on general partnerships.

Oversight and enforcement

160. The Office of the Registrar General is the authority charged with oversight and enforcement of the obligations to register and maintain identity and beneficial ownership requirements of partnerships. Partnerships are monitored through established mechanisms, such as checking compliance with filing annual financial statements, register maintenance, change notifications, and record retention. The supervisory authorities under the AML Law perform the equivalent functions with respect to the AML obligations as described in paragraphs 127-133.

161. Failure to maintain or submit books or documents of a partnership to the Registrar General exposes the partner, manager of a partnership or a compliance officer to liability for an administrative fine of between FRW 2 million and FRW 5 million (EUR 1 412-EUR 3 530). If after the imposition of the fine, the partnership still does not comply, this is considered as non-compliance with the provisions of the law and thus exposes the partnership to being struck off from the register of partnerships which automatically results in the dissolution of the partnership (Article 131, Partnerships Law). Oversight and enforcement of the requirements relating to the availability of identity and beneficial ownership of partnerships will be assessed during the Phase 2 review.

Availability of partnership information in EOIR practice

162. The implementation of the legal framework and the availability of identity and beneficial ownership information on partnerships in EOIR practice will be examined during the Phase 2 review.

A.1.4. Trusts

163. Rwanda recognises the concept of trust but is not a signatory to the Hague Convention on the Law Applicable to Trusts and their Recognition. Since 14 October 2021, trusts established under Rwandan law and foreign trusts operating in Rwanda have been governed by Law No. 063/2021 governing trusts (the Trusts Law). The Trusts Law introduced the requirement for trusts to file beneficial ownership information and related duties; procedures for the recognition and enforceability of foreign trusts; provisions for different types of trusts and the core elements of trust instruments. Trusts which were existing at the commencement of the law were given one year to conform to the new law, except for the requirement to maintain a register of beneficial owners with which trustees were given six months to comply.

164. The Trusts Law defines a Rwandan trust as any trust operated by Rwandan residents or whose creation is based on Rwandan law as its proper law regardless of whether it was created in Rwanda (Article 13). The Trusts Law recognises purpose, charitable, protective and other types of trusts that may be created by a settlor using a trust instrument and that is registered and operates under the Trusts Law. Article 34 requires a trustee administering a trust created or recognised by the Trusts Law to register all trust instruments of holding trust property with the Registrar General within 30 days from the date of trustee's acceptance to administer the trust (or of the last acceptance of the trustee if there are more than one trustee). The registration requirement also applies to foreign trusts with a property administered in Rwanda or in respect of which a trustee is resident in Rwanda (Article 81). As of 30 June 2023, there were 2 charitable trusts, 1 purpose trust and 15 trusts of other types registered with the Registrar General.

165. A trustee can be a natural person or a corporation, but only professional trustees are allowed to administer trusts in Rwanda. Article 38 mandates all trustees to be licensed, by the CMA where the trust is operated as a collective investment scheme and otherwise by the National Bank of Rwanda. By virtue of this requirement, the trustee would be a financial service provider or trust and company service provider and thus an AML-obliged person for the purposes of the AML Law. One commercial bank, approved as a trustee by the CMA, manages two unit trusts and all other trusts are managed by professional trustees. There are nine corporate trusts and company service providers, but they are not currently managing any trusts.

Requirements to register and maintain identity information in relation to trusts

166. The requirements of the Trusts Law provide for identity information in relation to trusts to be held by the trustee at the registered office in Rwanda and at the Registrar General. Such information is required to be reflected in the instrument creating the trust, in the registers established by the trustees and filed with the Registrar General as well as the register established by the Registrar General. Identity information would also be available with the trustees which are also AML-obliged persons.

167. Under Article 4 of the Trusts Law, a trust is formed when a settlor, in accordance with the trust instrument, transfers his or her interest to a trustee who administers it for the benefit of the beneficiaries or for a known purpose. Article 7 of the Trusts Law sets out a list of the minimum core terms that must be included in the trust instrument. The list includes the settlor's contact details (name, address and if not domiciled in Rwanda, the address registered in Rwanda), the trustee's name and address, the names of the beneficiaries, where already identified, and the protector or enforcer, if applicable.

168. Failure to register the trust instrument and property of the trust within the prescribed time limit does not invalidate the trust but exposes the trustee to sanctions and penalties. Article 81 mandates the registration in Rwanda of a foreign trust with a property administered in Rwanda or in respect of which a trustee is registered in Rwanda. Failure to register a foreign trust within the prescribed time renders the trustee liable to a penalty and results in the trust not being recognised under the Trusts Law. The trustee would also lose the exemption to income tax provided under Article 45(14) of the Income Tax Law for resident trustees on income earned by a foreign trust. The trustee would therefore be liable to tax on the income of the trust. The application to register a trust is manual and requires the submission of the notarised copy of the trust instrument accompanied by copies of the identification of the trustees and settlor, notarised acceptance of trusteeship in the prescribed form, trustee licence, completed beneficial ownership form, copies of identification of beneficial owners and any other supporting documents proving interest or control held in the trust.

169. By Article 84 of the Trusts Law, trustees are required to establish and maintain an internal register of the settlor, trustee, protector, beneficiaries and co-trustees within 30 days of becoming a trustee. The register must capture the full names, usual residential, business, postal and e-mail address, date of birth and TIN in respect of the persons entered in the register. The contents of this register must be filed within 14 days of compilation. Similarly, when changes occur, they must be reflected in the register and must be communicated to the Registrar General within 14 days.

Requirements to register and maintain beneficial ownership information in relation to trusts

170. Another register, the register of beneficial owners, must be established by trustees administering a trust created or recognised under the Trusts Law, including foreign trusts registered in Rwanda. The duty to establish beneficial ownership in Article 87 of the Trusts Law requires the trustee to take reasonable measures to obtain, verify and hold adequate, accurate and up-to-date information in respect of the trust's beneficial owners. In line with the standard, beneficial owner is defined in the Trusts Law as any natural person who ultimately owns or controls the trust and includes: the settlor, the trustee, the protector, the beneficiary and any other natural person exercising ultimate control over the trust directly or indirectly or by other means. Further guidance is given on the definition regarding the last category:

such as when he or she has the power, alone or jointly with another person or with the consent of another person, to:

- i. dispose of, advance, lend, pay or apply trust property of property of the trust for the benefit of the beneficiaries;
- ii. vary or terminate the trust;
- iii. add or remove a person to or from the list as a beneficiary or to or from a class of beneficiaries;
- iv. appoint or remove a trustee or give another person control over the trust;
- v. direct, withhold consent or to overrule the exercise of a power referred to in items i, ii, iii and iv.

171. Paragraphs 78 and 79 of the Registrar General Guidelines provides for the application of the look-through approach whenever any of the parties to a trust is a legal entity or arrangement. In such cases, depending on the type of entity or arrangement, the specific rules should be used to identify the beneficial owner(s).

172. The internal register of beneficial owners of a trust must contain information on the identity of each beneficial owner (full name, birth certificate number, national identity card or passport number, TIN, nationality, date of birth, addresses and telephone number), the nature and extent of their interest in or control over the trust, the date on which the natural person became/ceased to be a beneficial owner. Changes with respect to the recorded particulars must be reflected in the register within 14 days of their occurrence and notified to the Registrar General within 14 days of updating the internal register. The information must be maintained on the records as long as the natural person continues to be a beneficial owner and for ten years after the person ceases to be a beneficial owner. The trustee can

request information from persons it knows or reasonably believes to know the identity of a beneficial owner and a beneficial owner has a duty to notify the trustee if they cease to be a beneficial owner or if there are any changes in the particulars recorded in the register within 14 days.

173. The requirement to file a copy of the internal register with the Registrar General and to file update notifications ensures that the information in the trust's internal register is also available with the Registrar General. Additionally, Article 87 of the Trusts Law requires the trustee of a trust that has ceased to exist for whatever reason to file with the Registrar General the particulars of persons who were beneficial owners of the trust prior to it ceasing to exist. These requirements ensure that in the event the trust is terminated, the information continues to be available with the Registrar General.

174. In addition to the requirements of the Trusts Law, the beneficial ownership requirements of the AML Law apply to all trustees in Rwanda as AML-obliged persons. The obligations under the AML Law apply to all trusts administered by Rwandan trustees, whether or not they are registered under the Trusts Law. Article 13 of the AML Law provides for specific due diligence measures for a legal arrangement. The AML-obliged person is required to understand the nature of the customer's business and its ownership and control structure; identify the customer and verify its identity through information on its name, legal form and proof of existence; take reasonable measures to verify the identity of its beneficial owners; ascertain the supervisory authority; record the names of the persons holding senior management positions, the address of its registered office and principal place of business, if different. Verification of the identity of the beneficial owners should be done through information on the identity of the settlor, trustee, protector if any, the beneficiaries or class of beneficiaries, and any other person exercising ultimate effective control over the trust. Guidance is given in the FIC Guidelines in respect of trusts operating as collective investment schemes. In this case, the AML-obliged person must identify the owners of the management company which operates the scheme as well as the beneficial owners of the scheme.

175. The Trusts Law and the AML Law include requirements that, if complied with, would ensure that beneficial ownership information is available on trusts in line with the standard. The Trusts Law requirements apply to all trusts and the AML Law also applies to all trusts by virtue of the requirement for trusts to have a licensed trustee which is an AML-obliged person. Both laws contain a definition of beneficial ownership that meets the standard. The record keeping obligations also ensure that the information is held for ten years. The requirements for the Registrar General to hold an updated copy of the register also helps to ensure that the information is still available in the event the trust is terminated.

Oversight and enforcement

176. The Office of the Registrar General is the authority responsible for overseeing trusts and enforcing the Trusts Law. Article 106 provides for the imposition of administrative fines by the Registrar General for failure to comply with the obligations imposed in the law. Criminal sanctions are also provided for offences against the Trusts Law.

177. A trustee who fails to register a trust is liable to an administrative fine of not less than FRW 1 million (EUR 706) and not more than FRW 2 million (EUR 1 412). Failure to register any change in a trust is a fault subject to a fine of not less than FRW 2 million (EUR 1 412) and not more than FRW 5 million (EUR 3 530). Where a trustee fails to comply with the requirement to maintain an adequate, accurate and up-to-date register of beneficial owners provided in Article 87, the trustee is liable to an administrative fine of not less than FRW 7 million (EUR 4 942) but not more than FRW 10 million (EUR 7 060). An equivalent administrative fine is provided for a person involved in a trust who fails to provide information requested in a notice from the trustee.

178. Under Article 112 of the Trusts Law, it is a criminal offence for a person to carry out the activities of a trustee without a licence or purport to have the status of a trustee. The offence is punishable on conviction by imprisonment for a term of not less than one year and not more than two years and a fine of not less than FRW 7 million (EUR 4 942) but not more than FRW 10 million (EUR 7 060) or only one of these penalties where a trustee is a natural person or a fine of not less than FRW 30 million (EUR 21 179) and not more than FRW 50 million (EUR 35 298), where a trustee is a corporation. Oversight and enforcement will be assessed during the Phase 2 review.

Availability of trust information in EOIR practice

179. The implementation of the legal framework and the availability of identity and beneficial ownership information on trusts in practice will be examined during the Phase 2 review.

A.1.5. Foundations

180. Although there are currently no foundations registered in Rwanda, foundations may be established under Law No. 059/2021 governing foundations (the Foundations Law). The Foundations Law also governs foreign foundations registered in accordance with the law. A foundation has separate legal personality from its founder, has one or more objectives which may or may not be charitable, and has property legally independent from

the founder's. There are 10 foundations registered in Rwanda as of 30 June 2024, three types of foundations may be established:

- **Private benefit foundation** is a foundation which is intended to serve private or personal purposes that include estate planning and other investment in commercial activities in order to grow its property.
- **Common benefit foundation** is a foundation whose activity, according to its charter, serves common benefit or charitable purposes, e.g. reducing poverty, promoting education or health.
- **Mixed-benefit foundation** is a foundation which is intended to do investment in commercial activities in order to serve private or personal purposes and partly invest its revenues in social impact projects.

181. A foundation may be established by a written declaration of establishment, a will or by registration (Article 14). A foundation becomes a legal entity after being registered by the Registrar General.

182. Additionally, the Foundations Law requires every foundation to have a foundation charter which regulates its life and complies with the law. Article 7 stipulates the minimum information to be included in the charter. It includes:

- the name and type of foundation and its purpose and objectives
- the registered address of the foundation in Rwanda
- information on its founder:
 - if an individual: name and address
 - if an entity: name and registered address, particulars of the managers and members of the board of directors
 - registered address in Rwanda if the founder is not a Rwandan resident
- the name and address of the beneficiary of the foundation, or the procedure by which a beneficiary may be appointed and removed, and provisions for appointment of additional beneficiary
- the name and address of the Executive Secretary of the foundation
- the procedure for appointment of the foundation council and of a guardian, their removal and term of office as well as their powers and duties
- provisions relating to the foundation's financial and property audit

- provisions relating to the winding up of the foundation, including provisions specifying the fate of any assets of the foundation that is wound up voluntarily.

183. The application for registration is done using a prescribed form and must be accompanied by the identification or passport of the founder and the notarised foundation charter and the prescribed fee. The prescribed form must contain particulars of the members of the foundation council who sign, indicating their consent to be members of the council. The Registrar General also requires an annex to be submitted with the foundation charter disclosing the initial appointment of members of the foundation council. If the Registrar General is satisfied that the application complies with law, the Registrar General records the application in the register, records the foundation's particulars and issues a certificate of registration.

184. Similarly, a foreign foundation that wishes to extend its activities or re-domicile in Rwanda must apply for registration. The foundation must provide an application signed by the members of its governing body, a copy of the statement containing the particulars of the foundation, its charter and its founder and its certificate of registration among other documents. If the application complies with the law, the Registrar General registers the foreign foundation and issues a certificate of registration. Foundations from a partner state of the East African Community or from a state which entered into a relevant agreement with Rwanda are accorded national treatment after registration.

185. The information received by the Registrar General on registration is used to populate the register of foundations (Article 50). The register must include the foundation's charter, the declaration of establishment of the foundation or the will, particulars of its members, accounting and audit records of the foundation. The register is accessible on payment of a prescribed fee by a person duly authorised by the foundation's guardian. Any modification of the foundation's charter by the foundation council must comply with the law and be notified to the Registrar General within 15 working days of the date they are made. Modifications only take effect when the Registrar General enters them in the register. Updating of the register of foundations is also facilitated by the requirement to notify the Registrar General within seven working days of a change to the membership of the foundation council.

