

Rwanda Finance Ltd Brief

Introduction

Rwanda Finance Limited is a private company owned by the Government of Rwanda that is mandated to develop and promote the Kigali International Financial Center.

The company advocates for the highest regulatory standards and the most attractive products and services to suit the needs of global investors and financial institutions.

The Kigali International Financial Center has a vision to become a preferred financial centre for international investments in Africa.

The aim is to attract businesses and investments, and to emerge as an efficient and effective platform for cross-border trade and investments in the entire Eastern and Central African region, and beyond.

Opportunities for Collaboration

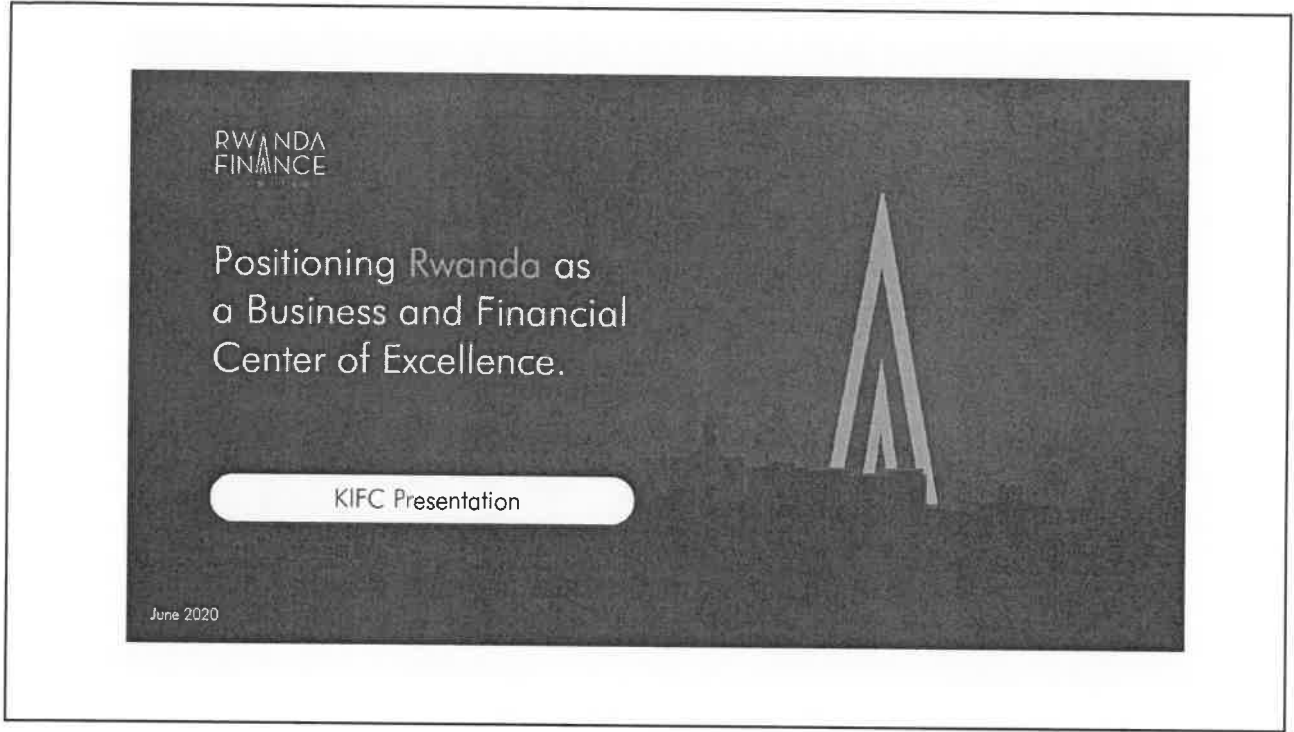

- Memorandum of Understanding between Istanbul Financial Centre (or the authority developing the centre) and Rwanda Finance Ltd (RFL)
 - Joint effort to promote Istanbul Financial Centre and Kigali International Financial Centre (KIFC)
 - Mutual Recognition of regulatory authorities in both countries to encourage investments in respective countries.
- Develop a special framework to facilitate the activities of the private sector in both financial centres
 - Give Turkish companies access to Rwanda by making it easier for them to register and operate in Rwanda and create a similar framework for Rwandan companies willing to operate in Turkey.
- Leveraging on Kigali International Financial Center services and products
 - To get access to new source of funding in Africa with the added depth and breadth developed through KIFC in Rwandan capital markets. Turkish companies can leverage on this development to access new sources of funding in East and Central Africa with a more flexible regulatory regime, access to new investment vehicles and an attractive tax framework offered for activities within Rwanda Stock Exchange
- Bank Account Opening
 - To get access to conducive bank services inland Africa with the Rwanda's banking sector allowing the opening of accounts in any currency even for non-resident African companies. In Rwanda, there is no control on foreign currency exchange and no restrictions on capital transfers in and out of the country.
Turkish companies operating in the continent can open bank accounts in Rwanda to benefit from these value proposition which will facilitate their ease of doing business in Africa.
- Development of Medical Tourism
 - Turkey has become a global leader in medical tourism. Rwanda would like to develop a partnership with Turkey to develop its own ecosystem and framework for medical tourism, leveraging on renowned Turkish medical centers to come set up in Rwanda. The structuring of the financial model will be done through KIFC in an effort to attract capital to sustain the development of the Rwandan medical tourism sector.



Key Potential Stakeholders in Turkey

- Istanbul Financial Center
- The Investment Office of the Presidency of the Republic of Turkey
- The Republic of Turkey Prime Ministry Investment Support and Promotion Agency (ISPAT)
- The Ministry of Culture and Tourism of Turkey
- Borsa Istanbul
- The Banks Association of Turkey







