

Enabling Digital Prosperity for All



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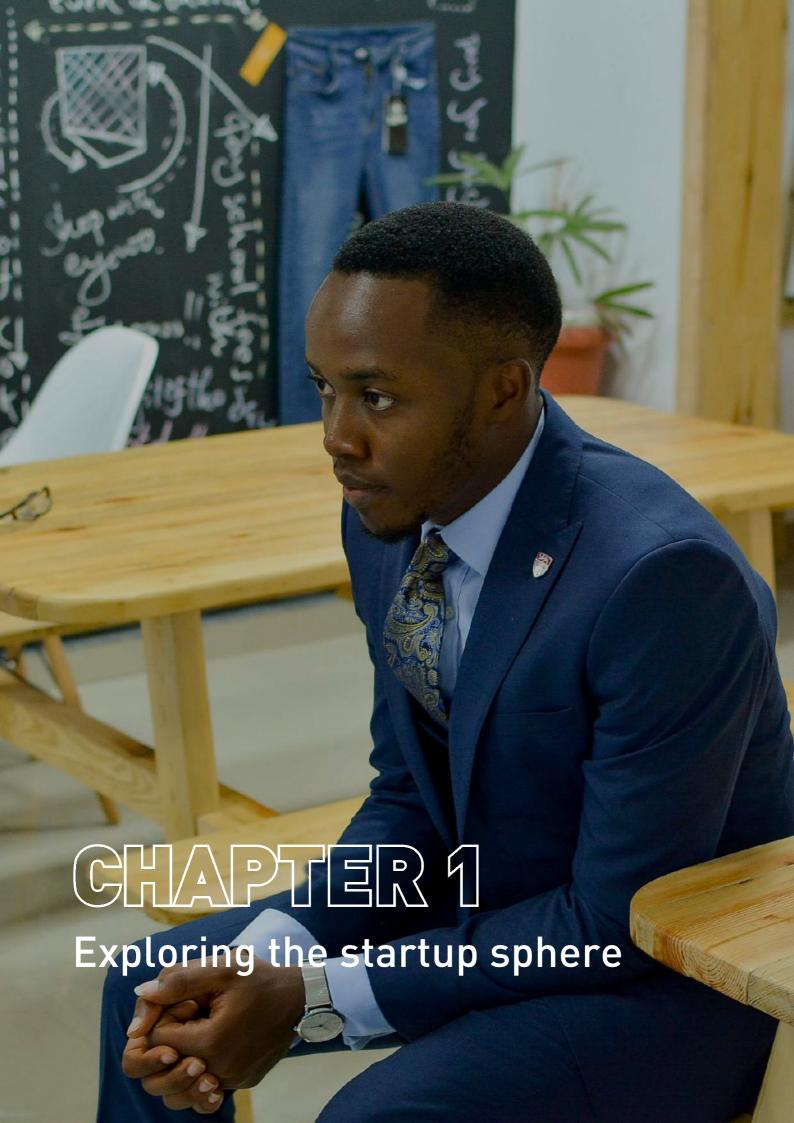
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# I. The Rwandan startup ecosystem

Rwanda's remarkable transformation, from a nation on the verge of collapse to one of Africa's most prosperous and well-organized economies, serves as an inspiring model. The next stage, which involves developing a leading regional and global entrepreneurial ecosystem, will be difficult.

This is particularly true given the country's relatively small population compared to many of its African counterparts, necessitating a global market focus for its founders. The government recognizes the critical role of startups in the future of the digital economy and has implemented one of the most independent and strategically considered efforts in Africa to support them through several key programs. For example, investor and entrepreneur visas for IT-related activities have made Rwanda an appealing relocation destination for entrepreneurs in the region.

Another initiative aimed at improving tech talent is the Smart Rwanda 2020 Master Plan, which aims to increase the number of digitally skilled workers. Thanks to the Rwanda Development Board's initiatives, the country can provide business support in areas such as financial incentives for national and international investors and a one-day business registration process. The ecosystem will become even more appealing to startups soon. Rwanda's burgeoning startup ecosystem is gaining traction not only domestically but also internationally.



# 1. Startup definition

In Rwanda, a startup is defined as a nascent, technology-driven enterprise with high growth potential, operating within the Information and Communication Technologies (ICT) sector, an annual turnover less than 50 million Rwandan Franc (RWF) (USD 40,355) and less than 100 employees. These ventures are characterized by a functional prototype, a scalable and replicable business model, established to delve into innovative problem-solving, frequently centered on technological advancements, while simultaneously capitalizing on emerging market opportunities.



# 2. Promising sectors in Rwanda

Rwanda's startup ecosystem has fostered the emergence of successful ventures across diverse sectors and from different nationalities, showcasing the nation's promising growth potential. Companies like Jibu in the marketplace sector, Uzima Chicken in agritech, Awesomity Lab in software and data, Yapili in healthtech, and ADFInance in fintech demonstrate Rwanda's strides in these promising areas.



### Marketplace

Rwanda-based startup, empowers entrepreneurs in emerging markets to provide affordable drinking water through a franchise model. With operations spanning seven (7) countries, Jibu has established a network of 122 franchisees, delivering over 174 million liters of water through over 2,100 retail points. The company has successfully raised two rounds of funding: a USD 1.1 million Series A in January 2015 and a USD 7 million Series B in February 2018.



