



REPUBLIC OF RWANDA

MINISTRY OF TRADE
AND INDUSTRY



MINICOM 2023





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and Industry

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SERVICES PROVIDED BY MINICOM UNDER AfCFTA DESK AT THE ONE STOP CENTER.

A. CERTIFICATE OF ORIGIN

APPLICATION PROCESS

- A letter from the exporter informing RRA of intent to export and the types of products they want to export;
- RRA verifies whether the products meet the origin criteria,
- RRA also verifies the tariff offers of the country they want to export to in order to advise the taxpayer accordingly;
- If a product meets the criteria and is on the tariff offers, taxpayer receives go ahead to fill the certificate of origin based on commercial documents.
- After final verification, RRA signs.

REQUIRED DOCUMENTS ON CLIENT SIDE

- Invoice
- Packing list (not mandatory)

COST INVOLVED, IF ANY

- Certificate of origin cost is RWF 3000

ANY OTHER RELEVANT INFORMATION FOR EXPORTERS

Depending on the nature of the product to be exported, there are some documents provided by other institutions which are required before issuance of certificate of origin such as certificates of quality issued by NAEB, RAB, FDA, RICA, Rwanda Mining, Petroleum Board etc.

B. DUTY REMISSION (IMPORT DUTY EXEMPTION)

All applications for duty remission shall be submitted to the Commissioner for Customs Services. He shall verify the accuracy of the submitted information and may call for additional information if necessary before submitting the application to the Committee for consideration.

CONSTITUTION OF THE COMMITTEE

The Committee shall comprise of representatives from the following institutions:

- The Ministry responsible for Finance;
- The Ministry responsible for Trade and Industry;
- The Body representing Manufacturers;
- Customs; and
- Anybody or institution the Commissioner may deem fit to appoint.

FUNCTIONS OF THE COMMITTEE

- Receive, vet and process applications for remission.
- Advise the Council, through the Commissioner, on manufacturers and quantities of goods in respect of which remission may be granted under duty remission regulation.

PROCESSING OF APPLICATIONS

- Customs verifies the classifications of the goods to be imported under duty remission;
- Ensures that all duty remission application requirements are fulfilled including HS codes, description, quantities and final products. For tariff classification, the manufacturer consults his clearing agent.
- Drafts a list of all manufactures and quantities requested for duty remission committee discussion;
- The Committee, after receipt of the application, may arrange to visit the premises of the applicant;
- The Committee shall meet on a quarterly basis in accordance with Council Directives on duty remission.

Quarters shall run as follow: July to September, October to December, January to March, April to June. Applications to the Secretariat should be made by the 15th day of the last month of each quarter. The Secretariat aims to have the gazette published by the last day of the quarter.

Manufacturers shall submit their applications to the Commissioner by the 30th day of the second month of each quarter.

The Committee shall convene to deliberate on the applications forwarded to it by the Commissioner by taking into account:

- the demonstrated compliance history of an applicant where applicable and;
- the existence of a local industry producing the goods for which the remission is being sought.

The duty remission facility is valid for twelve months from 1st July to 30th June of each fiscal year.

REJECTION OF AN APPLICATION

The Committee shall reject an application forwarded to it for consideration by the Commissioner if the applicant:

- is non-tax compliant;
- has failed to account for goods imported by him or her under any duty remission scheme;
- is guilty of an offence under the EAC Customs Management Act or any other relevant tax laws of a Partner State; and
- enjoys similar incentives under another scheme.

The Committee shall not recommend approval of remission of duty for manufacture of goods:

- which are prohibited by the customs law or any other written law;
- where there is no demonstrable capacity to manufacture the goods for which remission is being sought.

Where the Committee does not recommend for gazettelement for the purposes of remission of duty under these regulations, the Commissioner shall communicate the decision to the applicant and the reasons for its rejection.

The Commissioner, after receiving the recommendations from the Committee, shall submit the approved manufacturers and the respective quantities of goods to the EAC Secretariat for gazettelement.

MONITORING AND CONTROL

The manufacturer shall prepare quarterly returns of utilization of goods imported under these regulations. Such records should indicate stock of raw materials, work in progress, finished goods at hand and goods exported.

APPEALS

An applicant has a right to appeal where the Committee rejects his application. Where the applicant is dissatisfied with the decision of the Commissioner, they may submit an appeal in the manner prescribed under the EAC Customs Management Act of 2004.

