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2025 Rwanda Investment Climate Statement

Executive Summary

For over a decade, Rwanda has invested heavily in implementing comprehensive business reforms aimed at fostering private sector-led economic growth. These efforts have streamlined procedures, making it notably easier to start businesses within the country. Significant progress has been made in enhancing the overall ease of doing business in Rwanda, particularly evident in simplified regulatory processes, reduced bureaucratic hurdles, and digitization of public services. Moreover, the Rwandan government has demonstrated a continued commitment to fostering a favorable investment climate, evidenced by supplemental incentives offered through the 2021 Investment Code and the establishment of the Kigali International Financial Centre (KIFC). Both aim to further attract foreign companies to contribute to the country's goal of becoming a regional economic and financial hub and stimulate faster economic growth. The American business community in Rwanda has remained steady and the American Chamber of Commerce in Rwanda (AmCham-Rwanda), founded in 2019, continues to grow.

Despite these commendable strides, many foreign companies operating in the country have reported encountering challenges, particularly related to outstanding payments on services delivered. Rwanda's tax system is complex and adds another layer of difficulties to business operations. Securing an adequate supply of quality, competitively priced raw materials remains a persistent challenge, hampering production efficiency and competitiveness. Additionally, Rwanda's landlocked geography contributes to high freight transport costs and exacerbates operational expenses for businesses. Limited access to affordable financing poses significant barriers to business expansion and investment. Instances of delayed enforcement of contract rights and payment delays in government contracts have also been cited as impediments to business continuity.

While the Rwandan government has undeniably undertaken efforts to attract foreign investment and grow the economy, with a domestic market of $14 billion GDP and steady growth, remains relatively small, offering limited opportunities for businesses seeking to expand and achieve economies of scale.

Rwanda's economy remains vulnerable to climate and currency fluctuations. Many foreign investors routinely report non-payment or significantly delayed payments on contracts held with the Rwandan government.

Section 1. Openness to, and Restrictions upon, Foreign Investment

Policies toward Foreign Direct Investment

For over a decade, the Rwandan government has implemented a series of policy reforms to improve the investment climate, wean Rwanda's economy off foreign assistance, and increase FDI levels. Rwanda enjoyed strong economic growth averaging 7 percent annual GDP growth over the last decade. Rwanda also enjoys a reputation for low corruption. Rwanda's economy grew 8.9 percent in 2024, up from 8.2 percent in both 2023 and 2022. By the end of 2024, GDP at current market prices was estimated at $14.2 billion. Both Rwandan GDP at current and constant prices grew but the Rwandan franc value deteriorated and lost 13.2 percent value against the U.S. dollar from 2023 to 2024.

The Rwanda Development Board (RDB), the country's investment promotion and development agency, was established in 2006 to fast-track investment projects by integrating all government agencies responsible for the entire investor experience under one roof. This includes key agencies responsible for:

- business registration,
- investment promotion,
- environmental compliance clearances,
- export promotion, and
- other necessary approvals

New investors can register businesses online at the RDB website and receive a certificate in a few days, and the agency's "one-stop shop helps investors secure required approvals, certificates, and work permits. In February 2023, the government decided to move all remaining business and investment licensing to the RDB's "expanded one-stop shop."

In February 2021, Rwanda made significant changes to the Investment Code to address previous investor complaints and included new incentives to attract investments in strategic growth sectors.

Under Rwandan law, foreign firms receive equal treatment regarding taxes and equal access to licenses, approvals, and procurement. By law, foreign firms should receive value-added tax (VAT) rebates within 15 days of receipt by the RRA; however, firms complained the process for reimbursement can take months and occasionally years. Refunds can be further delayed pending the results of RRA audits. A few investors cited punitive retroactive fines arising from indefinite audits which took years to complete. RRA aggressively enforces tax requirements and imposes penalties for errors – deliberate or not – in tax payments. Investors added lack of coordination among ministries, agencies, and local government authorities (for example, district-level officials) led to inconsistencies in implementation of promised incentives. Others pointed to a lack of clarity on who the regulating entity is on certain matters.

Limits on Foreign Control and Right to Private Ownership and Establishment

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

Foreign nationals may hold shares in locally incorporated companies. The Rwandan government has gradually continued to privatize state holdings and firms, though the government (including the military) and ruling party continue to play a dominant role in Rwanda's private sector. Under the 2021 land law, foreign investors can acquire real estate subject to a general limit on land ownership. Freehold is granted only to Rwandan citizens for properties of no more than two hectares (4.94 acres) but may also be granted to foreigners for properties in designated Special Economic Zones or through a Presidential Order for exceptional circumstances of strategic national interests. Long-term leases (emphyteutic leases) in residential and commercial areas are available to both citizens and foreigners acquiring land through private means. These leases typically last 99 years and are renewable. Foreign investors can also acquire land through concessional agreements to use government private land. Such agreements cannot exceed 99 years but can be renewed.

Other Investment Policy Reviews

In February 2019, the World Trade Organization (WTO) published a Trade Policy Review for the East African Community (EAC) covering Burundi, Kenya, Rwanda, Tanzania, and Uganda, along with an annex specific to Rwanda.

Business Facilitation

RDB offers one of the fastest business registration processes in Africa. New investors can register online at RDB's website or register in person at RDB offices in Kigali. Once RDB generates a business registration certificate, the company tax identification and employer social security contribution numbers are automatically created. The RDB's "One Stop Center" assists firms in acquiring visas, work permits, operating licenses, and connections to utilities. It also provides support with conducting required environmental impact assessments. RDB offers aftercare services for registered investors but firms without an investor certificate can also receive assistance.