### Software and Data

Awesomity Lab, is a computer software company founded in 2016 in Rwanda, that provides UI/UX, mobile apps, and custom software solutions, its global expansion has been marked by the establishment of a new office in the Netherlands. Since 2022, significant efforts have been dedicated by the company to forging partnerships with prominent players across the globe, encompassing regions such as the UK, Netherlands, Germany, and beyond.



### Healthtech

Yapili, is a teleconsultation platform that connects users with licensed physicians for online health consultations. Users can ask health-related questions and receive quidance from doctors, who can either address non-urgent concerns or advise seeking in-person medical attention. As of August 2017, Yapili offers free consultations for early adopters in Botswana, Kenya, Nigeria, Rwanda, Tanzania, South Africa, Uganda, Zambia, and Zimbabwe.



# Agritech

Charis Unmanned Aerial Solution, an Unmanned Aerial Vehicle (UVA) company specializing in commercial drone development. They've secured a 150,000 USD funding, including support from Google for Startups Black Founders Fund. Their UAVs enhance agriculture by detecting crop health indicators, providing 3D geospatial data analytics, and offering services such as crop scouting, mapping, spatial spraying, and farmer profiling, all powered by advanced AI technology.



### Fintech

MoMoPay, introduced by MTN Mobile Money Rwanda Ltd, has revolutionized digital payments in Rwanda by offering a convenient and secured mobile payment solution. The service eliminates the need for cash transactions, addressing the challenges posed by the increased costs of traditional point-of-sale systems. MoMoPay's success is attributed to its user-friendly interface, making it accessible to all mobile phone users, particularly benefiting small businesses, allowing them to accept payments swiftly and affordably.



# 3. Rwanda's startup scene

### Rwanda's top startup industry sectors by number of startups<sup>1</sup>

- JobTech
- AgriTech
- E-commerce
- FinTech

### Rwanda's top startup industry sectors by number of investment deals (2022)<sup>1</sup>

- Health (6)
- JobTech (5)
- FinTech (3)
- E-commerce (2)

### Startup ecosystem in numbers

- Number of operating and active startups<sup>2</sup>: +130
- Number of incubators and accelerators<sup>3</sup>: +21
- Funds raised by startups (2022)<sup>2</sup>: + USD 35.2 million

### Entrepreneurship and innovation in Rwanda: Rankings (2022)

Indicator	Ranking
Global innovation <sup>5</sup>	105
Growth of innovative companies <sup>5</sup>	78
Knowledge workers <sup>5</sup>	115
ICT access⁵	111
Business environment <sup>5</sup>	12

Indicator	Ranking
Political and operational stability <sup>5</sup>	37
Collaboration between companies <sup>5</sup>	29
Regulatory environment <sup>5</sup>	65
Market access and infrastructure <sup>5</sup>	95
Economic freedom <sup>6</sup>	106







# I. Guiding steps to launch a startup in Rwanda

# 1. Country specific legal structures

In Rwanda, entrepreneurs can choose among the following limited liability company legal structures:

- Private company limited by shares
- Private company limited by guarantee
- · Private unlimited company
- Public company

- Sole proprietorship
- Subsidy
- Branch

For more details on legal structures, visit the following <u>page</u> from the Rwanda Development Board website. When establishing a startup in Rwanda, it is crucial to select a legal structure that provides advantages such as limited liability for shareholders, adaptable organizational structures, straightforward setup, and a reduced minimum share capital for early-stage companies. For startups' incorporation, **a company limited by shares** emerges as an ideal choice due to its flexible company rules, accommodation of single and multiple shareholders, and the absence of a minimum initial share capital requirement. For companies seeking expansion into Rwanda, subsidiary and branch legal forms offer suitable frameworks.





# 2. Legal steps

Rwanda's business environment is remarkably conducive to entrepreneurial ventures, boasting a streamlined registration process that typically takes one (1) day and is conducted entirely online via the Rwanda Development Board (RDB).

RDB is a government institution mandated to accelerate Rwanda's economic development by enabling private sector growth. RDB is governed by the Board of Directors made up of global entrepreneurs and experts. It provides a one-stop-shop for <u>business registration and licensing</u>, which significantly reduces the time and cost of starting a business. This efficiency, coupled with the government's comprehensive tax and non-tax incentives, creates an attractive landscape for startups and established businesses alike. A detailed exploration of legal steps and incentives will follow in subsequent sections.





# Step 1: Create your e-signature

The e-signature contains the username and password required to log into the system of business registration. The e-signature used to apply for business registration must be of the managing director of one of the shareholders of the company being formed or of an authorized representative with power of attorney.



- 1 Visit the following <u>portal</u> of the Rwanda Development Board (RDB)
- 2 Complete the required fields and fill out the form
- 3 Once the account is set up, a registration number is generated and sent

### **Documents**

Proof of identity (scanned copy of the ID or passport)

### Ouration

Less than one (1) day

### **S** Cost

Free

# Step 2: Choose and reserve a business name

Selecting a business name constitutes the initial phase in the business establishment process. It is of paramount importance to ascertain the uniqueness of the chosen name, ensuring its absence in use by any other enterprise operating within Rwanda. To verify the name's availability, a preliminary search, commonly referred to as an anteriority search, should be conducted. Subsequently, reservation of the selected name can be accomplished via an online application on the RDB portal.