186. In addition to the registration requirements that ensure that the Registrar General has identity information on the founder, executor, guardian and foundation council, executive secretary and beneficiary, Article 52 requires all foundations to establish and keep an internal register at their registered office in Rwanda. The internal register must contain the names and particulars of the foundation council members, the guardian and other information required by its charter. The register must be open to inspection by the founder, any member of the council or the beneficiary.

Beneficial ownership information

187. The Foundations Law contains provisions for beneficial ownership information to be maintained by both the foundation and the Registrar General. The Registrar General is required to establish and keep a register of beneficial owners of foundations. The requirement for foundations to establish and maintain an internal register of beneficial owner at their registered office and file a copy with the Registrar General ensure that the central register kept by the Registrar General is populated. Further, this register is updated, as the foundation must notify the Registrar General of any changes to the particulars in the internal register within 15 working days. The register must be kept by the Registrar General for ten years from the date of dissolution of the foundation while the foundation must maintain records of each beneficial owner for ten years after the person ceases to be a beneficial owner.

188. The Foundations Law defines the beneficial owner of a foundation as the natural person who is the founder of the foundation, the beneficiary or the person who exerts real influence on the foundation including:

- a) the founder or the will executor;
- b) the guardian;
- c) member(s) of the Foundation Council;
- d) beneficiaries (i.e. the person who, according to a charter, is entitled to receive any benefits or proceeds from activities and property of the foundation);
- e) any other person who may have influence on the foundation.

189. Article 55 of the Foundations Law sets out the contents of the internal register of beneficial owner which foundations are required to keep. The contents include identification information of the beneficial owner, the nature, modalities and extent of the benefit, or the nature and extent of the control exercised and the dates of commencement and cessation of beneficial ownership. The foundation is required to take appropriate measures to obtain, verify and hold adequate, accurate and up-to-date beneficial ownership information. This is aided by a corresponding duty placed on the beneficial owner to notify the foundation of changes regarding cessation of their beneficial ownership, including by the successors of a dead beneficial owner, within 14 days of their occurrence. The foundation is also empowered to request information on beneficial owners from any person it knows or reasonably believes has this information.

190. Article 62 of the Foundations Law provides for the dissolution of a foundation in case of bankruptcy proceedings against its assets, in case a court orders dissolution and in case of a valid resolution of dissolution

adopted by the foundation council. In addition to the requirements that ensure the registers kept by the Registrar General are updated, obligations imposed on the foundation council to submit to the Registrar General the records of a dissolved foundation and for the Registrar General to keep the records for ten years from the date of dissolution (Article 65) ensure that identity and beneficial ownership information is kept for the minimum period required by the standard. In contrast, Article 61 of the Foundations Law provides for a foundation to be removed from the register without dissolution and in such cases, there is no requirement for documents to be handed over to the Registrar General, but this does not affect the availability of identity and beneficial ownership information already maintained by the Registrar General. Removal from the register does not shield the foundation from any liability or obligations to which it was subject prior to the loss of its legal personality.

191. Additionally beneficial ownership information on foundations may also be available under the AML Law requirements, although there is no requirement for a foundation to engage with an AML-obliged person. As foundations are legal entities, the CDD obligations described in relation to companies also apply to them (see also paragraphs 112-121).

192. Rwanda's legislation establishing and governing foundations requires the availability of information on the owners of foundations in line with the standard. The law requires foundations to be registered and to keep up-to-date records of the founder, guardian, foundation council and beneficiaries. The registration and updating requirements allow the Registrar General's register to reflect the same information.

Oversight and enforcement

193. The Office of the Registrar General is charged with supervision and oversight of mixed benefit and private benefit foundations in Rwanda while the Rwanda Governance Board oversees common benefit foundations. The supervisors are empowered to apply administrative sanctions for non-compliance, as specified in Articles 68 to 75 of the Foundations Law.

194. An administrative fine ranging between FRW 3 million (EUR 2 118) and FRW 5 million (EUR 3 530) applies to a founder or executor who carries out the activities of a foundation without having it registered. This sanction applies equally to a foreign foundation which starts operating in Rwanda without being registered. The same fine applies for failure to notify the Registrar General of changes to purpose or content of the charter and for failure to notify the Registrar General of dissolution of a foundation.

195. An administrative fine ranging between FRW 2 million (EUR 1 412) and FRW 5 million (EUR 3 530) applies to a foundation which fails to

maintain the register of beneficial owner or to enter the data into the register. This sanction applies to the foundation's failure to keep the details required to be kept in the beneficial ownership register updated. A greater fine from FRW 5 million (EUR 3 530) to FRW 7 million (EUR 4 942) applies to a member of the foundation council or the liquidator who fails to lodge all the records of a dissolved foundation with the Registrar General.

196. A beneficial owner who is required by a member of the foundation council to provide information to be included in the register of beneficial owners but fails to do so within 30 days of the notice, also commits an administrative fault and is liable to be restricted from exercising his or her rights or being stripped of any right to payment of beneficial owner's interests. These sanctions remain in force until the requested person submits details on beneficial ownership to a member of the foundation council.

197. Oversight and enforcement of the identity and beneficial ownership requirements of foundations will be assessed during the Phase 2 review.

Availability of foundation information in EOIR practice

198. The implementation of the legal framework and the availability of identity and beneficial ownership information on foundations in practice will be examined during the Phase 2 review.

Other entities and arrangements

Co-operatives

199. Law No. 057/2024 of 20 June 2024 governing co-operatives in Rwanda (the Co-operatives Law) repealed and replaced Law No. 024/2021 of 27 April 2021 governing co-operatives in Rwanda and determines the establishment, organisation and functioning of co-operatives. The law recognises 13 types of co-operatives covering various agricultural, financial services, services, trading and handicraft endeavours, among others. It also provides that co-operatives can join to form unions, which themselves can form federations, which in turn can form confederations, as follows:

- **Primary co-operative** is a first-tier co-operative composed of at least ten or in some instances five persons who may be individuals, an enterprise, organ³³ or organisation with legal personality that

33. An organ refers to a body of persons who are part of an organisation but have designated roles and responsibilities. Chapter III of the Co-operatives Law sets out the organs of a co-operative and their powers and functions, i.e. General Assembly, Board of Directors, Supervisory Committee and Specialised committees.

have joined together voluntarily to carry out together activities aimed at ensuring their own development according to the principles of co-operatives. There were 10 456 primary co-operatives as of 30 June 2023, mainly in the agriculture sector.

- **Union** is a secondary co-operative composed of at least two primary co-operatives operating in the same kind of business, joined together to build their capacities to promote development of their members. There were 152 unions as of 30 June 2023.
- **Federation** is a tertiary co-operative composed of at least two unions. There were 15 federations as of 30 June 2023.
- **Confederation** is an umbrella co-operative made up of federations that advocates for and represents co-operatives at the national and international level. There was one confederation as of 30 June 2023.

200. Co-operatives are given legal personality upon registration.³⁴ Articles 65 and 67 to 68 of the Co-operatives Law describe the registration process. A co-operative is registered online by submitting its application through the Co-operative Management Information System. The application must first be assessed and approved by the Sector Executive Secretary within five days. Once approved, the application goes to the district for assessment and approval by the District authority. After the district approval, the application goes to the Rwanda Co-operative Agency and if approved, the co-operative is provisionally registered for 12 months and thereby granted legal personality for that time. A certificate of definitive legal personality is granted at the expiry of the provisional registration if the District Authority submits a report to the Rwanda Co-operative Agency indicating the total or progressive implementation of the co-operative's business plan. The application for registration includes the co-operatives by laws and internal regulations, particulars of the members of the co-operative to satisfy the requirement for the number of members and a document indicating the information on beneficial owners. The particulars of members include their names, the national identification or passport number, date of birth and telephone numbers.

201. Information on the identity of members is required to be kept by the co-operatives in a regularly updated register or electronic system. The register must contain the identification of the members, their date of registration, name of a successor of a member and the value of shares subscribed by each member. Co-operatives are required to have democratic member control where a member has one vote, and all votes are equal.

34. Article 69 of the Co-operatives Law.

202. One of the main changes enacted in the Co-operatives Law is the introduction of the obligation to maintain a beneficial ownership register. Prior to the new law, members of the co-operatives are either individuals or Rwandan entities already subject to the requirement to maintain their own internal register of beneficial owners, so that the authorities can reconstruct the beneficial ownership of the co-operative itself. Article 75 now requires each co-operative:

- to obtain and maintain adequate, accurate and up-to-date information on its beneficial owners
- keep a record of such information with supporting documents at its registered office in Rwanda
- update the register within 14 days of change to the information of a beneficial owner
- submit a copy of its beneficial owners register to the Rwanda Co-operative Agency and file notification of changes within 14 days of becoming aware of the change
- maintain the information for the period in which a person is a beneficial owner and for a further ten years after the person ceases to be a beneficial owner.

203. The Rwanda Co-operative Agency is required to keep the records of co-operatives which cease to exist for ten years thereafter. The Board of Directors or the liquidator is bound to submit copies of the registers and records to the Rwanda Co-operative Agency (Article 142).

204. Beneficial ownership information may also be available through AML-obliged persons with which the co-operative transacts business. This however is not a mandatory requirement. The CDD measures described in relation to companies would apply to a co-operative. In relation to co-operatives, the FIC Guidelines only indicate that the constitution of a registered co-operative may be the source document for obtaining the beneficial ownership information of co-operatives.

Company limited by guarantee

205. The Companies Law provides for the incorporation of companies limited by guarantee (*société à responsabilité limitée par garantie*), a company in which the liability of members is limited to the amount agreed by members and is used primarily by non-profit organisations. The memorandum of association of companies limited by guarantee must also include the name of the members and the amount each of them would contribute if the company is being wound up.

206. Although the Companies Law provides that they cannot be public companies, 10 of the 779 such companies registered as of 30 June 2023 were erroneously registered as public companies. The Rwandan authorities informed that they were in the process of correcting this error.

207. As such companies are governed by the rules of the Companies Law the requirements outlined under A.1.1 at with respect to the availability of legal and beneficial ownership information apply *mutatis mutandis* to companies limited by guarantee.

Oversight and enforcement

208. The authority responsible for monitoring the requirements to maintain legal ownership and identity information of co-operatives during the minimum retention period is Rwanda Co-operative Agency. This function is carried out by its Audit Department staffed with 10 auditors and the Inspection Department with 17 inspectors. The Rwanda Co-operative Agency is empowered to levy administrative fines on a co-operative for non-compliance with its record keeping requirements (Articles 150-152, Co-operatives Law). A co-operative that does not maintain or fails to update a register, documents or an electronic system as required by the Law is liable to an administrative fine of FRW 1 million (EUR 706). Failure to submit the requisite register or to update information or providing incomplete information to the Rwanda Co-operative Agency attracts a fine of FRW 500 000 (EUR 353). An administrative fine of FRW 1 million (EUR 706) is provided for a member of the Board of Directors or a liquidator who does not submit the final registers and records of a dissolved co-operative to the Rwanda Co-operative Agency.

209. As is the case for the other companies discussed in A.1.1, companies limited by guarantee are supervised by the Registrar General applying the same enforcement and penalty framework outlined with respect to other types of companies registered in Rwanda.

210. Oversight and enforcement will be assessed during the Phase 2 review.

Availability of information in EOIR practice

211. The implementation of the legal framework and the availability of identity and beneficial ownership information on co-operatives and companies limited by guarantee in practice will be examined during the Phase 2 review.

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

212. The laws governing the relevant entities and arrangements require all relevant entities, including the relevant foreign entities and trustees of foreign trusts, to maintain their accounting records and underlying documentation, for at least ten years. The tax law also contains detailed obligations for accounting records which must be kept by taxpayers based on their turnover. Except for trusts, the laws governing the entities and arrangements provide for submission of the accounting records inclusive of underlying documentation after dissolution to the respective regulator to be retained for a further ten years when an entity or arrangement ceases to exist.

213. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Rwanda in relation to the availability of accounting information.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.2.1. General requirements

214. The standard is met by a combination of requirements in the tax law, company law as well as the laws governing the establishment of legal arrangements. The various legal regimes are analysed below.

Company Law

215. Article 11 of the Companies Law requires companies to keep accounting records and their supporting documents at their registered office in Rwanda or at any other place in Rwanda. The accounting records must be kept for at least ten years from the end of the year to which they relate.

216. Article 121 of the Companies Law places the duty for keeping the company's accounts on the board of directors. They must cause to be kept at all times accounting records that give a true and fair view of the company's financial position and that explain its transactions and comply with accepted accounting standards. The law does not specify the format in which the accounting records containing proper books of account must be

kept except that they must be easily accessible and convertible into written form. It does however specify the contents of the accounting records:

- daily receipts and expenses with their accounting documents
- a register of assets and liabilities of the company
- where the company's business involves the sale of goods – all sales and purchases of goods by the company, those who bought them and related invoices, and a register of stock held and its variation
- where the company's business involves providing services – a register of services provided and relevant invoices.

217. In addition to the requirement to keep accounting records, the board of directors must ensure that annual accounts are prepared in accordance with the company's annual accounting reference date. The companies may prepare their accounting records in accordance with international accounting standards such as the International Financial Reporting Standards, International Standards on Auditing or the International Public Sector Accounting Standards for the public sector. The annual accounts must be disclosed to shareholders and delivered to the Registrar General not later than seven months after a private company's accounting reference date (four months for a public company). The accounts must be accompanied by the external auditor's report, if any, and the reports of directors relating to the same accounting period. The annual accounts must include a balance sheet, a profit and loss account, cash flow statements, equity and changes therein. The special accounts must be audited by an external auditor within three months of the accounting reference date of both private and public companies.

218. The requirement for audited accounts applies to all public companies but section 210 of the Companies Law allows private companies prescribed by ministerial order to opt out of this requirement. The private companies which may opt out of this requirement have not yet been prescribed by ministerial order. Dormant companies must file their annual accounts, but they are exempted from having their accounts audited. Article 263 of the Companies Law provides for a company that is dormant for any period of time during which no significant accounting transaction occurs. A company is deemed to be dormant where it has been so from the time of its formation or since the end of its previous accounting period, by a special resolution of shareholders. Notice of the special resolution must be given to the Registrar General within 15 days of it passing. A company that carries out any banking transactions is precluded from being a dormant company. Where the company ceases to be dormant it must give notice to the Registrar General before restarting its business.