C. VALUE ADDED TAX (VAT) EXEMPTION

MINISTRY OF TRADE AND INDUSTRY (MINICOM)

Requirements for VAT exemption:

- The industry must be registered in Rwanda as a company, a cooperative or an individual enterprise.
- The industry must aim at processing raw materials or assembling parts to produce goods for sale or for mining and quarry exploitation activity.
- Exemption must only be applied for machinery, capital goods or raw materials appearing on the list established by the Minister in charge of Industry and approved by the Minister in charge of taxes.
- The application must indicate the direct link between goods for which exemption is sought and the industrial activity carried out or that will be carried out.
- Demonstrate proper management of applicant business indicating revenues and expenses.
- Prove that the added value to raw materials is equal to at least thirty percent (30%).
- Have a recognized Head Office of the Industry.
- For the assembling industry, parts to assemble must be completely separate.

How to Apply for VAT Exemption and Timelines:

- An industry sends an application file composed of an application letter addressed to the Honorable Minister of Trade & Industry, an application form issued by MINICOM duly completed with HS codes (list of items for exemption), and a company/cooperative or an individual enterprise registration certificate issued by RDB. For tariff classification, the manufacturer consults his/her clearing agent.
- The field visit to new applying industry is conducted for physical verification.
- After processing the application file, the Ministry of Trade and Industry submits the list to the Ministry of Finance and Economic Planning for final approval.
- The screening of applications and approval by the Ministry of Trade and Industry takes 5 days.
- The list of exempted items shall be renewed and updated every two years of the fiscal year.
- Additional applications for the existing industries are only allowed twice a year: January and June.
- New applicant is allowed to apply anytime with no time restriction.

MINISTRY OF FINANCE AND ECONOMIC PLANNING (MINECOFIN)

- MINECOFIN receives the approved list from MINICOM.
- A field visit to new applying industries is conducted for physical verification.
- The process of application and approval is done by the Ministry of Finance and economic planning.
- The approved list is then sent to RRA & RDB for implementation.

D. INDUSTRIAL ELECTRICITY TARIFF

All companies that need to change their electricity tariff category are requested to submit to the Ministry of Trade and Industry the following documents:

- An Application Letter addressed to the Hon. Minister of Trade and Industry explaining the basis of their request
- The company registration Certificate issued by RDB
- The 2 electricity invoices of 2 recent months issued by REG

Industrial Electricity applications are assessed and sent to RURA every 3 days for further action.

E. LAND ACQUISITION FOR FACTORY INSTALLATION

STEPS TO GO THROUGH IN ORDER TO ACQUIRE SUCH LAND

- Write to the Honorable Minister of Trade and Industry explaining in few words who you are, the kind of business and its investment, size of land needed and the expected time to start, utilities needed and any other item you may find it is necessary to share.

- Attach to the above letter a detailed business plan and tentative architectural drawings of the facilities to be developed on the required space.
- Once you choose installments; you pay 30% upfront in the First year, and the remaining percentage will be paid in next year adding an inflation rate of 5%.

OTHER RELEVANT INFORMATION

Apart from Bugesera which is being developed and leased at 10 USD per sqm (but now put on hold because there is a new operator on board), other industrial parks are being leased at 3 USD per sqm because there are no modern infrastructure developed yet. However, users are expected to contribute to future infrastructure upgrades via a cost-sharing mechanism.

F. EXPORT GROWTH FACILITY (EGF)

BACKGROUND

The Export Growth Facility (EGF) is managed and operated by BRD and was approved by Cabinet in June 2015 to address access to finance constraints faced by SMEs by reducing the cost of finance related to export projects and businesses. Over 6 years of operation, three of the four core EGF windows have been operationalized and progress has been made in providing SMEs with low-cost access to finance. The EGF (direct lending) consists of four core windows, namely:

Window 1: Investment Catalyst Facility

- **Objective:** Encourage private sector investment in export-oriented production in order to increase availability of goods and services for export.
- **Purpose:** Provide exporting firms and firms investing in export-oriented production with a facility for reducing the costs of finance.
- **BRD Plc.** provide a direct lending with an interest subsidy of 6.5% with maximum financing amount of FRW 1.5 billion.
- **Interest** of 12% for on-lending through participating financial institutions (Bank of Kigali, BPR bank, I&M bank, CogeBanque & Bank of Africa). Current max. financing amount is FRW 1 billion.
- **Target Group:** Exporters and Export Focused Investors who meet eligibility requirements. Start-ups (pilot sectors) are encouraged if their purpose is export orientation.

