PKF

Tax Alert

New Rules on Effective Management and Financial Statement Certification

Ministerial Order No. 009/26/10/TC of 24 September 2026

Background

The Minister of Finance and Economic Planning has issued Ministerial Order No. 009/26/10/TC of 24 September 2026 determining the circumstances under which a person is considered to have a permanent residence in Rwanda, the circumstances under which a non-natural person is considered to have its effective place of management in Rwanda, and the annual turnover threshold requiring certification of financial statements.

1. Effective place of management in Rwanda

For a person other than a natural person, the Order provides that the entity is deemed to have its effective place of management in Rwanda if it satisfies at least one of the following conditions:

- Its day-to-day control or management is carried out in Rwanda;
- Its shareholders' meetings are held in Rwanda;
- Its books of accounts are kept in Rwanda; or
- Its main shareholders or directors are residents of Rwanda.

This provision is particularly relevant to businesses with cross-border ownership or management arrangements. An entity incorporated outside Rwanda may need to consider whether its actual management and control arrangements create an effective place of management in Rwanda.

2. Permanent residence of an individual

For a natural person, a home, house, apartment, hotel or other residential accommodation in Rwanda where the person usually stays is considered to be the person's permanent residence.

3. Mandatory certification of financial statements

A taxpayer whose annual turnover is equal to or exceeds Rwf 1,000,000,000 (the previous threshold was Rwf 600 million) is required to have its annual financial statements certified by a qualified professional approved by the tax administration.

Requirement	Threshold / rule
Annual turnover	Rwf 1,000,000,000 or more
Requirement	Annual financial statements must be certified
Certifying professional	A qualified professional approved by the tax administration

The Order also provides that the Head of the tax administration will determine the modalities for approval of the qualified professionals referred to above.

4. Specific categories subject to a special rule

The following taxpayers are not bound by the certification obligation under the general FRW 1 billion threshold in Article 3(1), except where the income they earn exceeds the required annual turnover threshold:

- Authorized distributors of beer, lemonades, soda, juice or cement;
- Dealers in petroleum or petroleum products;
- Owners/operators of foreign exchange bureaus;
- Air ticket dealers;
- Tour operators;
- Farming or livestock cooperatives; and
- Independent agents.

5. Practical implications for taxpayers

1. Taxpayers should assess their annual turnover against the FRW 1 billion threshold and determine whether their financial statements fall within the mandatory certification requirement.
2. Groups and businesses with foreign shareholders, directors or management should review where day-to-day management, shareholder meetings and accounting records are actually conducted.
3. Entities with cross-border structures should document their governance and management arrangements carefully, particularly where key directors or shareholders are resident in Rwanda.
4. Businesses approaching the FRW 1 billion threshold should consider the certification requirement early when planning their year-end financial reporting process.
5. Taxpayers should monitor further guidance from the tax administration on the approval of qualified professionals and the modalities for certification.

6. Effective date
   The Ministerial Order comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda. The Order was published in Official Gazette No. Special of 25 September 2026.

Our view

The new requirements reinforce the importance of reviewing both the substance of management arrangements and the financial reporting obligations of businesses operating in Rwanda. We recommend that affected taxpayers review their turnover, governance, management and accounting arrangements and seek professional advice where the application of the new rules is unclear.

How we can help

At PKF, we have a dedicated team of tax professionals who are at hand to help your business align its transactions and related tax compliance processes with the requirements of the new law.

Please feel free to get in touch with us:

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