219. By application of Article 257 of the Companies Law³⁵ the accounting obligations of companies apply equally to foreign companies registered in Rwanda. In this case, the authorised representative of the foreign company is required to ensure compliance with the obligations.

220. In addition to receiving the annual accounts filed by companies, the Registrar General is the custodian of all the accounting records of companies, including copies of all annual reports and auditor's and directors' reports, when the company ceases to exist. This is as a result of the obligation imposed under Article 111 on the company secretary, directors or the liquidator to file copies of the records with the Registrar General within 30 days of the company ceasing to exist. The Registrar General must keep these documents for ten years after receiving them.

Partnerships, trusts, foundations and co-operative societies

221. The Partnerships Law provides for the keeping of accounting records and supporting documents by all partnerships for a minimum of ten years from the day following the last day of the year to which they relate.³⁶ Each type of partnership is specifically required to keep accounting records and supporting documentation in relation to transactions and must make them available on request to any other partner. The partnerships are also required to file with the Registrar General annual financial statements complying with generally accepted accounting principles within six months after the partnership's accounting date. The financial statements of a limited partnership must be audited by an auditor.

222. The burden of complying with the requirements to maintain accounting information and supporting documentation is placed on a specific person in respect of each type of partnership. For a general partnership, the responsible person is a partner, for a limited partnership it is the general partner and for a limited liability partnership it can be a partner, manager or person acting as its compliance officer. However, the obligation is put on the foreign partnership without identifying a particular functionary.

223. In the event of dissolution of partnership, the partners or the liquidator of the partnership must submit the account of capital distributions and accounting records of the partnership to the Registrar General within 30 days of the date of completion of liquidation. The Rwandan authorities interpret this provision to include the underlying documentation although this is not explicitly stated in Article 22 of the Partnerships Law. On receipt of

35. "Unless otherwise provided, a foreign company registered in Rwanda complies with the provisions of this Law."

36. Articles 22, 45, 83, 103 bis, 119 and 122 of the Partnerships Law as amended by Law No. 018/2023.

the records, the Registrar General is mandated to retain them for ten years thereafter. The Rwandan authorities' interpretation of the requirements to include underlying documentation with the submission of accounting records of dissolved partnerships and its impact in practice will be examined in the Phase 2 review (see Annex 1).

224. Similar provisions are made in Article 123 of the Partnerships Law with respect to foreign partnerships that cease to carry on business in Rwanda. In such cases the partnership must file a notice to that effect with the Registrar General within seven days from the day of cessation of business and publish a notice of cessation of business in at least one local print or online media widely circulated in Rwanda. The notice filed with the Registrar General must be accompanied by the partners' decision to cease to carry on business in Rwanda and tax clearance from the RRA. The partnership must transfer its books and documents including accounting records and underlying documentation to the Registrar General within 30 days of the notice of cessation business. A minimum ten-year retention period is prescribed for the Registrar General to keep the records from the date of receipt of the documents.

225. Article 49 of the Trusts Law equally sets a minimum retention period of ten years for a trustee of a foreign or domestic trust to keep accurate accounts and records of trusteeship. The records must continue to be kept for a period of not less than ten years after the completion of the transactions to which they relate. The accounts must also be made available on request to beneficiaries and any competent authority. The rules in Article 54 governing the circumstances in which a trustee can resign from a trust ensure that a trustee is always acting and has responsibility to keep the records. Further, a person who ceases to be a trustee must prepare all necessary documents including the records required to be kept and do everything to vest the trust property in the new or current trustees. Resignation or removal of a trustee does not relieve the trustee from liabilities resulting from acts that took place before the trustee's resignation or removal became effective.

226. Trustees are required to be licensed and are either financial institutions or trust and company services providers who are also AML-obliged persons. Consequently, trustees are bound by the requirements of Article 20 of the AML Law to maintain all necessary records on transactions, both domestic and international, for at least ten years following completion of the transaction, and this includes the account files. A trustee who ceases or suspends its activities is required to submit its records to the relevant supervisory authority within 30 days of suspension or cessation of activities. This obligation should ensure that such records would be available in Rwanda as required by the standard.

227. The equivalent provision for the keeping of accounting records by foundations is found in Article 49 of the Foundations Law. The foundation council is obligated to keep the accounting records of the foundation for a period of ten years following their production. Article 32 also includes in the list of responsibilities of the foundation council, taking appropriate steps to ensure that the foundation's records are prepared and kept properly and accurately, particularly containing entries of all sums of money received and spent by the foundation, the matters in respect of which the receipt and expenditure take place and a record of the assets and liabilities of the foundation, including shares, interest and units held by the foundation in any other legal entities or arrangement. Under Article 65 of the Foundations Law, after a foundation dissolves, the foundation council must submit all its records to the Registrar General to be kept by the Registrar General for a minimum period of ten years. These requirements are also applicable to foreign foundations registered in Rwanda as they are included within the scope of the law by Article 2 of the Foundations Law.

228. Articles 82 and 83 of the Co-operatives Law requires co-operatives to keep at their head office books of account or accounting electronic system following the format determined by the National Agency or Rwanda Co-operative Agency in accordance with generally accepted international accounting standards for at least ten years from the end of the year they were created. The accounting records should include underlying documentation and contain details of monies received and expended and the matters in respect of which the receipt or expenditure takes place, sales, purchases and other transactions and the co-operative's assets and liabilities. Article 142 of the Co-operatives Law requires the Rwanda Co-operative Agency to keep the accounting documents for a period of ten years from the date of their receipt after liquidation or cessation of a co-operative.

Tax Law

229. The tax laws impose obligations on taxpayers to not only keep accounting records in Rwanda but also to file them with the tax administration. Compliance with these requirements would ensure that accounting records in line with the standard are available with the RRA and the taxpayer. The obligations derive from the Tax Procedures Law and the Income Tax Law.

230. The obligations to keep specific accounting records in the Tax Procedures Law in Articles 13 to 16 are stratified based on the taxpayer's annual turnover. Taxpayers with an annual turnover between FRW 2 million (EUR 1 412) and FRW 12 million (EUR 8 471) need only keep a record of sales.³⁷ A taxpayer with an annual turnover between FRW 12 million

37. These taxpayers are microenterprises and are liable to a flat rate tax on turnover.

(EUR 8 471) and FRW 20 million (EUR 14 119) must keep books of accounts and records which include:

- a record of all daily sales indicating all daily cash and credit sales
- a record of all daily purchases indicating goods or services acquired by cash credit to constitute stock in trade or necessary operating expenditures
- a record of all financial transactions indicating cash entries and cash expenditures
- tax related records showing tax liability, withheld tax and a declaration of tax withheld.

231. Taxpayers (individuals and companies) with annual turnover above FRW 20 million (EUR 14 119) are also subject to the Real Regime Income Tax ³⁸ and must also comply with the accounting system indicating income and expenditure, submit complete and detailed financial statements and transfer pricing documentation with respect to related party transactions with their annual tax declaration.

232. Article 15 of the Tax Procedures Law stipulates that the books of accounts and records must be kept for a period of ten years starting from 1 January following the fiscal year to which they relate. The records must be kept in the taxpayer's premises or in any other place in Rwanda. There is no requirement for notifying the tax administration in the latter case. Books of accounts and records must be prepared in one of the official languages and can be electronically accessed and shared in electronic form in accordance with the directives of the Commissioner General.

233. The obligation to file accounting records with the tax declaration corresponds with the threshold set for Real Regime Income Tax. Furthermore, under Article 9 of the Income Tax Law taxpayers with an annual turnover exceeding FRW 600 million (EUR 423 579) have an obligation to keep and submit to the tax administration the financial statements certified by a qualified professional approved by the RRA along with their annual tax declaration by 31 March each year.

Entities that ceased to exist

234. As described in paragraphs 220, 223, 227 and 228, the various laws establishing companies, partnerships and foundations provide for the accounting records and underlying documentation to be handed over to the

38. This is a regime for a category of taxpayers that fall under the actual taxation scheme who must comply with the accounting system indicating their income and expenditure.

Registrar General and to the Rwanda Co-operative Agency in the case of co-operatives, to be retained for ten years after the entity or arrangement ceases to exist.

235. This applies equally to companies which transfer their incorporation to another country under Articles 318 to 322 of the Companies Law. The company must be solvent to apply for this procedure. The application must be approved by the shareholders and notice of the application must be published before the company is removed from the register.

236. Both the primary retention period for entities and arrangements to maintain their accounting records and underlying documentation for ten years and requirements to deliver them to the Registrar General or Rwanda Co-operative Agency (except for trusts) are in line with the standard. The Phase 2 review will analyse how the Registrar General and the Rwanda Co-operative Agency ensure in practice the deposit of the accounting records and underlying documentation of companies, foundations, partnerships and co-operatives which cease to exist (see Annex 1).

237. Trustees are entrusted with the obligation to retain accounting documents for not less than ten years after the completion of the transactions to which the record relates by both the Trusts and AML Laws. The AML Law also contains a requirement for records to be submitted to the relevant supervisory when the trustee suspends or ceases its activities. This would ensure that accounting records of trusts are available for at least five years even where the trust is terminated or the Rwandan trustee ceases duties as trustee, in line with the standard. The keeping of accounting records by trustees for ten years even after the trust is terminated will be followed up in Phase 2 (see Annex 1).

A.2.2. Underlying documentation

238. The accounting obligations imposed under the tax laws and the various laws establishing legal entities and arrangements ensure the availability of underlying documentation of the accounting information in line with the standard. The laws establishing relevant entities and arrangements provide for underlying documentation to be kept with varying levels of details.

239. Article 121 of the Companies Law requires companies to keep invoices related to the sale and purchase of goods by a company and for a company providing services, the invoices relevant to the provisions of the services. The relevant sections of the Partnerships Law as amended expressly require partnerships to keep supporting documents. The Trusts Law does not explicitly indicate what underlying documents should be kept. However, trustees have a fiduciary duty to not profit from the trust and to administer the trust in accordance with laws and the trust instrument only in the interest

of the beneficiaries and for the purpose of the trust. In order to ensure that the trustee can demonstrate fidelity to these duties, records of the trusteeship would require the keeping of the underlying documents on which the accounts are based. Article 83 of the Co-operatives Law expressly requires underlying documents to be kept as part of the co-operative's accounting records. Article 32(3) of the Foundations Law requires the records kept by the foundation council to not only contain entries of all sums of money received and spent but the matters in which respect of which the receipt and expenditure takes place.

240. Notwithstanding detailed accounting record-keeping obligations stipulated under the tax laws, they do not explicitly require underlying documentation to be kept. The relevant entities and arrangements would however have these records to comply with the record keeping obligations under the laws under which they are established and regulated.

Oversight and enforcement of requirements to maintain accounting records

241. Several authorities are involved in monitoring compliance with the obligations on entities and arrangements to keep accounting records. The Office of the Registrar General is responsible for policing the requirements under the laws governing companies, partnerships, trusts and foundations. The Office of the Registrar General monitors the requirement through its Compliance Unit. The National Bank of Rwanda and the CMA also supervise the compliance of trustees which are required to be licensed by either regulator. In the case of co-operatives, enforcement and oversight of the obligation to keep accounting records is ensured by the Rwanda Co-operative Agency through its Inspection and Audit Unit.

242. The oversight and enforcement of the obligations to maintain accounting records provided under the Tax Procedures Law and Income Tax Law is the responsibility of the RRA. This is mainly done through tax audits. Generally, taxpayers are selected for auditing on the basis of risk profiling. Tax audits involve RRA checking amongst other risks identified during risk profiling, the availability of accounting records and underlying documents to ensure compliance with the record keeping obligations as well as their accuracy in representing the financial and transactional situation of the taxpayer. Where during the course of the tax audit and investigation, RRA officers uncover evidence of non-compliance with the accounting obligations, the RRA applies the estimated assessment procedure on the taxpayer. In that circumstance, the RRA sends an assessment note to the taxpayer indicating the reason for the estimated assessment or details of the offence and the fines applicable.

243. The Office of the Registrar General is empowered to apply administrative penalties on the entities under its supervision. It uses questionnaires distributed to companies by email and on-site inspections to verify companies' compliance with their accounting record keeping obligations. The penalty available under the Companies Law for failure to comply with the requirement to keep accounting records as required under Article 326 is an administrative fine of between FRW 500 000 and FRW 2 million (EUR 353 to EUR 1 412). The penalty under the Partnerships Law for the failure of a partner, manager of a partnership or a person acting as compliance officer to keep books and documents is an administrative fine in the range of FRW 2 million and FRW 5 million (EUR 1 412 to EUR 3 530) (Article 132 bis). The same offence committed by a foundation or trustee attracts an administrative fine of between FRW 3 million and FRW 5 million (EUR 2 118 to EUR 3 530).³⁹

244. The penalties applicable to trustees administering trusts governed by the capital markets laws and licensed by the CMA are the same as those outlined in paragraph 130. Trustees supervised by the Bank of Rwanda are liable to fines of FRW 3 million (EUR 2 118) for failure to maintain transaction records for at least ten years after cessation of relationship.

245. The Rwanda Co-operative Agency may apply the administrative fine provided under Article 140 of Co-operatives Law to a co-operative that fails to comply with the obligation to keep accounting records and supporting documents for the required duration. The applicable fine is in the range of FRW 1 million and FRW 2 million (EUR 706 to EUR 1 412).

246. The penalties available to the RRA are prescribed in Article 81 of the Tax Procedures Law. Where a taxpayer fails to comply with the obligation to keep accounting records and supporting documents provided under Articles 13, 14, 15 and 16, the taxpayer in default is liable to an administrative fine as follows:

- FRW 50 000 (EUR 35) for a natural person not engaged in any commercial activity or a taxpayer whose annual turnover is more than FRW 2 million (EUR 1 412) but less than FRW 20 million (EUR 14 119)
- FRW 300 000 (EUR 212) if the taxpayer is a public institution or a non-profit making organisation and if the taxpayer's annual turnover exceeds FRW 20 million (EUR 14 119) and
- FRW 500 000 (EUR 353) if the taxpayer was informed by the RRA that he or she is in the category of large taxpayers.

39. Article 70 of Foundations Law and Article 108 of the Trusts Law.

247. Certain criminal penalties are also provided under the Companies and Tax Procedures Laws. Under section 90 of the Tax Procedures Law, a person who with intent to evade tax uses forged documents in his or her accounts, hides accounting documents from the tax administration or damages them or uses forged accounting records commits an offence of tax evasion and upon conviction is liable to imprisonment for a term of two years up to a term of five years. Article 343 of the Companies Law prescribes that upon conviction of poor book-keeping, an administrator, director, manager or liquidator is liable to imprisonment for a term of six months to two years and a fine of FRW 200 000 (EUR 141) to FRW 3 million (EUR 2 118) or only one of these penalties.

