



Business registration at RDB

A checklist for foreign investors

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1 | Introduction

This report aims to prepare foreign entrepreneurs who consider investing in Rwanda or opening a business. Many foreign investors are aware of the role of Rwanda Development Board (RDB); an organization with the mandate to promote and support local and foreign businesses operating in Rwanda. Moreover, RDB seeks to build bridges between the private and public sector. This report presents and explains to the Dutch or other foreign investors to do prior and upon arrival at RDB for business registration. Moreover, the report will explain which support is offered by RDB and outline yearly requirements for businesses registered in Rwanda.

2 | What to consider prior to business registration?

Before going to RDB to register a business please consider the following:



1. TYPE OF COMPANY

There are three categories of businesses which can be registered at RDB: individual enterprises, domestic companies and foreign companies. Owners of individual enterprises are personally accountable and operate under their own name rather than a separate business. By contrast, owners or shareholders of limited liability companies are not personally liable.



daily
> 10,000
Rwandan
francs

DOMESTIC COMPANY

This is a company with its headquarters in Rwanda. It may take the form of company limited by shares, company limited by guarantees, company limited by shares and guarantee or an unlimited company. After the registration at RDB, a business registration certificate is provided.

CERTIFICATE

Business registration



daily
> 10,000
Rwandan
francs

FOREIGN COMPANY

This category includes companies of which the headquarters are located in a foreign country and which is conducting business in Rwanda. After registration at RDB, an investor gets a certificate of foreign company registration.

CERTIFICATE

Foreign company registration



daily
< 10,000
Rwandan
francs

ENTERPRISE

Enterprise (or individual trader) is a small business with a corporate income below ten thousand Rwandan francs (10,000 RWF) per day. If income rises above ten thousand Rwandan francs, an individual must register a 'domestic company.' After the registration, a certificate of enterprise registration is provided.

CERTIFICATE

Enterprise registration



2. COMPANY NAME

The company name must be available and approved. RDB employees can check the availability of the name in their registry at the business registration helpdesk.



3. COMPANY ADDRESS

Applicant needs to provide a local, physical address as the registered address of the company. This address is important for subsequent (obligatory) registration at the district office of the Rwanda Revenue Authority (and Rwanda Social Security Board in case one has employees).



4. AMENDMENT OF COMPANY DETAILS

Amendment of company details is possible after registration but requires a notarized resolution. Such a resolution can be obtained at the RDB notary office. The company name, address, business activities, change of director or board members, share issue and share transfer can be changed at any time at shareholder's discretion. Please note that the type of company cannot be changed.



5. SHAREHOLDERS, SHARES AND CAPITAL

There is no maximum number of shareholders. Shareholders can be Rwandan nationals, foreigners or legal entities. Moreover, 100% non-local shareholding is allowed. Registered share capital (unlimited) can be increased at any time after registration.



6. RDB AND RRA OBLIGATIONS FOLLOWING REGISTRATION

Please beware that successful registration of a business at RDB equals successful registration as a tax paying entity at the Rwanda Revenue Authority (RRA). Businesses registered at RDB are automatically required to pay centralised and decentralized taxes. Also, businesses are required to file annual returns at RDB. Failure to meet these legal obligations will result in penalties.

MOU

7. INCENTIVES FOR LARGE INVESTORS

Large investors are advised to negotiate investment incentives and sign a Memorandum of Understanding (MOU) with RDB prior to business and investment registration. In the MOU, they can outline and secure the specific incentives related to matters such as the number of resident permits for foreign employees and particular tax exemptions.

3 | How to register a business at RDB?

RDB has introduced mandatory online registration for businesses. Nonetheless, it is possible to get assistance from the RDB registration support team in case any difficulties arise. The support team is stationed in the first office on the left after entering the RDB building in Kigali. It is advised to arrive early for assistance because queues are usually longer in the afternoon.

Business registration is free of charge. The process can be finalised within six working hours. It is completed upon the issuing of a “Certificate of Domestic Company Registration” listing a company code called the Tax Identification Number (TIN).

