

Rwanda grants tax amnesty until 30 June 2020

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On 3 March 2020, the Commissioner General for the Rwanda Revenue Authority issued an announcement granting tax amnesty on applicable interest and administrative penalties due on outstanding principal tax liabilities. This tax amnesty is valid until 30 June 2020.

The tax amnesty is guided by provisions of Article 88 of the Tax Procedures Law N° 026/2019 (Tax Procedures Law, 2019), which became effective on 10 October 2019.

The tax amnesty is applicable to the following persons:

- a) All taxpayers who are not registered for tax and hence lack a Tax Identification Number (TIN).
- b) All taxpayers who have not been subjected to a tax audit within the past five years.
- c) All taxpayers who have not been notified of an impending tax audit.

To be eligible for the tax amnesty, a taxpayer must voluntarily submit a self-disclosure to the Tax Administration in writing by 30 June 2020 indicating the outstanding principal tax liabilities. This voluntary disclosure will result in the exemption from payment of interest and administrative penalties applicable on outstanding principal tax liabilities.

The Tax Procedures Law, 2019 currently provides a phased approach to the computation of administrative penalties that is based on the number of days the tax due is outstanding as detailed below:

Late tax declaration and payment		Late tax payment	
Details	Penalty	Details	Penalty
When the taxpayer exceeds the time limit for declaration and payment for a period not exceeding 30 days.	20%	When the taxpayer exceeds the time limit for tax payment for a period not exceeding 30 days.	10%
When the taxpayer makes a declaration and payment within a period ranging from 31 to 60 days from the time limit for the payment.	40%	When the taxpayer exceeds the time limit for the payment of a period ranging from 31 to 60 days from the fixed date of payment.	20%
When the taxpayer exceeds the time limit for declaration and payment by more than 60 days.	60%	When the taxpayer exceeds the time limit for payment by more than 60 days from the fixed date of payment.	30%

Simple interest is charged at 1.5% per month on outstanding principal tax liabilities due.

The taxes to be covered under this tax amnesty will include:

- a) Income tax
- b) Value-added tax
- c) Pay As You Earn (PAYE)
- d) Capital Gains Tax on share transfers
- e) Excise duty
- f) Gaming tax
- g) Loyalty tax

Next steps

All eligible taxpayers should consider applicability of this tax amnesty by reviewing their historical tax matters to identify potential tax liabilities arising from past non-compliance. Thereafter, taxpayers should consider submitting a voluntary self-disclosure with the Tax Administration and paying all outstanding principal taxes due.

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