Export Handbook

Getting Ready to Export
Getting Certified
Getting Your Goods Ready and Cleared
Getting Your Goods Shipped
Getting to Know Your Market

Sponsored by
Rwanda Private Sector Federation (PSF)
Trade Mark East Africa (TMEA)
Laterite

Laterite is a data, research and technical advisory firm that helps clients understand and analyze complex development challenges. We specialize in innovative data collection and analytic techniques to advise organizations and governments that work to achieve social and economic change. Laterite was commissioned by the PSF and TMEA to develop this Export Handbook. Please visit us at www.laterite-africa.com to learn more about what we do.

Rwanda Private Sector Federation (PSF)

The Private Sector Federation (PSF) is the professional organization dedicated to promote and represent the interests of Rwanda’s business community. It is thirteen years old, having been established in December 1999, replacing the former Rwandan Chamber of Commerce & Industry and the then employers’ organization. PSF consists of 10 chambers, eight of which are sector specific and two cross cutting, 75 associations and a membership base of over 5000 members. PSF is a key player in enabling the private sector to respond to Rwanda’s vision for its future, especially promoting private businesses. As the country’s flagship business institution, private enterprises look to PSF to address or facilitate solutions to business constraints that they face and represent their interests by using different channels and platforms.

Trade Mark East Africa (TMEA)

TradeMark East Africa (TMEA) is funded by a range of development agencies with the aim of growing prosperity in East Africa through trade. TMEA believe that enhanced trade contributes to economic growth, a reduction in poverty and subsequently increased prosperity. TMEA works closely with East African Community (EAC) institutions, national governments, the private sector and civil society organisations to increase trade by unlocking economic potential through three Strategic Outcomes:

1. Increased physical access to markets;
2. Enhanced trade environment;
3. Improved business competitiveness.

TMEA has its headquarters in Nairobi with branches in Arusha, Bujumbura, Dar es Salaam, Juba, Kampala and Kigali.
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Preamble: What to Expect from This Handbook

This handbook is designed as a resource for companies located in Rwanda, interested in starting to export or improving their export operations.

The Export Handbook (EHB) provides information on the most essential topics one needs to consider when exporting. Some steps and processes will vary depending on your industry, type of product and export market. This handbook provides general guidance for six types of industries: (i) tea, (ii) coffee, (iii) minerals, (iv) manufactured foodstuff, (v) manufactured goods (non-food) and (vi) unprocessed plant and animal products.

This handbook is meant to be the first step in a series, which will expand on details relevant to key industries, products and export markets. An online version of this handbook with additional links will be available via PSF.

This Export Handbook was developed by the Kigali-based research firm, Laterite. The content of this manual is based on interviews and information provided by Rwandan ministries, government bodies, regulators, private sector companies and consultants. This information is complemented by technical details relevant beyond the Rwandan context. The presentation and range of the manual’s topics is modelled on best-practice exporters handbooks published in other countries.

As Rwanda is currently working towards economic transformation, the East African Community’s (EAC) market integration still on-going and treaties such as the Economic Partnership Agreement (EPA) are still being negotiated, regulatory details can quickly change. The manual therefore focuses on regulation and laws that are most likely to stay in place for a considerable time. For other issues more in flux, we have listed authorities and organisations that can provide up-to-date information on the currently applicable rules.
How to Use the Export Handbook

You can navigate directly to the pages relevant to your business situation by using:

A Export Readiness Assessment (page 9)

The assessment will tell you for which areas you require more knowledge and point you to the relevant sections of the EHB.

B The Export Process: Steps by Sector (page 14)

The sector guide helps you to find information on stages of the export process specifically relevant to your industry.

The body of this handbook focuses on procedures and technical details. It provides hypothetical examples and real-world case studies based on experiences of companies located in Rwanda. These illustrations will help you to understand how processes might translate into practice. The appendices hold document templates and forms that illustrate the information required when filing certain applications and formatting suggestions for documents such as commercial invoices. You can also find lists of selected contacts of authorities and organisations that can assist in facilitating export plans in the appendices.

We hope that you find this manual useful and enjoy the read.

Gerard Mukubu
Acting Chief Executive Officer
Rwanda Private Sector Federation
Why Export?

Gain Additional Sales
By accessing a new market, you can expand the size of your client base.

Increase Profits
Accessing a foreign market can help to put excess production capacity to use. Profit margins might be higher in a different market.

Gain Economies of Scale
Economies of scale are cost-savings that apply when producing more reduce costs per product. Exporting allows access to greater markets; increased production and sales might help you to achieve greater economies of scale.

Reduce Local Market Dependency
Demand patterns, economic fluctuations and supply conditions might differ abroad. This can help to cushion declines in the domestic market.

Motivate to Innovate/Gain Competitiveness
Entering a competitive market with demanding consumers can help to identify points of improvement. This can make your product more unique and competitive in the long-run.
Benefits and Risks of Exporting

Exporting can be beneficial for your business. It is however important to understand the risks associated with exporting.

Benefits
- expands markets
- spreads risks
- uses excess capacity
- buffers against seasonal demand
- broadens skill base

Risks
- currency exchange
- credit risks
- compliance costs
- language barriers
- adaptation costs
The Export Process: 5 Steps to Exporting in Rwanda

Step 1: Getting Ready to Export

Step 2: Getting to Know Your Market

Step 3: Getting Certified

Step 4: Getting Your Goods Ready and Cleared

Step 5: Getting Your Goods Shipped
Export Readiness Assessment

Step 1: Getting Ready to Export

a. Have you registered as a company with RDB?
   - YES ✓
   - NO Go to page 31

b. Do you have a business plan?
   - YES ✓
   - NO Go to page 26

c. Have you found customers yet that expressed their interest?
   - YES ✓
   - NO Go to page 26

d. Do you have the necessary cash flow or capacity to make the products?
   - YES ✓
   - NO Go to page 40

e. Have you considered all potential export risks and insurance?
   - YES ✓
   - NO Go to page 50

Next Step: Getting to Know Your Market!
Step 2: Getting To Know Your Market

f. Have you identified which market you want to export to?
   - YES  
   - NO  Go to page 59

Then:

g. Have you done market research?
   - YES  
   - NO  Go to page 60

Then:

h. Do you know about preferential trade agreements that you could benefit from?
   - YES  
   - NO  Go to page 65

Next Step: Getting Certified!
Step 3 Getting Certified

i. Do you know what requirements apply to your exports?
   - YES ✓
   - NO Go to page 93

j. Do you have the capacity to fulfil these requirements?
   - YES ✓
   - NO Go to page 94

k. Are you informed about each of the steps of the certification process?
   - YES ✓
   - NO Go to page 96

l. Have you considered voluntary certification?
   - YES ✓
   - NO Go to page 104

Next Step: Getting Your Goods Ready and Cleared!
**Step 4**

**Getting Your Goods Ready and Cleared**

- **m** Are you informed about international contract terms?
  - YES ✓
  - NO Go to page 111

- **n** Have you agreed on a method of payment for the transaction?
  - YES ✓
  - NO Go to page 114

- **o** Have you calculated what price/profit margins your product will have?
  - YES ✓
  - NO Go to page 117

- **p** Have you sourced appropriate packaging and labels for your products?
  - YES ✓
  - NO Go to page 120

- **q** Are you informed about the custom clearing process? Have you obtained a customs agent?
  - YES ✓
  - NO Go to page 124

---

*Final Step: Getting Your Goods Shipped!*
Congratulations! You are now Ready to Export!
The Export Process: Steps by Sector

Coffee

Step 1
Getting Ready to Export: Registration, Finance and Insurance
- Register with NAEB – p. 37
- Arrange for finance – p. 40
- Insure against risks – p. 50

Step 2
Getting to Know Your Market: General Characteristics
- International markets mainly (Chapter 2.3)
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

Step 3
Getting Certified: Institutions and Bodies
- Certificate of Quality from NAEB – p. 96
- Phytosanitary Certificate from MINAGRI – p. 97

Step 4
Getting Your Goods Ready and Cleared: Customs and Documents
- Commercial Invoice – p. 117
- Packing List – p. 124
- Certificate of Origin – p. 106
- Customs Clearance Process – p. 126

Step 5
Getting Your Goods Shipped: Logistics and Transport Routes
- Via road to the port of Mombasa, Kenya, or Dar es Salaam, Tanzania. See p. 130.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
Tea

Getting Ready to Export: Registration, Finance and Insurance
- Register with NAEB – p. 37
- Arrange for finance – p. 40
- Insure against risks – p. 50

Getting to Know Your Market: General Characteristics
- International markets (see Chapter 2.3)
- Mombasa Tea Auction
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

Getting Certified: Institutions and Bodies
- Certificate of Quality from NAEB – p. 96
- Phytosanitary Certificate from MINAGRI – p. 97

Getting Your Goods Ready and Cleared: Customs and Documents
- Commercial Invoice – p. 117
- Packing List – p. 124
- Certificate of Origin – p. 106
- Customs Clearance Process – p. 126

Getting Your Goods Shipped: Logistics and Transport Routes
- Via road to the port of Mombasa, Kenya, or Dar es Salaam, Tanzania. See p. 130.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
Minerals

Getting Ready to Export: Registration, Finance and Insurance
- Register with RNRA – p. 102
- Arrange for finance – p. 40
- Insure against risks – p. 50

Getting to Know Your Market: General Characteristics
- International auction
- Consider international regulations
- Consider quality demands
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

Getting Certified: Institutions and Bodies
- Certificate from RNRA – p. 102
- Certified Training Chain (CTC) – p. 103

Getting Your Goods Ready and Cleared: Customs and Documents
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Getting Your Goods Shipped: Logistics and Transport Routes
- Via road to the port of Mombasa, Kenya, or Dar es Salaam, Tanzania. See p. 130.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
**Manufactured Products: Foodstuff**

**Getting Ready to Export: Registration, Finance and Insurance**
- Register with RDB – p. 31
- Arrange for finance – p. 40
- Insure against risks – p. 50

**Getting to Know Your Market: General Characteristics**
- Regional markets (see Chapter 2.5)
- Consider competitive advantage: price? quality? brand?
- Consider: intermediate or consumer product?
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

**Getting Certified: Institutions and Bodies**
- RSB/International certification body
- EAC standards from RSB – p. 99
- Exporting outside the region: International certification body – Chapter 3.4.4

**Getting Your Goods Ready and Cleared: Customs and Documents**
- Commercial Invoice – p. 117
- Packing List – p. 124
- Certificate of Origin – p. 106
- Customs Clearance Process – p. 126

**Getting Your Goods Shipped: Logistics and Transport Routes**
- Consider all transport options. Go to p. 130 to find out about the differences between modes of transport.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
Manufactured Products: Other

Getting Ready to Export: Registration, Finance and Insurance
- Register with RDB – p. 31
- Arrange for finance – p. 40
- Insure against risks – p. 50

Getting to Know Your Market: General Characteristics
- Regional markets (see Chapter 2.5)
- Consider competitive advantage: price? quality? brand?
- Consider: intermediate or consumer product?
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

Getting Certified: Institutions and Bodies
- RSB/International certification body
- EAC standards from RSB – p. 99
- Exporting outside the region: International certification body – Chapter 3.4.4

Getting Your Goods Ready and Cleared: Customs and Documents
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- Packing List – p. 124
- Certificate of Origin – p. 106
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Getting Your Goods Shipped: Logistics and Transport Routes
- Via road to the port of Mombasa, Kenya, or Dar es Salaam, Tanzania. See p. 130.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
Unprocessed Plant and Animal Products

**Step 1**
**Getting Ready to Export: Registration, Finance and Insurance**
- Register with RDB – p. 31
- Arrange for finance – p. 40
- Insure against risks – p. 50

**Step 2**
**Getting to Know Your Market: General Characteristics**
- Regional markets (see Chapter 2.5)
- Consider competitive advantage: price? quality? brand?
- Consider: intermediate or consumer product?
- Analysis tools on pp. 59–64
- For market specific information, see Chapter 2.5

**Step 3**
**Getting Certified: Institutions and Bodies**
- Phytosanitary/MINAGRI – p. 97
- Outside Region: International certification body – p. 101

**Step 4**
**Getting Your Goods Ready and Cleared: Customs and Documents**
- Commercial Invoice – p. 117
- Packing List – p. 124
- Certificate of Origin – p. 106
- Customs Clearance Process – p. 126

**Step 5**
**Getting Your Goods Shipped: Logistics and Transport Routes**
- Fresh goods perish easily. Transport them over relatively short distances via road or use air cargo. See Chapter 5.3.1 and 5.3.2.
- To find about clearing agents, go to Chapter 4.9.
- For general information on logistics, read Chapter 5.3.
## The Export Process: Costs and Timelines

### Getting Ready to Export

**Step 1**

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
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<tbody>
<tr>
<td>• Registration Costs: RWF 0–RWF 350,500</td>
</tr>
<tr>
<td>• Interest rates (loans)</td>
</tr>
<tr>
<td>• Insurance and Transport Insurance Costs</td>
</tr>
<tr>
<td>• Bank Guarantees</td>
</tr>
<tr>
<td>• NAEB fees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 1–34 days</td>
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</tbody>
</table>

### Getting to Know Your Market

**Step 2**

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Desk Research and Visits</td>
</tr>
<tr>
<td>• Commissioned Studies</td>
</tr>
<tr>
<td>• Free Help from RDB, EAC Trade Desk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 1–30 days</td>
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</table>

### Getting Certified

**Step 3**

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• RWF 0–RWF 1,150,000 (more for internationally accredited certificates)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Several weeks–months</td>
</tr>
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</table>

### Getting Your Goods Ready and Cleared

**Step 4**

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• RWF 500–RWF 6,000</td>
</tr>
<tr>
<td>• + RWF 7,000 for clearing agents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 1–5 days</td>
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### Getting Your Goods Shipped

**Step 5**

<table>
<thead>
<tr>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Packaging Costs</td>
</tr>
<tr>
<td>• Labelling Materials</td>
</tr>
<tr>
<td>• Transport: minimum RWF 2,000,000 to next sea port</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 2 days minimum (depends on destination)</td>
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This section will walk you through the essential steps to getting started with exporting. From registering your business to getting finance, assessing risks and addressing them.