Outward Investment

The Investment Code provides incentives for internationalization. A small- or medium-sized registered investor with an investment project involved in export is entitled to a 150 percent tax deduction of all qualifying expenditures relating to internationalization. Emerging investors are entitled to the same deduction. Eligible registered investors receive pre-approval of qualifying expenditures through a joint review process administered by RRA, RDB and the Ministry of Trade and Industry (MINICOM). The Commissioner General of RRA ultimately approves qualifying expenditures in consultation with the CEO of RDB. An eligible registered investor may claim the tax deduction on a maximum of $100,000 of qualifying expenditures each year. There are no restrictions limiting domestic firms seeking to invest abroad.

Section 2. Investment and Taxation Treaties

The United States and Rwanda signed a Trade and Investment Framework Agreement (TIFA) in 2006 and a bilateral investment treaty (BIT) in 2008. It also has BITs in force with:

- the Belgium-Luxembourg Economic Union,
- Germany,
- Singapore
- the United Arab Emirates, and
- the Republic of Korea

Rwanda is a member of the:

- WTO,
- EAC,
- Economic Community of the Great Lakes, and
- Common Market for Eastern and Southern Africa (COMESA)

Rwanda has been and continues to be a strong supporter of the African Continental Free Trade Area agreement (AfCFTA), having ratified the agreement in 2018.

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

Rwanda does not have a bilateral taxation treaty with the United States.

Section 3. Legal Regime

Transparency of the Regulatory System

The Rwandan government generally employs transparent policies and effective laws which are largely consistent with international norms. Rwanda is a member of the UN Conference on Trade and Development's international network of transparent investment procedures. The Rwanda eRegulations system is an online database designed to bring transparency to investment procedures in Rwanda. RDB's businessprocedures.rdb.rw website has additional information on administrative procedures.

Rwandan laws and regulations are published in the Official Gazette. Government institutions generally have clear rules and procedures, but implementation can sometimes be uneven and the government often holds companies accountable for certain issues, even when the cause may lie beyond the company's control or responsibility. Investors cited breaches of contracts and incentive promises and the short time given to comply with changes in government policies as hurdles to complying with regulations.

There is no formal mechanism to publish draft laws for public comment, although civil society sometimes has the opportunity to review them. There is no informal regulatory process managed by nongovernmental organizations. Regulations are usually developed rapidly to achieve policy goals. Some investors lamented this process results in new regulations developed by individuals who may have limited experience in the private sector, being adopted without the backing of scientific or data-driven assessments. Regulators do not publicize comments they receive. Public finances and debt obligations are generally made available to the public before budget enactment. Civil society organizations may request SOEs' financial information by providing a legitimate reason, but these requests are not routinely granted.

There is no government effort to restrict foreign participation in industry standards-setting consortia or organizations. Legal, regulatory, and accounting systems are generally transparent and consistent with international norms but are not always adhered to. Consumer protection associations exist but are largely ineffective. The business community has been able to lobby the government and provide feedback on some draft government policies through the Private Sector Federation (PSF), a business association with strong ties to the government. In some cases, the PSF welcomed foreign investors' efforts to positively influence government policies. On the other hand, some investors criticized the PSF for advocating for the government's positions more so than conveying business concerns to the government.

International Regulatory Considerations

Rwanda is a member of the EAC Standards Technical Management Committee. Approved EAC measures are generally incorporated into the Rwandan regulatory system within six months and are published in the Official Gazette similar to other domestic laws and regulations. Rwanda is also a member of the:

- Standards Technical Committee for the International Organization for Standardization (ISO),
- African Organization for Standardization,
- International Electrotechnical Commission, and
- International Measurement Confederation (IMEKO)

The Rwanda Standards Board (RSB) represents Rwanda at the African Electrotechnical Commission. Rwanda has been a member of the WTO since 1996 and notifies the WTO Committee on Technical Barriers to Trade on draft technical regulations.

Legal System and Judicial Independence

The Rwandan legal system was originally based on the Belgian civil law system. Following the revision of the legal framework in 2002, the introduction of a new constitution in 2003 (revised in 2015 and 2023), and the country's entrance to the Commonwealth in 2009, the Rwandan legal system consists of a mixture of civil and common law. The judiciary addresses commercial disputes and facilitates enforcement of property and contract rights. Though it suffers from a lack of resources and capacity, it continues to improve. The judiciary is generally independent and impartial in civil matters, with some exceptions involving state interests. Several foreign businesses operating in Rwanda reported state-owned or ruling party-owned enterprises have an unfair advantage operating in the market, especially when bidding for public tenders. Investors state the government occasionally takes a casual approach to sanctity of contracts and sometimes fails to enforce court judgments in a timely fashion. Domestic court processes are considered transparent as Rwanda has an Integrated Electronic Case Management System (IECMS) serving as a single point of entry for all justice sector institutions involved in managing any case. The IECMS also records all judicial case information from the filing of a case from a plaintiff, whether civil or criminal, to the closing of the case.

Laws and Regulations on Foreign Direct Investment

National laws governing commercial establishments, investments, privatization and public investments, land, and environmental protection are the primary directives governing investments in Rwanda. Since 2011, the government reformed tax payment processes and enacted additional laws on insolvency and arbitration. The Investment Code establishes policies on FDI, including dispute settlement (Article 13). Investment-related regulations and procedures are available on RDB's BUSINESSPROCEDURES.rdb.rw website.