# Steps Ste

1 Visit the log in page of the RDB website and access your account



- 2 Select 'Register your business' followed by 'Name reservation'
- 3 Fill in the company information
- 4 You receive a notification as soon as your business name is approved

### O Duration

Less than one (1) day

### **Cost**

Free

# Step 3: Register your business with the RDB

This service is provided at no cost and encompasses both business registration and the procurement of an electronic copy of the registration certificate. It is essential to acknowledge that the company code indicated on the incorporation certificate also functions as the tax identification number (TIN) and social security number.

# Steps Ste

- 1 Log into the online business registration portal
- 2 Select 'Register your business'
- Select 'Domestic' as the type of the business (for more details around company types, refer to the following <u>link</u>)
- 4 Fill in the information required
- 5 You receive a text message and your TIN once as soon as your business is registered
- 6 Download the incorporation and registration certificates from the RBD portal



### Documents

- Proof of identity for each signatory of the memorandum of association form
- Memorandum of association
- Power of attorney, if applicable

### O Duration

Up to one (1) day



Free

# Step 4: Register for Value-Added Tax (VAT)

The taxpayer is automatically registered for income tax. However, any business that carries out taxable activities exceeding a turnover of RWF 20 million (USD 16,300) for any period of twelve (12) months or RWF 5 million (USD 4,075) in the preceding quarter is required to register for VAT within a period of seven (7) days from the end of that year or quarter. A separate registration procedure should be performed.

# Steps Ste

- 1 Visit the online business registration <u>portal</u>
- 2 Select 'Request for VAT certificate'
- 3 Fill in the information required in each tab
- 4 Download the VAT certificate from the RBD portal
- 5 Obtain and install a software for VAT invoicing

# Requirements

Registered taxpayers must obtain an electronic billing machine for issuance of invoices, per ministerial order no. 002/13/10TC of 31/07/2013, published in Official Gazette no. 34 of 26/08/2013





**VAT registration Form** 



Free

# Step 5: Register for Trading License Tax

Businesses, including startups, are required to register for the Local Government Tax (LGT), including trading license tax, immediately after registering their business with RDB. Trading License Tax is a tax imposed on individuals or businesses engaged in prescribed profit-oriented activities by the concerned district. Therefore, it is mandatory to declare and pay this tax for each business branch or premises. This tax, in addition to other taxes such as income tax and VAT, is imposed by the federal government. The primary purpose of Trading License Tax is to regulate businesses, promote accountability, and enforce compliance with established commercial, employment, and health and safety standards. More details on eligibility and tax trade rates are in the following link.

# Steps Ste

- 1 Visit any tax center or Rwanda Revenue Authority (RRA) office
- 2 Register for the trading license, and under the Local Government Tax (LGT)
- 3 Receive your credentials for the LGT system, including your TIN

### Documents

- Valid Rwandan ID or passport
- Physical address
- Mobile phone number



# II. Other country specific considerations

# 1. Considerations for foreign investors

A foreign incorporated legal entity is allowed under the law to become a shareholder and establish a branch in Rwanda. Furthermore, in accordance with Rwandan investment legislation, 100% foreign ownership is permissible to foreign entities, and they must follow the identical process for registration, and tax payments as outlined in the preceding legal procedures. However, for inclusion as a shareholder during the registration process, it is imperative for a legal entity to furnish supplementary documentation.

### **Documents**

- List of directors residing in Rwanda
- A scanned copy of the memorandum of association signed by all shareholders or their legal representative
- Proof of identity for each signatory of the memorandum of association (scans of passports for foreigners and national IDs for Rwandans)
- The certificate of incorporation of the holding company from the country of origin translated into French, English, or Kinyarwanda. The translated copy must bear the stamp of the Rwandan foreign embassy
- Memorandum of Association of the holding company from country of origin needs to be translated into French, English, or Kinyarwanda. The translated copy must bear the stamp of the Rwandan foreign embassy
- The board resolution to subscribe to the company to be formed from the country of origin needs to be translated into French, English, or Kinyarwanda. The translated copy must bear the stamp of the Rwandan foreign embassy

#### **Investment certificate**

Investors are required to initially secure an investment certificate from the Rwanda Development Board (RDB) in order to be eligible for investment incentives delineated below. Application for the certificate should follow the process outlined in this <u>link</u>.

### Documents

- An application letter (Address a formal application letter to the CEO of RDB, clearly stating your intention to register your investment)
- <sup>-</sup> A Business Plan or feasibility study
- A valid certificate of legal personality, demonstrating business' legal status and authorization to operate
- A valid license issued by the specific business sector in which you intend to operate
- A proof of payment





RWF 610,934 (USD 500)

# 2. Filing obligations

### **Trading license**

All taxpayers must submit their trading license tax declaration to the tax administration by January 31st of the corresponding tax year. Taxpayers with branches must file separate declarations for the head office and each branch, based on their respective turnovers. Rates related to trading license tax are subject to the turnover of the business and its registration to VAT.