### 1.1 Steps to Take

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<tbody>
<tr>
<td><strong>1</strong></td>
<td>Integrating exporting into your business plan (see page 26 for essentials of writing a business plan).</td>
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<tr>
<td><strong>2</strong></td>
<td>Registering your company (page 31) and getting clearance for your investment (page 32).</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Registering as an investor (page 32), exploiting export-oriented business promotions through registering in a Special Economic Zone (page 38) or using a bonded warehouse (page 39).</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Secure finance (for domestically available options, see Chapter 1.7).</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Assess your risk and get insurance against crucial risks (Chapter 1.8).</td>
</tr>
</tbody>
</table>
1.2 Key Institutions and Organisations: Registrations and Permits

RDB

The Rwanda Development Board (RDB) is a governmental organisation, responsible for promoting investment and economic development. Its mandate includes taking care of business registrations, environmental clearance, privatisation, SME support and human capacity development.

For more info: www.rdb.rw

BDC

Each of Rwanda’s districts has a Business Development Centre (BDC). Business consultants operate these centres. They offer business advice for a small fee. The centres are also equipped with computers with internet access and printers.

To find the BDC closest to your business location, consult Appendix XIII.

NAEB

Rwanda’s National Agriculture Export Development Board (NAEB) is a governmental body, led by MINAGRI. The role of NAEB is to facilitate exports of agricultural products, including traditional export products, coffee and tea, promote and support the development of new export crops.

For more info: www.naeb.gov.rw

REMA

Rwandan Environmental Management Authority (REMA) conducts these assessments together with selected experts and in cooperation with interested members of the public, who are invited to give evidence of their perception of socio-economic and environmental effects of the project.

For more info: www.rema.gov.rw

SEZAR

The Special Economic Zones Authority (SEZAR), located at the second floor of RDB, is administering this one-stop-shop. The legal regime of Special Economic Zones (SEZs) is regulated by Rwanda’s Investment Code. To date the Investment Code of 2005 applies, but an update is currently underway. The only operating SEZ is located in Kigali, Nyandungu Sector, Gasabo District. For updated information on the investment code and operationalization of additional SEZs, please check with RDB’s SEZAR.

For more info: www.rdb.rw
1.3 Key Institutions and Organisations: Finance

Depending on your company size and financing needs, you might want to consider accessing finance through a commercial bank, a savings and loan association, microfinance institution or a government supported co-operative bank (SACCO).

**Banks with Commercial Banking Services**

- Access Bank Rwanda Ltd
- Bank Of Kigali Ltd
- Ecobank Rwanda Ltd
- Equity Bank Rwanda
- Guaranty Trust Bank Rwanda Ltd
- I&M Bank Rwanda Ltd
- Kenya Commercial Bank Rwanda
- Unguka Bank

Contact details can be found in Appendix IV.

**Savings and Loans Associations**

- Agaseke Bank
- Zigama CSS

Contact details can be found in Appendix XIII.

**Microfinance Banks (large, offices in Kigali)**

- AB Bank Rwanda
- Urwego Opportunity Bank

Contact details can be found in Appendix XIII.

**SACCOS**

See Appendix XIII for a list.

**Microfinance Institutions (small, locally based)**

See Appendix XIII for a list.
1.4 Key Institutions and Organisations: Insurance

Most insurance companies located in Rwanda offer policies for private companies. There are a few types of policies, which are especially interesting for exporters. We surveyed Rwanda’s biggest insurance providers and have identified which organizations currently offer these types of insurances. We recommend you check for the latest information with the respective companies. You can find a comprehensive list of insurance companies and their contact details in Appendix V.

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Sonarwa</th>
<th>Soros</th>
<th>Phoenix</th>
<th>COMAR</th>
<th>UAP</th>
<th>Bitam</th>
<th>ATI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods in Transit</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
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<tr>
<td>Marine/Air</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Carrier Liability</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>General/Public/Product/Professional Liability</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Political Risk</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Currency Risk</td>
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<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>USD denominated</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<td>Euro denominated</td>
<td>1</td>
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<td>3</td>
<td>3</td>
<td>3</td>
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</tbody>
</table>

**Legend**

- **1** Available
- **2** Only valid in Rwanda
- **3** Not available
1.5 Integrating exports into your business plan

A business plan is a formal statement of business goals, reasons they are attainable, and plans for reaching them. The content can vary widely. A business plan might describe how to become a profit-making company for a start-up, or how to expand into a new market for a more established business. Investors and banks use business plans to assess the viability and risks of your enterprise. In most cases business plans are a requirement for applying for a loan. Drafting such a plan will help you envision the steps you need to take to attain your goal. You will further require a business plan if you want to register as an investor with the Rwanda Development Board (RDB), which allows you to benefit from tax reductions and support services (see Section 1.6.2).

If you do not have a business plan yet, Section 1.5.1 will provide a brief overview of key elements a typical business plan contains, together with some tips and tricks how to improve the quality of your plan. For more in-depth guidance, you can consult several online resources, listed in Appendix II. In addition, Section 2.4 lists some details that can help you to conduct a market analysis, which will help you to develop and assess your business strategy. Alternatively, for targeted advice on how to develop a business plan involving exports, you can contact RDB’s Trade and Manufacturing Department (see Box opposite). Or, if you are a coffee or tea exporter, contact Rwanda’s National Agriculture Export Board (NAEB, see Box below).

If you already have a business plan for your current operations, you will need to integrate your export intentions to fit with the rest of your business model. Key considerations helping you to assess whether your export intentions are aligned with your business activities can be found in Section 1.5.2.
1.5.1 Essentials of writing a business plan

Generally, there are some key elements that should be included in every business plan. In the following order, this includes:

- **Executive Summary**: briefly summarise all key points of your plan; someone reading this summary should be able to understand (i) your business idea, (ii) why your business will be able to compete, (iii) why and when it will be profit-making, (iv) why it is worth investing in this business;

- **Market and Competitor Analysis**: this section should provide (i) a good understanding of the market you are trying to enter, (ii) how your business fits into that market, (iii) what competitors you are facing and (iv) what market share you realistically will secure;

- **Sales and Marketing**: describe how you are planning to market your product, including (i) distribution channels, (ii) sales services and (iii) advertising and promotion;

- **Strengths, Weaknesses, Opportunities and Threats**: analyse your business idea’s strong and weak points, show that you have identified opportunities as well as threats your business might face;

- **Financial Projections and Requirements**: most of the calculations will be based on realistic sales and costs estimates; consider (i) how much will producing your good cost?, (ii) how much will you realistically sell?, (iii) how will this change over time?

- **Appendix**: provide detailed calculations and list all assumptions that you based your estimates on.

1.5.2 Finding a fit between your business activities and export intentions

Exporting is an attractive strategy to gain market share, new skills and greater revenues, however it is also a challenging task. You should therefore first determine why you are considering exporting. In order to develop a successful and sustainable export strategy, you need to ensure that it fits with your overall business plan.

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**Introducing: BDC**

In each of Rwanda’s districts, you can find a Business Development Centre (BDC). These centres are run by business consultants who can offer you business advice for a small fee. The centres are also equipped with computers with internet access and printers.

To find the BDC closest to your business location, consult Appendix XIII.
Exporting can serve a variety of business goals, including:

- gaining additional sales
- generating increased profits
- generating faster growth
- reducing local market dependence
- facilitating improved innovation
- gaining greater competitiveness
- gaining economies of scale

Next, assess your chances of achieving these goals through exporting. This will involve conducting a thorough market analysis, establishing (i) which product exported to (ii) which market will achieve profitable sales from (iii) which target group and succeed against (iv) which competitors. Chapter 2 (Getting to know your market) provides an overview of key market characteristics for a handful of selected markets.

Exporting your goods can have many benefits, but all of them also entail considerable risks and costs (see image below²).

You can choose different forms of business arrangements to market your goods in a foreign country. Each of these methods comes with its own degree of control and risk.

<table>
<thead>
<tr>
<th>Franchising/Licensing</th>
<th>Indirect Exports</th>
<th>Agents/Representatives</th>
<th>Direct Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>Risk and Control</td>
<td>HIGH</td>
<td></td>
</tr>
</tbody>
</table>
1.5.2.1 Franchising/Licensing

If your product has a recognisable brand you might want to consider entering into a franchise/licensing agreement or hire an agent/representative.

**Franchising/Licensing Your Brand**

In the case of *franchising* or *licensing* you grant a foreign company the license to use your business concept, market and advertise your product and brand name. For an example of what such an arrangement could look like in practice, read our case study on page 29.

1.5.2.2 Indirect Exports

You can market your products through different entities that already have a presence or trade relations with your export market. Selling your product to established distributors, import-/export-companies or wholesalers relieves you from various responsibilities that direct exporting would entail.

**Distributors/Wholesalers**

A distributor or wholesaler is a company that buys products or product lines, warehouses them and sells them either to retailers or end users. Commonly distributors/wholesalers provide logistics and warehousing functions for producers. Often they also provide additional services such as business-to-business advertising, technical support or after-sales services. Wholesalers usually only sell in bulk; but for prices below the end consumer price.

**Import/Export Companies**

There are a few different types of import/export companies:

1. *Export management company* (EMC) handles all export operations for a producer in return for fees. It hires dealers, distributors or representatives, handles advertising and marketing, packaging and transport, and sometimes even financing for operations abroad. EMCs usually specialise by product or market.

2. *Export trading companies* (ETCs), on the other hand, usually select production companies on their own accord based on demand in the exporting country they operate in. They often work on a commission basis or take the title of the goods.

3. *Import/export merchants* directly buys from the producer, handles importing or exporting to sell it in a different market. From the producer’s side, such
a transaction does not differ significantly from a normal sales transaction. The only difference is that the merchant buys the goods with the specific purpose of marketing them abroad. This might have strategic relevance to the producers’ sales and marketing strategy.

**CASE STUDY**

**Indirect Exporting in Practice**

Depending on the arrangement you make with these companies, they might take care of shipment, foreign payment collection, distribution, advertising and sales to consumers. While this means reducing your costs and time investment in the export side of your business, it also reduces the control you have over your product.

**The Polar Bear Ice Cream Franchise**

Imagine you are producing ice cream under the brand name “Polar Bear”. You register “Polar Bear” as a trademark. Your branded ice cream is marketed through “Polar Bear” shops that offer a unique range of ice cream, each with their own name. Your business is going really well and you decided after thorough market analysis that there is a lot of demand for your ice cream in Uganda.

However, you have too little resources to build shops and limited knowledge about business processes in Uganda. You therefore decide to grant a reliable and experienced business man – who is determined to start and run “Polar Bear” ice cream shops in Uganda – with the license to replicate your “Polar Bear” brand, use your ice cream recipe, logo, store concept and menu of ice cream in Uganda. The franchisee/licensee (the business man you granted the license to) will pay you a yearly fee for holding this license. He will bear start-up and maintenance costs, but is allowed to keep all profits made through this concept.

**Risks of Franchising and Indirect Exports**

Distributors, import/export companies and wholesalers might not have enough incentives to advertise your product or change targeting strategies to maximise sales for your product. Especially, if they can easily source a substitute for your good from a different producer. For example, if you produce cassava flour for a Kenyan distributor and the product does not achieve adequate sales targets, the distributor might switch to another cassava flour supplier with a greater brand image that attracts more sales.

Quality and reputation of your product could be compromised if your contract partner does not handle or display your product according to your company’s standards. For instance, a producer of milk-based drinks might successfully sell its products as high-quality items in its domestic market. However, due to poor handling, many of the packages spoil. Consumers in the export market therefore do not perceive your product to be of high quality.
1.5.2.3 Agents/Representatives
If you hire an agent or representative, you pay them a fee or give them a percentage of the sales for advertising, marketing and – possibly – distributing your good. However, you keep the title over the export products, being able to take in profits from sales but also bearing all risks entailed. For example, if you want to sell soap in a foreign country, you might hire a representative. That representative advertises and approaches hotels, spas and retailers on your behalf to sell the soap. The representative is allowed to keep 40% of the sales profit and passes 60% on to you.