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

The most recent laws (passed between 2020 and 2024) on FDI are the:

- New Intellectual Property Law
- Amended Company Act
- Law on Mutual Assistance in Criminal Matters
- Law on Anti-Money Laundering and Terrorism Finance
- Law on Partnerships
- Law on Transfer Pricing

- Law on Insolvency
- Law on Land Reference Prices 2021
- New Instructions on Modalities of Management, Lease, Auction and Acquisition of Mortgages
- Law on Financial Service Consumer Protection
- New Land Law
- New Law Establishing Taxes on Income
- New Organic Law on Public Finance Management
- Law relating to the Protection of Personal Data and Privacy
- Tax Procedures Law

Competition and Antitrust Laws

The Rwandan government created the Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) in July 2017, an independent body with the mandate to promote fair competition among producers. RICA's mandate is to ensure consumer protection and enforcement of standards by reviewing mergers and acquisitions among other activities. In addition, there is a Competition and Consumer Protection Unit at MINICOM to address competition and consumer protection policy issues. To learn more on competition laws in Rwanda, please review the Law relating to Competition and Consumer Protection and related Rwanda Competition and Consumer Protection Policy.

Market forces determine most prices in Rwanda, but in some cases, the government intervenes to fix prices for items considered sensitive, such as fuel and some basic foodstuffs like milk. On international tenders, a 10 percent price preference is available for local bidders, including those from regional economic integration bodies in which Rwanda is a member.

Some U.S. companies expressed frustration that while authorities require them to operate as a formal enterprise that meets all Rwandan regulatory requirements, some local competitors are allowed to operate informally without full regulatory compliance requirements. Other investors claimed SOEs, ruling party-aligned, and politically connected business competitors receive preferential treatment in securing public incentives and contracts. Some investors reported it was not always possible to compete aggressively in some sectors in which the existing domestic competition enjoyed strong political ties. More information on specific types of agreements, decisions and practices considered to be anti-competitive in Rwanda is available in Ministerial Order No. 8/DC04.

Expropriation and Compensation

The Investment Code forbids the expropriation of investors' property in the public interest unless the investor is fairly compensated. A 2015 expropriation law includes explicit protections for property owners. However, there have been cases of poor expropriation implementation where the government favored big investors over residents and other individual owners of land and other properties. A 2024 study by Transparency International stated the Rwandan government conducted expropriations on short notice and did not provide sufficient time or support to help landowners negotiate fair compensation. The report included a survey that found only 41.3 percent were informed about planned infrastructure projects in their communities beforehand. The survey concluded that compensation often did not reflect the prevailing market rates, with many respondents feeling the valuation process was unfair or inaccurate. A 2017 study by Rwanda Civil Society Platform noted that while mechanisms existed to challenge the government's offer, the report noted landowners are required to pay all expenses for the second valuation, which represents a prohibitive cost for rural farmers or the urban poor. Media reported wealthier landowners used their position to challenge valuations and received higher amounts. Political exiles and other embattled opposition figures have been involved in taxation lawsuits that resulted in their "abandoned properties" being sold at auction, allegedly at below market values.

Dispute Settlement

ICSID Convention and New York Convention

Rwanda is a signatory to the International Centre for Settlement of Investment Disputes (ICSID) and the African Trade Insurance Agency (ATI). The ICSID seeks to remove impediments to private investment posed by non-commercial risks, while the ATI covers risk against restrictions on import and export activities, inconvertibility, expropriation, war, and civil disturbances.

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

Investor-State Dispute Settlement

Rwanda is a member of the East African Court of Justice for the settlement of disputes arising from or pertaining to the EAC. Rwanda also acceded to the 1958 New York Arbitration Convention and the Multilateral Investment Guarantee Agency Convention. Under the U.S.-Rwanda BIT, U.S. investors have the right to bring investment disputes before neutral, international arbitration panels. Disputes between U.S. investors and the Rwandan government in recent years have been resolved through international arbitration, court judgments, or out of court settlements. Judgments by foreign courts and contract clauses that abide by foreign law are accepted and enforced by local courts. There are no instances of the Rwandan government being reported as delaying payment of damages awarded to an investor, or any extrajudicial action against foreign investors.

International Commercial Arbitration and Foreign Courts

In 2012, the Rwandan government launched the Kigali International Arbitration Center (KIAC). KIAC case handling rules are modeled on the UN Commission on International Trade Law (UNCITRAL) arbitration rules. KIAC had registered 224 cases from 2021 to 2023. A third of those cases were related to foreign entities. Of the 132 KIAC-approved international arbitrators, only ten are of Rwandan nationality.

In the past, some businesses reported being pressured to list the Rwanda-based KIAC as the seat of arbitration in contracts signed with the Rwandan government. Some of these companies indicated they would have preferred arbitration take place in a third country, noting KIAC has a limited case record and is domiciled in Rwanda. Moreover, some companies reported difficulty securing international financing due to the KIAC provision in their contracts.

Bankruptcy/Insolvency Regulations

In December 2021, the government instituted a new Law relating to Insolvency to support the Kigali International Financial Centre by aligning national laws with international best practices. One major change was the introduction of articles allowing foreign bankruptcy proceedings if companies in liquidation have business both in Rwanda and elsewhere. As per Section 6, Subsection 3, of the law, creditors, equity shareholders, and holders of other financial contracts have different rights depending on their position in the bankruptcy process. Creditors have the right to claim payment for their debts from the debtor's assets. They are paid in order of priority:

1. secured creditors,
2. unsecured creditors
3. shareholders

The bankruptcy law also provides for the creation of a creditors' committee to represent the interests of all creditors. Equity shareholders have the right to participate in the bankruptcy process and to receive any residual assets after all creditors have been paid. But their claims are subordinate to those of all creditors. Holders of other financial contracts, including foreign contract holders, are entitled to the same rights as other creditors. The law also provides for the recognition of foreign judgments and bankruptcy proceedings in accordance with international law. The law allows for the possibility of restructuring and reorganizing bankrupt companies, allowing for the continuation of viable businesses. In such cases, creditors, equity shareholders, and other financial contract holders may be required to accept a reduction in the value of their claims to facilitate the restructuring.