Window 2: Matching Grant Facility

- **Objective:** Encourage firms to enter the export market by reducing the costs to Rwanda firms when adjusting to standards and other technical requirements in target markets.
- **Purpose:** To provide Rwandan firms (exporters and non-exporters) a facility for availing additional funding directly through BRD in which government contributes a sum of money that “matches” a financial contribution made by the commercial enterprise. The exporter will be facilitated to the tune of maximum USD 100,000 which is presumed to be 50% of the total market

development budget.

- **Target Group:** Rwandan registered firm with audited financial accounts in the previous financial year with good projections for export revenues.

Window 3: Export Credit Guarantee Facility

- **Objective:** Offer specific, transaction-related guarantees to commercial banks to securitize export finance transactions up to 80% of value.
- **Purpose:** The export guarantee facility is not intended to be a means to finance start-up capital, but rather to enhance the financial capabilities of exporters through providing credit insurance for pre-shipment and post-shipment finance to the level up to 80% of the required working capital.
- **Target Group:** All sectors actively in the export activities with collateral issues for short term financing.

Window 4: Industrial Start-Up Facility

- **Objective:** Encourage private sector investments to start up projects that recapture domestic markets and promotes export related activities.
- **Purpose:** The fund promotes borrowers setting up new businesses (non-existing industries) that are export oriented or have direct import substitution effects with innovation, development, and commercialization of new products and services driven by technology. Current maximum financing amount is FRW 1.5 billion.
- **Target Group:** New borrowers, young entrepreneurs and new start-ups or business lines that promote industrialization for exports and reduce imports.

Since 2016, the Government of Rwanda has allocated RWF 6.4 billion to the EGF through direct lending facility to the Development Bank of Rwanda (BRD) and so far, BRD has approved a credit line totaling 23.8 billion to Commercial banks that are offering EGF through on-lending window.

To access the EGF, an exporter needs to meet EGF eligibility criteria.

ELIGIBILITY CRITERIA

- Be a Rwandan or registered Rwandan company operating in Rwanda.
- Commitment to repatriate further export proceeds to Rwanda.
- Should have applied for a facility related to exports projects/business.
- The same borrower, if he/she qualifies, can have access to the investment catalyst fund and could be eligible for a matching grant or guarantee fund, where applicable.
- Provide documentation evidencing repatriation of export proceeds for existing exporters.
- A borrower will be subjected to the applicable market rates for the entire duration of the facility if he/she uses the EGF funds in other activities than the activities submitted in his/her business plan.

- Provide a comprehensive business plan approved by the company's management. The business case/plan to be financed should reflect the targeted increase in exports, projections of expected production, export returns, and profits for the project and/or the company.
- All projects financed must commit to increase export volume by 40% within three years of operations.

The Borrower Should Commit to:

- Setting clear and measurable export targets and endeavor to respect them.
- Facilitate regular inspection visits by the Monitoring and Evaluation team (M&E) team (from BRD, Minicom and PFIs) and audits on export activities, performances against export targets commitments (above-mentioned point 1) and loan agreement.
- To facilitate regular data collection by the M&E team.

How to Apply?

Development Bank of Rwanda “BRD Plc” is working closely with Private Finance Initiative “PFI” to avail affordable financing for exports to a maximum of RWF 1 Billion.

Contact the local account manager at your bank for more information:

- Bank of Kigali
- Bank of Africa
- BPR – Part of Atlas Mara
- CogeBanque
- I&M Bank Rwanda

G. AFRICAN CONTINENTAL FREE TRADE AREA

Brief Overview

The AfCFTA is the world's largest free trade area bringing together the 55 countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs). The overall mandate of the AfCFTA is to create a single continental market with a population of about 1.3 billion people and a combined GDP of approximately US\$ 3.4 trillion. The AfCFTA is one of the flagship projects of Agenda 2063: The Africa We Want, the African Union's long-term development strategy for transforming the continent into a global powerhouse.

As part of its mandate, the AfCFTA is to eliminate trade barriers and boost intra-Africa trade.