1.5.2.4 Direct Exporting
This type of exporting means that you directly sell your products to customers abroad. This means that you will be responsible for the exporting process from start to finish, including market research, shipment and collecting payment. While this form of exporting entails many risks, it also offers the greatest degree of control – you decide about every step in the process. It might further provide the opportunity to make greater profits as you cut out any intermediaries that would require fees or a slice of your profits. Exporting directly requires extensive market knowledge and considerable investments. On the other hand, this mode of exporting offers the greatest opportunities to learn about the market and establish a presence. Developing a relationship with customers early – before the entry of other competitors – can help to establish trust, a brand and a stock of loyal customers. This can have considerable competitive advantages. If your company is clearly better equipped than your foreign competitors in terms of capital, experience, efficiency and product appeal, then you might be able to establish a market presence successfully without the help of intermediaries.

To access more support, you can seek help at your district’s Business Development Centre (see Box on page 26), or apply for one of RDB’s or NAEB’s assistance programmes. We will explain in the next section how to register as a business.
1.6 Are you registered?

Registration is mandatory for all entities conducting business or planning to conduct business in Rwanda. In addition to meeting legal requirements, registration provides certain advantages such as limited liability and protection of intellectual property. Having legal status as a business is required to gain access to commercial credits, win official bids and receive an export license.

Before you can export you will need to register your company with the Rwanda Development Board (RDB). Should you want to export coffee, you will need to register with Rwanda’s National Agricultural Export Development Board (NAEB) after having registered your company with RDB. If you want to export other horticultural products, including tea, you can optionally register with NAEB, in order to access their support and information services.

1.6.1 Registering your company

Since February 2014, businesses register through RDB’s online registration portal (see Box opposite for the link). If they have troubles operating the online registration system, businesses can get help at the Company Registration Help Desk at RDB. All other basic registration procedures required from Rwandan businesses can also be carried out online, including obtaining a taxpayer identification number (TIN), value-added tax (VAT), professional taxes on salaries/taxes professionels sur les remunerations (TPR) and tax clearance certificates.

To register a local (i.e. not foreign-owned) business, the following documents and information are required:

- company owner’s ID and picture
- company name
- company address

The service is free of charge and you should receive immediate online feedback whether your registration was successful. For any changes to your registration – for instance, changes to the company name, changes in business activities or shareholders – you will need to go to RDB’s Company Registration Help Desk with your original business registration certificate. Different processing fees will apply depending on the changes. A list of fees is provided in Appendix I.4
1.6.2 Registering as an investor

Companies registered as ‘investors’ can profit from tax incentives and benefit from RDB-organised trainings. If you only register your company without qualifying as an ‘investor’, you will not be able to access these advantages. You can register as an ‘investor’ through the RDB online portal, after having registered as a company.

Once your status as an investor has been approved, you can profit from a range of tax benefits long-term.

These benefits include:

• Exemption from import duties and sales taxes for the import of plant, machinery or equipment. For some goods a flat fee of 5% applies instead of the usually higher ordinary import taxes.

• Research and development (R&D) costs are 100% tax deductible

• Investment allowance: up to 30% of capital costs, including depreciation, can be deducted from taxable income.

To register, you will require the following documents, which you will submit online:

• Application letter addressed to the CEO of RDB, asking to be registered as an investor,

• Filled-out Application form and Memorandum of Association form (you can obtain both this via the online portal or at the registration office; see templates in Appendix III)

• Shareholding Structure Sheet

• Business plan or project feasibility study

• The investor’s ID

Your application will be evaluated based on a host of criteria, including:

• the size of your proposed investment

• business activities unrelated to your core business activity (non-trading activities)

• creation of quality jobs

• provision of skills transfer and technology

• use of local raw materials

• potential for exporting

• potential to stimulate related businesses (forward and backward linkages)

• innovation and creativity of the proposed project
When registering as an investor with RDB, a one-off registration fee of USD 500 applies. After two working days, you should receive a notification letter. If your application will be successful, you will receive a request to pay the USD 500 processing fee and details about how to submit proof of payment. In addition you will be advised whether you should file for an Environmental Impact Assessment (see next Section 1.6.3.1).

After having submitted your proof of payment, you can pick up your investment certificate within one working day from the RDB company registration office.

### Elements to be included in the application letter

<table>
<thead>
<tr>
<th></th>
<th>Business name</th>
<th>What should the official name of the business be?</th>
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<tbody>
<tr>
<td>2</td>
<td>Address</td>
<td>Where is your business located? If you have multiple business locations, which one will be the company’s head quarters?</td>
</tr>
<tr>
<td>3</td>
<td>Business activity</td>
<td>What is your business about? What will you do? Are you producing something?</td>
</tr>
<tr>
<td>4</td>
<td>Capital investment</td>
<td>How much money do you need to start up your business? How much are you planning to invest?</td>
</tr>
<tr>
<td>5</td>
<td>Employees</td>
<td>How much staff will you have? What positions will they occupy? Now? In 5 years?</td>
</tr>
<tr>
<td>6</td>
<td>Waste</td>
<td>What waste products will your business produce? How will you handle the waste? How will you minimise waste?</td>
</tr>
<tr>
<td>7</td>
<td>RDB Support</td>
<td>What do you want RDB to do for you? Do you require certain market information? Trainings? Contacts?</td>
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<td></td>
<td>Elements to include in Business Plan/Project Feasibility Study</td>
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<td>---------------------------------------------------------------</td>
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<tr>
<td>1</td>
<td>Executive Summary</td>
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<td></td>
<td>A summary of key points of all sections included in the document.</td>
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<td>2</td>
<td>Profile of Main Actors</td>
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<td></td>
<td>Business owners, shareholders or project managers</td>
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<td>3</td>
<td>Project Background</td>
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<td></td>
<td>What is it about? Why do you think it will be a successful idea? What will be your competitive advantage? What is your unique selling proposition?</td>
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<tr>
<td>4</td>
<td>Market study</td>
<td></td>
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<tr>
<td></td>
<td>What is the business / project environment like? Do you know your customers? Your competitors? Sales trends? Profit margins?</td>
<td></td>
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<tr>
<td>5</td>
<td>Investment Plan</td>
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<tr>
<td></td>
<td>How much start-up capital do you need? How will you space out your investments after that?</td>
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<tr>
<td>6</td>
<td>Level of Loan/Equity Financing</td>
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<tr>
<td></td>
<td>How are you going to finance these investments?</td>
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<tr>
<td>7</td>
<td>Balance Sheet</td>
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<tr>
<td></td>
<td>How much revenue will you generate? How much will you spend? On what? When?</td>
<td></td>
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<tr>
<td>8</td>
<td>Cash Flows</td>
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<tr>
<td></td>
<td>What will your financial structure look like for the next five years? Your assets? Liabilities? Equity?</td>
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<tr>
<td>9</td>
<td>Payback Period</td>
<td></td>
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<td></td>
<td>When will you take in money, when will you need to spend it? How much? Will you retain liquidity throughout?</td>
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<tr>
<td>10</td>
<td>Implementation Plan/Schedule</td>
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<tr>
<td></td>
<td>When will you recover your initial investment? How much will your project be worth, discounting rises in interest rates/inflation? How much will your investment gain through the project?</td>
<td></td>
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<tr>
<td>11</td>
<td>Notes on Assumptions</td>
<td></td>
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<tr>
<td></td>
<td>What did you assume, in order to make projections? What assumptions or figures did you base your calculations on?</td>
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</table>
1.6.3 Other forms of registration

Depending on the nature of your business, you might want to consider registering for environmental permits, the National Agricultural Export Promotion Board (NAEB) or apply for exporting from a Special Economic Zone or using a bonded warehouse.

1.6.3.1 Environmental Impact Assessment (EIA)

An Environmental Impact Assessment (EIA) is a form of audit, which assesses to what degree planned projects could be harmful to the environment and whether measures can be found to mitigate environmental risks sufficiently. The Rwandan Environmental Management Authority (REMA) conducts these assessments together with selected experts and in cooperation with interested members of the public, who are invited to give evidence of their perception of socio-economic and environmental effects of the project.

Any projects or business plans involving potential environmental hazards have to file an Environmental Impact Assessment form. Projects or businesses undertaking the following activities fall under this category:

- construction and repair of international and national roads,
- building of large bridges, industries, factories, hydro-dams and electrical lines,
- construction of public dams for water conservation, rain water harvesting for agricultural activities and artificial lakes,
- building of large hotels public building which accommodate more than one hundred guests daily
- extraction of mines and public land fills among others.

As mentioned in Section 1.2.2, RDB might also directly request you to apply for EIA assessment in their reply to your investment certificate application. The application is done online through the same RDB web portal as company and investor registrations (see Box on page 31).

You will need to submit a ‘project brief’ – a description of your planned business activities – that should at minimum contain the following information:

- Name, title and address of developer.
- Name, purpose, objectives and nature of project, including attributes such as size of project, design, activities that shall be undertaken during and after the establishment of the project, products and inputs, sources of inputs, etc.
- Description of the proposed project site and its surroundings and alternative sites, if any, where the project is to be located
- Description of how the proposed project and its location conform to existing regulations concerning the conduct of business, labour and environmental laws.
• Regulations and policies governing such project and the use of the site/area proposed for its location
• Any likely harmful impacts to the natural, social or economic environment that may arise due to implementing various phases/stages of the project and proposed mitigation measures thereto.
• Description of any other alternatives, which are being considered (e.g. location of the premises, technology, construction and operation procedures, sources of raw materials, handling of wastes etc., decommissioning/closure and site restoration).
• Any other information that may be useful in determining the level of EIA required (e.g. projected level of CO2 emissions, chemicals used, protection measures taken)

Within two weeks of having submitted the project brief, you will receive a response stating either that:

A. Information provided was sufficient and no further action needs to be taken. This will be accompanied by an exemption certificate, stating that the company or project does not require a full EIA assessment.

OR

B. A full EIA, including site visits to the company’s premises is necessary. This information will be accompanied by terms of reference (ToRs), detailing which issues will be investigated during the full audit, a list of experts who will be consulted, a description of work tasks for EIA experts and a list of stakeholders who will be consulted.

If you decide to accept the ToRs, REMA will compile an EIA report within 20 days. Before finalisation of the report, REMA will submit the report to you for comments, whereby you can include an ‘addendum’ (i.e. an annex) to the report. After having added your comments, you will have to submit at least 5 copies of the report to REMA. At this point you can specify whether you want any information contained in the report to remain confidential. This information will be disclosed to REMA and the panel of experts only. The report will be presented at a public hearing, which will be attended by experts and members of the public. Based on the EIA report, a technical review and the outcome of the public hearing, REMA will decide whether to accept the project.

If the project is approved, REMA will issue an Implementation and Operations Order (IOO). This document details under which conditions your project will be granted approval. Only if you agree to these conditions, you will receive an EIA Certificate of Authorisation. It is possible to appeal to this order in writing, supplying supporting documentation for the reason of your appeal. The EIA Certificate of Authorisation’s conditions might be revised. The EIA Certificate of Authorisation is a legally binding document and will specify subsequent monitoring and audit activities required by REMA and your company.
1.6.3.2 Registering with NAEB®

Once you have registered successfully and obtained your company registration number, you can start accessing services offered by RDB. If your plan involves exporting coffee you also have to register with the National Agricultural Export promotion Board (NAEB), which offers support services specifically targeted at coffee and horticulture exports. If you want to export tea or other horticulture products, you have the option to register with NAEB, in order to profit from its support. Fees and mandatory registration currently only apply to coffee exporters.

To obtain an export license and exporter ID code from NAEB, you need to write a formal letter to NAEB (see Box above for contact details) requesting to be registered. The letter must include the following documents:

- RDB business registration code
- a business plan detailing your export and warehousing capacity (Note: a minimum of 50 tonnes are required to be granted an export license)
- a copy of the business’s exporting contract with a foreign buyer

If your application has successfully been accepted, NAEB will contact you within one working day to arrange for a site visit. Inspectors assess the veracity of the claims made in the paper application. If you pass this stage, you will be issued with an export code. Export codes are reviewed on an annual basis.

For every coffee export, NAEB applies a fee worth 3% of the total value of exported coffee. In addition, RWF 97 per kilo are charged if NAEB-distributed fertilizers and RWF 11 per kilo if NAEB-distributed pesticides have been used in coffee production. These fees cover all services offered by NAEB, including issuance of certificates and technical trainings.

Note: Future Developments

Currently, tea and horticulture exporters receive free support from NAEB. Registration with NAEB is for these sectors is not compulsory as of now. As the government’s promotion of horticulture exports is continuing, fees for certain categories of produce might however be introduced. It is further possible that registration will be made compulsory.
1.6.3.3 Registering in a Special Economic Zone (SEZ)²

The Government of Rwanda is planning to develop designated zones around the country that provide land for small and large industrial enterprises. Businesses operating from these lands profit from fiscal incentives, access to crucial infrastructure and are helped to go through regulatory procedures by the “One-Stop-Shop” office at RDB. The Special Economic Zones Authority (SEZAR), located at RDB, is administering this one-stop-shop. The legal regime of Special Economic Zones (SEZs) is regulated by Rwanda’s Investment Code. To date the Investment Code of 2005 applies, but an update is currently underway. The only operating SEZ is located in Kigali, Nyandungu Sector, Gasabo District. For updated information on the investment code and operationalization of additional SEZs, please check with RDB’s SEZAR (see box above for contact details). To date, operating from an SEZ includes the following benefits:

**Fiscal Incentives**
A registered investor operating in a SEZ pays no duties on importing machinery, equipment or raw materials for production and other goods used, if the request is approved by SEZAR and other relevant authorities.