In February 2021, Rwanda passed a new Company Act with several bankruptcy and insolvency provisions.

In February 2021, Rwanda published a new Law governing Partnerships, with several provisions on partnerships' insolvency.

Section 4. Industrial Policies

Investment Incentives

The Investment Code offers a package of benefits and incentives for registered investors, both domestic and foreign, in strategic growth sectors under certain conditions. These benefits and incentives include:

- preferential corporate income tax,
- reductions or exemptions on withholding tax,
- tax holidays,
- exemption from customs duties for products used in export processing zones, and
- internationalization

More information on incentives and benefits related to philanthropic investors, the mining sector, the film industry, industrial and innovation parks, angel investors, start-ups, immigration, accelerated depreciation, and capitals gain tax exemption, can be found in the annex of the Investment Code.

In addition, MINECOFIN, upon recommendation by the Rwandan government's Private Investment Committee (PIC) and approval by the Cabinet, can issue a Ministerial Order offering more incentives for investments deemed of strategic importance.

Additionally, investors continue to face challenges with receiving payment for services rendered for government projects, VAT refund delays, and expatriation of profits. In 2016, the Rwandan government instituted a law governing public-private partnerships (PPPs) as a step toward courting investments in key development projects. The law provides a legal framework concerning establishment, implementation, and management of PPPs. The Public Private Partnership Guidelines provide more detail.

Foreign Trade Zones/Free Ports/Trade Facilitation

The SEZ Authority of Rwanda (SEZAR), headquartered at RDB, regulates Kigali's Special Economic Zone (KSEZ). Land in KSEZ is acquired through the Prime Economic Zone (PEZ) Secretariat, a private developer, under the regulations of SEZAR. The price per square meter is listed at $62 (approximately $5.77 per square foot), and the minimum size that can be acquired is one hectare (2.5 acres). After acquiring land, all the relevant licenses and permits can be obtained from RDB at SEZAR. Recently, some businesses reported prices of over $100 per square meter (approximately $9.29 per square foot).

Bonded warehouse facilities are now available both in and outside of Kigali for use by businesses importing materials. In January 2016, the Rwandan government signed a 25-year concession agreement with Dubai Port World Logistics (DP World), prohibiting new bonded warehouses in Kigali. Bonded warehouses operational before the concession agreement was signed were allowed to continue and renew their licenses. The SEZ policy was revised in 2018. Under the new policy, foreigners and locals may only lease land in the SEZ.

According to some investors, the PEZ Secretariat faced challenges providing basic physical plant services such as utilities within the zone.

The Rwandan government established a list of benefits for investors operating in the KSEZ (or any others in the country). These include tax and land ownership advantages. A company basing itself in a KSEZ can also opt to be a part of the Economic Processing Zone. Several criteria must be satisfied to qualify. These include requirements to maintain extensive records on:

- equipment,
- materials and goods,

- suitable offices, and
- security provisions

To operate in a SEZ, SEZAR must issue companies a user license. SEZAR is supposed to grant or reject a user license within three working days from the date of submission of a completed application. Holding an Export Processing Zone (EPZ) license will exempt a company from VAT, import duties, and corporate tax. The company is then obliged to export a minimum of 80 percent of production. Even after considering savings due to these government incentives, a few investors reported land in the SEZs was significantly more expensive than land outside the zone. The Rwandan government stated there are no fiscal, immigration, or customs incentives beyond those provided in the Investment Code, though media occasionally speculated that certain investors received additional incentives. The list of goods prohibited under the EAC Customs Management Act applies in SEZs. In November 2018, the Rwandan government approved the Bugesera Special Economic Zone (BSEZ), located 45 minutes from Kigali, and near the site of the $2.6 billion Bugesera International Airport, which is under construction and slated to finish in 2027.

In February 2024, the Ministry of Trade and Industry (MINICOM) announced it would repossess “undeveloped land” in industrial parks across the country if 70 percent of the allocated land is not developed by the investor within 18 months.

For a quick survey of companies currently operating in Rwandan special economic zones, please visit the [Kigali Special Economic Zone catalogue published by the Rwanda Development Board (RDB)]

Performance and Data Localization Requirements

As per the section above describing Rwanda’s new data protection and privacy law, foreign IT providers are not obliged to share any source code or encryption technology. In addition, storage of personal data outside of Rwanda is only allowed with authorization. Rwanda's data protection framework includes several key legislative measures, including Law No. 058/2021 on personal data protection and privacy, which became effective on October 15, 2021. In addition, the ICT Law No. 24/2016 and the Cyber Crime Law No. 60/2018 strengthen Rwanda's legal infrastructure for information management and cybersecurity. The National Cyber Security Authority (NCSA) oversees data protection enforcement, requiring data controllers and processors to register and appoint data protection officers. The law has stringent requirements for data processing, storage, cross-border transfers, and security measures, enforced through administrative fines and criminal penalties, including imprisonment. The law also grants data subjects rights to object to direct marketing and mandated transparent communication practices.