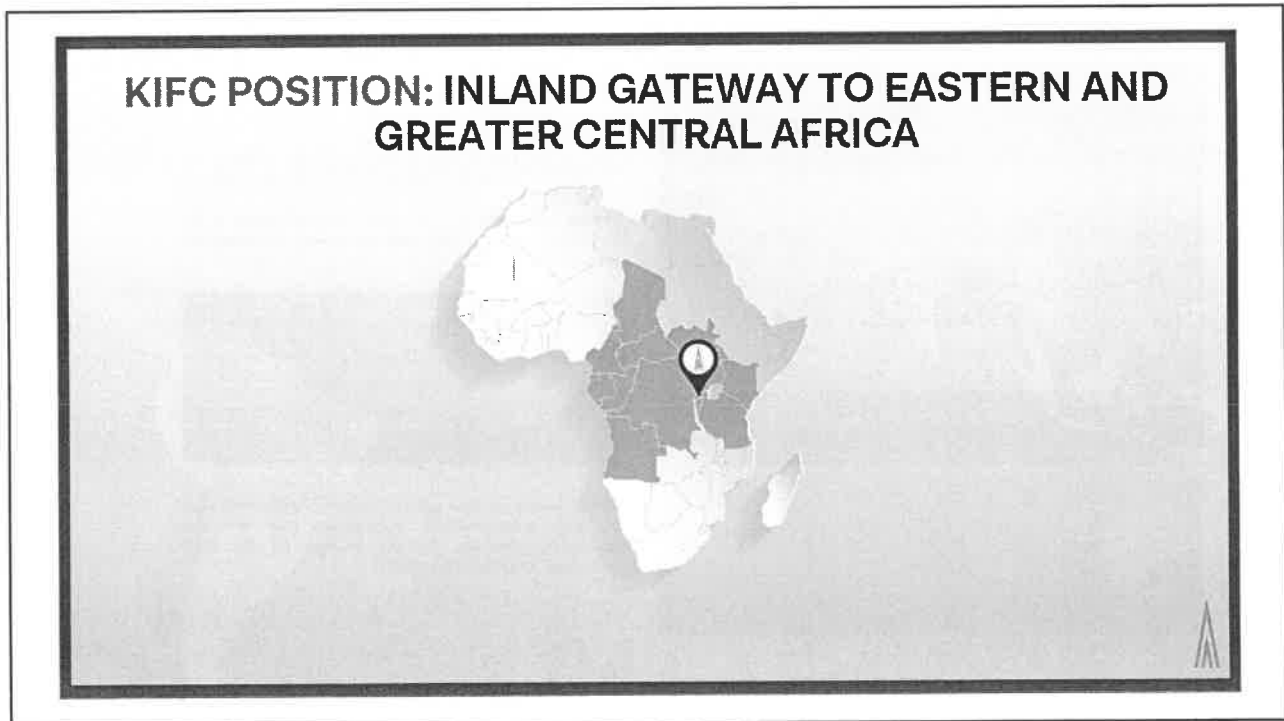
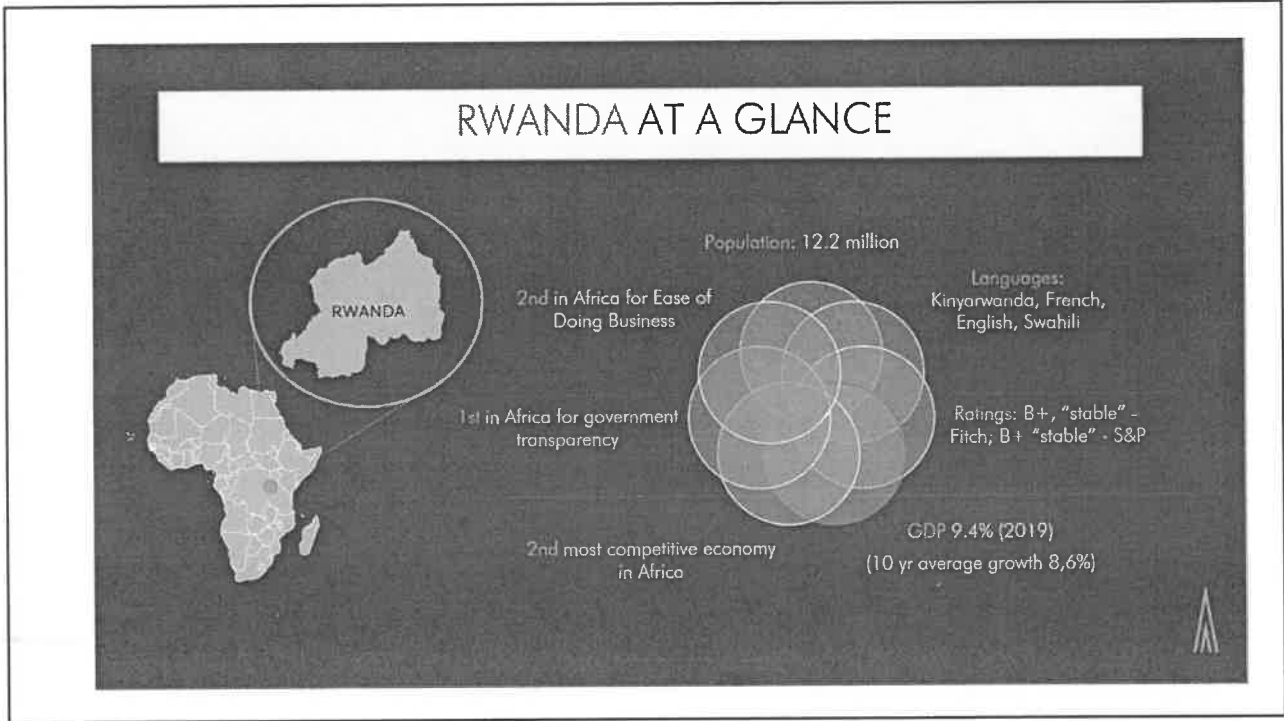
INTRODUCING RWANDA FINANCE LTD