**Provision of Necessary Infrastructure**
Operating in a SEZ means that facilities such as land, roads, buildings, sewerage, solid waste management facilities, storage tanks, container depots, warehouses, generation and distribution of power, water supply, telecommunication and data transmission networks are provided by the government for this zone.

**One-Stop Shop for Dealing With Regulatory Matters**
To get all the necessary documentation, approvals and processes that you need as an operator at the SEZ, you can make use of the one-stop shop helpdesk located at SEZAR. Their mandate is to support and expedite processes for all SEZ members.
1.6.3.4 Registering for Exporting Under Bond

In case you are producing goods primarily for exporting (at least 80% of your production), you might want to consider registering for exporting under bond. The advantage of exporting under bond is that imports that feed into your product that are usually taxed will be exempted from duties. To qualify for bonded exporting, you must have a bonded warehouse. You can either rent space in an already approved bonded warehouse. Alternatively, you can file an application with RRA for your warehouse to be approved as a bonded warehouse. The following minimum requirements must be met for your application to succeed.

Minimum Requirements for the Warehouses

- Fences surrounding the premises must be at least 2 metres high;
- Premises should have concrete or cemented ground/floor;
- An office with suitable facilities for customs officials must be provided (e.g. access to electricity and internet);
- A computerized system capable of generating arrival notices and stock records of warehoused goods must be in place;
- A systematic procedure of documenting entry and exit of goods in the warehouse must be in place;
- Possession of electronic weighing machines approved and certified by a competent authority;
- Possession of elevating equipment, machines and materials where applicable (e.g. forklift and pallets);
- Stack and arrange the goods in the bonded warehouse in a proper way in order to ease verification by the customs officers;
- Provide locks and keys for securing the doors of the bonded warehouse;
- Provide all necessary labour and materials needed for treatment, sorting, packing, examining, weighing and storing the goods;
- Ensure the insurance of warehoused goods;
- Parking space for vehicles;
- Safety equipment for the security of workers and warehoused goods;
- Lights for security purposes;
- The premises should have a single entrance.

In case you are renting the bonded warehouse, your rental contract should have the same length as your bond license (usually licenses are granted for one year with a view to renewal).

To apply for turning your warehouse into a bonded one, contact RRA’s customs department and submit an application form to them. You can find a template application for in Appendix XII.
1.7 Do you have the financial means to export?  

Once you have completed the initial registration procedures to begin exporting, ask yourself: *Do I have the necessary capital to finance my export production? The export process? The lead time between production and receipt of payment?*

Being able to finance your exports and mitigate the risks of exporting is crucial to your success. The next two chapters will therefore deal with export finance and export insurance.

To export you might need to secure finance for preparing your export products (pre-shipment finance) or for transactions and processes taking place after the actual trade (post-shipment finance).

Banks offer a range of financial services that can help you meet funding gaps. They charge interest and one-off fees for each of these services. Since in most cases banks take on risk – they are legally bound to pay your client should you default – they also ask you for collateral. Collateral is a security – cash, a house, plot or other valuable assets – that can be used or sold, in case you are unable to meet interest payments.

### Credit History and Financial Viability

**Credit History**  
This refers to your history of paying debt such as taxes, subscription payments or paying for orders you made on time. Banks might request information from tax authorities, banks you had accounts with and business partners to check your credit history.

**Financial Viability**  
In order to get a loan or guarantee – in some cases even to open a corporate account – you will need to provide financial statements of your company. Most banks in Rwanda require you to show profit and loss accounts and balance sheets of the last 2–3 years of your business. If your business is younger than 2–3 years, additional documentation or checks might be required. You might further face higher interest rates than a more established business.

Source: based on interviews with Access Bank, BK, Equity Bank, I&M and KCB.
The next few paragraphs outline the most commonly offered trade finance services in Rwanda, from an exporter’s point-of-view. All listed services also apply to import funding. In such a case, you would assume the position of the ‘buyer’ or ‘client’.

1.7.1 Pre-Shipperment Finance

Before starting to export there might be several financial challenges to overcome. For instance, exporting might require expanding production, improving the quality of your product, acquiring new packaging materials and so on. Depending on the business profile and the amount required, banks offer a range of financial products such as overdrafts, loan or guarantees (see Appendix IV for a list of banks that currently offer such services). The following section explains these options and specifies what minimum documentation is needed to apply for them.

1.7.1.1 Loan

<table>
<thead>
<tr>
<th>Why take out a loan?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>✓ resolves cash flow problems</td>
</tr>
<tr>
<td>✓ allows you to make an investment now to have increased profits at a later date</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

A loan refers to a written or oral agreement between two parties to transfer (usually) money from one (the lender) to the other (the borrower). Banks or other lending institutions will ask you to repay this money together with a certain interest rate and possibly apply additional service charges depending on the loan time, time of repayment and whether any conditions of the loan agreement are being altered. Interest rate is a sort of ‘compensation payment’ for the fact that the money you receive cannot be used otherwise. The interest rate is calculated by looking at inflation (i.e. the change in prices and the buying power of the local currency), the length of time that you are planning on taking out the loan for and the amount of collateral you can provide. Collateral is a security, usually an asset such as a house, a plot, machinery or a car, which the lender has the authority to confiscate and sell, should you fail to pay interests or pay back the loan as specified by the loan agreement. Usually, if the collateral is small, interest rates tend to be higher than if you provide more collateral.

There are different loan arrangements you can consider, depending on your financial situation and needs. Consult your bank, to find out what arrangements are available to you. For a list of registered financial institutions in Rwanda, go to Appendix IV, page 152.
Requirements

- bank account with the lending or another financial institution
- collateral (usually a plot, machinery or stocks)
- ID
- credit history
- financial statements of the past 3 years

EXAMPLE

Getting a Loan to Smooth Cash Flows

The advantages of a loan lie in its function of smoothing your cash flow. For example, imagine you won a tender to export 200 kg of produce in April. However, you do not have enough funds to increase your production enough to supply 200 kg by April. Yet you do have property and machinery to use as a collateral as well as enough cash to pay a monthly interest fee. Not taking up the tender will mean you loose out on more money than taking out a loan will cost you. The loan will provide you with the funds you need to increase production. Depending on the agreement with the lender you entered into, you will pay back the full amount of the loan plus interest and any charges that might apply at a specified date or whenever you decide to repay the loan. The loan enabled you to increase your sales and profits, solving the problem of momentarily not having enough funds to make the necessary investment.

1.7.1.2 Overdraft

Why request an overdraft?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ resolves cash flow problems</td>
<td>X overdraft charges might be very high</td>
</tr>
<tr>
<td></td>
<td>X interest rates can be high or fluctuate</td>
</tr>
</tbody>
</table>

An overdraft is in essence a type of loan. It means that the institution you are banking with allows you to take out more money than your account currently holds. For example, if you have nothing (RWF 0) left in your account, you might still be allowed to withdraw up to – for instance – RWF 500,000. The lending institution will usually determine a (i) daily interest rate, which you will need to repay alongside the borrowed amount, (ii) a one-off fee for overdrawing.
your account and (iii) a specified date until which you have to repay the borrowed money.

An overdraft can be advantageous if you need more money than you currently have in your account for a short period, which does not make it worth negotiating a loan or other borrowing arrangement.

Requirements
- bank account with the lending institution
- credit history

**EXAMPLE**

**Getting an Overdraft Allowance**

For example, imagine that you have to pay RWF 100,000 for your supplies on April 17th. Unfortunately, you only have RWF 50,000 in your account that day, but you know that on April 20th you will be paid RWF 200,000 by your client for produce that you sold him earlier.

Your balance would be RWF 150,000 on April 20th. You can request an overdraft with your bank, pay your supplier on April 17th and repay the borrowed money plus interest rate or fees on April 20th, when you have received your payment.

**1.7.1.3 Bid Bond Security**

*Why use a bid bond security?*

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ creates trust where there is none</td>
<td>✗ hard to get a 100% collateral</td>
</tr>
<tr>
<td>✔ helps to establish a new business relationship</td>
<td>✗ most banks apply a 2% charge every month on the amount guaranteed</td>
</tr>
</tbody>
</table>

If you want to bid for a tender and believe that your bid might be disadvantaged because of your company’s low profile or lack of an established relationship between you and the potential client, you can ask a bank to guarantee for your ability to take on the project. For instance, if the tender-issuing company is requiring a RWF 5 million investment for production, certain banks can provide a guarantee stating your ability to make this investment.
Requirements

- application form
- copy of tender/advertised job
- credit history
- 100% cash collateral or mixed collateral (depends on bank)
- specify the amount that needs to be guaranteed and time period

Apart from an application form, which you can obtain from the bank’s branch, you need to bring a copy of the tender. You will need to specify what amount should be guaranteed and for what time period. Depending on your credit history with the bank (see Box on page 40 for an overview of how banks tend to assess your credit-worthiness) and company policy, the bank might provide such a guarantee for you without any additional security. In most cases, they will however ask for collateral. You will either be required to deposit 100% of the guaranteed amount (RWF 5 million in our example) into an account or to provide an asset – a house, plot or machinery – as security. Deposited money will be ‘locked’ – i.e. no one can access this money – until the specified period expired, or when you have proven that you won the tender. To prove your success, your bank requires you to present an original document validated (signed and stamped) by the tender-issuing company that you were chosen as contractor.

1.7.1.4 Advance Payment Guarantee

Why use an advance payment guarantee?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ helps to solve cashflow problems</td>
<td>✗ hard to get a 100% collateral</td>
</tr>
<tr>
<td></td>
<td>✗ most banks apply additional service charges</td>
</tr>
</tbody>
</table>

If you already have won a contract and want to start production, but lack funds to do so, you might want to ask your client to provide you with an advance payment to start production. If the client perceives the risks of providing an advance payment too high, a bank can provide a guarantee that you will indeed deliver the goods. If the client is not willing or able to provide enough funds in advance, some banks offer to provide up to 70% of the contract value in advance.

Requirements

- application form
- contract listing all terms and conditions
- some banks: pro-forma invoice
- credit history
- 100% cash collateral; some: also mixed collateral depending on credit history
In addition to the contract and application form, most banks will ask you to deposit 100% of the amount you want as an advance payment into an account that will be ‘locked’ until you fulfil the contract terms.

Of course, you will not be able to provide the cash deposit on your own, otherwise you would not have requested an advance payment. In this case, third parties (e.g. BDF, donor organisations, charities) might be willing to lend you the money to obtain this guarantee. If you get backing from a third party, you will need to put an agreement into writing and notarize it by a registered notary. In some cases, banks might be willing to accept mixed collateral – a part in cash and an asset of a certain value – to provide you with the guarantee.

### 1.7.1.5 Performance Guarantee

**Why use a performance guarantee?**

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ can create trust where there is none</td>
<td>✓ hard to get a 100% collateral</td>
</tr>
<tr>
<td></td>
<td>✓ most banks apply additional service charges</td>
</tr>
</tbody>
</table>

If you already have won a tender, your client might require you to enter into a performance bond. A performance bond is a guarantee issued by your bank to pay your client an agreed amount should you breach the terms of the contract, i.e. not perform.

**Requirements**

- application form
- contract listing all terms and conditions
- some banks: ID/registration documents of both parties
- credit history
- 100% cash collateral

Currently, all banks in Rwanda require a 100% cash collateral – equivalent to the amount you want to have guaranteed – to provide you with a performance guarantee. As explained before, this means that you will need to get a third party – friends, family, or some other person or organisation – to secure funds and deposit this money for you. Performance guarantees are often longer-term financial contracts. The money is usually ‘locked’ for a period of at least one year.
1.7.2 Post-shipment Finance

After the shipment you might need funds to finance the next project or post-shipment expenses such as

- paying for freight services
- (if specified in the contract) paying for eventual import duties at the border of the destination country and the foreign clearing agent
- advertising of goods in the export destination
- (if applicable) payment of representatives or distributors
- after sale services such as customer care
- participation in trade shows

Taking out a loan or requesting an overdraft allowance is usually the most straightforward financing option. The loan or overdraft is not restricted in terms of what the funds deriving from it can be used for. Refer to pages 140 and 144 in the glossary to find out more about the requirements for taking out a loan or requesting an overdraft. Alternatively, there are a few trade specific contracts you can enter into with your bank. We explain the ones most commonly provided in Rwanda.