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

There is no formal requirement that a certain number of senior officials or board members be citizens of Rwanda unless as a pre-condition to benefits from increased investment incentives. For example, the Investment Code specifies an international company that moves its headquarters or regional office to Rwanda to be able to recruit any number of required managerial, professional, and technical foreign employees, at least 30 percent of professional staff must be Rwandan. A preferential corporate income tax rate of 3 percent is granted to collective investment schemes, special purpose vehicles, and pure holding companies if at least 30 percent of their professional staff are Rwandans and at least two professional or qualified Rwandan residents are members of their board of directors.

While the government does not impose conditions on the transfer of technology, it does encourage foreign investors to transfer technology and expertise to local staff to help develop Rwanda's human capital. There is no legal requirement that investors must purchase from local sources or export a certain percentage of their output, though the government offers tax incentives for the latter.

Section 5. Protection of Property Rights

Real Property

The law protects and facilitates acquisition and disposition of all property rights. Investors involved in commercial agriculture have leasehold titles and can secure property titles if necessary. The Investment Code states investors shall have the right to own private property, whether individually or collectively. According to the 2021 land law, which can be accessed here, foreign investors can acquire real estate, though there is a general limit on land ownership. Freehold is granted only to Rwandan citizens for no more than two hectares (five acres) and to foreigners for properties located in designated Special Economic Zones, or through a Presidential Order for exceptional circumstances of strategic national interests. Through the new land law of 2021, the government increased the length of long-term leases (emphyteutic leases) in residential and commercial areas for both citizens and foreigners acquiring land through private means to 99 years and only for investment purposes. Foreign investors can also acquire land through concessional agreements to use government private land. Such agreements cannot exceed 99 years but can be renewed. Mortgages are a nascent but growing financial product in Rwanda, increasing by 21.4 percent from 2023 to 2024, from 36,331 to 44,117 according to the RDB.

Foreign investors noted challenges related to the maintenance of their existing leases and some investors fear provisions of the 2021 Land Law will lead to significant investment risks. These investors noted foreigners may face barriers gaining an investment certificate needed to develop land. Investors also expressed fear that once granted, an investment certificate could be revoked by the government, leading to a loss of assets. Implementation of the law is ongoing.

The Rwanda Development Board (RDB) and Rwanda Standards Board (RSB) are the main regulatory bodies for Rwanda's intellectual property rights (IPRs). The RDB receives local and international intellectual property (IP) applications, registers IPRs, and provides a certificate and ownership title. Every registered IP title is published in the Official Gazette. The fees payable for substance examination and registration of IP apply equally for domestic and foreign applicants. From 2016, any power of attorney granted by a non-resident to a Rwandan-based industrial property agent must be notarized (previously, a signature would have been sufficient). The RSB is charged with the implementation of standards, testing, product certification, accreditation, labeling, marking, and technical regulations. Only RSB holds control over IPRs for their use, distribution, and sale.

Intellectual Property

Rwanda is a member of the African Regional Intellectual Property Organization (ARIPO) and has signed on to the Arusha Protocol for the Protection of New Varieties of Plants, Harare Protocol on Patents and Industrial Designs, and the Lusaka Agreement on the Creation of the Organization.

Registration of patents and trademarks is on a first to file, first right basis so companies should consider applying for trademark and patent protection in a timely manner. It is the responsibility of the copyright holders to register, protect, and enforce their rights where relevant, including by retaining their own counsel and advisors. The International Classification of Goods and Services (Nice Classification) applies and a multi-class trademark filing system is followed. In July 2024, Rwandan Parliament passed a new law that organizes a patent and trademark office.

Rwanda is a member of the World Intellectual Property Organization (WIPO) and administers the:

- Berne Convention,
- Brussels Convention,
- Budapest Treaty,
- Hague Agreement,
- Madrid Protocol,
- Marrakesh Treaty,

- Paris Convention,
- Patent Cooperation Treaty, and
- WIPO Convention

The Intellectual Property Act of July 2024 provides for Rwanda's legal framework for intellectual property protection. The law governs seeds and plant varieties along with the protection of Rwanda's cultural heritage.

Through the RSB and the Rwanda Revenue Authority (RRA), Rwanda has worked to increase protection of IPRs, but many goods that violate patents, especially pharmaceutical products, make it to market, nonetheless. As many products available in Rwanda are re-exports from other East African Community (EAC) countries, it can be difficult for authorities to take action against counterfeit goods without regional cooperation. Investors have reported difficulties in registering patents and having rules against infringement of their IPRs enforced in a timely manner.

For additional information about national laws and points of contact at local IP offices, please see WIPO's country profiles.

Section 6. Financial Sector

Capital Markets and Portfolio Investment

In February 2021, the Rwandan government introduced new incentives to support the Rwanda Stock Exchange and the Capital Market Authority through the Investment Code. A preferential withholding tax of 5 percent is applicable to dividends and interest income paid to investors in companies listed on the Rwanda Stock Exchange. The withholding tax rate may be reduced for non-residents from countries that have a double taxation agreement with Rwanda. A preferential corporate income tax rate of 3 percent applies to collective investment schemes. A preferential corporate income tax rate of 15 percent applies to:

- fund management entities,

- wealth management services,
- financial advisory entities,
- financial technology entities,
- captive insurance schemes,
- mortgage finance institutions,
- fund administrators,
- finance lease entities, and
- asset-backed securities

In December 2017, the Rwandan government established Rwanda Finance Limited (RFL), a state-owned enterprise charged with developing and promoting the Kigali International Financial Centre (KIFC). KIFC is an initiative intended to position Rwanda as a financial jurisdiction for investments into Africa, as well as reforming the domestic industry. The goal is to create a conducive ecosystem to attract pan-African and international financial service providers and investment funds to Rwanda. RFL pushed the Rwandan government to change many investment, banking, and commercial laws to align with OECD/EU and AML/CFT requirements.