Documents and information required for domestic company registration:

- Company name (approved)
- Company address in Rwanda
- Description/categorization of business activities
- Email address of the managing director, a shareholder or an authorize representative
- Phone number of the managing director, a shareholder or an authorize representative
- Managing director’s personal contact information (address and phone number)
- Board members’ personal and contact information
- Passport copy/scan of the managing director or of one of the shareholders of the company being formed or of an authorize representative

More information: <https://businessprocedures.rdb.rw/procedure/4/5/step/749?l=en>

Additional documents and information required for companies with multiple shareholders:

- Shareholder(s)’s personal and contact information
- Notarised Memorandum of Association form according to the business category (scanned copy signed by all shareholders or their legal representative)

Additional documents required for Non-Governmental Organizations (NGOs), associations or cooperatives registering a business:

- Evidence of registration at the Rwanda Governance Board or Rwanda Cooperatives Agency
- Notarised board resolution with the decision to register a business

Documents and information required for registration of foreign companies or branches:

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

More information: <https://businessprocedures.rdb.rw/procedure/11/7?l=en>

Documents and information required for enterprise registration

- Company name
- Email address of the managing director or of an authorize representative
- Contact details (phone number) of the managing director or of an authorize representative
- Passport copy/scanned of the managing director or of an authorize representative
- Scanned passport size photo
- Description/categorization of business activities

More information: <https://businessprocedures.rdb.rw/procedure/8/6/step/13?l=en>

4 | What happens after business registration?

After successful registration, the business is operational. Moreover, the business is now registered as a tax paying entity in Rwanda under its company code (TIN).

The business owner now has access to the online business (registration) portal of RDB via an account created by applicant (<https://org.rdb.rw/busre-gonline>). The website enables businesses to amend company details and file annual returns. Moreover, it is possible to download a Business Registration Certificate known as “Certificate of Domestic Company Registration.”

All registered businesses at RDB have legal obligations vis-à-vis RRA as well as RDB. When businesses owners fail to comply, they might face penalties.

Obligations vis-à-vis RRA

The company code on the “Certificate of Domestic Company Registration” is also the company’s Tax Identification Number (TIN). The TIN indicates automatic registration for corporate income tax. Many investors fail to realize their obligations vis-à-vis RRA, which arise automatically after business registration at RDB.

In addition, a business has to be registered for decentralized taxes (trading license and cleaning fee) at the RRA district office within seven days of registration at RDB. If projected annual revenues of a newly registered company exceed twenty million Rwandan Francs (20,000,000 RWF), business owners also need to register for the Value Added Tax (VAT).

More information can be found in the TRAIDE guidelines regarding RRA procedures or via the following link: <http://www.rra.gov.rw/index.php?id=27>

Obligations vis-à-vis RDB

At the end of the year before March 31, every registered business in Rwanda has to file annual returns via the online system of RDB. Companies are requested to add attachments to their annual filing, namely: an income statement and statement of financial position. An auditor report is obligatory for companies with a turnover exceeding 400,000,000 RWF. If company amendments have been made, notarised resolutions need to be attached.

5 | Why and how to register an investment?

After completing business registration, it is recommended that foreign businesses proceed with registration of their investment. Successful registration of an investment results in the filing of an “Investment Registration Certificate.” This certificate will unlock additional services provided by RDB including the assignment of a personal account manager who can assist you. No minimum investment is required for registration.

Application procedure for Investment Registration Certificate

The application for investment registration is done online at osc.rdb.rw. Please create an account first. Business registration needs to be completed prior to filing an application for an investment registration.

A non-refundable application fee of 500 USD is paid at any branch of Bank of Kigali or via a bank transfer. RDB can check your eligibility and application prior to submission to minimize chances of rejection. businesses do not have to pay for resubmission after improvement.

Several documents and information required for application. Please note that no legal proof is required to support the application (like bank statements). Moreover, submitted documents do not result in legal obligations vis-à-vis RDB. The documents serve to demonstrate professionalism, seriousness and sincerity of the business plan.