1.7.2.1 Documentary Bills for Collection

<table>
<thead>
<tr>
<th>Why use a documentary collection service?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>✔ can create trust where there is none</td>
</tr>
<tr>
<td>✔ can be an option if you lack the financial means necessary for the bank to issue a guarantee</td>
</tr>
</tbody>
</table>

If the buyer agrees to only releasing funds once the goods have arrived, your bank and the buyer’s banks can act as intermediaries. Copies of the following documents will be sent through your bank to the buyer’s bank, which will then release the funds to your accounts once the buyer has approved that the documents match the shipment he/she expected. This service is called ‘documentary bills for collection’ or ‘documentary collection’.

**Requirements**

- invoice
- packing list (see Appendix XI for a template)
- bill of lading (see definitions, page 137 for an explanation)
- (if applicable) insurance documents and/or certificates
- other documents depending on contract terms
A letter of credit (LOC) is similar to ‘documentary bills for collection’ services. LOC services only differ in that they include a financial guarantee, a sort of insurance for the supplier of goods. A letter of credit (LOC) implies that the bank of the buyer provides a guarantee that the buyer will pay you. If the buyer defaults, his/her bank will cover the payment. The buyer will have to put up a cash or asset collateral to cover the amount that he/she owes you.

If you are the supplier in a trade, you will not have to arrange for a LOC – it is the buyer’s responsibility. However, you might want to consider arranging for an LOC for your own purchases. An LOC reduces the risk of fraud and non-compliance with contract terms. Usually, banks will set a range within which the amount of the LOC must fall. The LOC’s can be wholly covered, meaning the bank guarantees to step in and pay in case of default, or partially covered, implying that the bank only guarantees to pay for parts of the amount payable. Full coverage comes with higher fees, but also provides greater security. Most fees (see Box opposite) are calculated as a percentage of the LOC amount.

If the buyer and his/her bank have a good business relationship, the bank might also offer a ‘standby letter of credit’, which means that LOC services are provided without the buyer having to go through renewed assessment of creditworthiness, trade deal risks and approval of collateral.

### Why use a letter of credit?

**Advantages**
- can create trust where there is none
- protects you against default or fraud

**Disadvantages**
- often the guarantee does not cover the entire contract amount
- your buyer might not agree to pay for a LOC
- the financial transaction can also be secured through free services such as Paypal

### Price Estimates for LOCs

For each stage of the LOC process, different fees will apply. You will face:

- facility fees (for having an LOC): one off payment of RWF 100,000 + VAT or advisory fees of 0.25% of the LOC
- opening fee (for getting the letter of credit): 25% of the amount of the LOC + VAT
- payment fee (for when your bank actually wires the funds): 0.25–3% of the paid amount + VAT
- commitment fee (for the period for which the LOC is extended): 0.5–3.5% of the LOC per quarter
- swift fees (if you use swift code transfers): USD 20–40

Source: based on I&M and Access Bank price estimates
Requirements

• (proforma) invoice
• (some banks) letter of application for an LOC
• packing list
• bill of lading
• if applicable: insurance documents and/or certificates
• other documents depending on contract terms
• (if you are the buyer:) a good credit history
• (if you are the buyer) 100% cash collateral or mixed collateral

1.7.2.3 Invoice Discounting/Discounting Receivables

Payment might not often coincide with your production expenditures. To ease cash flow constraints, you can take out a loan using the amount you are about to be paid as a guarantee or ‘collateral’. A bank will loan you a proportion – most of the times up to 70% – of this amount. You will need to provide a commercial invoice and contact details of your buyer to attest that you are about to be paid. Your bank will verify with the buyer whether the invoice is genuine and you have not been paid yet. The bank will ‘refund itself’ for the loan when the buyer’s payment arrives in your account.

Requirements

• invoice
• name and contact details of the buyer
• credit history

Entering such an arrangement will make funds available to you to keep your business running until the cash comes in. Note however that you will have to pay interest on the loaned amount and some banks will ask for fees on top of that. If timing problems between payment and ongoing expenses might be a regular occurrence for your business, you should consider negotiating alternative payment arrangements in lieu of using “invoice discounting” or loans.

You could, for example, request to be paid in tranches following delivery of certain parts of the project.

1.7.2.3 Foreign Cheque Recovery

Several banks in Rwanda offer to clear a cheque issued in a foreign country and foreign currency. While these services are provided, it is advisable that you arrange for an alternative form of payment with your client as clearing foreign cheques is an expensive and time intensive process. Usually, fees for handling and clearing the cheque are charged and you will have to cover the costs of shipping the documents. In addition to these expenses, exchange rate

Price Estimates for Foreign Cheque Recovery

Depending on where the bank of your buyer is located, costs will vary. You can however expect minimum DHL costs of USD 20 per shipment, printing fees of several hundred RWF and 18% for sales taxes on top of the final fee.

Source: based on Access Bank estimates.
fluctuations and different exchange rate offers by banks can affect the total costs of clearing a foreign cheque.

All of these export finance options entail different degrees of risks and require different levels of documentation and collateral (see Figure 1 for an overview). For instance, LOCs are considerably easy to arrange for. You will simply need an account with a bank offering LOCs and include payment through LOCs in your contract terms. If you ship the goods and your buyer does not pay, their bank will pay your invoice. Depending on whether you are the supplier or buyer, you might have to provide collateral. However, entering an LOC means that only currency exchange risks or other contractual risks remain for you to deal with. An LOC is thus relatively easy to access and requires you to bear very little risk. On the other hand, overdrafts might be quickly arranged but also entail taking considerable risks: you will face interest payments, potentially fees and penalties if you miss the repayment deadline. Figure 1 gives you a more comprehensive overview of the different levels of access and risk each option entails.

It is important to note that both ease of access and level of risk, and especially costs – which are not depicted – can vary depending on your bank’s requirements, the risks of your trade and your credit history. Next we will focus on what types of risks you might face when exporting and what insurances are available to reduce these risks.

Figure 1: Export Finance Options Mapped by Risk and Access

<table>
<thead>
<tr>
<th>Finance Option</th>
<th>Level of Risk</th>
<th>Ease of Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Discounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Letter of Credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Check Recovery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documentary Bills for Collection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payment Guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bid Bond Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overdrafts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- 1 = lowest
- 5 = highest
1.8 Have you considered export risks and insurance?

When you start to export you will face risks additional to those you were facing domestically. First of all, you will face country risks – hazards that are specific to the country you are exporting to. This might have to do with political stability (will you be able to operate freely? is there a risk of expropriation?), economic development (is the country’s economy expanding or contracting?), the legal regime (are property laws strong and enforced? do commercial laws and courts exist and operate effectively?) or geographic location (does the country regularly fall victim to natural disasters? can conflict from another country easily spill over?).

Apart from these country-specific factors, there are a few general types of risks you must consider when exporting. We briefly explain the most common risks and what you can do to mitigate them in the next few paragraphs. Each risk is also matched with corresponding insurance options that can protect you against these risks. You can find an updated list of registered insurance companies and insurance brokers in Appendix V. An overview of the biggest insurers and what services they currently offer can be found in the table below.

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Sonarwa</th>
<th>Soros</th>
<th>Phoenix</th>
<th>COMAR</th>
<th>UAP</th>
<th>Britam</th>
<th>ATI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods in Transit</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Marine/Air</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Carrier Liability</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>General/Public/Product/Professional Liability</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Political Risk</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Currency Risk</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>USD denominated</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Euro denominated</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**Legend**

1 Available  
2 Only valid in Rwanda  
3 Not available
1.8.1 Credit Risk/Financial Risk

In some cases, clients may request a credit line from you, meaning that they can order and receive goods from you before they pay. In such a situation, you will need to ask yourself:

- Does my cash flow allow me to offer credit terms?
- What do I know about my client’s ability to pay? Has my client been reliable and paid other suppliers on time before (credit history)?
- Can my clients and my bank act as intermediaries for transactions?
- How difficult or easy will it be to resolve potential trade disputes with this client? What rights do I have? Will I be able to claim them?
- How difficult or easy will it be to recover unpaid debts?

If you suspect that credit risks are substantial but manageable, you can try to reduce them through the use of letter of credits or bank-mediated documentary collection described above in Section 1.7. Another alternative is to obtain credit risk insurance.

1.8.1.1 Credit Risk Insurance

This type of insurance is currently not offered by any insurance company located in Rwanda with the exception of African Trade Insurance (ATI) Ltd. This insurance company offers credit risk insurance to companies if both seller (exporter) and buyer (importer) are located in an African ATI member country. Currently the following states are members of ATI: Benin, Burundi, DRC, Kenya, Madagascar, Malawi, Rwanda, Tanzania, Uganda and Zambia. You should consider requesting a letter of credit instead of credit risk insurance if your export destination is not amongst these countries (for how to obtain Letters of Credit see page 47). To find out about the terms under which insurance can be offered to you, get in touch with ATI (see contact details in the box opposite). You will need to provide the following information.

Requirements
- name of company
- contact details
- specify the transaction, for which insurance is requested (e.g. loan guarantee, trade in goods on open account)
- brief description of the transaction or project that should be insured
- value and currency of the transaction/project
- detail contract terms and conditions (who is responsible for what?)
- method and terms of payment (what did you agree on with the buyer?)
- country, nature of business and name of the counter party (buyer)
- specify the amount and currency of insurance cover sought
- period for which the insurance should last
- when you want the insurance policy to take effect
- number of employees of the company

African Trade Insurance Ltd.
Tel.: (+250) 786 381 406
Email: rwanda@ati-aca.org
Website: www.ati-aca.org
1.8.2 Foreign currency and exchange risks

If you receive your payment in foreign currency, the figure agreed in the contract might not translate to the same amount in RWF on the day of payment. Take the example of a client who agrees to pay USD 5,000 in March for a shipment 3 months later. In March, this is the equivalent of RWF 3.4 million. Three months later when the client pays you, the exchange rate changed and USD 5,000 are only worth RWF 2.9 million. You are clearly receiving less in your bank account in RWF than you had expected. There are several options available to you to avoid such scenarios.

1.8.2.1 Mitigating currency risks

There are several measures you can take, in order to mitigate risks posed by dealing in different currencies. They include arrangements involving only you and the buyer, or third parties such as insurance companies and banks.

- **opening an account in foreign currency**: in order to minimize exchange rate risks, you can open an account denominated in US dollar (USD), British pound sterling (GBP) or euros (EUR). This option is offered by most banks located in Rwanda (see Table on page 50). Bear in mind that withdrawing from such accounts, entails a fee of 1–2%, depending on the arrangement you have with your bank;

- **off-setting export receivables against import payables**: if you buy goods from the same firm you are selling products to, you can arrange that instead of being paid in cash, you will receive a credit line for importing products worth the amount of your export products;

- **loans in the currency of the contract**: if you take out a loan, request an advance payment guarantee or invoice discount (see Section 1.7.1.4 and Section 1.7.2.3 respectively). You can arrange for them to be denominated in the currency of your contract. This means that the value of the payment you will receive and the amount loaned cannot diverge because of exchange rate changes. Depending on your credit history and bank, interest rates for loans in foreign currency might however be high;

- **entering into a forward exchange contract**: currently this option is not available when banking with a Rwanda-based company, however you might be able to make use of this option if you have a bank account in another country. A forward exchange contract allows you to ‘lock in’ the exchange rate between the time of your contract and the time you receive your payment; fees and interest rates will apply;

- **taking out an option or futures contract**: an option or future is a financial contract that allows you to bet on currency movements. They are currently not offered in Rwanda, yet you might be able to request such an arrangement with your bank abroad;

- **insurance against currency risks**: There is no currency insurance available in Rwanda at the moment. However, several insurance companies offer policies to be denominated in USD and Euros (see Table on page 50). None of the banks based in Rwanda offer forward exchange, options or future contracts at the moment. Should you want to take out such a contract, you will have to consult larger banks located outside Rwanda, such as commercial banks located in South Africa, Europe or the United States.
1.8.3 Transport and logistics risks

There are different degrees of risks related to transport of goods and other logistical matters depending on the export contractual agreement (see Incoterms, on page 111). Two of them include:

- **damage**: especially if you are exporting goods that can be affected by changes in temperature, you should ensure that the appropriate infrastructure – such as cold chains – are in place and intact; correct packaging will also be crucial;
- **loss or theft**: it is advisable to use logistic providers who you trust, have a good reputation in the industry and an appropriate insurance cover (see Carrier Liability Insurance below)

Moreover, having a good relationship with your clearing agent might further help you to assess how your product will be handled and where risks might lie. Depending on your contract and the risks you face, it might be worth taking out transport insurance.

1.8.3.1 Transport or cargo insurance

There are several types of insurance you can take out to mitigate risks associated with the trade and transport of goods. We will explain the four most commonly provided types of insurance: (i) goods in transit insurance, (ii) marine insurance, (iii) air insurance and (iv) carrier liability insurance.

**Goods in Transit (GIT) and Marine/Air Insurance**

Goods in transit insurance (GIT) covers loss, theft or damage to your goods when they are transported via road. Marine and air insurance cover the same but for transport via ship or by air. While marine insurance is always recommended, some cargo airlines provide some form of insurance for certain products. This will vary with the airline company you are using, the nature and value of your goods.