In particular, it is to advance trade in value-added production across all service sectors of the African Economy. The AfCFTA will contribute to establishing regional value chains in Africa, enabling investment and job creation.

The practical implementation of the AfCFTA has the potential to foster industrialization, job creation, and investment, thus enhancing the competitiveness of Africa in the medium to long term.

The AfCFTA entered into force on May 30, 2019, after 24 Member States deposited their Instruments of Ratification following a series of continuous continental engagements spanning since 2012. It was launched at the 12th Extraordinary Session of the AU Assembly of Heads of State and Government in Niamey – Niger, in July 2019. The commencement of trading under the AfCFTA was on the 1st January 2021. The AfCFTA Secretariat is hosted in Accra, Ghana. His Excellency Wamkele Mene is the first elected Secretary-General coordinating the implementation of the Agreement.

The AfCFTA is one of the flagship projects of Agenda 2063: The Africa We Want. It is a high ambition trade agreement, with a comprehensive scope that includes critical areas of Africa’s economy, such as digital trade and investment protection, amongst other areas. By eliminating barriers to trade in Africa, the objective of the AfCFTA is to significantly boost intra-Africa trade, particularly trade in value-added production and trade across all sectors of Africa’s economy.

The AfCFTA will be negotiated in two phases.

PHASE (I)

Trade in Goods

The Directorate of Trade in Goods and Competition at the AfCFTA Secretariat is focused on creating a single African market through implementing the Protocol on Trade in Goods and Competition. The Directorate also facilitates all negotiations on Trade in Goods and Services and provides technical advice to the Chairperson, State Parties and non-State Parties.

Trade in Services

One of the specific objectives of the AfCFTA Agreement is the progressive liberalization of services. The AfCFTA Protocol in Trade in Services envisions a liberalized African Services market which shall be achieved by gradually eliminating restrictions that are incompatible with the AfCFTA Agreement, the AfCFTA Protocol on Trade in Services, the Negotiating Guidelines for Services Negotiations under the AfCFTA Protocol on Trade in Services, and the AfCFTA Modalities for Services Negotiations.

The progressive liberalization will be accomplished in two ways: first, by State Parties offering their commitments in service sectors through Schedules of Specific Commitments, and second, by developing cross-cutting sectoral regulatory frameworks.

🕒 **Dispute Settlement Mechanism**

The Dispute Settlement Mechanism was established under the Protocol on Rules and Procedures of the AfCFTA Agreement. It focuses on amicable, transparent and swift resolution of disputes between State Parties. The key institutions of the Dispute Settlement Mechanism are the Dispute Settlement Body, the Adjudicating Panels and the Appellate Body for second-tier review.

🕒 **Customs and Trade Facilitation**

In a Free Trade Area, such as the AfCFTA, Customs administrations play an essential role in developing and promoting intra-Africa trade through the effective implementation of the agreed tariff offers, rules of origin, and proper management of the borders. The Directorate also simplifies and harmonizes customs laws and procedures, the supervision of transshipment, and ensures customs cooperation among others. The Directorate, therefore, facilitates the enforcement of the agreed rules among State Parties.

PHASE (II)

🕒 **Intellectual Property Rights**

The promotion and protection of Intellectual Property Rights (IPR) are central to achieving the AfCFTA objectives. The Committee on Intellectual Property Rights was established in May 2021 by the Council of Ministers of Trade and State Parties to facilitate the negotiation of the Protocol on IPRs.

At its first meeting in September 2021, the Committee adopted its Terms of Reference and the Modalities for Negotiating the Protocol on IPRs.

The Committee also held capacity-building activities on various critical issues related to IPRs in preparation for the negotiations and development of the AfCFTA Protocol on IPRs.

🕒 **Investment**

The role of financial investment is critical to the achievement of the objectives of the AfCFTA. The Council of Ministers responsible for trade, and the State Parties, have established a Committee on Investment. The Committee met in September 2021 and adopted its Terms of Reference, Negotiation Modalities and Guidelines for negotiating the Agreement on Investment, leading to the establishment of the Protocol on Investment. The Protocol is expected to establish a transparent and sound continental legal framework on investment, taking into account the interests of State Parties and investors.

The outcome of the negotiations on investment will be incorporated into the AfCFTA Agreement.