248. The implementation of the legal framework and the availability of accounting information on legal entities and arrangements in practice, as well as the application of the oversight and enforcement measures, will be examined during the Phase 2 review.

Availability of accounting information in EOIR practice

249. The availability of accounting information in EOIR practice will be examined during the Phase 2 review.

A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

250. The availability of information on the holders of bank accounts in Rwanda and the transactions carried out through these accounts is required mainly by the AML Law and by the Banking Law. Information on beneficial owners of accounts must also be collected and verified by banks as part of their AML CDD obligations. However, whilst the information must be updated annually for high and normal risk customers, updating of beneficial ownership information in respect of low-risk customers, for which simplified due diligence applies, can be done at a frequency lower than that applicable otherwise. Record keeping obligations are in place to ensure that the banking and beneficial ownership information is kept for ten years while the bank subsists. The bank's records must be submitted to the bank regulator on suspension or liquidation of the bank.

251. The conclusions are as follows:

Legal and Regulatory Framework: in place but needs improvement

Deficiencies identified/Underlying factor	Recommendations
Customer due diligence measures require identification of beneficial owners of customers and updating this information on an ongoing basis in specific situations or at least once annually in any case for high risk or normal risk customers. However, there is no specified frequency in the legal and regulatory framework for updating beneficial ownership information of low-risk customers that are subject to simplified customer due diligence.	Rwanda is recommended to ensure that in all cases up-to-date beneficial ownership information for all bank accounts is available in line with the standard.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

A.3.1. Record-keeping requirements

252. The banking sector operates under the supervision of the National Bank of Rwanda. It is comprised of 15 banks: 10 commercial banks, 3 micro-finance banks, 1 development bank and 1 co-operative bank.

Availability of banking information

253. The requirements on banks to maintain banking information, particularly on the transactions conducted through bank accounts, are imposed in the AML Law and Law No. 47/2017 governing the Organisation of Banking (the Banking Law). As financial institutions, banks fall into the category of AML-obliged persons and are therefore subject to the obligations under the AML framework (Article 7, AML Law). Article 47 of the Banking Law requires banks to maintain their accounts in accordance with accounting principles and as directed by the Central Bank.

254. Article 10 of the AML Law forbids banks from keeping an anonymous account or an account in a fictitious name.

255. Banks are required to verify the identity of their customers when:

- establishing a business relationship
- there is suspicion of money laundering, terrorist financing or financing of proliferation of weapons of mass destruction, regardless of any legal exemptions or thresholds

- there is doubt about the veracity or adequacy of previously obtained customer identification data
- a customer who is not an account-holder or is not in an established business relationship wishes to carry out a transaction or several linked transactions equal to or above FRW 10 million (EUR 7 060) or a local or international wire transfer equal to or above FRW 1 million (EUR 706).

256. The AML Regulations sets out the basic requirements for account opening. Article 9 requires banks to obtain:

- the customer and beneficial ownership identification and identity number
- identification of the signatories
- the customer's professional and personal address, information in the legal form, status and structure of the legal arrangement
- country of establishment of legal person or arrangement
- proof of incorporation and the address of principle of activity of a legal person or legal arrangement
- nature and purpose of an activity of the customer
- the expected use of the account.

257. Banks must maintain all transaction records for at least ten years after the transaction, according to Article 20 of the AML Regulations. The transaction records must include the records obtained through CDD measures, account files, business correspondence and the results of any analysis undertaken.

258. The transaction records must be sufficient to allow individual transactions to be reconstructed and to provide evidence to prosecute a criminal activity, if necessary.

259. In the event a bank is liquidated (including in the course of voluntary winding up), Article 100 of the Banking Law places an obligation on the liquidator to carefully preserve all accounting documents and to submit copies of all documents related to the liquidation to the Central Bank. The AML Regulations also impose an obligation on a bank which ceases or suspends its activities to submit to the Central Bank within 30 days of suspension or cessation of activities, all the records kept for compliance with the AML Law (Article 33, AML Regulations). The obligation under the AML Law applies to a bank that re-domiciles outside of Rwanda. The law is silent in each case on the time period for which the Central Bank will keep the records but the Rwandan authorities indicate that in practice the records

are being kept by the Central Bank indefinitely (see also paragraph 121). The combination of obligations under the Banking Law and the AML Law requires that banking information, in particular on the transactions carried out through a bank account, is available in Rwanda in line with the standard.

Beneficial ownership information on account holders

260. The standard requires that beneficial ownership information be available in respect of all account holders. This requirement is met in Rwanda through the CDD obligations imposed on banks in the AML Law.

261. Banks, as AML-obliged persons, must apply the CDD requirements described in section A.1.1 of this report (refer to paragraphs 112 to 121). Banks must undertake CDD in the circumstances delineated in paragraph 255. In accordance with the FIC Guidelines which also apply to banks, beneficial ownership information on account holders must be updated annually or whenever the bank becomes aware of a change in the beneficial ownership data of its account holders.

262. Banks may rely on third parties or business introducers and the conditions under Article 26 of the AML Law require the bank to immediately obtain the information on the identity of each customer and beneficial owner (see paragraphs 118-119). Other conditions which must be met are the absence of any suspicion of money laundering, terrorist financing or financing of proliferation of weapons of mass destruction and that the bank takes adequate steps to be satisfied that the third party provides copies of identification and other data collected pursuant to the CDD requirements without delay, is subject to the equivalent CDD requirements in the state in which it is located or subject and regulated and monitored for compliance with those requirements. The bank can rely on a third party in the group to which it belongs if record-keeping requirements are applied at the level of the group, there are programmes against money laundering, terrorist financing or financing of proliferation of weapons of mass destruction in accordance with the requirements, implementation of the requirements is supervised at the group level by a competent authority and a higher jurisdiction risk is adequately mitigated by the group's AML policies.

263. As described under Element A.1, both enhanced and simplified CDD measures are prescribed in the AML Regulations. In cases requiring the use of enhanced CDD, the bank must obtain additional customer information (occupation, volume of assets and other publicly available information), additional business relationship information (source of funds or wealth, the reasons for transaction), senior management approval to commence or continue the business relationship or require first payment using an account in the customer's name held with a bank subject to similar CDD measures. Enhanced CDD must be applied whenever the bank knows, suspects or has

reasonable grounds for knowing or suspecting the customer or beneficial owner or another person on whose behalf the transaction is conducted, of being engaged in money laundering or financing of terrorism or proliferation of weapons of mass destruction.

264. The customers' and beneficial owners' identification is required to be updated regularly. The FIC Guidelines direct AML-obliged persons to update beneficial ownership information annually or whenever they become aware of a change in the beneficial ownership information. However, as noted in paragraph 116, banks can use simplified CDD measures to relax the frequency of customer identification updates in respect of customers identified as low-risk. However, it is not specified what the reduced frequency should be in such cases. Therefore, **Rwanda is recommended to ensure that in all cases complete and up-to-date beneficial ownership information for all bank accounts is available in line with the standard.**

265. The National Bank of Rwanda's AML Guidelines for Regulated Institutions⁴⁰ stipulate that the risk assessment of customers should consider risks related to the products and services offered, including their mode of delivery, the nature of the customer, including its geographical location and the nature of the transaction. For each of these categories, a (non-exhaustive) detailed list of circumstances that would be reflective of a higher risk is indicated. The list includes foreign financial institutions; non-resident account holders; foreign corporations and domestic business entities and international business corporations located in high-risk geographic locations; non-governmental organisations; professional service providers like attorneys, accountants or real estate brokers; cash-intensive or cash-generating businesses; and customers whose nature, structure or relationships make it difficult to identify the ultimate beneficial owners of significant or controlling interests. While guidance is provided on the factors that might lead to a customer being identified as high risk, it is the banks' internal policies that determine if a customer is low risk and can be subjected to simplified CDD. The guideline is that a customer that poses any money laundering or terrorist financing risks must not be considered low risk.

266. Where the bank cannot comply with the required CDD measures, it must refrain from opening the account, commencing a business relationship, performing the transaction or if it has already commenced a business relationship, it should terminate it, and must consider making a suspicious transaction report on the customer, where necessary.

40. General Guidelines No. 4230/2023-00076 [614] on Anti-Money Laundering, Combating Terrorism Financing, and Counter Financing of Proliferation of Weapons of Mass Destruction for Regulated Institutions.

Oversight and enforcement

267. The National Bank of Rwanda is the regulator and AML supervisory authority for all banks operating in Rwanda. The bank's supervision and enforcement activities are undertaken by its 12-member AML supervision task force which is led by its steering committee comprising six managers and six directors from all supervision departments. It employs both on-site and off-site supervision activities to fulfil its oversight and enforcement functions. These have led to the imposition of sanctions on banks for non-compliance with the AML obligations. Oversight and enforcement will be examined during the Phase 2 review.

268. The sanction regime for banks is set out in regulations.⁴¹ The regulations provide a range of non-pecuniary administrative sanctions that may be applied based on the gravity of the infraction committed. They range from a written warning and suspension of the bank's support or the banking licence to revocation of the bank's licence. They also include suspension or prohibition of certain activities such as paying dividends to shareholders, establishing new branches, accepting further deposits, payment of management and technical fees to parent companies and related parties and declaring certain salary incentives.

269. Pecuniary sanctions may also be imposed on the bank by the National Bank of Rwanda via a notification letter. The concerned bank can voluntarily pay the sanction within ten days of receipt of the letter or be subject to automatic recovery by debiting it from the bank's account opened with the National Bank of Rwanda or through a garnishment upon simple summons notified by a bailiff. The pecuniary fines for failure to obtain and maintain accurate, adequate and updated information on the beneficial owner(s) of accounts, even where a customer is an intermediary or authorised representative of another party, are FRW 5 million (EUR 3 530) for a category 1 bank and FRW 3 million (EUR 2 118) for a category 2 bank.⁴² Failure to maintain records obtained through CDD measures and transaction records for at least ten years after cessation of relationship either electronically or paper based attracts fines of FRW 3 million (EUR 2 118) and FRW 2 million (EUR 1 412) for category 1 and category 2 banks respectively.

270. Article 6 of the regulations also provides for sanctions to be applied to the bank's senior management. Violations of the AML Law by a member

41. Regulation No. 63/2023 determining administrative sanctions applicable to regulated institution for non-compliance with the prevention money laundering, financing terrorism and financing of proliferation of weapons of mass destruction.

42. Categories of institutions are defined in the regulations and commercial banks fall within Category 1 while co-operative banks and deposit taking microfinance companies fall within Category 2.

of the board of directors or a senior manager may be met with a written warning, suspension, revocation of approval or dismissal, acquiring additional assets, engaging in new or expanding existing activities.

Availability of banking information in EOIR practice

271. The implementation of the legal framework and the availability of banking information in EOIR practice will be examined during the Phase 2 review.

Part B: Access to information

272. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

273. The Tax Procedures Law, which took effect in March 2023, is the main statute that allows Rwanda's competent authority to obtain information requested by EOI partners. The access powers under the Tax Procedures Law can be used to obtain information (including banking and beneficial ownership information) from third parties as well as the person who is the object of the request. Administrative penalties are available for failing to provide the information or providing inaccurate information. Professional secrecy in Rwanda's domestic laws is generally in line with the standard and the competent authority's access powers for exchange of information purposes can override statutory obligations to confidentiality.

274. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Rwanda in relation to access powers of the competent authority

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

B.1.1. Ownership, identity and banking information

Accessing information generally

275. The Commissioner General of the RRA is the competent authority in Rwanda for EOI purposes. An EOI Unit carries out the day-to-day EOI functions.

General power to access information

276. Law No. 020/2023 on tax procedures (Tax Procedures Law) governs tax procedures and applies in respect of taxes on income, value added tax, property tax on motor vehicles and boats, taxes on minerals and any other tax that does not have specific tax procedures. Article 97 empowers the RRA to access information held by any person and that may facilitate the implementation of the Tax Procedures Law, other tax laws and all treaties ratified by Rwanda. The person to whom a request under this provision is directed must provide the requested information within ten working days of receiving the request.

277. The access power in Article 97 of the Tax Procedures Law is the access power that is invoked in EOI cases. This power allows the competent authority to obtain information directly from the person in possession or control of the information, without the need for the intervention of another government authority. The power may be used to access information from any person regardless of whether they act in an agency or fiduciary capacity or whether they are under a duty to be in possession or control of the requested information. The exercise of this access power is also not subject to a *de minimis* threshold or a requirement for the taxpayer to be under examination and can be used in respect of both criminal and civil tax matters.

Audit power

278. The Tax Procedures Law also confers access powers on the RRA that may be used in the context of an audit or investigation of a taxpayer. A taxpayer is defined in Article 3 of the Tax Procedures Law as any person who is subject to the tax laws of Rwanda. The taxpayer is bound by Article 29 to provide tax auditors with books and records prescribed by the law and other related documents and copies of such documents. The taxpayer has seven working days to provide information requested except in case of *force majeure*. Article 31 allows the RRA to request, in addition to books of accounts and records required under the law, information or explanations from the taxpayer in writing. The Rwandan authorities indicate that the powers to audit a taxpayer conferred on the RRA may also be used to

obtain information solely for EOI purposes although this is not explicitly set out in the law. However Rwanda adopts the single audit principle where a taxpayer can only be audited once per tax type for a tax period. The limited exceptions to this principle do not include the purposes of responding to an EOI request.⁴³ This may constrain the use of the power to audit a taxpayer to answer an EOI request where the taxpayer was subject to a comprehensive audit or the RRA may want in the future to audit the taxpayer for domestic tax purposes. The consequences of the single audit principle on the exercise of the RRA's audit powers for EOI will be examined during a Phase 2 review (see Annex 1).

279. The Tax Procedures Law also provides the RRA with power to access information that may be held by third parties. Under Article 32, during an audit or investigation and upon request in writing by the RRA, a public or private institution may be required to provide information in relation to a taxpayer. Information can be requested under this provision from other persons in case the RRA needs to know the nature and use of the taxpayer's property. Under this provision, the requested person or institution has to provide the information within 15 days of receipt of the request. The Rwandan authorities indicate that the provision may be used to obtain information from third parties required solely for the purposes of an EOI request.