These three types of insurance are often also called warehouse-to-warehouse or port-to-port insurance, since goods will be insured from the moment they leave your company’s premises until they reach the destined warehouse or port (sea or air).

**Requirements**: You will need to present a copy of your commercial invoice to the insurer. The commercial invoice should specify the following or should be supported with documentation to clarify:

- company’s name and registration number
- company’s address/the address of the warehouse, where the goods are stored
- value of all goods transported (Note: they can be divided between vehicles; the insurance covers the value of goods and is therefore not tied to specific vehicles)
- vehicle number and type
- destination address
Carrier Liability Insurance

If you are using a transport company – i.e. you are not using your own vehicles to transport your goods from A to B – it is advisable to inquire whether the transport provider has carrier liability insurance. This type of insurance will cover any damages, theft or loss of your goods that occur while the transport provider (carrier) is handling your goods. If the carrier has such insurance and damage, loss or theft occur, the carrier’s insurance company may cover part of it. It is important to determine the maximum value that the carrier is insured for. If your goods are very valuable or you are shipping a large amount, the insurance may not be able to cover substantial losses.

1.8.4 Legal Risks: intellectual property, trademarks and damage claims

Depending on the country you are exporting to and the nature of your export good, you might need to consider risks of your product being copied, your brand or logo being stolen or abused, and consumers filing for damages because they have been disappointed, harmed financially, physically or mentally by your product, a business process or service you provide. This is especially relevant if you choose to license your product, work through representatives or distributors. In such cases, your partner has greater access to trade secrets, technical knowledge and trademarks such as logos.

It is advisable to contact a commercial attaché, country representative, specialised consultant or experienced exporters who are knowledgeable about your destination market’s legal landscape to assess relevant legal risks.

1.8.4.1 Mitigating legal risks

A host of legal challenges could be launched against your company. In this section we will focus on how you can mitigate against the risk of being sued because your company, your employees or your product have caused harm to someone. This can be achieved via taking out liability insurance.

Most insurers in Rwanda offer a range of liability insurances (see Table on page 50). Depending on the particular risk you perceive, you can choose between taking out (i) product, (ii) public, (iii) general or (iv) professional insurance cover. The last three types are mostly relevant for businesses processes or service providers. It is important to note that while most insurance providers in Rwanda offer this type of insurance, several offer it only for Rwanda (see Table on page 50). This means that if your product, business process or service causes harm outside Rwanda, the insurance will not cover damage claims.

Product Liability

If you believe that your product could harm someone – perhaps due to its properties, ingredients or packaging – you can opt for product liability insurance. Such insurance would be appropriate if, for instance, you are selling dairy products to Kenya and you are worried that someone might sue you for having consumed a product that was spoilt before its stated expiration date. Other examples might be manufactured goods that can ignite, cause fires or injuries.
Public, General and Professional Liability

If your business model includes processes or you provide services that could cause harm, you can take out one of three liability insurances, depending on where you expect risks to lie.

If you think you could harm the general public – neighbours, pedestrians or other unrelated parties – you should take out public liability insurance. An example is if you are transporting hazardous material to your factory and an accident results in your material causing injury to people.

General liability policies insure against any harm that a mistake, negligence or fraud on your or the behalf of any of your employees have caused.

Professional liability insurance is similar to general liability insurance but specifically insures against harm that is caused by a professional failing to provide their services correctly. For instance, a medical doctor who harms a patient by prescribing the wrong treatment could be sued by this patient. The insurance covers such claims up to a pre-specified amount.
Managing Export Risks – Bralirwa

Direct exporting offers a lot of control ranging from delivery times to marketing of your products. This level of control however comes with many risks attached. Risks are especially high if market knowledge is low and export conditions are volatile.

Using distributors

For Bralirwa, eastern DRC appeared like an attractive market to venture in: because of the security and infrastructure situation, the region around Goma is cut-off from commercial centres located in the rest of the country. The area is densely populated and home to a relatively young, beer-loving population. However, dealing with customs at the DRC border is time-intensive and costly. Owing to a lack of paved roads and political instability, transporting and distribution of goods is hazardous. The absence of large supermarkets and other retail outlets with high visibility makes it difficult to find and target costumers.

Instead of forgoing this opportunity, Bralirwa leverages its strong brand image to attract wholesalers and distributors that would buy its products in Rwanda and market them in DRC. The wholesalers operating in DRC file an order with Bralirwa. They are then responsible for transporting the goods, getting them cleared at customs and marketing them in DRC. Bralirwa supplies them with all necessary documentation and offers marketing support, including tips about targeting and placing advertising materials such as banners or billboards.

By using distributors to export, Bralirwa eliminates many risks. But it also exposes itself to the risks associated with dealing with independent wholesalers. They might, for example, fail to warehouse its products properly, harm the reputation of its products through inappropriate targeting and marketing or spoil Bralirwa’s image by consistently delivering late.

In order to minimise such risks, Bralirwa uses strict guidelines for selecting its distributors. Selection criteria include standards for warehousing, ordering a minimum amount and abiding by the export country’s laws and regulations.

To reduce financial risks, Bralirwa requires its distributors to open an account with a bank located in Rwanda. Each time distributors file an order, they have to deposit 100% of the value of the order in this account before they receive the goods.

Dealing with political and legal risk

However, even when taking such precautions some export risks remain. In 2013, DRC substantially increased import taxes on beverages coming from Rwanda. The added costs made Bralirwa products uncompetitive. Bralirwa was forced to re-focus its export efforts to its other markets – Uganda and Tanzania. However, in Tanzania Bralirwa again ran into political difficulties. In 2014, Tanzanian authorities banned the sale of Primus beer because its labels were in French. The authorities required Bralirwa to change all of its labels before allowing the product to be marketed again. Like most Rwandan producers, Bralirwa sources its packaging from abroad. Redesigning, producing and importing new labels is costly. Nonetheless, Bralirwa decided not to drop the idea of exporting to Tanzania. Instead the company turned this challenge into an opportunity to improve the labelling of its entire Primus line. Once the English labels are ready, Bralirwa will again supply Tanzanian distributors with Primus beer.
Step 1: Getting Ready to Export

Checklist

a. Have you registered as a company with RDB?
   - YES

b. Do you have a business plan?
   - YES

c. Have you found customers yet that expressed their interest?
   - YES

d. Do you have the necessary cash flow or capacity to make the products?
   - YES

e. Have you considered all potential export risks and insurance?
   - YES

Next Step: Getting to Know Your Market!
Before you can start on the export process, you should determine where you want to export your goods. Having a good understanding of your export market is key to establish business relationships and expand your market share in the long-run.

2.1 Steps to Take

1. Conduct market analyses of several countries, compare them and identify potential export destinations. For two examples of market analysis tools, go to Chapter 2.4.

2. Understand how trade agreements and tax codes impact your export plans. Consult Chapter 2.5 for an overview of trade agreements and tariffs of 5 key markets: EAC, COMESA, DRC, EU and USA. For specific information on any other markets, get in touch with RRA or your export destination’s custom authorities.

2.2 Key Institutions and Organisations

<table>
<thead>
<tr>
<th>MINEAC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tel. 250 252 599 120</td>
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</tr>
<tr>
<td>Email <a href="mailto:mineac@mineac.gov.rw">mineac@mineac.gov.rw</a></td>
<td></td>
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<tr>
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</table>

<table>
<thead>
<tr>
<th>COMESA Secretariat</th>
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</thead>
<tbody>
<tr>
<td>Tel. +260 211 229725/32</td>
<td></td>
</tr>
<tr>
<td>Website <a href="http://www.comesa.int">www.comesa.int</a></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Embassy of the DRC to Rwanda</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tel. (+250) 783 007 318/(+250) 252 575 999</td>
<td></td>
</tr>
<tr>
<td>Email <a href="mailto:ambardckigali@yahoo.fr">ambardckigali@yahoo.fr</a></td>
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</table>
### 2.3 Overview of Key Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>EAC</th>
<th>COMESA</th>
<th>DRC</th>
<th>EU</th>
<th>USA</th>
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</thead>
<tbody>
<tr>
<td>Preferential Trade Agreement</td>
<td>yes</td>
<td>yes</td>
<td>not implemented to date</td>
<td>yes</td>
<td>yes</td>
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<tr>
<td>Harmonised Product Standards</td>
<td>in progress</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Private Property Protected</td>
<td>yes</td>
<td>mostly</td>
<td>difficult to enforce (eastern DRC)</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Intellectual Property Protected</td>
<td>piracy/forfeiting is prevalent</td>
<td>piracy/forfeiting is prevalent</td>
<td>difficult to enforce</td>
<td>good</td>
<td>good</td>
</tr>
<tr>
<td>Market Size (Population in Million)</td>
<td>140</td>
<td>390</td>
<td>65</td>
<td>700</td>
<td>300</td>
</tr>
<tr>
<td>GDP/capita PPP (int. USD)</td>
<td>1,535</td>
<td>5,740</td>
<td>747</td>
<td>25,100**</td>
<td>53,143</td>
</tr>
<tr>
<td>Annual growth rate (average 2009–2013)</td>
<td>4.05%</td>
<td>4.12%</td>
<td>6.17%</td>
<td>NA</td>
<td>3.12%</td>
</tr>
</tbody>
</table>

* World Bank Data 2013  ** Eurostat 2011

### 2.4 Market analysis

Your competitive advantage and ability to export will heavily depend on how well you can exploit the conditions of your destination market. There are a few market tools that you can use to help you understand a market environment and develop strategies to exploit market opportunities effectively. Two of the most widely used tools to assess market characteristics are PESTLE and Porter’s Five Forces Model. It is important to bear in mind that these tools can only provide you with a snapshot of competitive conditions in your target market. The usefulness of these tools will depend on whether you select factors, target...
groups and competitors for comparison that are relevant to your business model. To understand market dynamics you will need to monitor changes in all of the selected categories and consider reviewing your strategic focus from time to time.

2.4.1 PESTLE Analysis

The basis of this tool is an acronym to remind you of factors you should consider when assessing a market.

**P for Political**

Analysing your export market’s political environment is essential to understand power dynamics and predict potential legislative changes. Mindtool, an online market analysis tool provider, suggests finding answers to the following questions will help you to assess the political sphere of your export destination:

- When is the country’s next local, state, or national election? How could this change government or regional policy?
- Who are the most likely contenders for power? What are their views on business policy, and on other policies that affect your organization?
- Depending on the country, how well developed are property rights and the rule of law, and how widespread are corruption and organized crime? How are these situations likely to change, and how is this likely to affect you?
- Could any pending legislation or taxation changes affect your business, either positively or negatively?
- How will business regulation, along with any planned changes to it, affect your business? And is there a trend towards regulation or deregulation?
- How does government approach corporate policy, corporate social responsibility, environmental issues, and customer protection legislation? What impact does this have, and is it likely to change?
- What is the likely timescale of proposed legislative changes?
- Are there any other political factors that are likely to change?

**E for Economic**

One of the most important factors to consider is the economic development of your export target. You should consider:

- How stable is the current economy? Is it growing, stagnating, or declining?
- Are key exchange rates stable, or do they tend to vary significantly?
- Are customers’ levels of disposable income rising or falling? How is this likely to change in the next few years?
- What is the unemployment rate? Will it be easy to build a skilled workforce? Or will it be expensive to hire skilled labour?
- Do consumers and businesses have easy access to credit? If not, how will this affect your organization?
- How is globalization affecting the economic environment?
- Are there any other economic factors that you should consider?
S for Social

This is not an exhaustive list but some of the social factors you should consider include demographic factors such as age structure, health, occupation, standard of living as well as cultural aspects like consumer preferences, product perceptions and consumption trends.

- What is the population’s growth rate and age profile? How is this likely to change?
- Are generational shifts in attitude likely to affect what you’re doing?
- What are your society’s levels of health, education, and social mobility? How are these changing, and what impact does this have?
- What employment patterns, job market trends, and attitudes toward work can you observe? Are these different for different age groups?
- What social attitudes and social taboos could affect your business? Have there been recent socio-cultural changes that might affect this?
- How do religious beliefs and lifestyle choices affect the population?
- Are any other socio-cultural factors likely to drive change for your business?

T for Technological

Technology will be more relevant for certain products than others. However, factors such as technological standards and infrastructure are likely to affect your business regardless of your product or service. The use of technology can lead to time and cost savings, differential access to information and effectiveness of communication. You should therefore ask yourself:

- What technology do competitors use? Is it more sophisticated, faster, cheaper than the technology your company is using?
- What is the technological infrastructure of your market like? Can you get access to telephone services and internet? At which costs? How reliable are connections?
- What technology are your consumers using? Can you reach them via social media platforms, email, phone calls, texting?
- What technological changes can be expected in the market? How would they affect your business?

L for Legal

This category can overlap with the “Political” module. It is however worth analysing how particular laws and regulations could affect your business operations.

- Are property rights enforced in your export destination?
- Is there commercial law? Is it enforced? How does it affect your business?
- What regulations exist that could affect your product? Do you need to meet any standards? Who certifies products?
- Are there any products or services that are banned?
- What is the tax regime like? How does it affect your business?
- How could changes to the legal system affect your business?
E for Environmental

In many countries environmental issues can considerably affect business success. Environmental factors include issues such as exposure to natural hazards and environmental effects of your business.