Money and Banking System

Many U.S. investors expressed strong concern over local access to affordable credit and advise those interested in doing business in Rwanda to arrive with their own financing already in place. Interest rates are high for the region, banks offer predominantly short-term loans, collateral requirements can be higher than 100 percent of the value of the loan, and Rwandan commercial banks rarely issue significant loan values. The prime interest rate is 16-19 percent. Large international transfers are subject to authorization. Investors who seek to borrow more than $1 million must often engage in multi-party loan transactions, usually by leveraging support from larger regional banks. Credit terms generally reflect market rates, and foreign investors can negotiate credit facilities from local lending institutions if they have collateral and "bankable" projects. In some cases, preferred financing options may be available through specialized funds including the:

- Export Growth Fund,
- Rwandan Development Bank, or
- Rwanda Green Fund (formerly known as FONERWA)

The banking sector holds more than 76 percent of the financial sector assets in Rwanda. In total, Rwandan banks have assets of around $7.46 billion, which reflects an 18.3 percent increase from June 2022 to June 2023, according to the National Bank of Rwanda (known commonly by its French acronym BNR). Rwanda's financial sector remains highly concentrated. Most bank assets are held by five of the largest commercial banks (Bank of Kigali, BPR Bank Rwanda, I&M Bank, COGEBANQUE, and Equity Bank). The largest and partially state-owned bank, Bank of Kigali (BoK), holds more than 30 percent of all assets.

Local banks often generate significant revenue from holding government debt and from charging a variety of fees to banking customers. The capital adequacy ratio decreased to 21.1 percent in June 2022 from 23.1 percent over the year and was still well above the prudential minimum of 15 percent, suggesting the Rwandan banking sector continues to be generally risk averse. Non-performing loans decreased from 4.3 percent in June 2022 to 3.6 percent in June 2023 but mainly due to outstanding loans and write-off of overdue loans.

The IMF gives the NBR high marks for its effective monetary policy. BNR introduced a new monetary policy framework in 2019, which shifted toward an inflation-targeting monetary framework in place of a quantity-of-money framework. In April 2020, the NBR arranged a $53.4 million liquidity fund for local banks facing challenges from COVID-19. The NBR allowed banks to restructure loans affected by the pandemic by authorizing an average of four months in loan holidays.

Foreign banks are permitted to establish operations in Rwanda. Several Kenya-based banks operate in the country.

In November 2020, the Rwandan government signed an MOU with the African Export-Import Bank (Afreximbank) to host the permanent headquarters of Afrexim Fund for Export Development in Africa (FEDA) in Kigali.

Rwandans primarily rely on cash or mobile money to conduct transactions, though use of debit and credit cards is expanding. Use of mobile money grew by more than 500 percent since March 2020 due in part to changes brought about by COVID-19. In 2023, there were 18.7 million registered mobile money accounts in Rwanda, according to the IMF.

Foreign Exchange and Remittances

Foreign Exchange

In 1995, the government abandoned a U.S. dollar peg and established a floating exchange rate regime under which all lending and deposit interest rates were liberalized. The NBR publishes an official daily exchange rate, which is typically within a 2 percent range of rates seen in the local market. The value of the Rwandan franc (RWF) is primarily influenced by supply and demand dynamics in the foreign exchange market. However, BNR intervenes occasionally to mitigate excessive volatility by selling official forex reserves to the market to ensure stability. Commercial banks and licensed intermediaries are the main players on the market and are closely supervised by the BNR to ensure compliance with regulatory standards. Some investors report occasional difficulty in obtaining foreign exchange. Rwanda generally runs a large trade deficit. Rwanda's trade deficit was estimated at 11.6 percent of GDP in 2024. Transacting locally in foreign currency is prohibited in Rwanda. Regulations set a ceiling on the amount of foreign currency that can leave the country per day. In addition, regulations specify limits for sending money outside the country; the BNR must approve any transaction exceeding these limits.

Most local loans are in local currency. In December 2018, BNR issued a new directive on lending in foreign currency which requires the borrower to have a turnover of at least $50,000 or equivalent in foreign currency and have a known income stream in foreign currency not below 150 percent of the total installment repayments. Moreover, the repayments must be in foreign currency. The collateral pledged by non-resident borrowers must be valued at 150 percent of the value of the loan. In addition, NBR requires banks to report regularly on loans granted in foreign currency.

Remittance Policies

Investors can remit payments from Rwanda only through authorized commercial banks. There is no limit on the inflow of funds, although local banks are required to notify BNR of all transfers over $10,000 to mitigate the risk of potential money laundering. Additionally, there are some restrictions on the outflow of export earnings. Companies generally must repatriate export earnings within three months after the goods cross the border. Tea exporters must deposit sales proceeds shortly after auction in Mombasa, Kenya. Repatriated export earnings deposited in commercial banks must match the exact declaration the exporter used crossing the border.

Rwandans working overseas can make remittances to their home country without impediment. It usually takes up to three days to transfer money using SWIFT financial services. The concentrated nature of the Rwandan banking sector limits choice, and some U.S. investors expressed frustration with the high fees charged for exchanging Rwandan francs to dollars.