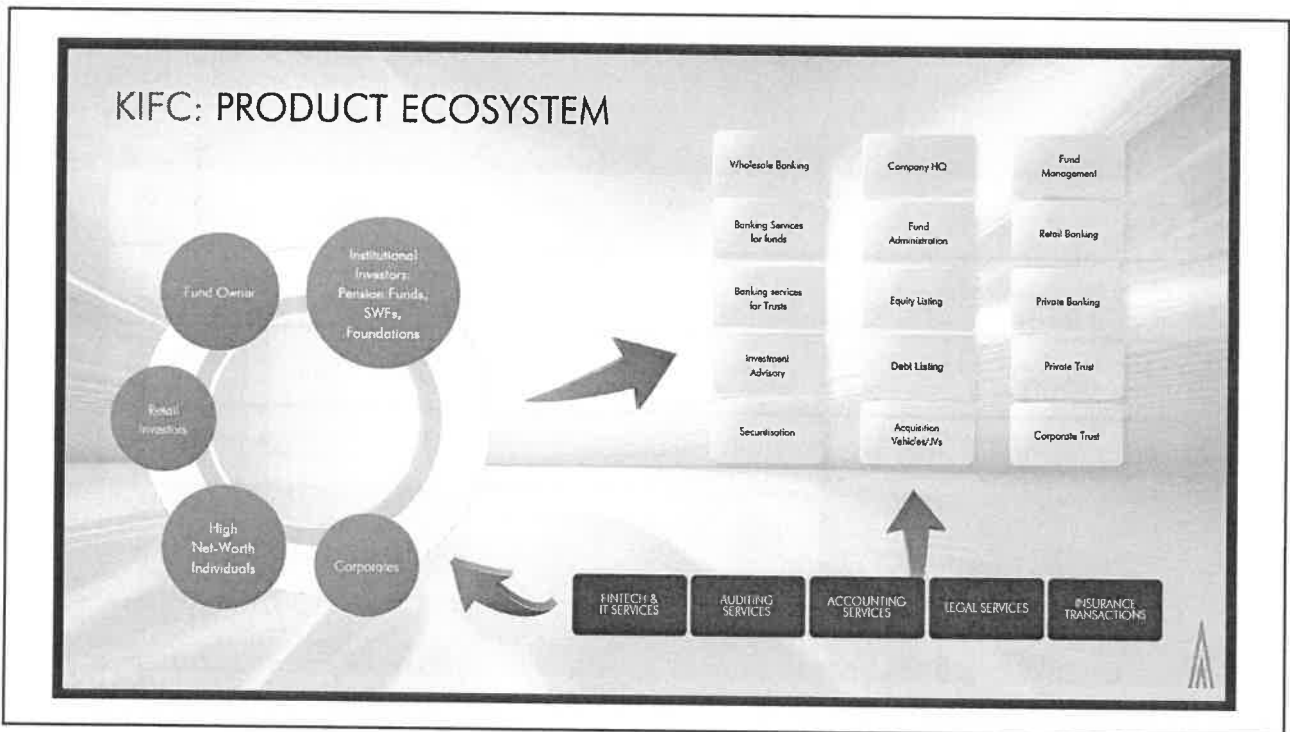
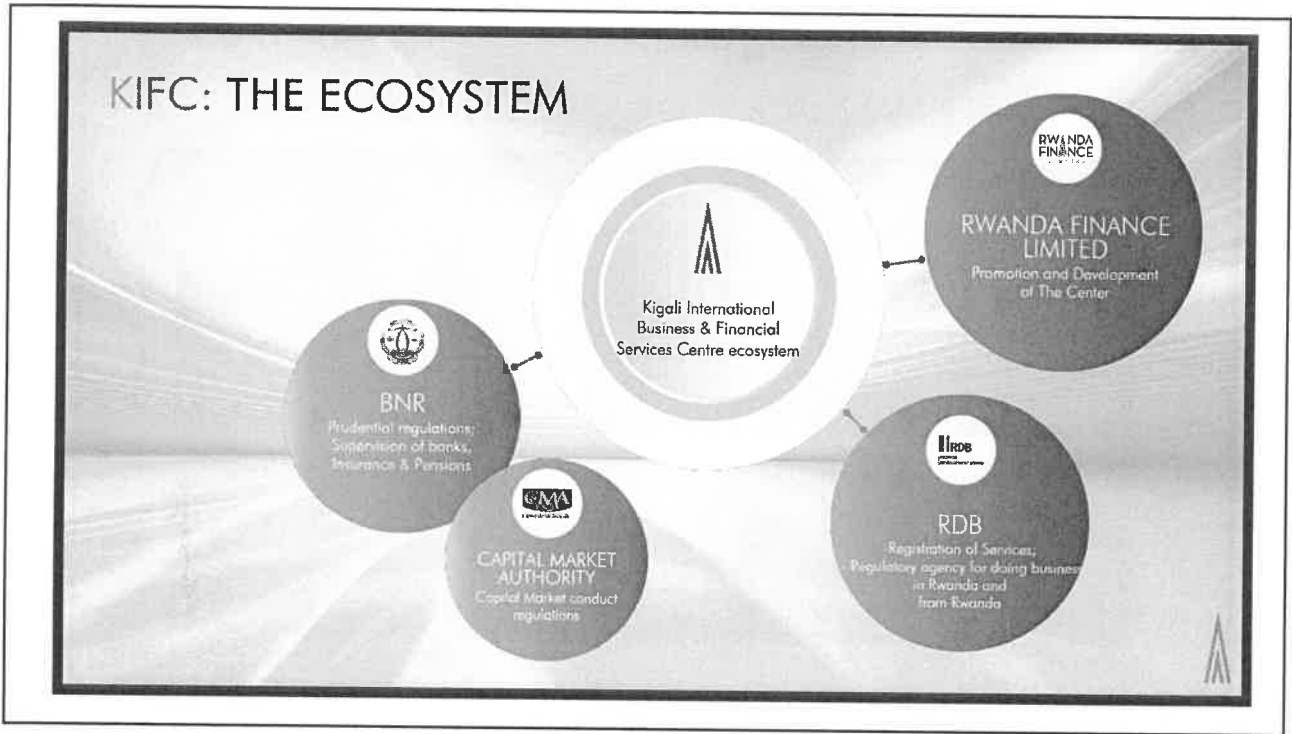
Rwanda Finance Ltd is a new private company owned by the Government and operating under the Ministry of Finance and Economic Planning.