1. Application letter addressed to the CEO of RDB requesting for an Investment Certificate:
 - Name and address of the proposed business enterprise, and its legal form;
 - Nature of the proposed business activity and the level of planned capital investment;
 - Estimated number of persons to be employed and categories of jobs to be created;
 - Nature and volume of waste which shall be generated by the enterprise’s operations, and the proposed methods, of its management;
 - Nature of support and facilitation which the investor is seeking from RDB.

2. Business plan for investment
 - Executive summary of the project
 - Profile of the project promoter
 - Project background information
 - Project implementation plan
 - Estimated number of employees and categories of employment
 - Market study or market analysis
 - Loan and equity financing
 - Projected statement of income and expenditure for five years
 - Planned investment, financial schedule and capital cost over the next five years in assets as land, construction, plant/machinery, working capital and other assets
 - Projected balance sheet for first five years
 - If applicable: loan amortization schedule for the bank loan
 - Notes on assumption made in the business plan.

Notice of acceptance or refusal

Once your application for investment registration is approved, an acceptance letter will be issued within a period of two days. The acceptance letter will indicate the details of a focal person/Key account manager to be assigned to your project. In case an investment application is refused, a notice of refusal and the reason for the refusal are sent to the applicant. In case the documents are not in order or the documents provided is inadequate, RDB will advise for improvement and request you to resubmit online once the recommended improvements have been made.

6 | How to apply for a resident/work permit?

Business registered company holding “Certificate of Domestic Company Registration” apply for visa and working permits at the Directorate General of Immigration and Emigration Head offices in Kacyiru. It is also possible to apply for a resident permit for a foreign Managing Director. This application requires a notarized resolution providing the applicant with Power of Attorney.

Applicants with a “Investment Registration Certificate” can apply for a permit directly at the RDB one stop centre. They do not have to visit the Directorate General of Immigration and Emigration.

The costs for a resident permit are one-hundred-fifty-thousand Rwandan Francs (150,000 RWF). The payment needs to be completed beforehand including the receipt in the application. Payments are easily made online via Irembo: <https://irembo.gov.rw/rolportal/en/eservice-by-category?cat=IAE&menu-highlight=CAT>. It is also possible to obtain a number via the receipt generation form: <https://nonfiscal.rra.gov.rw/citizenreceiptGeneration?flag=C##> and pay at any branch of the Bank of Kigali or the Directorate General of Immigration and Emigration.

Interview and company visit

New businesses will be visited by immigration officers (Field Inspection and Law Enforcement Department) to assess “the reliability” of the business. The officers will assess whether the office is located at the registered address. Moreover, an interview will take place to discuss the business operations. When the officers conclude a business is not yet fully established, the applicant will likely receive a special permit of 3 months to finalize the process. After three months, the applicant has to re-apply for a residence permit.

Required documents for resident permit application:

- Completed application form
https://www.migration.gov.rw/fileadmin/templates/PDF_files/permits/visa_permit_application_form_pdf.pdf
- Application letter addressed to the Director General of Immigration & Emigration by the employer stating the reason of your application
- Curriculum Vitae
- Original Police Clearance from the country that you have lived for the last 6 months
- Certificate of Domestic Company Registration which full registration information of the domestic company
- Irembo payment receipt of 150,000 RWF for visa fee
- Company address and rental contract for office space
- Employment contract with company
- Original university degree(s) as copies are not accepted
- Notified marriage certificate to spouse and birth certificate of children.

For more information, please visit www.migration.gov.rw for additional requirements on visas and permits.

Renewal of resident/work permit

Extensions of work/residence permit always require an assessment by the Directorate General. The assessment is made on the applicant’s ability to run the business and financial viability. The trading license (Patente) needs to be submitted and auditor reports are likely to be requested.

There are penalties for delayed application for or renewal of visa or permits. Penalties are paid at customs when crossing the border or upon filing a new application. Any foreigner who re-commits one of the faults as mentioned above may be declared an undesirable person.