

■ TAX ALERT – IMMEDIATE ACTION REQUIRED

VAT on Online Goods & Services in Rwanda

Ministerial Order N° 004/26/10/TC of 29 April 2026
Key Provisions, Timelines & Practical Implications

Published: 29 April 2026 in the Official Gazette of the Republic of Rwanda

Legal Basis: Law N° 049/2023 of 05/09/2023 establishing Value Added Tax, as amended (Articles 3, 8 & 22)

Compliance Deadline: Within 3 months from publication — **by approximately 29 July 2026**

Signed by: Minister of Finance and Economic Planning, Hon. MURANGWA Yusuf

1. Executive Summary

On 29 April 2026, Rwanda's Minister of Finance and Economic Planning issued Ministerial Order N° 004/26/10/TC, introducing a comprehensive framework for the taxation of Value Added Tax (VAT) on goods and services provided online. This Order represents a significant development in Rwanda's digital economy taxation and has immediate practical consequences for both domestic and foreign online service providers operating in or targeting customers within Rwanda.

The Order covers three key areas: (a) modalities for VAT on online goods and services, (b) procedures for invoice adjustment and cancellation, and (c) requirements for industrial VAT exemptions. This briefing focuses exclusively on the online services VAT provisions (Chapters I and II of the Order).

Visions Africa Ltd is ready to support foreign and domestic online service providers with VAT registration, local representative appointment, and ongoing compliance under this new framework. See the last page for how to get started.

2. Scope: Goods & Services Covered

Article 3 provides a broad and non-exhaustive list of online goods and services subject to VAT when supplied from Rwanda. The definition of "goods and services provided online" (Article 2(d)) is intentionally wide:

Category	Examples
Software & updates	Software programmes, SaaS products, updating services
Intermediation platforms	Ride-hailing platforms, marketplace platforms connecting buyers and sellers
Online gaming	Gaming activities, online betting platforms
Search engines	Search engine services, paid search advertising
Data monetisation	Sales, licensing, or any monetisation of user-generated data
Digital media	Online journals, magazines, images, text, streaming/downloading music & films
Social media & advertising	Social media platforms, advertising services, online media databases
Cloud computing	Cloud services, web hosting, remote maintenance of programmes and equipment
Online education	E-learning, webinars, distance teaching via pre-recorded media (excl. exempted education)
Broadcasting	Political, cultural, artistic, sporting, scientific broadcasts, online TV
Other digital content	Any other goods/services provided through electronic, internet, or digital marketplace

3. When Is an Online Supply Deemed to Be "in Rwanda"?

Article 5 establishes four criteria — any one is sufficient — for determining that an online supply takes place in Rwanda:

- The **recipient is located in Rwanda** and the goods/services are beneficial to them in Rwanda;
- The recipient is outside Rwanda but the goods/services are **consumed in Rwanda**;
- **Payment indicators** — billing address, IP proxy address, country code, SIM card, or bank account — are in Rwanda;
- **Recipient features** — residential address, internet address, country code, or mobile SIM — are in Rwanda.

In practice, any customer paying from a Rwandan bank account, mobile money wallet, or using a Rwandan IP address triggers the VAT obligation — regardless of where the service provider is physically located.

4. Registration Requirements

Article 4 sets out registration obligations depending on where the supplier is located:

Supplier	Obligation	Additional Requirement
Outside Rwanda	Must register for VAT if supplying to customers in Rwanda	May appoint a local representative with a business in Rwanda to register on their behalf
In Rwanda	Must register for VAT	Must present a certificate of registration from RURA (or equivalent regulator)

RRA will establish an **electronic registration system** specifically for VAT on online services (Article 4(4)).

5. Tax Collection Mechanism — The Critical Role of Financial Institutions

Article 8 establishes a two-tier withholding mechanism. This is arguably the most impactful provision of the entire Order:

Scenario A: Registered Supplier or Representative

If the supplier (or their appointed representative) is registered for VAT in Rwanda, **the supplier withholds the VAT and remits it to RRA** following RRA's prescribed procedures. The financial institution does not withhold, because RRA provides banks with a list of registered persons exempt from the withholding mechanism.

Scenario B: Unregistered Supplier — No Local Representative

■ **Critical Impact:** If the online service provider is **not registered** in Rwanda and has **not appointed a local representative**, the VAT is **withheld and paid by the financial institution facilitating the payment** (banks, mobile money operators, payment processors).

Rwandan financial institutions will be required to **withhold 18% VAT at source** on payments made by Rwandan consumers to unregistered foreign online service providers.

This means the online service provider either receives 18% less revenue — or the cost to the Rwandan consumer increases by 18%. Either way, the provider loses control over pricing and tax compliance.

Financial institutions must integrate their payment systems with online service providers and with RRA's electronic systems (Articles 8(3) & 8(5)). RRA will provide financial institutions with a list of registered persons not subject to withholding (Article 8(4)).