- Are there any natural hazards in the area you are operating in? Floods, storms, earthquakes, draughts…? How could they affect your business?
- What is the level of CO2 emissions your business operations would produce? Is it within allowed limits?
- What kind of waste materials would be associated with your business operations? How would you manage this waste?
- Could your business adversely affect local communities? What can you do to mitigate effects?

2.4.2 Porter’s Five Forces

The Five Forces analysis tool focuses on a handful of factors shaping the competitive environment of a market. The tool is designed for assessing the environment of producers, but can be adapted for service providers. It’s important to understand that the tool is product-specific. If you are marketing several products, you will need to conduct a five forces analysis for each. It will require separate analysis, to understand possible synergies or contradictions between the product lines. The tool is also market-specific. You can only analyse one market environment at a time. If you are considering several markets – geographical or demographic – you will need to conduct several Five Forces analyses and compare them. Adopting a scoring system that quantifies pros and cons can aid cross-comparison.

The basic Porter’s Five Forces model consists of five components – four arrows and the centre. The four arrows of the model depicting (i) entry barriers, (ii) supplier power, (iii) buyer power and (iv) threats of substitution act together in influencing the (v) level of competition a company in a given market faces. We will discuss each factor in turn.

1. Entry barriers/threat of new entry
2. Supplier power
3. Buyer power
4. Threat of substitution
5. Competitive rivalry
1. Entry barriers/threat of new entry

This section looks at the ease with which companies can enter the market: the more barriers there are, the harder it is to enter the market. The degree to which barriers can be a hindrance can vary widely. While it is advantageous for your company if it can easily enter the market, it will also more likely face competition from new businesses contesting market share. Possible barriers to entry include:

- Start-up costs (how much does it cost to set up a business competitive with yours?)
- Specialist knowledge (is the knowledge necessary to enter your market hard to acquire? do you need certain qualifications? accreditations?)
- Licenses/regulation (do you require a special license to operate? is it time-consuming or costly to obtain? is there any regulation barring companies from entering your market?)
- Patents or other intellectual property protection (can your product be replicated easily? are there patents a competitor would first need to acquire to produce something similar? what are the chances of new firms violating intellectual property laws and copying your product?)
- Profitability only achieved at large scale (Are economies of scale significant in your sector? what level of investment is necessary to compete?)

2. Supplier power

Every business selling products will have to deal with suppliers. If your suppliers have a strong bargaining position, the costs of your inputs might be high, the prices inflexible and – if suppliers are unreliable – high operational risks. Factors influencing the bargaining power of your suppliers entail:

- Number of suppliers
- Size of suppliers (are there two big ones? one big, one small one? etc.)
- Uniqueness of services/products supplied (are they the only ones supplying the product?)
- Ability to substitute supplied materials (can I get alternative materials to produce the same product? e.g. mango rather than pineapple?)
- Costs associated with changing the supplier (are the parts supplied by another company compatible with my production process and machines?, do I need to retrain my workforce if I switch the supplier? etc.)

3. Buyer power

Buyers’ power relates to the degree of influence that the groups buying your products/services has over dictating prices and terms of transaction. The bargaining power of your buyers will depend on several factors, the main ones being:

- Number of customers (total and groups)
- Size of each order (bulk buying vs. small, one-off purchases)
- Differentiation between competing companies (how different is your product to that of your competitors? in terms of price, distribution, branding...?)
• Price sensitivity of customers (which level of change in price makes customers change their buying behaviour?)
• Brand sensitivity of customers (brand loyalty)
• Ability to substitute products (buying something else)
• Costs of changing (costs of buying from someone else)

4. Threat of substitution

It is useful to consider your competitive environment outside the immediate product category. The range of products that can be considered as substitutes for what you offer will heavily depend on your customer’s perceptions and preferences. For example, mango juice from brand X might taste just as good to some as pineapple juice from company Z.

Nonetheless, there are three key factors that can determine how much of a threat some substitutes can affect your product:
• relative performance of the substitute (does it satisfy the core need that my product addresses?)
• price of the substitute (how much does the substitute cost in comparison to your product? comparing one-off costs, maintenance costs, usage costs…?)
• switching costs (how much does it cost to use the substitute rather than your product?)

5. Competitive rivalry

All these components will influence the level of competitiveness in your market. If you face many business rivals, many new market entrants, strong suppliers, strong buyers and many substitutes, your market is very competitive. The more competitive a market is, the less likely are your chances for securing adequate market share to run a profitable business. In such a case, you should reconsider whether you want to enter or continue operating in this market. For instance, you might want to look at different geographical regions or customer groups.

In order to answer questions raised by your market analysis, you will require in-depth market knowledge. In the next chapter, we provide a brief overview of the main legal issues that you will face in the following selected markets:
• East African Community (EAC)
• Democratic Republic of Congo (DRC)
• European Union (EU)
• United States of America (USA)

For updated market information, information about other markets and assistance in analysing your export market, contact the Trade and Manufacturing Department of RDB (see Box on page 25), an embassy of your export destination in Rwanda or a Rwandan embassy located in your export destination (Appendix XIII).
2.5 Exporting to specific markets: EAC, DRC, COMESA, EU and USA

As part of your market analysis, you should inform yourself about particular trade deals, duties and tariffs applying to your products. In this chapter we will give you a brief overview of trade arrangements between Rwanda and member countries of the (i) East African Community (EAC), the Democratic Republic of Congo (DRC), (iv) Common Market for East and South Africa (COMESA), (v) European Union (EU) and (vi) United States of America (USA).

For any further information you need about duties, tariffs, quotas and beneficial trade arrangements, Rwanda Revenue Authority’s (RRA) customs unit will be your main contact point. RRA is responsible for regulating imports and exports, issuing certificates of origin verifying that your product comes from Rwanda and collecting possible duties that apply (see Box opposite).

In order to find out what specific rules and regulations apply to your specific product and export destination, you will need to know the Harmonised Systems (HS) code of your product. You can obtain your HS code online via the hscode website (see Box opposite). If you are still unsure about which product code is the correct one for you, you can contact RRA’s customs unit who will provide you with further advice.

Another important thing to stay informed about are ‘rules of origin’. Trade agreements are made between countries with a view to improving trade of their products and services. Parties to the agreement want to ensure that only products coming from the member countries receive preferential treatment. Therefore, most trade agreements specify ‘rules of origin’. These are sets of rules determining under which circumstances a product can be considered to originate in a particular country. In the following sections on the EAC, COMESA, DRC, EU and USA we will discuss the ‘basic layer’ of rules of origin. You should however find out about the particular rules of origin that apply to your specific product and export market. You can find out more by consulting RRA’s customs unit (see Box above).
2.5.1 Exporting to the EAC

2.5.1.1 About the EAC

The East African Community (EAC) was established on 30 November 1999 in Arusha, with the signing of the Treaty for the Establishment of the East African Community. This treaty came into force in July 2000. The EAC is an intergovernmental organisation with a mandate to promote regional integration between its member states. Its founding members are the Republics of Kenya, Uganda and the United Republic of Tanzania. In 2007 the Republic of Rwanda and Republic of Burundi joined the EAC.

The EAC Customs Union entered into force in January 2010, followed by the Common Market Protocol in July 2010. Under the EAC Customs Union all member states apply the same tariffs on goods traded between them. The EAC Common Market Protocol guarantees the free movement of goods, persons, labour, capital, services and the right of establishment (of a business) and residence. On November 30, 2013 the Protocol for the Establishment of the EAC Monetary Union was signed, paving the way for preparations to harmonise fiscal policies and exchange rates. These three agreements are at various stages of implementation. The next chapter gives you an overview of currently applicable preferential arrangements. In Section 2.5.1.2 you can find a list of discussed changes that you might want to monitor. For the most up-to-date information on the state of EAC negotiations, you can get in touch with Rwanda’s Ministry of the East African Community (MINEAC).

Figure 2: Map of EAC

Source: transportworld.co.za

MINEAC
Tel.: + 250 252 599 120
Email: mineac@mineac.gov.rw
Website: www.mineac.gov.rw
The EAC’s current market comprises about 134 million people and has a GDP of USD 74.5 billion. For more information on the EAC, visit their website: www.eac.int

2.5.1.2 Benefits of trading within the EAC

Exporters can profit from EAC agreements through import tax reductions and – planned – free movement of goods and people between the member states.

**Tariff reductions**
Under the Common Market agreement of the EAC, a Rwandan company can import raw materials from the EAC without being taxed. Semi-finished products – goods that are inputs to other products – are taxed at 10%. An example for a semi-finished product would be cement bought to be turned into concrete. For final products a maximum rate of 25% applies. Final products are those that are sold in the form in which they have crossed the border. For example, fruit juice, shoes, packaged ready-to-eat nuts or mattresses would count as finished products.

The same rates – 0%, 10% and 25% – also apply when an EAC member imports Rwandan goods, i.e. she buys goods from a Rwandan exporter. This implies that Rwandan goods will face fewer duties than goods originating from third party countries; they can therefore be cheaper and gain a competitive advantage over products that are being imported from non-EAC countries.

**EAC Rules of Origin**
In order for exported goods to profit from the EAC agreements, they have to be sourced or manufactured within Rwanda. This is documented through a certificate of origin. Under the EAC agreement, products that fall under the following categories are always considered to have been wholly produced, and therefore to “originate in one country”:

a. mineral products extracted from the ground or sea-bed of the EAC member state;
b. vegetable products harvested within the EAC member state;
c. live animals born and raised within the EAC member state;
d. products obtained from live animals within the EAC member state;
e. products obtained by hunting or fishing conducted within the EAC member state;

f. products obtained from the sea, rivers or lakes within the EAC member state by a vessel of that EAC member state;

g. products manufactured in factories located in the EAC member state, made from products listed in f;

h. used articles fit only for the recovery of materials, provided that such articles have been collected from users within the EAC member state;

i. scrap and waste resulting from manufacturing operations within the EAC member state;

j. any products manufactured in factories located in the EAC member state, which either
   i. have been manufactured using items listed in a–i; or
   ii. from unidentified materials originating from the EAC member state;

k. electrical power, fuel, plant, machinery and tools used in the production of goods.

To profit from most trade agreements, you will need to provide a certificate of origin that at least 30% of your products value originated in Rwanda. Similarly, to claim back import duties for products that feed into your export good – e.g. if you bought packaging materials from Uganda for the pineapple juice you produce – you need to ensure that they come with a certificate of origin.

You can receive a certificate of origin stating that your goods come from Rwanda. You or your clearing agent can obtain a certificate of origin from the customs unit of Rwanda Revenue Authority (RRA). You can find detailed information about this process in Section 3.7.

In case your product does not fall into any of these categories, you can get more specific information on what rules apply by reading the EAC Rules of Origin document available online. Should you require additional information, you can get in touch with Rwanda Revenue Authority’s Customs Office via the RRA hotline or via email (see contact details in the Box on page 65).

**Common standards**

Over the last few years, Rwanda has harmonised several hundred of its product standards with standards applicable to the entire EAC region. Every new standard that is produced since the agreement came into place will be in line with EAC standards. This means that if the Rwanda Standards Board (RSB) certifies your good, production process or service as meeting minimum standards for Rwanda, it means that it automatically meets EAC standards. For example, if you obtain a RSB certification for your product, you can export to Burundi and be assured it would meet minimum standards there too. No additional certification will be necessary. Your product will be treated the same in any of the EAC countries.

A catalogue of EAC harmonised standards is available at RSB and online on www.eac.int
Free movement of goods and capital

In 2010 the EAC common market agreement has been signed, but at the time of printing this book, it has not been fully implemented yet. Some tariffs and temporary import quotas still exist. Customs clearance processes are not fully integrated as yet. There are however efforts under way to simplify procedures for Rwandan traders. For example, the One Single Electronic Window allows sharing data on customs, payment and the tracking of goods between Rwanda and Kenya. The system is scheduled to be implemented in the remaining member states within the next few years. While weighing bridges still exist, trucks moving within the EAC only need to clear customs once – at the point where they leave the country of origin, in your case Rwanda – reducing costs and waiting time at border posts.

Kenya, Rwanda and Uganda have already put measures in place to make free movement of capital between their territories and other EAC members a reality. This means that any money earned in one country can be transferred to the other country without facing restrictions or fees (apart from the ones that your financial institution might charge you). By 2015, Burundi and Tanzania plan to have implemented the same rules.

One Single Electronic Window

Since 2012 RRA uses the One Single Electronic Window (OSEW) – an online system – for filing, issuing and modifying export and import declarations. Through scanning and uploading of key documentation such as certificates of origin or quality and customs declarations, information can – eventually – be shared between all EAC members. This renders repeated inspection of customs documents at EAC borders obsolete. Currently, only persons certified as clearing agents are able to access it. The OSEW is only linked to Kenya’s online clearing system at the moment. Check with RRA customs unit for an update on the current status of integration.
Free movement of people

If your export market lies within the EAC, travel is much easier. If you or your employees possess a valid passport from an EAC country, you can travel without the need for a visa. No fees apply. Further, your national health insurance will cover expenses in all EAC countries. Should you need to work within an EAC country, you can do so without paying for a work permit in

- Burundi, if you are a professional (e.g. lawyer, medical doctor, accountant, economist)
- Kenya, if you are a manager, professional, technician or associate professional,
- Uganda, if you are a manager, professional or craftsman.