#### Value-Added Tax (VAT)

VAT declarations are generally due monthly from registered taxpayers, within fifteen (15) days following the end of the month, regardless of whether there is a tax balance to pay or a credit in favor of the taxpayer. Taxpayers with an annual turnover of RWF 200,000,000 (USD 162,000) or less may opt for quarterly VAT declarations, which are due within fifteen (15) days following the end of the quarter.

#### Social security contributions

Employers are mandated to contribute 5% of the employee's gross salary to the social security scheme. Employers are legally obligated to withhold social security contributions from employees monthly. Nonetheless, they are further obliged to transmit the entire sum of contributions on a quarterly schedule, within the month succeeding the conclusion of each quarter. The responsibility for collecting these social security contributions lies with the Rwanda Revenue Authority (RRA).

### **Corporate Income Tax**

Rwanda follows a self-assessment regime for Corporate Income Tax. The standard corporate tax rate is 30%. Quarterly tax returns are due on June 30th, September 30th, and December 31st. An annual tax return must be filed within three (3) months following the end of the tax period. This declaration must include audited financial statements, transfer pricing documentation, and any other documents requested by the tax administration.

### Withholding Tax (WHT)

Withholding Tax is a form of direct tax on income that reduces the amount of income tax liability on the annual declaration. There are three types of withholding tax in Rwanda:

- 15% withholding on payments made by resident individuals or entities, including tax-exempt ones.
- 3% withholding tax on payments made by Public Institutions.
- 5% withholding tax on imports.

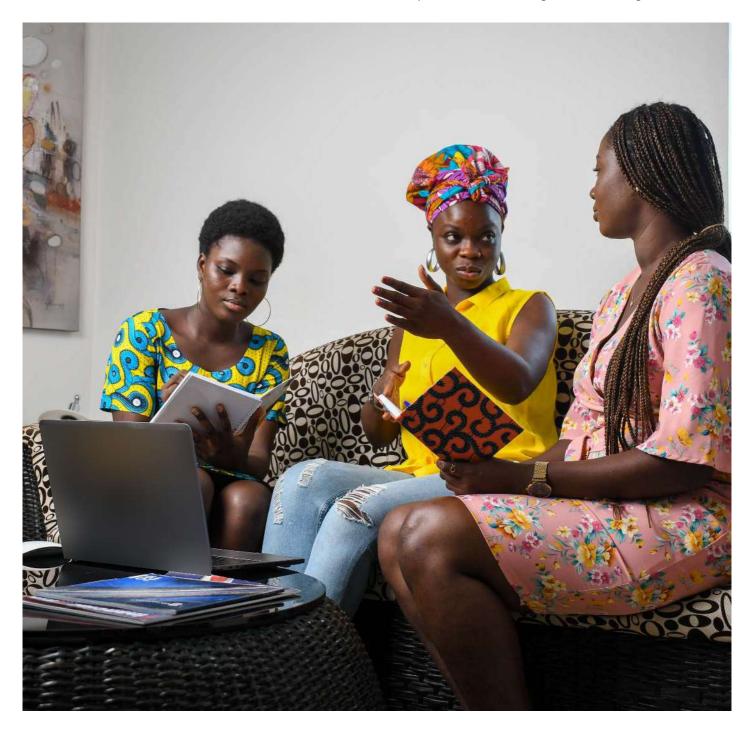
The first two types of withholding tax are paid by the withholding agent within fifteen (15) days following the end of the month in which the payments were made. The 5% withholding tax on imports is paid at customs before goods are released.



# 3. Financial reporting and auditing regulations

The Companies Act, 2018 establishes comprehensive financial reporting requirements for companies incorporated under its jurisdiction. These requirements encompass the preparation, presentation, and publication of financial statements, along with relevant disclosures and auditing procedures. The Act outlines the fundamental elements and format of financial statements and mandates the application of International Financial Reporting Standards (IFRSs) and International Standards on Auditing (ISAs).

Rwanda's Company Law requires businesses to prepare statutory accounts that have been independently audited. Companies Law Article 239 mandates that every company appoint an auditor and have its books of account audited. The auditor must be a person authorized (for more information visit The Institute of Certified Public Accountants of Rwanda (iCPAR)). Small companies, whose turnover is between RWF 12 million (USD 9,685) and RWF 20 million (USD 16,142) in a tax period, are not obligated to undergo audits.







# I. Government Incentives

### 1. Tax incentives

Below are some of the main tax concessions offered to startups and investors based and operating in Rwanda:

- Small and Medium Enterprises (SMEs), including startups, are not subject to the trading license tax during the first twenty-four (24) months following their establishment, if they fulfill at least two of the three following conditions:
  - Net capital investment of up to RWF 70 million (USD 56,498)
  - Annual turnover of up to RWF 50 million (USD 40,355)
  - Up to a hundred (100) employees
- The Corporate Income Tax (CIT) rate is effectively reduced to 0% for international companies that establish regional offices in Rwanda and for entities registered with philanthropic investors.
- The CIT rate is set at 3% for pure holding companies, special purpose vehicles intended for investment, collective investment schemes, foreign-sourced trading income, and foreign-sourced royalties of intellectual property (IP) companies.
- The CIT rate is set at 3% for pure holding companies, special purpose vehicles intended for investment, collective investment schemes, foreign-sourced trading income, and foreign-sourced royalties of intellectual property (IP) companies.
- Small businesses generating annual turnovers falling within the range of RWF 12 million (USD 9,685) and RWF 20 million (USD 16,142) are subject to a fixed lump-sum tax at a rate of 3% of their total turnover.