6. Practical Examples

The following examples illustrate how the Order applies in practice:

Example 1 — Global Streaming Service (Unregistered, No Representative)

A global streaming platform charges a Rwandan customer RWF 10,000/month via Visa card processed by a Rwandan bank. The platform has not registered for VAT and has no local representative.

What happens: The Rwandan bank withholds 18% VAT = **RWF 1,525** (18/118 of the total, as VAT is inclusive). The streaming platform receives only RWF 8,475. Alternatively, if the platform adjusts pricing, the consumer may pay RWF 11,800 (RWF 10,000 + 18% VAT).

If the platform had registered or appointed a representative: The platform would control its pricing, issue proper VAT invoices, and remit VAT directly — keeping the customer relationship transparent.

Example 2 — European SaaS Provider (Registered via Local Representative)

A European SaaS company sells cloud-based accounting software to Rwandan businesses at USD 50/month. The company appoints Visions Africa Ltd as its local VAT representative in Kigali, who registers for VAT on the company's behalf.

What happens: The representative charges 18% VAT on invoices (USD 9 VAT per month), files monthly VAT returns by the 15th of the following month, and remits VAT to RRA. The Rwandan bank does **not** withhold VAT because the supplier appears on RRA's registered list.

Result: Full pricing control, clean invoicing, professional compliance — no surprises for the customer or the provider.

Example 3 — Ride-Hailing Platform (Domestic, Registered)

A Rwandan ride-hailing company operates an intermediation platform connecting riders and drivers. The company is registered in Rwanda and holds the required RURA certificate.

What happens: The platform registers for VAT on its service fees, charges 18% VAT on those fees, and files/pays VAT monthly by the 15th of the following month. The platform also presents its RURA registration certificate to RRA.

7. Tax Point (Article 6)

The VAT becomes due at the **earliest** of the following events:

- The date the goods or services are delivered (in whole or in part);
- The date payment is made; or
- The date an invoice, receipt, or other proof of payment is issued.

8. Filing & Payment Deadlines (Article 9)

Responsible Party	Obligation	Deadline
Registered supplier or representative	File VAT return in prescribed form and remit VAT due	By the 15th of the month following the tax period
Financial institution (withholding agent)	Declare and pay withheld VAT to RRA	By the 15th of the month following the withholding month

9. Consumer VAT Refund (Article 7)

A consumer may request a refund of VAT paid from RRA within **60 days** from the date of payment. A refund may be granted if there is sufficient evidence that the payment has been returned to the consumer's bank account, or if the consideration for the taxable goods or services has been reduced.

10. Implementation Timeline

Article 25 — Period of Compliance: 3 months from 29 April 2026

Within this period (by approximately **29 July 2026**):

1. **RRA** must establish the designated electronic portal and, in collaboration with financial institutions, complete the integration of their systems;
2. **All persons required to pay VAT** under this Order must be registered or must have appointed their local representatives.

Date	Event	Action Required
29 Apr 2026	Order published & enters into force	Begin compliance planning immediately
May–Jul 2026	3-month compliance window	Register for VAT or appoint a local representative; financial institutions integrate systems with RRA
~29 Jul 2026	Compliance deadline	All required persons registered; banks ready to withhold on unregistered suppliers
~15 Aug 2026	First filing deadline	File first VAT return and remit collected/withheld VAT to RRA

11. Key Takeaways & Recommended Actions

For foreign online service providers:

- Assess immediately whether your services fall within the scope of the Order;
- Appoint a **local VAT representative in Rwanda** to retain control over pricing, invoicing, and compliance — and to avoid the financial institution withholding mechanism;
- Register for VAT (directly or through your representative) before the compliance deadline of approximately 29 July 2026.

For Rwandan financial institutions:

- Prepare systems to identify and withhold 18% VAT on payments to unregistered foreign online service providers;
- Coordinate with RRA for system integration within the 3-month compliance window.

For Rwandan consumers & businesses:

- Expect that prices for certain online services may increase to reflect VAT;
- If VAT is withheld and a refund is due (e.g. service cancellation), request a refund from RRA within 60 days.

HOW VISIONS AFRICA CAN HELP

Visions Africa Ltd is a Rwanda-based accounting and tax advisory firm with deep expertise in Rwandan tax law and compliance. We are ready to act as your **local VAT representative** under Ministerial Order N° 004/26/10/TC and support you through the entire compliance process.

Our VAT Representation Services include:

- Assessment of your VAT obligations under the new Order
- Appointment as your local VAT representative in Rwanda
- VAT registration with the Rwanda Revenue Authority (RRA)
- Monthly VAT return filing and tax remittance
- Liaison with RRA and financial institutions on your behalf
- Ongoing advisory on Rwandan tax compliance

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Visions Africa Ltd | Accounting & Tax Advisory
PO BOX 308 | Kigali, Rwanda | KG 548 #12, 2nd Floor
M: +250 792 407 650 | E: contact@visionsafrica.com
W: www.visionsafrica.com

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