Accessing legal and beneficial ownership information

280. The RRA can use its access powers under Article 32 or Article 97 to access legal and beneficial ownership to fulfil an EOI request. In addition to the access powers under the Tax Procedures Law, each of Rwanda's laws governing entities and arrangements that require the Registrar General to maintain beneficial ownership information specifically provides for information in the central beneficial ownership registers, to be accessible to the competent authority.⁴⁴ The internal register of beneficial owners held by companies and arrangements is accessible to the competent authority using the general access power of Article 97 of the Tax Procedures Law.

281. While Rwanda has not received any requests for legal or beneficial ownership information, information to fulfil such requests would be garnered from several sources: the RRA's internal taxpayer database, the databases

43. Article 30 of Tax Procedures Law – exceptions relate to cases involving tax evasion or fraud, where the first audit was a desk, transfer pricing or refund audit and the tax administration wishes to undertake a comprehensive audit.

44. Article 116 ter of Law No. 007/2021 as amended by Law No. 019/2023 (companies); Article 56 of Law No. 059/2021 (foundations); Article 86 of Law No. 63/2021 (trusts); Article 6 of Law No. 018/2023 amending Law No. 008/2021 (partnerships); Article 73 of Law No. 057/2024 (co-operatives).

of the Office of the Registrar General including the various central beneficial ownership registers, the Rwanda Co-operative Agency database and AML-obliged persons. The RRA could also request such information directly from the individual, entity or arrangement that is the object of the request. The filing of an annex with beneficial ownership information accompanying annual tax returns starting in 2024 should also ensure that the RRA will be a source of beneficial ownership information.

Accessing banking information

282. For EOI purposes, Article 97 of the Tax Procedures Law is broad enough to allow Rwanda's competent authority to access banking information directly from the relevant bank upon written request. The competent authority indicates that in practice banks provide the requested information generally within eight days of the request, although in accordance with the law, banks are given ten days to provide the information.

283. The Rwandan authorities indicate that to fulfil an EOI request for banking information, the requesting jurisdiction is required to provide the full name of the account-holder or the account number. If available, the requesting jurisdiction should also provide the account holder's taxpayer identification number. If the requesting jurisdiction does not provide the taxpayer's name or address, Rwanda can fulfil the request if the bank account number is provided. The Rwandan authorities can fulfil a request for banking information even in cases where the requesting jurisdiction is unable to identify the bank(s) at which the taxpayer's accounts are held. In such cases, the information would be requested directly from the taxpayer or from all the banks in Rwanda.

B.1.2. Accounting records

284. The main sources of accounting information and supporting information for the competent authority are the financial statements of taxpayers submitted to the RRA and the documents maintained by the taxpayers themselves.

285. The competent authority may also source accounting information from the National Bank of Rwanda, CMA, the Office of the Registrar General and the Rwanda Co-operative Agency in respect of the entities supervised by them. The Office of the Registrar General is also a source of accounting information in respect of entities which cease to exist due to the statutory requirement for the accounting records and underlying documentation of such entities to be deposited with the Registrar General and kept for a period of ten years thereafter.

B.1.3. Use of information gathering measures absent domestic tax interest

286. The general access power granted to the competent authority under Article 97 of the Tax Procedures Law is not constrained by any domestic tax interest. The provision explicitly mentions that it can be used to access information from any person “that may facilitate the implementation of (...) all treaties ratified by Rwanda”. Thus the RRA can use this power to reply to an EOI request even if there is no domestic tax interest.

B.1.4. Effective enforcement provisions to compel the production of information

287. The Tax Procedures Law provides administrative sanctions for failure to comply with a request for information from the competent authority. Administrative fines can be applied, and search and seizure decided.

288. Article 81 identifies as faults punishable by administrative fines, failure to provide information in due time; failure to provide information or providing incomplete, incorrect or misleading information, following a request of the tax administration. The competent authority sends a reminder on the last day of the period which was given for the taxpayer to provide the information and in case the taxpayer fails to provide the information after the expiry of the period, the competent authority imposes the appropriate penalty.

289. The fine applicable to individuals who are not engaged in a commercial activity is FRW 50 000 (EUR 35). Progressive administrative fines apply to the faults under Article 81(2)(5) in accordance with the person’s annual turnover.

Scale of applicable fine

Turnover	Fine
≤ FRW 20 million (EUR 14 119)	FRW 500 000 (EUR 353)
FRW 20 million (EUR 14 119) to FRW 200 million (EUR 141 193)	FRW 2 million (EUR 1 412)
FRW 200 million (EUR 141 193) to FRW 600 million (EUR 423 579)	FRW 3 million (EUR 2 118)
≥ FRW 600 million (EUR 423 579)	FRW 5 million (EUR 3 530)

290. The administrative fines may be increased in cases of repeated default. A person who commits the same fault for a second time within two years of the date of receipt of the notification of fine for the first fault is liable to a doubling of the basic fine. A third fault committed within this same period results in a fine of four times the basic administrative fine.

291. The sanctions may be applied on persons in Rwanda in possession or control of the information.

292. The Tax Procedures Law permits the RRA to carry out search of premises and seizure of objects or documents related to the business activities of the taxpayer. By Article 49 an authorised officer of the RRA can, without notice, visit or enter business premises of the taxpayer or any other person in search of tax information about the taxpayer. If the authorised officer considers it necessary, the officer may search and seize objects or documents related to the business activities of the taxpayer.

293. However, for search of residential premises, the authorised officer must obtain a search warrant from the Prosecutor to search and seize objects or documents related to the business activities of a taxpayer. The search and seizure activities at residential premises may only be undertaken between the hours of 6:00 a.m. and 6:00 p.m. Where a search warrant is required to be obtained, there is no requirement for notice of the application to be given to the concerned person, but the concerned person must be given a copy of the search warrant before the search begins. The authorised officer may also seek the assistance of the Rwanda National Police or the representatives of decentralised administrative entities to pursue the search and seizure.

294. The Rwandan authorities indicate that powers under Article 49 could be used in case of an EOI request. The entry to residential premises is the only case in which the competent authority would be required to first engage an administrative procedure in order to obtain information to respond to a request.

295. The application of these enforcement measures in practice will be assessed in Phase 2 of the review.

B.1.5. Secrecy provisions

Bank secrecy

296. Bank secrecy in Rwanda is regulated by the laws governing banks and those that govern bank regulators. Bank secrecy is in place but does not restrict the authorities that supervise banks in the performance of their functions or the RRA in accessing information held by banks.

297. Article 52(3) of Law No. 072/2017 governing deposit-taking micro-finance provides “a shareholder, a director, a member of the Supervisory Board, a member of management or any other employee of a deposit-taking microfinance institution cannot invoke the professional secrecy as a ground for non-disclosure of information requested by the supervisory authority.”

298. Law No. 047/2017 governing the Organisation of Banking, which applies to commercial banks, provides that no shareholder, member of the board of directors, manager or any staff of a bank may invoke professional

secrecy as a ground for non-disclosure of information required by the National Bank of Rwanda (Article 61). Further Article 58 of Law No. 48/2017 governing the National Bank of Rwanda permits the National Bank of Rwanda to provide confidential information to public sector or law enforcement agency (including the RRA) pursuant to any existing international treaty or agreement signed by Rwanda.

299. Bank secrecy is not a bar to disclosing information to competent authorities (including the RRA) pursuant to Rwanda's AML Law. Under Article 9(1), a reporting person must comply with a request to provide information to a competent authority or share information with another reporting person or a member of the same financial group where this is required, without consideration of an obligation of professional secrecy or restrictions on revealing information imposed by a law or under contractual agreement. One of the purposes for which the information may be provided to the competent authority is to discharge an "international obligation" to which Rwanda is subject. The Rwandan authorities confirm that this includes exchange of information for tax purposes in accordance with explanation of general principles related to international co-operation in Article 49 of the AML Law.

300. Notwithstanding bank secrecy and the possibility to obtain such information from the bank's regulators, the RRA is able to access banking information directly from banks. Articles 32 and 97 of the Tax Procedures Law under which such information is requested specifically provide that they "apply to a person or institution bound by secrecy [confidentiality]".

301. The RRA has reported invoking its access powers under Article 32 to successfully request and obtain information from banks in 97 instances during the period 2020-23 for domestic purposes. Article 97 has not been used for EOIR purposes, as no requests for banking information were received. The efficacy of the access power under Article 97 for obtaining banking information to respond to EOI requests will be further examined in the Phase 2 review.

Professional secrecy

302. The Bar Association Law regulates professional secrecy for the legal profession. Professional secrecy is defined in Article 2 of the law as:

all details that have to do with the private life of the client, when keeping secret of such details bears a certain importance either for his/her dignity or interest and that the Advocate has come to know in the course of performing his/her duties or were revealed to him/her by his/her client, the other party to a case, the person he/she is counselling or by other people.

303. An advocate is defined in the law as a person in the legal profession charged with assisting or representing litigants before administrative entities, courts and other decision-making organs and who may also counsel, mediate litigants and draft private deeds. Certain government officers who are appointed to represent the Government, its organs or institutions to represent the Government before the courts or on government's legal issues and officers of the Access Bureau who may litigate, assist and represent indigent persons before courts and administrative tribunals are also defined as advocates.

304. The scope of legal professional privilege is set out in Article 54 of the Bar Association Law and covers what is said in the advocate's office, correspondence exchanged between an advocate and his/her clients and those between advocates. It also covers discussions and negotiations between advocates and the grounds for such negotiations unless the fact of their existence has to be revealed for a sound reason, at the discretion of the President of the Bar Association. Article 55 limits the privilege to actions undertaken while acting as an advocate. It therefore cannot be invoked if the advocate acts in another capacity, such as an ordinary representative, liquidator or as an ordinary person.

305. The scope of legal professional privilege in the Bar Association Law is not expressly curtailed for communications produced for the purposes of seeking or providing legal advice or produced for the purposes of use in existing or contemplated legal proceedings. However, with the exception of drafting private deeds, it appears that by definition the nature of the work performed by advocates would be in line with the purposes provided in the standard. Additionally, the exception regarding drafting of private deeds would not apply to beneficial ownership information of companies as Article 120 of the Companies Law, as amended in 2023, restricts the scope of legal professional privilege with respect to disclosure required under that law, including the disclosure of beneficial ownership information, to confidential communication produced for the purpose of seeking or providing legal advice or produced for the purpose of use in existing or contemplated proceedings. Further, Article 120 makes it clear that notwithstanding any obligation to confidentiality or other restriction on the disclosure of information imposed by relevant laws or contracts, disclosure of information to the Registrar General or to the competent authority (including the RRA) under this article does not constitute a breach of the obligation to confidentiality or restriction on disclosure.

306. The Rwandan authorities also maintain that the access powers granted to the competent authority in Article 97 of the Tax Procedure Law would override legal professional privilege to the extent that its scope is not in line with the standard. This is the effect of paragraph 3 which indicates that requirement to provide information when requested by the tax administration also apply to a person or institution bound by confidentiality.

307. The effectiveness of the competent authority's access powers to obtain information to respond to an EOI request that would otherwise be subject to legal professional privilege in Rwanda will be further examined in the Phase 2 review (see Annex 1).

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

308. Rwanda has no requirement to notify the person who is the subject of an EOI request of the existence of a request or the exchange of information pursuant to such a request. However, the statutory power referenced in the notice to request information may alert the information holder that the information requested relates to an EOI request and there is no anti-tipping off provision to prevent disclosure of the request to the subject of the request by a third-party information holder.

309. There are no specific rights of appeal provided in respect of an EOI request.

310. The impact of these rights and safeguards will be further examined during the Phase 2 review.

311. The conclusions are as follows:

Legal and Regulatory Framework: in place

The rights and safeguards that apply to persons in Rwanda are compatible with effective exchange of information.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information

Notification

312. There is no requirement under Rwanda's laws to notify the person who is the subject of a request for information before or after the exchange of information regarding that person.

313. The provision for the disclosure of beneficial ownership information by a company secretary to a public authority expressly requires that authority, which as defined includes the RRA along with other authorities, to issue a certificate setting out the purpose for which the information is required (Article 119). However, the Rwandan authorities indicate that the notice for information for EOI purposes which is issued pursuant to Article 97 of the Tax Procedures Law does not refer to the purpose for which information is being gathered. Furthermore, Article 97 overrides the confidentiality requirements in other laws and the Rwandan authorities do not interpret Article 97 as being subject to Article 119. While the notice for information refers to the access powers under Article 97 of the Tax Procedures Law, it can also be used to obtain information for domestic tax purposes. This limits the risk that the concerned person will be informed of the existence of an EOI request by the information holder. Nevertheless, there may be cases where, based on the access power invoked, the information holder can infer that the request is not in relation to a domestic tax investigation. This would be the case for example, with banks where Article 32 of the Tax Procedures Law is used for information requested for domestic purposes and Article 97 is used in connection with EOI requests.

314. The notice provides that the documents and information provided by the information holder will be treated in confidence (by the RRA) but does not similarly require the information holder to keep confidential the notice for information or information provided to the RRA in response to the notice. There is no anti-tipping off provision that would bar an information holder from sharing the existence of an EOI request (if it was inferred) or the disclosure to the RRA of information pursuant to a request under Article 97 of the Tax Procedures Law. The probability and impact in practice of disclosure by the information holder will be analysed during the Phase 2 review (see Annex 1).

Appeal rights

315. Rwanda's domestic law does not provide rights of appeal in respect of an EOI request for the information holder or the concerned person. However, a right of appeal may be indirectly engaged under Article 51 of the Tax Procedures Law if there is non-compliance with a request for information and the RRA imposes an administrative fine for the non-compliance. This singular basis of an appeal arises because the notification of an administrative fine is a ground on which a taxpayer may appeal to the Commissioner General. Chapter VI of the Tax Procedures Law includes provisions for an appeal to the Commissioner General where a taxpayer is dissatisfied with the contents of a tax assessment notice or notification of an administrative fine. The taxpayer must file the dispute within a period

not exceeding 30 days from the date of receipt of the notification. The file of the appeal must be in writing, identify the taxpayer and specify the administrative fine imposed and the object and grounds of the appeal. The Commissioner General must decide the appeal within 30 days or postpone the decision for a further 30 days. If the time limit elapses without a decision, the appeal is decided by default in the favour of the taxpayer. If the taxpayer is dissatisfied with the Commissioner General's decision, the taxpayer can request an amicable settlement or alternatively file a case in court within 30 days of receiving the Commissioner General's decision.

316. The limited right of appeal which may be available to an information holder does not appear to be of a nature to unduly prevent or delay the EOI as it would only suspend the payment of the disputed amount where a taxpayer has disputed the amount of fine to be paid. The consequences of the appeal process in relation to access powers of the RRA on the effectiveness of EOI will be examined during a Phase 2 review (see Annex 1).