- The CIT rate is fixed at 15% for companies engaged in specific sectors encompassing exportation, energy generation, transportation, information and communications technology (ICT), financial services, low-cost housing, manufacturing, research and development (R&D), electric mobility, and tourism.
- Micro-enterprise companies, with a turnover not exceeding RWF 12 million (USD 9,685) within a tax period, are subject to a flat tax assessment based on their respective turnover levels.



- A seven (7) year tax holiday is extended to investments in sectors such as manufacturing, tourism, healthcare, exports, energy projects, and information and communications technology (ICT). Additional significant incentives are provided for developers of specialized innovation and industrial parks.
- Withholding Tax (WHT) rate is adjusted to 0% for entities that qualify for the 3% CIT rate, as well as for collective investment schemes, financial services providers, and corporate service providers that meet the criteria for the 15% CIT rate.
- Foreign specialized services procured are subject to a WHT rate of 0%, and goods and services procured domestically by registered film investors are zero-rated.
- Specialized Park developers are subject to a WHT rate of 10% on interest, dividends, royalties, and service fees.
- The WHT rate is reduced to 5% on dividends and interest payments made to investors in companies listed on the Rwanda Stock Exchange.
- Angel investors, who invest a minimum of USD 500,000 in a startup, are granted exemption from Capital Gains Tax (CGT) and Withholding Tax (WHT) for the first five (5) dividend payouts. Investors are exempted from Capital Gains Tax (CGT).
- Registered investors involved in strategic investment projects may qualify for financing through the Rwanda Innovation Fund.
- In cases where the deductions and allowances allowed by Rwandan law surpass the income earned, it leads to an assessed loss. This loss can be carried forward to offset against income earned in subsequent years. The tax losses are eligible for carryforward for a maximum period of five (5) years.
- New or used assets are entitled to a flat accelerated depreciation rate of 50% for the initial year.
- The law offers various incentives for talent attraction and immigration, e.g., free-visa entry, investor residence etc.





# 2. Non-tax financial incentives

This section explores the diverse range of non-tax incentives in Rwanda, mainly, those supporting entrepreneurship, promoting innovation and investment, and contributing to the nation's economic vitality and global competitiveness:

### SMEs capacity building and skills development

This support is offered free of charge by the Rwanda Development Board (RDB). As part of this, RDB conducts needs assessment for SMEs with high export potential. RDB conducts tailored capacity-building and business advisory services to address identified gaps.

### Financial linkages

RDB connects prospective investors with local SMEs where finance can be injected in the form of loans and/or equity. The RDB also carries out workshops on the availability of financial products that aim to catalyze SMEs' growth. These workshops bring together different financial institutions and SMEs whereby the various financial products are displayed and ways to access them.

#### **Rwanda innovation fund**

The Rwanda Innovation Fund (RIF) is a venture capital fund that provides financing to tech-enabled companies in Rwanda and the wider East African region. The RIF invests in growth-stage ventures across various sectors and aims to provide affordable funding mechanisms for growth companies. Registered investors involved in strategic investment projects may qualify for financing through this fund.

### **Standard certification Support**

To facilitate acquiring certifications, RDB offers SMEs a 50% cost-sharing initiative on product certification, which includes the Standardization Mark (S-Mark) for various goods, enabling easier access to international markets without the need for re-testing.

#### Talent attraction and immigration

The law offers various incentives for talent attraction and immigration, e.g., free-visa entry, investor residence etc.

### **Business Development Fund (BDF)**

As part of the financial efforts to promote SMEs, BDF was established in 2011 as a wholly owned subsidiary of the Development Bank of Rwanda (BRD). Its goal is to assist SMEs in accessing finance, particularly those without sufficient collateral to obtain credit from traditional financial institutions at reasonable rates. This includes:

- Guarantee for long term investment loans for SMEs, individual entrepreneurs, and companies limited to RWF 500 million (USD 403,557) in all sectors
- Guarantee for working capital loans for SMEs, individual entrepreneurs, and companies limited to RWF 500 million (USD 403,557) in agriculture and limited to RWF 20 million (USD 16,142) for working for capital loans

### Kigali innovation city:

Kigali Innovation City (KIC) is an ambitious project underway to establish a 60-hectare mixed-use innovation hub in Kigali, Rwanda. This masterplanned development aims to foster pan-African talent and serve as a technology innovation center. KIC's comprehensive plan includes four (4) universities, office spaces, startup business incubators, and supporting facilities for retail, hospitality, and accommodation. The project is a joint venture between Africa50 and the Rwanda Development Board, with an estimated total cost of USD 300 million. The Rwandan government has committed to providing shared infrastructure and incentives to support the ecosystem's growth. Africa50 will structure the project as a publicprivate partnership (PPP) alongside a strategic sponsor, with the possibility of additional investors joining at a later stage.