According to the 2021 Investment code, investors are allowed to repatriate profits upon fulfilling tax obligations. Investors can repatriate capital, profits derived from business activities, debt and interest on foreign loans, proceeds from liquidation of investment as well as other assets. Before repatriating profits, investors must obtain clearance certificates from the Rwanda Revenue Authority, confirming that all tax liabilities have been settled. They must prepare and submit necessary documentation, including financial statements and proof of earnings, to the National Bank of Rwanda (BNR) for approval. BNR reviews the application to ensure compliance with local regulations. Once approved, funds can be transferred through authorized financial institution. Profits repatriated from Rwanda are subject to a withholding tax rate that can go up to 15 percent.

Sovereign Wealth Funds

In 2012, the Rwandan government launched the Agaciro Development Fund (ADF), a sovereign wealth fund that includes investments from Rwandan citizens and the international diaspora. As of December 2023, the fund managed assets worth $331.5 million. The ADF operates under the custodianship of the BNR and reports quarterly and annually to MINECOFIN. ADF is a member of the International Forum of Sovereign Wealth Funds (IFSWF) and is committed to the Santiago Principles. In addition to returns on investments, voluntary contributions from citizens and the private sector, and other donations, the ADF receives 5 percent of proceeds from public assets the Rwandan government privatizes and 5 billion Rwandan francs every fiscal year from state tax revenues. The fund also receives 5 percent of royalties from minerals and other natural resources each year. The ADF invests mainly in Rwanda, with its international investments focused in Africa. According to the 2024 annual report, the fund invested in foreign private equity. The ADF can also invest in non-fixed-income investments such as publicly listed equity and joint ventures. It is best described as a development/strategic fund.

Section 7. State-owned Enterprises

Rwandan law allows private enterprises to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations. Since 2006, the government made largely ineffective efforts to privatize SOEs; reduce the government’s non-controlling shares in private enterprises; and attract FDI, especially in the ICT, tourism, banking, and agriculture sectors, but progress has been slow. Currently there are at least 34 SOEs including water and electricity utilities, as well as companies in sectors such as:

- construction,
- ICT,
- aviation,
- mining,
- insurance,

- agriculture, and
- finance

The government has transferred most of its SOEs to the management of ADF, its sovereign wealth fund. Some investors complained about unfair competition from state-owned and ruling party-aligned businesses. Boards govern SOEs, with most members having other government positions.

Some SOEs in Rwanda are historically associated with illegal minerals supply chains originating from conflict zones in the eastern Democratic Republic of the Congo (DRC).

Privatization Program

Rwanda continues to gradually carry out a privatization program that has attracted foreign investors in strategic areas ranging from telecommunications and banking to tea production and tourism. As of 2017 (the latest data available), 56 companies have been fully privatized, seven were liquidated, and 20 more were in the process of privatization. RDB's Deal Acceleration & Transactions Department is responsible for implementing and monitoring the privatization program. In July 2022, the government announced the creation of the Ministry of Public Investments and Privatization (MININVEST) with the privatization of public investments as one of its mandates. However, in August 2023, MININVEST was dissolved, and its functions were transferred to MINECOFIN. In the past, both foreigners and citizens of Rwanda participated in privatization through public bidding processes or direct negotiations. Some observers questioned the transparency of certain transactions, noting a number of transactions were undertaken not through public offerings but through mutual agreements directly between the government and the private investors, some of whom have personal relationships with senior government officials.

In May 2024, Rwandan Parliament passed a law on privatization, which formally approved new and innovative means of privatization that include:

- private placement,

- strategic sale to a single investor or group of investors, and
- sale through international markets

Section 8. Corruption

Rwanda is ranked among the least corrupt countries in Africa, with Transparency International's 2024 Corruption Perceptions Index, putting the country among Africa's four least corrupt nations and 43rd out of 180 countries (improving from 49th in 2023 and 54th in 2022). The government maintains a high-profile anti-corruption effort, and senior leaders consistently emphasize combating corruption is a national priority. The government investigates corruption allegations and generally punishes those found guilty. High-ranking officials accused of corruption often resign during the investigation period, and the government has prosecuted many of them. Rwanda is a party to the United Nations Convention Against Corruption (UNCAC) and African Union Convention on Preventing and Combating Corruption (AUCPCC). U.S. firms identified the perceived lack of government corruption in Rwanda as a key incentive for investing in the country. At the same time, some investors reported widespread corruption at lower, administrative levels of government, including customs, tax, and police officials. There are no local industry or non-profit groups offering services for vetting potential local investment partners. The Ministry of Justice's online repository of judgments can be a useful source of information on companies and individuals in Rwanda. The Rwanda National Public Prosecution Authority issues criminal records on demand to applicants through Irembo, an e-government platform which enables the access and provision of government services in Rwanda.

Resources to Report Corruption

- **Ombudsman (Umuvunyi)**

  Ms. Madeleine Nirere, Chief Ombudsman,
  P.O. Box 6269, Kigali, Rwanda
  Telephone: +250 252587308

- **Quality Assurance Department (internal audit and anti-corruption functions) of the Rwanda Revenue Authority**

  Mr. Peter Rukera Ruyumbu, Commissioner
  Avenue du Lac Muhazi, P.O. Box 3987, Kigali, Rwanda
  Telephone: +250 252595504 or +250 788309563

- **Office of the Auditor General**

  Mr. Alexis Kamuhire, Auditor General
  Avenue du Lac Muhazi, P.O. Box 1020, Kigali, Rwanda
  Telephone: +250 78818980

- **Transparency International Rwanda**

  Mr. Apollinaire Mupiganyi, Executive Director
  P.O. Box 6252 Kigali, Rwanda
  Telephone: +250 788309563

Section 9. Political and Security Environment

Rwanda is a stable country with relatively little violent crime. In 2022, Bounce, a luggage storage app, published a report cited by several media outlets which ranked Rwanda the sixth-safest country in the world and the best in Africa for solo travelers. Gallup's 2020 Global Law and Order Index report ranked Rwanda as the second safest place in sub-Saharan Africa. Investors cited the stable political and security environment as an important driver of investments. Strong police and military provide a security umbrella that minimizes potential criminal activity.

