
TAX RELIEF BY RWANDA REVENUE AUTHORITY BECAUSE OF THE COVID-19 PANDEMIC.

I. General measures

On March 21st, 2020, Prime Minister's office released an official statement in which in an effort to prevent the further spread of COVID-19, all unnecessary movements and visits outside homes with the exception of essential services such as health care, food shopping, or banking are prohibited; all employees (Public and private sector) are to work from home except those from the essential services listed above and all borders are closed except for goods and cargos returning Rwandan citizens and legal residents (to be quarantined for 14 days);. On 1st April 2020, another statement from the Office of the Prime Minister was issued extending the shutdown till the 19th of April 2020.

II. Rwanda Revenue Authority (RRA) general measures

On 20th March 2020, RRA issued a public notice in which it indicated that all communications, declarations and payments were to be done online using e-tax filing system or mobile declaration and payments. Also, all RRA branches would not be receiving any queries from public in person. It published a list of designated personnel and their contact details to handle any queries from the public.

i) Corporate income tax measures

An announcement was issued on March 25th, 2020, by RRA indicating that the deadline for filing and payment of income tax for 2019 which is normally due on 31st March of every year was extended to April 15th, 2020 for large taxpayers and April 30th, 2020 for small and medium taxpayers.

ii) Other taxes

There has been no notifications from Rwanda Revenue authority regarding withholding tax on employment income (PAYE) or other allowable deductions such as social security payments. As of the date of this update, it is to be assumed that probably this is because by the time the measures to lockdown were taken, these remittances were made as they are always due on 15th on every month.

iii) Tax payments

All tax payments are to be made as usual with the exception of income tax for 2019.

iv) Tax reporting

All employers are still expected to submit their tax declarations as set out in the law which is on the 15th day of the subsequent month and make the necessary payments.

v) VAT

As of the date of this update, there has been no notifications from Rwanda Revenue authority regarding value added tax declarations and payments. This would imply VAT would continue to be paid as usual.

Further information.

vi) Suspension of the 25% down payment admissible for amicable settlement

RRA suspended the requirement of a 25% down payment for outstanding tax to be made by any taxpayer who disputes a decision made by the commissioner general when seeking amicable settlement. This is meant in our view to facilitate a speedy resolution of all pending disputes.

vii) Extension of financial statements' certification

For taxpayers that are required to have their financial statements certified when filing corporate income tax returns, RRA extended the certification of the financial statements to 31st of May 2020. These taxpayers are still required to file their CIT returns within the extended CIT deadline and make payments as per the preliminary declarations.

viii) Suspension of tax audits

RRA suspended all comprehensive tax audits and post clearance audits and would only carry out desk audits during for a period of one month from 18th March 2020.

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Compiled by MRB Attorney