# National Industrial Research and Development Agency

The National Industrial Research and Development Agency is a government institution that has been mandated with a mission to enable generation of industrial innovators to become competitive through technology monitoring, acquisition, development, transfer, and applied research. This agency enables SMEs in the industrial sector to acquire new modern machinery through open call competitions, at zero interest rate loans.

### **MEA Innovation Fund**

The fund aims to address the financing gap that tech-enabled companies face at different growth stages in Rwanda and in the Middle East African region. To address the financing gap, the project establishes affordable funding mechanisms for companies at growth. The project provides equity financing for tech-enabled SMEs. The fund also trains tech-oriented entrepreneurs in business planning and management and increases awareness towards intellectual property rights.

# 3. Special Economic Zone

The establishment of the Kigali Special Economic Zone (KSEZ) results from the merger of the former Kigali Free Trade Zone and the Kigali Industrial Park projects. A KSEZ user refers to a private entity actively involved in commercial activities and fully compliant with the prevailing regulations governing Special Economic Zones (SEZ).

The Special Economic Zones Authority of Rwanda (SEZAR) is responsible for the approval or rejection of zone user licenses. This decision is typically reached within three (3) working days timeframe from the date of submission of a complete application. It's worth noting that a SEZ user must possess SEZ status in the form of a license issued by SEZAR.

Land acquisition within the KSEZ is facilitated through a <u>developer</u> (private company) and operates under government regulations. The price per square meter for land is fixed at USD 62, with a minimum land size of one (1) hectare that can be acquired. Following the land acquisition, all requisite licenses and permits must be obtained from the Rwanda Development Board (RDB) through SEZAR.

Businesses operating in SEZs in Rwanda can enjoy various benefits, such as:

- Exemptions on corporate income tax, import duties, value-added tax, and other incentives.
- Access to reliable infrastructure.
- Streamlined administrative procedures for licensing and permits.
- Proximity to a skilled workforce.

For more details on how to obtain a user license please visit this page from the RDB website.





# II. Labor and immigration regulations and facilitations

### **Business Visa (V6)**

The V6 visa is designed for foreign prospective investors, entrepreneurs, or traders who wish to explore business opportunities in Rwanda. It can be obtained online, at a Rwandan diplomatic mission in the applicant's country of residence, or at the immigration and emigration office. This visa is valid for ninety (90) days, renewable once, and can be granted for single or multiple entries. However, V6 does not allow the holder to work in Rwanda. Once business operations commence, a temporary resident permit aligned with the specific activity must be obtained. To learn more about the permits available please visit this page.

# Steps Ste

- 1 Visit the website of Rwanda Directorate General of Immigration and Emigration
- 2 Select 'Visitor's visa' followed by 'Visa business survey'
- 3 Fill in the application form and proceed to payment

### Documents

- A photo with a white background
- Copy of passport biodata page
- Application letter

### © Cost

150,000 RWF (122 USD)





# W1 investor visa in information technology and related activities

This visa is specifically issued to foreign individuals classified as investors who are either planning to engage or are already involved in information technology and associated activities within Rwanda. To be eligible for this visa, the investor must have received an investment certification from the Rwanda Development Board.

# Steps Ste

- 1 Pay temporary resident permit fees at the Rwanda Revenue Authority (RRA) branch
- Submit temporary resident permit application at the Directorate general of immigration and emigration office (Address)

### **Documents**

- A Photo with a white background
- A Complete filled application form
- Permit application form
- A Curriculum Vitae
- A police clearance
- RBD's investment certificate
- Certificate of domestic company registration
- Trading license
- Original receipt note

### O Duration

One (1) day

### S Cost

100,000 RWF (89 USD)



# W2 Entrepreneur visa in information technology and related activities

This visa is specifically issued to foreign individuals classified as entrepreneurs who are either planning to engage or are already involved in information technology and associated activities within Rwanda. Visa applicants are not required to have an investment certificate to apply for this visa type.



- 1 Pay temporary resident permit fees at any Rwanda Revenue Authority (RRA) Branch
- Submit temporary resident permit application at the Directorate general of immigration and emigration office (<u>Address</u>)

### **Documents**

- A Photo with a white background
- A complete filled application form
- A Permit application form
- Curriculum vitae
- Police clearance
- A certificate of domestic company registration
- A trading license
- Original receipt note

### O Duration

One (1) day

### **S** Cost

100,000 RWF (89 USD)



# III. Data protection

The African Union adopted the convention on cybersecurity and the protection of personal data in 2014. Rwanda has transposed this convention by adopting law no. 058/2021 of 13 October 2021 on the protection of personal data and privacy. When the law came into force on 15 October 2021, data controllers or processors already in operation in Rwanda had a period of no more than two years from that date (15 October 2023) to bring their operations in line with the provisions of the law. This law applies to:

- The processing of personal data by electronic or other means using personal data through an automated or non-automated platform.
- A data controller, data processor or a third party who is established or resides in Rwanda and processes personal data while in Rwanda.
- A data controller, data processor or a third party who is neither established nor resides in Rwanda, but processes the personal data of data subjects located in Rwanda.