Part C: Exchange of information

317. Sections C.1 to C.5 evaluate the effectiveness of Rwanda's network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Rwanda's relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Rwanda's network of EOI mechanisms respects the rights and safeguards of taxpayers and whether Rwanda can provide the information requested in an effective manner.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

318. Rwanda's EOI network covers 151 jurisdictions through the Convention on Mutual Administrative Assistance on Tax Matters (the Multilateral Convention), 20 double taxation conventions (DTCs) and the regional East African Community DTC which, in addition to Rwanda, covers Burundi, Kenya, Tanzania and Uganda (see Annex 2).

319. The Multilateral Convention, which fully meets the standard, was signed by Rwanda on 11 August 2021 and entered into force on 1 December 2022 in respect of this jurisdiction. The East African Community DTC covers EOI in Article 27 which is supplemented by a Memorandum of Understanding on the Exchange of Information on Tax Expertise and Other Related Matters (the MOU) signed by Rwanda on 10 November 2010. The MOU provides for detailed EOI rules and procedures for EOI in line with the standard. The East African Community DTC was ratified by Rwanda but is not in force as some jurisdictions have not yet signed the agreement.

320. Rwanda's DTCs broadly meet the standard and where there are deficiencies these are compensated by coverage under the Multilateral Convention or with the interpretation of the Rwandan competent authority in line with the standard.

321. Rwanda has received eight requests for information and has sent eight requests to partners. The implementation and interpretation of the EOI provisions by the Rwandan competent authority will take place during the Phase 2 of the review of Rwanda.

322. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the EOI mechanisms of Rwanda.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.1.1. Requirement of foreseeable relevance

323. The standard requires EOI mechanisms to allow for exchange between treaty partners of information on request where it is foreseeably relevant to the administration and enforcement of the domestic taxes of the requesting jurisdiction.

324. Except for the DTCs with Mauritius, South Africa, Congo and Democratic Republic of the Congo (DRC), all of Rwanda's EOI instruments, including the Multilateral Convention, provide for exchange of information that is "foreseeably relevant". The DTC with Mauritius provides for information that "may be relevant" while the DTCs with the other three jurisdictions allow for EOI that is "necessary". The Rwandan authorities have confirmed that "may be relevant" and "necessary" are in practice considered to carry the same meaning as the wording "foreseeably relevant" and this is reflected in the Rwanda Manual on Exchange of Information for Tax Purposes (Rwanda's EOI Manual). Notwithstanding the interpretation of "necessary" as "foreseeably relevant" by Rwanda, the term may be interpreted more restrictively by Congo and DRC. Rwanda has indicated that it would apply the standard of foreseeable relevance for EOI requests received from all its exchange partners.

325. All of Rwanda's EOI instruments allow for EOI to carry out the provisions of the instruments or of the domestic laws of the parties to the instruments. The DTCs with United Arab Emirates and Jordan limit the EOI to the taxes covered by these instruments, i.e. income taxes of the EOI partners and income taxes and other direct taxes imposed by Rwanda. This limitation still allows Rwanda to provide its partners relevant information for the purpose of the standard, i.e. related to their direct taxes on income of natural persons and of business income. Furthermore the

United Arab Emirates and Jordan are parties to the Multilateral Convention which provides for exchanges with respect to a wide range of taxes.

326. Rwanda's EOI Manual provides guidance on foreseeable relevance. In line with principles in the Commentary of Article 26 of the OECD Model Tax Convention, it notes that foreseeable relevance is intended to provide EOI in tax matters to the widest possible extent and at the same time jurisdictions are not at liberty to engage in "fishing expeditions" or to request information that is unlikely to be relevant to the tax affairs of a given taxpayer. It also indicates that foreseeable relevance applies at the time of making the request and that competent authorities should consult when foreseeable relevance of a request is unclear.

327. The requirement for foreseeable relevance is distilled in a practical checklist in the EOI Manual. The officers who check incoming requests are advised to ensure the following elements are fulfilled before proceeding with processing a request:

- a reference to an EOI agreement in force upon which the request is based
- the request relates to persons, taxes and tax periods covered by the agreement
- explanation of why the information requested is considered foreseeably relevant to an ongoing tax examination, investigation or inquiry
- sufficient information to understand the request and identify a taxpayer or group of taxpayers by name or otherwise
- a mention of the years for which the information is requested
- a statement confirming that the requesting jurisdiction has pursued all means available in its own territory to obtain the information except those that would give rise to disproportionate difficulties
- a statement that the request is in conformity with the laws and administrative practices of the requesting jurisdiction, that the requesting jurisdiction could obtain the information if it was within its jurisdiction and that the request is in conformity with the legal instrument on which it is based
- the request is signed by the competent authority of the requesting jurisdiction.

328. In the case of bank information, where the requesting jurisdiction does not provide the name or address (or both) of the taxpayer, it must include in the request other information sufficient to identify the taxpayer (e.g. bank account number).

329. The Rwandan authorities indicate that during the period of review they have had to seek clarifications regarding three requests as there was insufficient information to identify the taxpayer and to establish the foreseeable relevance of the request. The Rwandan authorities reported responding after the additional information was received. Rwanda has not declined any request for failing to meet the requirement of foreseeable relevance.

Group requests

330. Rwanda's EOI Manual identifies three kinds of requests, individual, bulk and group. Group request is defined as a request in respect of a group of persons not individually identified who have followed an identical pattern of behaviour and who are identifiable based on the detailed description of the group. Rwanda's EOI Manual reproduces the guidance of paragraph 5.2 of the Commentary on Article 26 of the OECD Model Tax Convention and is therefore in accordance with the standard.

C.1.2. Obligation to exchange information in respect of all persons

331. A necessary condition for effective exchange of information is the obligation to provide information in respect of all persons without restriction on residence or nationality of the person to whom the information relates or the residence or nationality of the person in possession of control of the information requested. None of Rwanda's EOI instruments contain such restrictions.

C.1.3. Obligation to exchange all types of information

332. Another necessary condition for the effective exchange of information is a jurisdiction's ability to exchange information held by financial institutions, nominees or persons acting in an agency or fiduciary capacity. All of Rwanda's EOI instruments except the DTC with South Africa contain a provision in terms of Article 26(5) of the OECD Model Tax Convention. However, Rwanda's EOI relationship with South Africa is covered under the Multilateral Convention which is in line with the standard.

C.1.4. Absence of domestic tax interest

333. The absence of domestic tax interest in EOI instruments ensures that a contracting state may not decline to supply information solely because it does not have an interest in obtaining the information for its own tax purposes (see Article 26(4) of the OECD Model Tax Convention). All of Rwanda's EOI instruments except the DTC with South Africa contain a provision in terms of Article 26(4) of the OECD Model Tax Convention. However, Rwanda's EOI relationship with South Africa is covered under the Multilateral Convention which is in line with the standard.

C.1.5 and C.1.6. Dual criminality and exchange of information for civil and criminal tax matters

334. Exchange of information may be requested for use in tax administration and tax prosecution. The standard does not limit exchange of information to criminal tax matters but also covers information for tax administration purposes or civil tax matters. All of Rwanda's EOI agreements provide for exchange of information in both civil and criminal tax matters and do not contain a dual criminality requirement.

C.1.7. Provision of information in specific form requested

335. There are no restrictions in any of Rwanda's network of agreements that would prevent it from providing information in a specific form.

C.1.8 and C.1.9. Signed agreements brought into force expeditiously and enactment of the necessary legislation

336. Seven of Rwanda's 20 DTCs and the regional East African Community DTC are not in force (see Annex 2) although, except for four jurisdictions, exchanges can take place under the Multilateral Agreement.

337. The Multilateral Agreement is not in force with respect to six jurisdictions. Nevertheless, Rwanda has already ratified all these instruments. The ratification of international EOI instruments is efficient as generally EOI instruments signed by Rwanda are ratified within three months.

338. The President of the Republic is empowered by Article 168 of the Constitution to ratify international treaties and agreements. However, treaties dealing with certain matters including commerce or which commit state finances or require modification of national legislation relating to the status of persons, can only be ratified after parliamentary approval. The Multilateral Convention and DTCs require parliamentary approval for ratification. The ratification process is as follows:

- The negotiated text of the agreement is signed by an authority delegated by the President of the Republic.
- The Legal Department of the Ministry of Finance prepares a cabinet paper and a draft Presidential Order ratifying the agreement.
- The signed agreement along with the draft Presidential Order and cabinet paper (explanatory note) are submitted by the Minister of Finance to Cabinet for approval.
- After receiving Cabinet's approval, the agreement is sent to Parliament for examination and consideration.

- Once Parliament has enacted a law authorising the President to ratify the treaty, it is ratified through a Presidential Order and published in the Official Gazette.

339. International treaties have direct effect in the domestic legal framework once ratified. In accordance with the hierarchy of laws in Article 95 of the Constitution, treaties which have been ratified by Rwanda prevail over ordinary laws, orders and regulations. They are only superseded by Rwanda's Constitution and by organic laws which regulate certain constitutional matters. Furthermore, Article 171 avoids conflicts between international treaties and the Constitution and organic laws by requiring that where there is a conflict between an international treaty or agreement and the Constitution or organic law, the Constitution or organic law must be modified prior to ratification of the treaty.

340. The table below summarises outcomes of the analysis under Element C.1 in respect of Rwanda's bilateral, regional and multilateral EOI mechanisms.

EOI mechanisms

Total EOI relationships, including bilateral and multilateral or regional mechanisms	151
In force	141
In line with the standard	141
Not in line with the standard	0
Signed but not in force	10 ^a
In line with the standard	10
Not in line with the standard	0
Total bilateral EOI relationships not supplemented with multilateral or regional mechanisms	3 ^b
In force	1
In line with the standard	1
Not in line with the standard	0
Signed but not in force	2
In line with the standard	2
Not in line with the standard	0

Notes: a. Angola, Burundi, DRC, Gabon, Honduras, Madagascar, Philippines, Tanzania, Togo and United States. The DTCs with Angola, Benin, Czech Republic (Czechia), DRC, France, Korea and Jordan are not in force but have been ratified by Rwanda. Benin, Czechia, France, Jordan and Korea are covered under the Multilateral Convention.

b. Angola, Congo, DRC.

C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange should cover all relevant partners, meaning those jurisdictions who are interested in entering into an information exchange arrangement.

341. Due mainly to the Multilateral Convention, Rwanda has an extensive network of EOI relationships covering 151 jurisdictions, including its main economic partners. While only 141 relationships are in force, Rwanda has ratified all the EOI instruments which it has signed to date.

342. No Global Forum members indicated, in the preparation of this report, that Rwanda refused to negotiate or sign an EOI instrument with it. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Rwanda should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

343. The conclusions are as follows:

Legal and Regulatory Framework: in place

The network of information exchange mechanisms of Rwanda covers all relevant partners.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

344. Rwanda's EOI instruments contain confidentiality provisions requiring information exchanged to be kept secret and only disclosed in accordance with the agreements. These requirements are supported by the domestic law provisions that require tax officials to treat taxpayer information as confidential and only permit disclosure in certain specified circumstances. Legal mechanisms are in place to ensure the disclosure provisions are at all times subject to the confidentiality articles in Rwanda's EOI instruments.

345. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the EOI mechanisms and legislation of Rwanda concerning confidentiality.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.3.1. Confidentiality of information received

Legal framework

346. All of Rwanda's EOI instruments have confidentiality provisions modelled after Article 26(2) of the OECD Model Tax Convention to ensure exchanged information will only be disclosed to persons or authorities (including courts and administrative bodies) concerned with the assessment of, collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to taxes, and in most cases,⁴⁵ oversight of the above.

347. The domestic law confidentiality provisions are laid down in Article 96 of the Tax Procedures Law. It forbids every employee of the Tax Administration from disclosing information on the tax status, nature and use of property of a taxpayer. The prohibition continues to apply after the end of an individual's employment with the RRA.

348. Furthermore, Article 25(6) of the Statute Governing the Members of Staff of the Rwanda Revenue Authority imposes a duty of professional secrecy on staff which is subject only to exceptions provided by law or authorisation by a competent authority. This duty is also reflected in Article 8 (i) of the RRA Code of Conduct where all employees are required to observe confidentiality with respect to information acquired during the performance of their duties, that is not intended for public consumption.

349. The exceptions to the prohibition on disclosure are for provision of information by an authorised officer in the course of tax proceedings to the tax administration or tax collection officers for use in tax matters and to persons responsible for the prosecution of tax-related offences (National Public Prosecution Authority and Rwanda Investigation Bureau). Disclosure by the Minister of Finance of information collected in tax proceedings for statistical or analytical purposes without revealing the taxpayer's identity

45. The DTCs with Congo, DRC, Barbados and the United Arab Emirates do not include the additional text for oversight.

is not a violation of Article 96, neither is information released with the taxpayer's consent. Article 96 provides immunity from prosecution to any person who discloses information in order to enforce the provisions of the Tax Procedures Law or tax treaties ratified by Rwanda.

350. The confidentiality requirements of contractors are included as a confidentiality clause in their contracts, and in specific non-disclosure agreements where contractors or their employees have access to sensitive offices or confidential data when executing their contracts. These contractual obligations continue to apply even after the term of the contract ends.

351. The data protection law of Rwanda⁴⁶ applies to the RRA as a data controller and data processor and requires the RRA to take appropriate measures to ensure a level of security of personal data.

352. The disclosure provisions in Rwanda's domestic tax laws appear to be in line with the standard. Nevertheless, should a conflict arise, the effect of Article 95 of the Constitution is that the obligations in international treaties and agreements ratified by Rwanda to override any contrary ordinary law, orders or regulations. Furthermore Article 171 of the Constitution prohibits the ratification of treaties which conflict with the Constitution or organic laws until the Constitution or organic law has been modified to remove the conflict.

353. Offences or breaches of the obligation of professional secrecy are subject to criminal sanctions in Rwanda's Penal Code (Law N° 068/2018 determining offences and penalties in general) and administrative sanctions under the RRA Code of Conduct. Article 158 of the Penal Code stipulates that breach of professional secrecy may be punishable with imprisonment of not less than 1 year and not more than 2 years and a fine of not less than FRW 2 million (EUR 1 412) and not more than FRW 3 million (EUR 2 118). This is equally applicable to a serving as well as a former employee of the RRA. In addition, the RRA Code of Conduct categorises disclosure of confidential information and obtaining access codes or passwords of another computer user without authorisation as gross misconduct which are subject to dismissal.