| | | |
|---|--|---|
| Promote and develop Rwanda as a Business and Financial Center of Excellence, through the Kigali International Financial Centre (KIFC) | Position Rwanda as a hub for cross-border investments into the region, to attract capital that would otherwise never have come into Rwanda | Establish the KIFC as a key target highlighted in the National Strategy for Transformation Plan (NST) |
|---|--|---|

Rwanda Finance has been created to establish fundamental legal, tax, and capacity-building frameworks, while stimulating government intervention in, and leverage of, the Kigali International Financial Centre (KIFC).







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RWANDA'S FINANCIAL SECTOR

Financial Players

473 Micro-finance Institutions
16 Banks
16 Insurance Companies
11 Pension Funds

Regulators of the Financial Sector

- National Bank of Rwanda (BNR)
- Capital Market Authority (CMA): 8 companies listed on RSE; 16 Bonds



KIFC: IMPACT TO LOCAL ECONOMY

01 Contributes to GDP growth

02 Generates export earnings and supports the BOP

03 Provides quality employment to graduates and professionals

04 A driver of economic diversification

05 High economic linkages

06 Creates a highly productive and efficient sector

07 Poised to attract new business and has clustering effect

08 Generates gainful employment opportunities

09 Poised to be a substantial tax contributor

10 Increases Rwanda's fiscal contributions-licensing, registration, company fees, property taxes etc..

11 Has strong catalytic effects

12 Has indirect and induced impacts and multiplier effects

13 Sharpens efficiency and productivity as a high-end financial sector



KIFC VALUE PROPOSITION: LEGAL & REGULATORY FRAMEWORK

Compliance with international norms and standards



Absence of ring fencing

Ensuring that entities with the same activities are not taxed differently on income which can be categorized similarly

A Robust governance and substance requirements

The best international practices are:

- i) Control and management criteria
- ii) Economic substance; and
- iii) Core income generating activities in Rwanda