Consequently, the AfCFTA Secretariat has facilitated capacity-building and regional stakeholder engagements to identify and collate views on potential issues for inclusion in the Protocol. A Zero draft of the Protocol on Investment to the AfCFTA

🕒 **Competition Policy**

The AfCFTA Competition Protocol negotiations are ongoing.

Competition policy encourages companies to offer consumers goods and services on the most favorable terms. It promotes efficiency and innovation and reduces prices within the AfCFTA market. Competition is necessary for making market economies function well. It improves efficiency and healthy competition among businesses. Effective enforcement of competition and consumer protection laws enhances the protection of consumer rights and promotes the active participation of consumers in the market.

🕒 **Digital Trade**

Digital trade is an integral part of free trade and critical to boosting intra-Africa trade. In February 2020, the AU Assembly decided to include digital trade within the AfCFTA. Digital trade issues will be constituted into a Protocol that shall, upon entry into force, form an integral part of the AfCFTA Agreement.

In May 2021, the Council of Ministers established the Committee on Digital Trade to coordinate and facilitate the negotiations of the Protocol on Digital Trade under the AfCFTA. The Committee consists of all State Parties.

🕒 **Women and Youth in Trade**

The Assembly of the Heads of State and Government of the African Union committed “to broaden inclusiveness in the operation of the AfCFTA through interventions that support young Africans, women, and Small and Medium Enterprises (SMEs) as well as integrating informal cross-border traders into the formal economy by implementing the simplified trade regime”.

In line with the directives of African leaders, the AfCFTA Secretariat is undertaking preparatory work towards the negotiations and development of the AfCFTA Protocol on Women and Youth in Trade. The Protocol is expected to address the specific constraints and barriers women face when trading on the continent. It will create an environment that allows women to utilize the AfCFTA by accessing wider markets, improving their competitiveness, and participating in regional value chains.

As of May 2022, consultations have been held in 26 countries and additional consultations are ongoing. These consultations provide women in trade a platform to express their opinion and voice their concerns and needs, thereby actively participating in the development of the Protocol on Women and Youth in Trade.

🕒 **Trade Barriers under the AfCFTA**

The elimination of NTBs is critical to boosting intra-Africa trade and achieving the objectives of the AfCFTA. It will reduce the costs of trading across borders and ease cross-border movement of goods. The bulk of the AfCFTA benefits will be realised if State Parties efficiently manage and eliminate NTBs.

Annex 5 of the Protocol on Trade in Goods establishes a reporting, monitoring, and elimination mechanism where traders can file a complaint on a specific trade obstacle they have encountered during the process of moving goods and services across borders.

The African Continental Free Trade Area (AfCFTA)'s Non-Tariff Barriers online reporting, monitoring and eliminating mechanism is a facility developed to enhance trade through removal of non-tariff barriers to trade (NTBs).

At <https://tradebarriers.africa>, you can report any obstacle encountered when trading goods across intra-African borders, for example excessive delays, ad hoc fees at the border, cumbersome document requirements, restrictive product standards and regulations etc.

The online mechanism is open to all African business sectors: small, medium and large companies, informal traders, women and youth business operators. Watch a quick introduction video about the mechanism:

<https://tradebarriers.africa/about>

HOW TO REPORT TRADE BARRIERS

- Go to **<https://tradebarriers.africa>** and choose your language
- Click on Login/Register --> Register --> fill in your details and submit
- In your Email: Receive a confirmation email --> click on the activation link in that email!
- Go back to <https://tradebarriers.africa> --> Login/Register --> enter your username/email and password --> Login
- Click on “Report an NTB online” --> fill the form and provide as much detail as possible --> Submit your complaint!

After you report a non-tariff barrier, the concerned government authorities will follow-up to resolve your problem. NTBs Coordination Unit in the AfCFTA Secretariat and NTB Units in your Regional Economic Community (REC), as well as NTB National Focal Points (NFPs) in your countries will support the process:

Those Regional Economic Communities are:

- Arab Maghreb Union (UMA)
- Common Market for Eastern and Central Africa (COMESA)
- Community of Sahel-Saharan States (CEN-SAD)
- East African Community (EAC)
- Economic Community of Central African States (ECCAS)
- Economic Community of West African States (ECOWAS)
- Intergovernmental Authority on Development (IGAD)
- Southern African Development Community (SADC)



END.



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