354. The Terms of Reference, as amended in 2016, clarified that although it remains the rule that information exchanged cannot be used for purposes other than tax purposes, an exception applies where the EOI agreement provides that the information may be used for such other purposes under the laws of both contracting parties and the competent authority supplying the information authorises the use of information for such other purposes. Only Rwanda's DTCs with Barbados, Mauritius, Singapore, Republic of Türkiye (Türkiye), the United Arab Emirates and Morocco do not allow for the possibility of the use of exchanged information for non-tax purposes.

46. Law No. 058/2021 relating to the protection of personal data and privacy.

Confidentiality in practice

Human resources

355. The RRA's Human Resource Department conducts background checks on employees. In accordance with Article 6 of the Statute Governing the Members of Staff of the Rwanda Revenue Authority, candidates who are successful in the recruitment procedures must present documents such as their detailed curriculum vitae, certified copy of degree certificate or equivalent, criminal record, photographs and certificate from their previous employer. These documents must be presented to the RRA before candidates are appointed.

356. In addition to the requirement for contractors to sign contracts inclusive of confidentiality clauses or in some cases non-disclosure agreements, background checks are also conducted on third party contractors. These checks entail verification of the physical address; documents submitted, checks on the blacklist and the suspension list for blacklisted and suspended companies. Background checks are also conducted on the employees of third-party contractors who will be required to provide services to RRA.

357. The RRA's employee onboarding courses include content to inform new entrants of their confidentiality obligations. These are followed up with regular training, workshops and internal communications to remind employees of their legal obligation to confidentiality. Regular awareness is also issued regarding current information or cybersecurity threats by email and on-line and face-to-face training sessions.

358. A procedure is in place to handle departing staff to ensure their access rights to RRA premises and systems are extinguished in a timely manner. The procedure requires the Human Resources Department to communicate the employee's departure to the Physical Security Service. The departing staff member completes an exit form provided by the Human Resources Department and turns it into the Physical Security Service for sign off, once physical access has been revoked and the RRA access badge returned. The Physical Security Service delivers the completed exit form to the Human Resources Department for filing. The RRA closes credentials for all accesses on RRA data to the terminated employee or consultant. The employee remains bound by the confidentiality obligations in respect of information to which the employee had access in the course of exercising his or her functions (see paragraphs 347 and 350).

359. In case of transfer of an employee within the RRA, the RRA closes the credentials for all access to data required for their former position and credentials are granted to access data required to perform their new functions.

Labelling and handling of confidential information within the tax Administration

360. Physical access to RRA offices is provisioned in accordance with the RRA's Physical Access Control Procedure. Employees, contractors and visitors use access cards issued by the Physical Security Service to gain access to controlled areas. Enhanced security measures apply to restricted areas such as the EOI Unit office, registries, record storage areas and the server room where authorised staff must use their fingerprint or key to enter. Access logs are kept and visitors to these areas must be escorted by authorised RRA personnel at all times. As required by the Physical Access Control Procedure, physical access rights are reviewed quarterly. Access to the data centre is regulated by the Data Centre Physical Access control policy.

361. Rwanda's EOI Manual governs the handling of information exchanged under an EOI agreement. Requests or replies received from a foreign competent authority must be addressed to the competent authority of Rwanda. In case the information is delivered to an RRA officer other than the EOI Unit manager, it is transmitted without opening to the EOI Unit manager forthwith. EOI requests or replies received by mail are stamped with the date of receipt before being transmitted to the EOI Unit manager. The EOI Unit also date stamps the letter to reflect the date of receipt. Further, Rwanda's EOI Manual requires all correspondences and documents sent or received by the EOI Unit to be labelled using a treaty stamp for physical records and a watermark for electronic records with "CONFIDENTIAL – THIS INFORMATION IS PROVIDED UNDER THE PROVISIONS OF AN INTERNATIONAL TAX AGREEMENT AND ITS USE AND DISCLOSURE ARE GOVERNED BY THE PROVISIONS OF SUCH TAX AGREEMENT".

362. The EOI Unit manager provides the reply or request to the assigned EOI officer for processing and the EOI officer stamps the request with the treaty stamp. In case of an incoming request that requires information from other RRA departments, the letter with the details requested includes a reminder of the confidentiality obligations. Only the details necessary for gathering the information is provided to the tax officer and the request itself is never shared.

363. Rwanda's EOI Manual also provides a procedure for the officer to request to use the information for non-tax purposes. The officer informs the Rwandan competent authority which requests permission from the requested jurisdiction, if the EOI agreement allows. The assigned EOI officer registers at each step the relevant information in an Excel spreadsheet and securely stores copies of correspondences and documents in the relevant case file.

364. According to Rwanda's EOI Manual, information is exchanged through an EOI dedicated email and electronic documents are always encrypted and stored in a secured server that can only be accessed by the EOI Unit staff and hard copies are always kept in a secured cabinet which can be accessed only by EOI Unit staff. A password policy is in place and accounts that are inactive for 90 days are deactivated.

365. Physical EOI documents are disposed of by shredding using the paper shredder in the EOI Unit. Electronic documents are kept securely whereas electronic media to be disposed of must first be overwritten before they are destroyed by drilling holes into the disks.

366. Access requirements for the RRA's electronic resources is governed by the RRA Information Security Management System (ISMS) framework and the RRA ISMS Policy Manual which are modelled on the on ISO/IEC 27001 Standard. It requires users to be uniquely identified and authenticated for each access to RRA's systems and access is role-based. The RRA also uses single sign-on for its applications and two factor authentication that verifies staff credential against the Active Directory. Access to folders is restricted to departments, units or special job functions. Access rights reviews are done quarterly.

367. For EOI purposes and in order to monitor confidentiality breaches, the access to EOI physical and electronic files is monitored and documented.

Incident/breach management

368. Suspected breaches of confidentiality must be investigated by the Internal Audit and Integrity Department in accordance with the Government of Rwanda Internal Audit Procedures Manual. The ISMS policies, procedures and guidelines, require all information security breaches to be reported to the Information Technology Security Manager and investigated in line with RRA's Incident Management Procedure.

C.3.2. Confidentiality of preparatory and supporting information

369. All information received by Rwanda in the course of exchange of information with treaty partners is treated as confidential and must be handled in accordance with the restrictions provided in the EOI instrument. This includes information received from a foreign competent authority, including the correspondence and letter of the EOI request, and information obtained locally to respond to a request.

370. Only minimal information is provided in the request for information that is sent to the taxpayer or a third party. In addition, reference to Article 97 of the Tax Procedures Law does not readily imply that the request

is based on a request from a treaty partner as the power can be used to collect information for the administration of domestic taxes (however, see paragraphs 313 and 314). Further, Rwandan tax legislation and personal data protection law do not provide for the right of a taxpayer or information holder to access the concerned EOI file, so there is no risk of disclosure through this avenue.

371. No material deficiencies have been identified in Rwanda's EOI instruments, domestic legislation and EOI Manual concerning confidentiality and their implementation in practice will be assessed during the Phase 2 review.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

372. All of Rwanda's EOI instruments are in line with the standard on the rights and safeguards of taxpayers and third parties and provide that the contracting parties are not obliged to provide information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy.

373. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the information exchange mechanisms of Rwanda in respect of the rights and safeguards of taxpayers and third parties.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.4.1. Exceptions to the requirement to provide information

374. The standard allows requested parties to decline to supply information in certain limited cases. These include cases where there is an issue of trade, business or other secret or disclosure of information protected by attorney-client privilege. The exceptions to the requirement to disclose information provided in Article 26(3) of the OECD Model Tax Convention is reflected in all of Rwanda's EOI instruments.

375. “Professional secrecy” is not defined in the EOI agreements and therefore the meaning in Rwanda’s domestic laws would apply. As explained in B.1.5, legal professional privilege as defined in Rwanda’s Bar Association Law covers all information that may come to a legal representative’s attention in respect of a client on whose behalf he/she is litigating, that he/she is counselling and in some cases for whom he/she drafting private deeds. An amendment was made to the Companies Law that provides for legal privilege in line with the standard to apply with respect to the disclosure of information on companies. While the privilege is not expressly restricted to communications between the client and advocate produced or providing legal advice or use in existing or contemplated legal proceedings, with the exception of drafting private deeds, these purposes are contemplated in the definition of advocate in the Bar Association Law. Furthermore to the extent that legal professional privilege is not in line with the standard Article 97(3) of the Tax Procedures Law would override the Bar Association Law as it allows the competent authority to access information subject to confidentiality.

C.5. Request and provision of information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

376. Rwanda has a limited experience in EOIR, as it has received only eight requests during the period between 1 July 2020 to 30 June 2023 and has sent eight requests. This low experience was taken into account in accordance with the Methodology to conduct the review of Rwanda in two phases. As a consequence, this report focuses on the legal and regulatory aspect of Rwanda’s EOI framework. The evaluation of the effectiveness of the requests and of the responses to requests for information involves issues of practice to be dealt with in the Phase 2 review.

377. The conclusions are as follows:

Legal and Regulatory Framework

This element involves issues of practice. Accordingly, no determination has been made.

Practical Implementation of the Standard: no rating is assigned on this element, as it involves issues of practice that are dealt with in the Phase 2 review.

C.5.1. Timeliness of responses to requests for information

378. Rwanda's EOI instruments do not provide a timeline for responding to an EOI request. Rwanda's EOI Manual indicates that the international standard requires information to be collected and transmitted to the requesting competent authority within 90 days and where a full response cannot be provided within this timeline, the requested competent authority must provide a status update to the requesting authority. This does not exactly mirror the standard, which requires jurisdictions to respond to requests "in an effective manner", which means "as promptly as possible". The reference to an answer within 90 days of receipt is important because within that period, the jurisdiction should answer by providing the information requested or providing a status update. Rwanda's interpretation of the efficiency criteria for responding to EOI requests will be further examined in the Phase 2 review (see Annex 1). Of the eight EOI requests received by Rwanda, Rwanda reported responding to five within 90 days. In other cases Rwanda requested additional information from the requesting jurisdiction which came after six months. Rwanda was then able to respond to two requests within 30 days of receiving the additional information. The other request was closed by mutual agreement as the requesting jurisdiction could not provide the information requested.

379. The EOI process flow described in Rwanda's EOI Manual does not provide a timeline for most processes, except that a status update must be sent to the requesting jurisdiction within 90 days of receipt of the request if the information has not yet been obtained. Additionally, the tax officers who work on gathering the information to fulfil a request are given 45 days to provide the information. In the event the information cannot be provided within this time, the officer has to submit an interim report to the EOI Unit.

C.5.2. Organisational processes and resources

Organisation of the competent authority

380. The Competent Authority, as designated in EOI instruments, is the Commissioner General of Tax Administration. The daily functions of the competent authority are carried out by the EOI Unit.

Resources and training

381. The RRA has dedicated resources for EOI. The EOI Unit is staffed with three persons: a head of unit and two EOI officers who only perform duties related to the EOI. When officers are not working on active requests, they are engaged in preparing for the implementation of the Automatic Exchange of Financial Accounts Information under the Common Reporting

Standard. The EOI Unit reports directly to the Competent Authority. The staff work in a dedicated office equipped with secure filing cabinets, computers and printers, a scanning machine and a safe. Requests are tracked using an Excel spreadsheet while RRA works on putting in place an electronic tracking tool for that purpose. The Excel spreadsheet allows the EOI Unit to maintain statistics on the number of incoming and outgoing requests, the number of requests replied to within the standard timeframe, number of requests declined and number of requests for which clarifications were sought.

382. The officers in the EOI Unit have experience in tax administration, having worked at the RRA for between 5 and 12 years. The staff have received training from the Global Forum and have in turn trained 50 auditors and investigators.

Incoming requests

383. Rwanda's EOI Manual contains a four-step process for responding to a request:

- Logging the incoming request for information
- Validating the incoming request for information
- Working on the incoming request for information
- Replying to the incoming request for information.

384. The first step involves receiving the request in the EOI Unit, an initial check of the competent authority details by the EOI Unit manager or when absent, the acting manager and assignment to the EOI officer. The EOI officer creates a file, labels the documents and prepares the acknowledgment letter to be signed by the Competent Authority within seven days of receipt of the request.

385. The second step involves validating the requests and checking for clarity. The request is checked to ensure that it was sent under a valid EOI agreement as well as against the foreseeable relevance checklist provided in Rwanda's EOI Manual. If the request is not sent under a valid EOI agreement, the Competent Authority sends a letter to the requesting jurisdiction explaining why the request is declined. Otherwise, a request should not be declined for other reasons without first consulting the competent authority of the requesting jurisdiction.

386. The third step is the information gathering step where information to respond to the request may be sourced by the EOI Unit directly using the RRA's systems or from other government institutions or from the domestic tax offices. The EOI officer must note in the Excel spreadsheet whether the matter is of particular urgency or if there are special instructions regarding contacting the person concerned directly.

387. The last step is replying to the request and different procedures are provided in the case of a partial response, full response, information that cannot be provided within 90 days and for information that cannot be provided at all. In each case the EOI officer is responsible for drafting the response in accordance with templates provided in Rwanda's EOI Manual. The EOI manager or acting manager must review the response before sending it to the Competent Authority for signature. Thereafter, the EOI officer sends the letter to the requesting jurisdiction and files the copy documents.

Outgoing requests

388. Rwanda has sent eight outgoing EOI requests to treaty partners and has received responses to six requests and partial responses to two. The process of sending requests to treaty partners consists of the following five steps:

- Validating the outgoing request for Information
- Working on the outgoing request for information
- Sending the request for information
- Obtaining a reply to the outgoing request for information
- Sending feedback.

389. A template for outgoing requests is in Rwanda's EOI Manual and officers are required to use this template. The EOI Unit manager assigns the request upon receipt. The assigned officer checks the requests against the requirements set out in Rwanda's EOI Manual. This includes a check of the legal basis for the request, foreseeable relevance, the correct destination of the request, details regarding taxes and tax periods covered, whether internal approval procedure has been followed and whether all possible means have been used to obtain the information domestically. Rwanda's EOI Manual provides detailed guidance on what to do in respect of the outcome of each of the checks.

390. At the second step, a request that is validated is registered in the tracking tool. A hard copy file is opened, and the request is prepared for sending. This may require additional information from the tax officer and translation of the request.

391. The request is sent by encrypted e-mail at the third step. This is done after contact details of the requested competent authority are verified, the request and supporting documents are checked by the EOI Unit manager and the request is signed by the Competent Authority. The EOI Unit officer sends the request and files the copies of the request. The officer must also follow-up on the request at the intervals specified⁴⁷ in Rwanda's EOI Manual.