The U.S. Department of State recommends U.S. citizens reconsider travel when traveling near the Rwanda-DRC border due to armed violence. Armed groups operate in DRC's North and South Kivu provinces and Virunga Park which is adjacent to Volcanoes National Park in Rwanda. The area has experienced escalating levels of armed conflict which could spill across poorly marked borders. The U.S. Department of State also recommends exercising increased caution when near the Rwanda-Burundi border due to armed conflict. Relations between Burundi and Rwanda are tense, and there remains a risk of cross-border incursions and armed clashes.

Burundi closed its border with Rwanda in January 2024 and the border has remained closed since. Since 2018, there have been a few incidents of sporadic fighting in districts bordering Burundi and the DRC and in Rwanda's Nyungwe National Park and Volcanoes National Park.

Since 2022, when rockets from DRC landed near key Rwandan tourist areas, Rwandan military forces and forces from M23 have operated inside DRC territory. The conflict has produced a humanitarian crisis with millions of people internally displaced in the DRC.

In 2021, Rwandan authorities arrested several individuals accused of being ISIS members. Authorities stated the individuals were planning an imminent attack in Kigali. There have been several reported cross-border attacks in Western Rwanda on Rwandan police and military posts since 2016. Despite occasional violence along Rwanda's borders with the DRC and Burundi, there have been no incidents involving politically motivated damage to investment projects or installations since the late 1990s. Relations with Uganda, which had been tense since early 2019, improved recently. In early 2022, Rwandan and Ugandan officials agreed to reopen border crossings between the two countries, which had been closed since February 2019. In March 2023, the governments of both countries convened for bilateral discussions on a broad range of bilateral cooperation, indicating relations returned to normalcy.

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

Section 10. Labor Policies and Practices

General labor is available, but Rwanda suffers from a shortage of skilled labor, including:

- accountants,
- lawyers,
- engineers,
- tradespeople, and
- technicians

Higher institutes of technology, private universities, and vocational institutes are improving and producing more highly trained graduates each year. In 2018, the Chief Skills Office was established within the RDB to align skills development with labor market demands. Additionally, the Rwanda Workforce Development Authority sponsors programs to support both short- and long-term professional trainings targeting key industries in Rwanda. Rwanda's informal economy is concentrated in the agriculture sector, which contributes 27 percent of GDP but employs close to 72.2 percent of the country's population. The Rwandan government has taken steps to formalize large portions of its informal economy, for example, by banning street vendors. Rwanda also requires all private sector employers to formalize contracts.

Investors are strongly encouraged to hire Rwandan nationals whenever possible. According to the Investment Code, a registered investor who invests an equivalent of at least $250,000 may recruit three foreign employees.

Rwanda has ratified all of the International Labor Organization's eight core conventions. Policies to protect workers in special labor conditions exist, but enforcement remains inconsistent. The government encourages, but does not require on-the-job training and technology transfer to local employees. The law restricts voluntary collective bargaining by requiring prior authorization or approval by authorities and requiring binding arbitration in cases of non-conciliation. The law provides some workers the right to conduct strikes, but due to numerous restrictions, workers rarely engage in strikes. In 2020, the government published additional specifications for labor representatives, regulations against strikes, and guidelines providing labor inspectors greater authority to access workplaces and assess fines. The Rwandan government has been known to take swift action against foreign companies with poor labor practices upon initial complaints from workers.

There is no unemployment insurance or other social safety net programs for workers laid off for economic reasons.

Labor laws are not waived to attract or retain investment. There are no labor law provisions specific to SEZs or industrial parks. Collective bargaining is a relatively new concept in Rwanda and is not common. Few professional associations fix minimum salaries for their members and some investors expressed concern that labor law enforcement is uneven or opaque. While the

2018 Labor Code authorized the Minister of Labor to set a minimum wage through a ministerial order, no minimum wage has been officially set to date, and wages are determined through negotiations and collective agreements.

A recent ministerial order, adopted in August 2023, grants paternity leave of seven days to male employees, after the birth of a child. In the event of complications, fathers are entitled to five extra working days.

Section 11. U.S. International Development Finance Corporation (DFC) and Other Investment Insurance or Development Finance Programs

DFC is active in Rwanda including in sectors such as:

- infrastructure,
- mining,
- electric mobility, and
- agriculture

DFC has provided financing and political risk insurance to more than a dozen U.S. projects in Rwanda since 1975. DFC has a Nairobi-based investment advisor who oversees current investments and vets prospective investments for Rwanda.

The Export-Import Bank maintains a program to ensure short-term export credit transactions involving various payment terms, including open accounts that cover the exports of:

- consumer goods,
- services,
- commodities, and
- certain capital goods

The 1965 U.S.-Rwanda Investment Incentive Agreement remains in force; Rwanda and the United States are discussing potential updates to this agreement.

Section 12. Contact for More Information

Economic and Commercial Section

United States Embassy

30 KG 7 Avenue, P.O. Box 28 Kigali, Rwanda

Telephone: +250-252-596-538

Contact Economic and Commercial Section - United States Embassy