It is mandatory for any natural person, public or private corporate body intending to be a data controller or a data processor to register with the data protection and privacy office under the National Cyber Security Authority (NCSA). Following registration, data controllers receive a registration certificate. Operating without a registration certificate is an administrative misconduct.

For compliance, read the registration <u>guide</u> of data controllers and processors, or visit the <u>website</u> of the data protection office.





# IV. Intellectual property

As a startup, providing innovative services or products, you can claim ownership over the creation of an invention, a design, a distinctive mark, or an artistic work etc. The protection of these creations gives you an exclusive or unique right of exploitation. It gives you the right to take judicial and other measures for their protection in case of unlawful unauthorized copying and use by third parties.

There are generally four (4) types of intellectual property rights: patents, trademarks, industrial designs, and copyrights. In the section below, we will cover the steps you need to know, to receive protection under three (3) types based on their relevance to startups.

The procedures for the protection of industrial property and copyright are similar, however, the requirements differ, with some applications more complex than others. Granting an industrial property right involves certain steps like registration and publication as well as evidence for protection. The application's contents vary with the category of intellectual property rights as do the requirements for attachments. All applications are examined by the Office of the Registrar General to ensure compliance with legal requirements.

The protection includes availability, acquisition, scope, maintenance, and use of the rights. It is achieved through a system of transfer of rights or licensing them to other people than the inventor, or the innovator. The protection also includes the interest of the public for third parties to make use of the inventions or innovations for developing innovative ideas without violating the rights of the creators.

# 1. Patents

A patent is a legal document that grants the holder exclusive rights to an invention for a defined period. It is a key element of intellectual property (IP) protection.

### Steps Ste

- 1 Pay for patent registration
- 2 Submit patent rights registration documents at the RDB office
- 3 Pay fees for substantive examination
- 4 Obtain examination report
- 5 Pay fee for patent publication
- 6 Obtain patent rights registration certificate



### Requirements

Fees can be paid to RDB account 00040-00281460-96 (RWF) held at any Bank of Kigali Branches. Applicants outside Rwanda must go through a local law firm to process payment on the company's behalf

### Documents

- Proof of identity
- <sup>-</sup> Patent and utility model Application <u>form</u>
- Utility model application form
- Certificate of domestic company registration
- Description of the invention
- Payment receipts
- Power of attorney, if applicable
- Journal receipt notice
- Drawing, models, or samples
- Abstract

### **S** Cost

- Patent with provisional specifications: 10,000 RWF (USD 8.15)
- Publication of patents: 20,000 RWF (USD 16.3)

# 2. Trademarks

Each company should consider registering its trademark to protect its name, logo, slogan, domain name, shape, colour, or sound.

# Steps Ste

- 1 Pay the fee for trademark search
- 2 Request search for trademark
- 3 Pay for trademark registration



4 Submit the trademark registration documents at the RDB office

### **Documents**

- <sup>-</sup> A Trademark search form
- A Trademark application form
- A certificate of domestic company registration
- Two (2) copies of the reproduction of the mark
- A payment receipt
- A journal receipt slip
- A power of attorney

### **Cost**

Trademark search: 5,000 RWF (USD 4)

- Filing one class: 35,000 RWF (USD 28.5)

- Each additional class: 3,000 RWF (USD 2.5)

# 3. Industrial designs

If your startup is involved in the design of products, you can protect the appearance design of these products by registering the correspondent industrial designs.

# Steps Ste

- 1 Pay and submit for industrial design registration at the RDB office
- 2 Receive the industrial design registration certificate

# Documents

- A Proof of identity
- An Industrial design application form
- An Application letter



- A Journal receipt notice
- A Description of the design
- A payment receipt
- An Abstract of the industrial design
- Four (4) simple copies of the specimen

### **Ouration**

Up to six (6) months

# © Cost

30,000 RWF (USD 24.45)





# V. Key support organizations and initiatives (not exhaustive)

#### **Accelerators**

Accelerate 2030

FabLab Rwanda - Fab Accelerator Program

**IAccelerator** 

Startup Africa Roadtrip - Next Generation Africa

Startup Wise Guys

**UN Capital Development Fund** 

Westerwelle Startup Haus Kigali

#### **Incubators**

Co-creation Hub - Fintech Incubation Programme

Impact Hub Kigali

Iris Innovation Incubation Center

KLab Rwanda

Rwanda Build Program

Simcubator

The Digital Transformation Center Rwanda

#### **Competitions and Awards**

**DOT Rwanda Youth Business Competition** 

#### **Events**

AFRICAN FUTURE OF WORK AND ENTREPRENEURSHIP SUMMIT

**Built Different: Account Abstraction Hackathon** 

Cybertech Africa

**Gateway to Africa** 

Global Entrepreneurship Week

**Innovation Africa Summit** 

Mobile World Congress Africa

Norrsken Africa Week

**UNLEASH Rwanda** 

#### **Coworking spaces**

Collaborate Kigali Coworking

**Imizi Workspace** 

Waka Work Spaces

Westerwelle Startup Hauz

### Funding programs/institutions

**Business Development Fund (BDF)** 

**DOT Rwanda** 

Jaza Rift Ventures

Katapult VC

KCB Group - BPR Bank Rwanda

Roselake ventures

Rwanda Development Bank (BRD)

Rwanda Innovation Fund



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Appendix

# Appendix 1: Launching your startup: key success factors



### Addressing market demand

Your startup should provide a compelling solution to a specific problem within a large and eager market. Think of it as a puzzle piece that fits perfectly into the demand landscape. Steve Blank's Customer Development Model can guide you in creating a product or service that customers cannot resist.