47. Thirty days in case an acknowledgement of the request has not been received and 90 days if the requested information or a status update has not been received.

392. Step 4 sets out the actions that follow receipt of a response to a request for information. The EOI officer registers the response in the Excel spreadsheet, verifies the information received against the request sent by Rwanda and stamps the request with the treaty stamp. The EOI officer transmits the information or a translation thereof with a blank impact assessment form to the relevant tax officer via official e-mail or through internal mail. Rwanda's EOI Manual also provides a procedure for the officer to request to use the information for non-tax purposes and this procedure can be employed during this stage (see also paragraph 363).

393. Finally, at step 5, are the procedures for sending feedback to the requested jurisdiction where it is deemed relevant. The completed impact assessment form provided by the tax officer is used for this purpose. A template letter is provided in Rwanda's EOI Manual for EOI officers to use. The draft must be checked by the EOI Unit manager and the other procedures for sending documents to foreign competent authorities apply.

C.5.3. Absence of unreasonable, disproportionate or unduly restrictive conditions

394. There are no factors or issues identified in Rwanda that impose unreasonable, disproportionate or unduly restrictive conditions.

395. An analysis of the organisational process and resources implemented by Rwanda in practice, including whether any unreasonable disproportionate, or unduly restrictive conditions exist in practice will be carried out during the Phase 2 review.

Annex 1: List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change, and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element A.1.1:** Rwanda should clarify the methodology to be applied to determine the beneficial owners of companies limited by shares and guarantee (paragraph 99).
- **Element A.1:** Rwanda should ensure that where specific guidance on interpreting the beneficial ownership requirements is issued by different AML authorities, it is consistent with the standard (paragraph 110).
- **Element C.2:** Rwanda should continue to conclude EOI agreements with any new relevant partner who would so require (paragraph 342).

In addition, the Global Forum may identify aspects of the legal and regulatory framework that require follow-up in Phase 2. A non-exhaustive list of these aspects is reproduced below for convenience.

- **Element A.1.1:** The deposit of records in practice with the Registrar General holding legal ownership information when a company ceases to exist (paragraph 62).
- **Element A.1.1:** The effectiveness of the system of enforcement and oversight of the availability of legal ownership information, including the obligation to update the Registrar General and the Rwanda Revenue Authority with changes in legal ownership information (paragraph 79).
- **Element A.1.1:** The frequency of updates of beneficial information of low-risk customers employed by AML-obliged persons in practice (paragraph 115).

- Element A.1.1: The keeping of the records of AML-obliged persons which have suspended or ceased their operations by supervisory authorities in practice (paragraph 121).
- Element A.1.3 The effectiveness in practice of the mechanisms to ensure that internal register of beneficial owners of partnerships is kept updated (paragraph 157).
- Element A.2: The Rwandan authorities' interpretation of the requirements to include underlying documentation with the submission of accounting records of dissolved partnerships and its impact in practice (paragraph 223).
- Element A.2: The deposit of records in practice with the Registrar General and the Rwanda Co-operative Agency of the accounting records and underlying documentation of companies, foundations, partnerships and co-operatives which cease to exist (paragraph 236).
- Element A.2: The keeping of records by trustees for ten years even where the trust is terminated (paragraph 237).
- Element B.1: The consequences of the single audit principle on the exercise of the RRA's audit powers for EOI (paragraph 278).
- Element B.1.5: The effectiveness of the competent authority's access powers to obtain information to respond to an EOI request that would otherwise be subject to legal professional privilege in Rwanda (paragraph 307).
- Element B.2: The probability and impact in practice of disclosure of a request related to EOI to the person concerned by the information holder (paragraph 314).
- Element B.2: The impact of an appeal against administrative fines for non-compliance with an EOI request on the effectiveness of EOI on request (paragraph 316).
- Element C.5: Rwanda's interpretation of the efficiency criteria for responding to EOI requests (paragraph 378).

Annex 2: List of Rwanda's EOI mechanisms

Bilateral international agreements for the exchange of information

	EOI partner	Type of agreement	Signature	Entry into force
1.	Angola	DTC	15.04.2022	<i>Ratified by Rwanda</i>
2.	Barbados	DTC	22.12.2014	22.05.2015
3.	Belgium	DTC Protocol	16.04.2007 06.07.2010	04.10.2010 01.01.2011
4.	Benin	DTC	15.04.2023	<i>Ratified by Rwanda</i>
5.	People's Republic of China	DTC	07.12.2021	25.06.2022
6.	Congo	DTC	24.11.2021	10.10.2022
7.	Czechia	DTC	02.05.2023	<i>Ratified by Rwanda</i>
8.	Democratic Republic of the Congo	DTC	26.06.2021	<i>Ratified by Rwanda</i>
9.	France	DTC	22.06.2023	<i>Ratified by Rwanda</i>
10.	Jersey	DTC	26.06.2015	27.06.2016
11.	Jordan	DTC	07.01.2024	<i>Ratified by Rwanda</i>
12.	Korea	DTC	13.09.2023	<i>Ratified by Rwanda</i>
13.	Luxembourg	DTC	29.09.2021	14.02.2024
14.	Mauritius	DTC	20.04.2013	04.08.2014
15.	Morocco	DTC	19.10.2016	05.03.2020
16.	Qatar	DTC	08.02.2021	01.11.2021
17.	Singapore	DTC	26.08.2014	15.02.2016
18.	South Africa	DTC	05.12.2002	03.08.2010
19.	Türkiye	DTC	01.12.2018	21.10.2020
20.	United Arab Emirates	DTC	01.11.2017	04.12.2019

Convention on Mutual Administrative Assistance in Tax Matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention).⁴⁸ The Multilateral Convention is the most comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The Multilateral Convention was signed by Rwanda on 11 August 2021 and entered into force on 1 December 2022. Rwanda can exchange information with all other Parties to the Multilateral Convention.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Armenia, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Benin, Bermuda (extension by the United Kingdom), Bosnia and Herzegovina, Botswana, Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Burkina Faso, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus,⁴⁹

48. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention (the Multilateral Convention) which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

49. Note by Türkiye: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Czechia, Denmark, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Eswatini, Faroe Islands (extension by Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Greenland (extension by Denmark), Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United Kingdom), Jordan, Kazakhstan, Kenya, Korea, Kuwait, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), Malaysia, Maldives, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Namibia, Nauru, Netherlands, New Zealand, Nigeria, Niue, Republic of North Macedonia, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russia, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Türkiye, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Vanuatu and Viet Nam.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Gabon, Honduras, Madagascar, Philippines, Togo and United States (the original 1988 Convention is in force since 1 April 1995, the amending Protocol was signed on 27 April 2010).

East African Community Income Tax Treaty

Rwanda signed the East African Community Regional Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income on 30 November 2010 (not yet in force), which provides for the necessary legal basis to enhance co-operation and EOI among the five revenue authorities of Burundi, Kenya, Rwanda, Tanzania and Uganda, under Article 27. Furthermore, a “Memorandum of Understanding on the Exchange of Information on Tax Expertise and Other Related Matters” (MoU) was signed on 10 November 2010 by the five revenue authorities, which provides for detailed rules and procedures for EOI on tax matters, in line with the 2002 OECD Model Tax information Exchange Agreement. The agreement is not in force.

Annex 3: Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum in October 2015 and amended in 2020 and 2021, and the Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 22 July 2024, Rwanda's responses to the EOIR questionnaire and inputs from peers on the negotiation of EOI arrangements with Rwanda. As Rwanda has limited experience in exchange of information on request, the review of this jurisdiction is in two phases, in accordance with the new section V Methodology, as amended in 2021. As the first Phase of the review only refers to the legal and regulatory framework, no questionnaire peer input was required at the launch of this review.

List of laws, regulations and other materials received

Constitution of the Republic of Rwanda 4/8/2023 [4 August 2023]

Law No. 08/2009 determining the organisation, functioning and responsibilities of Rwanda Revenue Authority

Law No. 83/2013 of 11/9/2013 [11 September 2013] establishing the Bar Association (Bar Association Law)

Law No. 47/2017 of 23/9/2017 [23 September 2017] governing the Organisation of Banking (Banking Law)

Law No. 48/2017 of 23/9/2017 [23 September 2017] governing the National Bank of Rwanda

Law No. 072/2017 of 23/9/2017 [23 September 2017] governing deposit-taking microfinance

Law N° 068/2018 of 30/08/2018 [30 August 2018] determining offences and penalties in general (Penal Code)

- Law No. 007/2021 of 05/02/2021 [05 February 2021] governing companies, as amended by Law No. 019/2023 of 30/03/2023 [30 March 2022] (Companies Law)
- Law No. 008/2021 governing partnerships, as amended by Law No. 018/2023 (Partnerships Law)
- Law No. 024/2021 of 27/04/2021 [27 April 2021] governing co-operatives in Rwanda
- Law No. 058/2021 of 13/10/2021 [13 October 2021] relating to the protection of personal data and privacy
- Law No. 059/2021 of 14/10/2021 [14 October 2021] governing foundations (Foundations Law)
- Law No. 063/2021 of 14/10/2021 [14 October 2021] governing trusts (Trusts Law)
- Law No. 027/2022 of 20/10/2022 [20 October 2022] establishing taxes on income (Income Tax Law)
- Law No. 020/2023 of 31/03/2023 [31 March 2023] on tax procedures (Tax Procedures Law)
- Law No. 028/2023 of 19/05/2023 [19 May 2023] on the prevention and punishment of money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML Law)
- Law No. 057/2024 of 20/06/2024 [20 June 2024] governing co-operatives in Rwanda (Cooperatives Law)
- Statute Governing the Members of Staff of the Rwanda Revenue Authority and RRA Code of Conduct
- Ministerial Order No. 003/19/10/TC of 29 April 2019 determining a taxpayer's permanent residence and the location of effective place of management
- Regulation N° 002/FIC/2022 of 03/10/2022 [3 October 2022] of the Financial Intelligence Centre determining faults and sanctions (FIC/REG 04)
- Regulation No. 63/2023 of 25/04/2023 [25 April 2023] determining administrative sanctions applicable to regulated institution for non-compliance with the prevention money laundering, financing terrorism and financing of proliferation of weapons of mass destruction
- Regulation No. 002/FIC/2023 of 26 June 2023 relating to anti money laundering, combating the terrorist financing and financing of proliferation of weapons of mass destruction (AML Regulations)

Commissioner General Regulations No. 002/2023 of 27 January 2023 determining Administrative Sanctions applicable to Reporting Person who does not fulfil his or her or its obligations

Taxpayer Registry Management Guide

General Guidelines No. 4230/2023-00076 [614] on Anti-Money Laundering, Combating Terrorism Financing, and Counter Financing of Proliferation of Weapons of Mass Destruction for Regulated Institutions

Guidelines No. 001/CMA_G/2023 of 29 September 2023 on Prevention of Money Laundering and Terrorism Financing in Capital Markets

Instructions of the Registrar General N° 001/2023/RG of 31 March 2023 determining the threshold for identification of the beneficial owner of a company and of a partnership

FIC Guidelines No. 001/2023 on Transparency and Beneficial ownership (FIC Guidelines)

Registrar General Guidelines on the Identification of Beneficial Owners of Legal Persons and Arrangements (Registrar General Guidelines)

ICPAR Anti-money Laundering Counter Financing of Terrorism and Counter Financing of Proliferation of Risk-based Supervisory Manual

Government of Rwanda Internal Audit Procedures Manual

Rwanda Manual on Exchange of Information for Tax Purposes (Rwanda's EOI Manual)

RRA ISMS Policy Manual

Physical Access Control Procedure

Current review

Due to the limited practical experience of Rwanda in EOIR, this report analyses only Rwanda's legal and regulatory framework in relation to the standard of transparency and EOIR, in the second round of reviews conducted by the Global Forum. As Rwanda joined the Global Forum in 2017, it was not assessed in the first round.

In accordance with the 2016 Methodology for peer reviews and non-member reviews, as amended in 2021, a Phase 2 review, on the practical implementation of the legal and regulatory framework, will be scheduled at the earlier of: (i) the expiry of a period of four years from the date of launch of the Phase 1 review, i.e. December 2027 in the case of Rwanda, and (ii) the establishment of EOIR experience in respect of criteria that include the number of requests received (around ten requests over a three

year review period); the number of taxpayers involved in the requests; the amounts involved; and the complexity of the requests received, as well as the existence of outgoing requests and their nature and characterisation, subject to a contrary indication by the Steering Group of the Global Forum. Progress made since the adoption of the Phase 1 report will be assessed during the Phase 2 review.

Summary of reviews

Review	Assessment team	Period under review	Legal framework as on	Date of adoption by Global Forum
Round 2	Mr Felix Osiemo (Kenya)	Not applicable	19 July 2024	20 November 2024
Phase 1	Ms Annelie Nord (Sweden) Ms Shara Reid Donaldson (Global Forum Secretariat)			

Annex 4: Rwanda's response to the review report⁵⁰

Rwanda joined the Global Forum in 2017. Since its admission, the principal institutional and regulatory domestic reforms, either enacted or reviewed, reflect Rwanda commitment to transparency and effective exchange of information for tax purposes.

Rwanda is particularly satisfied by the conclusions and recommendations contained in this Peer Review Report Phase 1 that shows strengths and opportunities for further improvement, of which we remain quite aware. The Republic of Rwanda would like to express its sincere appreciation for the very professional work of the Assessment Team and the Global Forum Secretariat in general during the course of the Phase 1 peer review.

It would also like to thank the Global Forum for providing with much technical assistance with the aim to succeed our Phase 1 peer review. This assistance included trainings and workshops provided to officials from the competent authority's office as well as other relevant staff. There were practical advices that helped Rwanda to strengthen its capacity not only to undergo the peer review process but also to continue implementing the reforms implied in a serious commitment to transparency and effective exchange of information for tax purposes. The Republic of Rwanda remains dedicated to the development of international tax transparency and looks forward to continuing this work in order to successfully approve the Phase 2 peer review process.

50. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request RWANDA 2024 (Second Round, Phase 1)

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 170 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This peer review report analyses the implementation of the standard of transparency and exchange of information on request in Rwanda, as part of the second round of reviews conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes since 2016. Due to Rwanda's limited practical experience of exchange of information on request, and in accordance with the methodology for peer reviews and non-member reviews, the report only assesses the jurisdiction's legal and regulatory framework. The assessment of the practical implementation of this framework will be subject to a future Phase 2 review.



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