Implementation of exchange of information in tax matters



Implementation of provision to avoid treaty abuse

By implementing the Corporate Reporting Standard (CRS)



KIFC VALUE PROPOSITION: LEGAL & REGULATORY FRAMEWORK

Amended law on insolvency & bankruptcy

Amended Collective Investment Schemes law for unit trust funds activities among other types of schemes

Newly-drafted partnership law for LP/GP fund legal structure

Top 5 'least-corrupt' country in Africa

2 best performer in Sub-Saharan Africa in the World Global Rule of Law Index

Top 5 in Enforcing Contracts in Africa

The upgraded legal and regulatory framework is offering local and foreign-owned institutions a new set of financial instruments in line with international standards, in an attractive environment for both domestic and cross-border investment and business activities.



KIFC TAX VALUE PROPOSITION

| | | |
|--|---|---|
| <p>Level of Corporation Tax: 3% on passive income</p> | <div style="border: 1px solid black; padding: 5px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;"> 1 2 </div> | <p>No Withholding taxes on dividends and interest</p> |
| <p>No Taxes on capital gains</p> | <div style="border: 1px solid black; padding: 5px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;"> 4 3 </div> | <p>No Withholding taxes on royalties, fees for technical services and other types of income</p> |
| <p>Other tax incentives for targeted sectors and to attract specific skills required to operate the KIFC</p> | <div style="border: 1px solid black; padding: 5px; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;"> 6 5 </div> | <p>No VAT on services supplied to the KIFC</p> |

Rwanda is actively expanding its DTAA network in Africa with international financial centers and strategic economies eg. Qatar.

KIFC VALUE PROPOSITION: TAX

Other tax considerations: Double Taxation Avoidance Agreements (DTAAs)

Rwanda is actively expanding its DTAA network in Africa & with international financial centres (IFCs) in addition to strategic economies.

KIFC VALUE PROPOSITION: TAX

Benchmarking – Putting Rwanda into Perspective

| Comparison with Africa & Caribbean | | | |
|---|---------------|----------------------|-------------------|
| | Rwanda (KIFC) | Mauritius (Offshore) | Cayman (offshore) |
| Corporation Tax on passive income | 3% | 3% | 0% |
| Withholding tax on foreign sourced income | | | |
| i) Dividends | exempt | exempt | exempt |
| ii) Interests | exempt | exempt | exempt |
| iii) Royalties | exempt | exempt | exempt |
| Capital Gains Tax | exempt | exempt | exempt |
| VAT on export of services | zero | zero | zero |



KIFC VALUE PROPOSITION: OTHER CONSIDERATIONS

| | |
|----|---|
| 1 | A stable political, social and economic environment |
| 2 | Freedom on profit repatriation from control on inward and outward capital and payments |
| 3 | No exchange control on foreign currency, no restriction on foreign currency bank account |
| 4 | Stable local currency |
| 5 | Good flight connectivity with access to over 26 major destinations |
| 6 | Friendly visa regime with visa exemption (African countries, Commonwealth, Francophonie) or visa on arrival |
| 7 | 100 per cent foreign ownership on companies |
| 8 | Availability of competitive and international banking facilities |
| 9 | Good, reliable and modern support infrastructure |
| 10 | Access to professional service providers |
| 11 | Availability of competent, efficient and trained professionals |
| 12 | The ease of conducting business |



KIFC UNIQUE POSITIONING IN AFRICA

Increasing FDI inflow into Eastern and Central Africa: Approx. 40% total FDI into Africa due to large greenfield investments (World Investment Report, 2019)

Increasing trade in the region: Intra-EAC trade highest in all African regional trade blocs and higher than the continental average. AfCFTA set to increase Rwanda's trade access. (AIDB report, 2020)

Africa showing an increase in wealth and number of HNW individuals: 14% increase over the last year. Ethiopia, Rwanda, Kenya registering highest growth, >40% held by HNW (Africa Wealth Report, 2019)

Opportunity to leverage Rwanda's increasing global reputation for transparency, compliance, conducive business environment, and bilingual status to attract investment

THANK YOU / MURAKOZE