### Feasibility analysis

Conduct a thorough feasibility analysis. This process empowers you to make informed decisions, spot areas needing improvement, and allocate resources effectively. It is your tool for maximizing your chances of crafting a successful, long-lasting venture.



# **Market insights**

Dive deep into market analysis. Understand the current state of your industry segment and define your target market. A strong grasp of market dynamics is essential for positioning your product or service effectively.



# Building a stellar team and network

Source and group a team of multitalented experts. This is one of the fundamental steps to scale a startup. These diverse talents will complement each other and will help you access a strong, interconnected network that can be your secret weapon for gaining support, mentorship, and continuous learning.



### Analyzing the competition

Competitive analysis is not just about sizing up rivals; it is a vital part of your strategic planning, systematic research and evaluation of your competitors' strengths and weaknesses. It will quide you into finding your competitive edge and creating your added value ion the market.



### Legal Flexibility

The legal form of a startup must allow for flexibility. Choose a legal structure for your startup that offers the flexibility needed for growth. Make it easy for shareholders to join and leave the company and ensure your memorandum of association can adapt to your evolving needs. In fact, the memorandum of association must be drawn up freely and allow the opening of share capital.



Appendix

# Appendix 2: What type of support to expect at each stage of a startup lifecycle

	Startup development stages	Government support	Funders support	SSOs support
Outreach	<ul> <li>Idea formation</li> <li>Problem validation</li> <li>Team establishment</li> </ul>	<ul> <li>Promote entrepreneurs hip education</li> <li>Facilitate Ideation: Hackathons, startup Weekends, etc.</li> <li>Promote innovation and entrepreneurs hip culture</li> </ul>	<ul> <li>Financial literacy and entrepreneurs hip awareness programs</li> <li>Networking opportunities to connect with potential mentors, advisors, and industry experts</li> </ul>	<ul> <li>Access to         experienced         mentors who         provide guidance         and advice on         various aspects         of startups</li> <li>Provision of         office space,         shared facilities,         and         infrastructure to         support the         early-stage         development of         the business</li> </ul>
Pre start	<ul> <li>Idea development</li> <li>Business modeling</li> <li>Problem/Solution fit: prototyping</li> <li>Team Formation: access to training and mentorship</li> </ul>	<ul> <li>Offer entrepreneurs hip training and education</li> <li>Facilitate Proof of concept and proof of Business</li> <li>Facilitate Business Modeling</li> <li>Validate MVP</li> </ul>	<ul> <li>Seed funding for idea validation and product development</li> <li>Coaching to refine business ideas and plans</li> <li>Access to incubators or accelerators providing resources, infrastructure, and networking opportunities</li> </ul>	<ul> <li>Assistance in refining the product/service, pricing strategies, and go-to-market plans</li> <li>Support in conducting market research and understanding the target market, customer needs, and competitors</li> </ul>



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	Startup development stages	Government support	Funders support	SSOs support
Launch	<ul> <li>Business         Creation</li> <li>Early-stage         fundraising</li> <li>Initial Go-To         market: MVP         development</li> </ul>	<ul> <li>Provide Early-Stage Financing</li> <li>Facilitate access to client and Go-To -Market</li> <li>Strategic partnerships</li> <li>Housing</li> <li>Operation set up and labeling</li> </ul>	<ul> <li>Seed funding to launch the business</li> <li>Cover initial operational costs</li> <li>Access to angel investors or venture capital firms</li> <li>Guidance on legal and regulatory compliance</li> <li>Support in building a strong founding team and advisory board</li> </ul>	<ul> <li>Guidance on company registration, intellectual property protection, and legal compliance</li> <li>Support in identifying funding sources, preparing investor pitches</li> <li>Connecting with potential investors</li> </ul>
Growth	<ul> <li>Product/Market         Fit</li> <li>International Go-         To-market</li> <li>Expansion and         scaling</li> </ul>	<ul> <li>Facilitate access to Finance</li> <li>Facilitate internationalizat ion via events, strategic partnership, etc.</li> <li>Provide operational support</li> </ul>	<ul> <li>Series A, B, or C funding rounds for scaling operations and market expansion</li> <li>Strategic guidance and industry insights from investors</li> <li>Assistance in negotiating partnerships and strategic alliances</li> <li>Exit strategies and assistance with mergers, acquisitions, or public offering</li> </ul>	<ul> <li>Assistance in scaling operations, managing growth, and overcoming operational challenges</li> <li>Access to industry experts</li> <li>Provide sector-specific knowledge and guidance</li> </ul>







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