Tanzania is planning to allow professionals, technicians and associate professionals from the EAC to operate without a work permit by 2015.

Many of the measures aimed at market integration are still under negotiation or in the process of being implemented. To be informed about the most up-to-date rules and regulations that apply to your product and your EAC export destination, it is therefore advisable to check the EAC’s online trade helpdesk where you can find out about trade data, tariffs, duties and quotas.

2.5.1.3 Using the EAC Trade Helpdesk

The EAC operates a website summarising all currently applicable duties for goods that can be traded between EAC countries together with monthly and annually updated trade statistics. You can access the website on: http://tradehelpdesk.eac.int/

Under the section “Import Tariffs” you can enter your product’s HS code – or find it via the online Tariff book – and select the destination country of your exports. You will then see an overview of what tariffs and duties apply to your products.

1. You can find information on the most up-to-date import tariffs and trade statistics for all EAC member countries on the Trade Helpdesk platform.

Click on the appropriate tab to navigate to the section you are interested in.
2. If you click onto ‘import tariffs’ and then ‘search form’ you get to a tool, which will help you to find the tariffs that currently apply to your product in your export destination.

Next type in your HS Code or select the ‘Browse Products/HS Codes’ button and click through the menu until you find your product. The product code will appear in the white field.

After this, select the destination you want to export to from the dropdown menu.

Press the ‘search’ button next to display the results.

3. A page displaying your results will appear. Look in the ‘EAC’ column to see which tariff applies to your product if it originated in Rwanda or another EAC country. The ‘COMESA’ columns display tariffs for products originating from COMESA Free Trade and Non-Free Trade countries. The last column, ‘REST OF THE WORLD’, displays tariffs applying to your product if it originated from any other country that is neither part of EAC nor COMESA.
2.5.1.4 Dispute Settlement

Under the EAC agreement, companies can file a complaint with a Rwandan Commercial Court if they have evidence of an EAC member or company located in an EAC country breaching EAC rules. For cases where damages would cost below RWF 20 million your local Commercial Court will be responsible. Any cases involving more than this sum must be referred to the Rwandan Commercial High Court. More information can be found at the Rwanda’s central judiciary (see contact details in Appendix XIII). Other points of contact for obtaining more information on the arbitration process are MINICOM, MINEAC and for Kigali, the Kigali International Arbitration Centre (KIAC).

2.5.2 Exporting to the DRC

2.5.2.1 About DRC

The Democratic Republic of Congo (DRC) is one of Rwanda’s neighbouring countries, bordering the Western parts of the country. Most of Rwanda’s non-traditional exports (anything apart from coffee, tea and minerals) are destined for DRC. Border posts between DRC and Rwanda are the busiest export hubs of the country. DRC is one of the most populous countries in Africa, being home to over 77 million people. Northern and Southern Kivu, two of eastern DRC’s provinces bordering Rwanda are the most densely populated areas of DRC. Goma, the capital of North Kivu, counts around 800,000 citizens. Bukavu, the capital of South Kivu, hosts around 1 million people. Due to Bukavu’s infertile soils, poor infrastructure and volatile security situation the two provinces have become highly dependent on imports from Rwanda. While formal trade links are not well developed and and significant non-trade barriers exist (see Section 2.5.2.4), DRC can provide an attractive export market for Rwandan companies.

Figure 3: Map of DRC

Source: operationworld.org
2.5.2.2 Trade Agreements, Taxes and Tariffs

<table>
<thead>
<tr>
<th>Type of Tax</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import Duty levied on all goods</td>
<td>10–20%</td>
</tr>
<tr>
<td>VAT</td>
<td>16%</td>
</tr>
<tr>
<td>Consumption tax</td>
<td>10%</td>
</tr>
<tr>
<td>Quality inspection fee for imports</td>
<td>2%</td>
</tr>
<tr>
<td>Consumption tax on motor vehicles</td>
<td>5%</td>
</tr>
<tr>
<td>Consumption tax on sugar</td>
<td>5%</td>
</tr>
</tbody>
</table>

DRC is part of the Common Market Agreement of East and South Africa (COMESA). However, it has so far not implemented any tariff reductions for COMESA member states. This means that you will face import taxes like any other trading partner, when exporting to DRC.

According to DRC’s custom authorities, any product being imported into DRC will face 10–20% import duties. For product-specific rates, you will need to inquire custom authorities directly at the border. In addition to import taxes, 16% VAT and 10% consumption tax will be levied on consumer goods. These taxes are paid by the consumers of your products. If your export product is a motor vehicle or sugar, an additional 5% will be applied. Should any quality inspections be required by DRC’s custom authorities, you will need to pay an additional 2% of the value of your import goods.

2.5.2.3 Trade Patterns of Rwanda-DRC cross-border trade

In 2012 DRC ranked as Rwanda’s largest trading partner. About 70% of all Rwandan formal exports and 80% of its informal exports were destined for DRC. The GoR identified North and South Kivu as markets with the highest potential for export expansion with a very high annual demand for Rwandan products. This region has an estimated annual demand of over USD 2 billion for Rwandan products.

2.5.2.4 Non-Trade Barriers and Other Risks Trading with DRC

While there is a lot of potential for increasing exports and profits in DRC, conditions are difficult. A survey conducted for the World Bank’s Defragmenting Africa report in 2010 found that 100% of all informal traders operating on the Goma-Gisenyi border were pressured to pay bribes.

Due to security concerns, storing goods on the DRC-side of the border is often deemed too risky. Sufficient warehouse structures to cope with larger trade volumes for temporary storage during inspection and customs clearance are still being developed. Reports about corruption and long delays when trying to clear goods are frequent.
2.5.3 Exporting to COMESA

2.5.3.1 About COMESA

The Common Market for East and Southern Africa (COMESA) was established in 1993/4. It has 19 members: Burundi, Comoros, the Democratic Republic of Congo (DRC), Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. Its member states strive to establish a free trade zone between its territories. Several trade tariffs have already been reduced and harmonised between its member states. As of June 2014 out of 19 member states, 13 have implemented the Free Trade Area. The remaining countries still apply varying levels of tariffs to exports from member countries. All countries retain the right to draw up lists of restricted goods, which continue to face tariffs. These lists are usually updated bi-annually. Contact RRA’s customs union for the latest tariffs.

Figure 4: Map of COMESA

![Map of COMESA](image)

Source: weekly-ahram.org.eg

Apart from working towards the establishment of a common market, COMESA commits its member states to adhering to the following principles:

- Equality and interdependence of member States
- Solidarity and collective self-reliance
- Non-aggression between member States
- Recognition, promotion and protection of fundamental human rights
• Commitment to the principles of liberty, fundamental freedoms and the rule of law
• Maintenance of peace and stability through the promotion and strengthening of good neighbourliness
• Commitment to peaceful settlement of disputes among member States
• Promotion and sustenance of and accountable and just democratic system of governance

You can find more information online: www.comesa.int

2.5.3.2 Tariffs and Rules of Origin

As of 2014, most COMESA countries have not concluded their trade negotiations or implementation of COMESA custom union rules. It is expected that duties that will be applied to goods will change substantially during the coming months and years. While we present duties applying at the date of print of this handbook, it is advisable to contact RRA’s customs unit to get the most up-to-date tariff rules for your specific export product and export destination (see Box on page 65 for contact details). For any tariff reductions to apply, the traded good must qualify as originating from one of the member countries. This means that at least 30% of the value of the good you are exporting must have been created in Rwanda or another COMESA country (for an example see the Case Study on page 78).

Currently, 13 out of 19 countries are part of COMESA’s free trade area (FTA), where no duties apply (see the Table on the next page). COMESA operates on the principle of reciprocity. In practice this means that Rwanda allows products originating from any of these 13 countries to be imported free of tariff. Products originating in Rwanda can be exported to any of these 13 countries free of tariff.

If you export to any of the remaining 6 COMESA member states, you will face tariffs (see the Table on the next page). The usual regional EAC tariffs will apply to goods you import from DRC, Libya, Seychelles and Swaziland (finished products: 25%, semi-finished products: 10% and raw materials: 0%). To learn about tariffs that your export products face when entering DRC, Libya, Seychelles or Swaziland, you must consult these countries’ customs authorities. The trade department of RRA can help you to get in touch with these offices (contact details, see Box on page 65).

Swaziland applies the same rates as its fellow SACU (South African Custom Union) members Botswana, Lesotho, Namibia and South Africa on most Rwandan products. To receive real time information about any changes to SACU tariffs, you can sign up to SACU’s online custom book (see Box opposite for link).

Products exported to Ethiopia, or imported from Ethiopia face a 22.5% tariff if they...
are finished goods, 9% if they are semi-finished and no tariffs if they are raw materials. Goods exported to Uganda and Eritrea, or imported from these two countries face lower tariffs: 5% for finished, 2% for semi-finished products and 0% for raw materials.

The remaining COMESA countries apply the maximum amount of COMESA tariffs to products coming from Rwanda: for finished goods 25%, for intermediate goods 10% and no duties for raw materials. To ease customs clearance processes, some COMESA countries have adopted the Regional Customs Transit Guarantee (RCTG), explained below.

### COMESA Tariffs

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Country</th>
<th>When exporting to...</th>
<th>When importing from...</th>
</tr>
</thead>
<tbody>
<tr>
<td>No discounts</td>
<td>DRC</td>
<td>National Rates – check with country’s custom authorities</td>
<td>Finished goods: 25%</td>
</tr>
<tr>
<td></td>
<td>Libya</td>
<td></td>
<td>Semi-finished goods: 10%</td>
</tr>
<tr>
<td></td>
<td>Seychelles</td>
<td></td>
<td>Raw materials: 0%</td>
</tr>
<tr>
<td></td>
<td>Swaziland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA</td>
<td>Burundi</td>
<td>All goods*: 0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Comoros</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Djibouti</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Egypt</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kenya</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Madagascar</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Malawi</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mauritius</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sudan (North)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zambia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zimbabwe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discounted Rates A</td>
<td>Uganda</td>
<td>Finished goods: 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eritrea</td>
<td>Semi-finished goods: 2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ethiopia</td>
<td>Finished goods: 22.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Semi-finished goods: 9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Raw materials: 0%</td>
<td></td>
</tr>
</tbody>
</table>

Note: Rates and agreements stated here reflect the status of June 2014. Please contact RRA’s customs unit for updated information.

#### 2.5.3.3 Regional Customs Transit Guarantee (RCTG)

In 2011, Rwanda implemented a simplified customs clearance process for goods that transit between COMESA countries in 2011. Instead of having to clear customs at every border that is being crossed, under the Regional
Customs Transit Guarantee (RCTG) system your clearing agent can obtain a COMESA carnet, when making an export declaration. The seal or bond that is applied to goods under this regime will be valid for transit through all COMESA countries. Shipping your goods with this carnet will further allow you to profit from simplified administrative procedures at each border. Information that has been entered for the COMESA carnet does not need to be registered anew at each checkpoint.

Currently, the system is only operable in Kenya and Uganda. Further rollouts are scheduled for Burundi, DRC, Malawi, Zimbabwe, Sudan, Djibouti, and Ethiopia in 2014.

### 2.5.3.4 COMESA Competition Commission

It is important to note that there are also a host of activities ruled illegal under COMESA. They especially concern anti-competitive measures. This category includes:

- price fixing agreements
- collusive tendering and bid rigging
- market or customer allocation agreements
- allocation by quota as to sales and production
- collective action to enforce arrangements
- concerted refusals to supply goods or services to a potential purchaser (exceptions apply; e.g. security or ethical concerns)
- refusal of purchase of goods or services from a potential supplier (exceptions apply; e.g. security or ethical concerns)
- collective denials of access to an arrangement or association which is crucial to competition.

The COMESA competition commission is in charge of monitoring and investigating such anti-competitive practices and mediating trade disputes between member countries. The commission offers a detailed guide explaining how businesses must behave to comply with COMESA’s competition policies online.²⁶

### 2.2.3.5 COMESA-EAC-SADC Tripartite

The COMESA-EAC-SADC Tripartite was established in 2005 with the main objective of strengthening and deepening economic integration of the Southern and Eastern African region. Negotiations about terms and goals are on-going. You can find more information on the current stage of progress online:  
[www.comesa-eac-sadc-tripartite.org](http://www.comesa-eac-sadc-tripartite.org)
Rules of Origin in Practice – Exporting Jam within COMESA

If you want to profit from COMESA trade agreements, your good must be destined for a COMESA country and at least 30% of your product’s total value must have been created in Rwanda. To make things easier, cumulation rules apply. That means that if parts of your product or product inputs come from another COMESA country they will be counted as originating from Rwanda.

For example, imagine you are producing jam to export to Kenya. You buy papaya from Burundi, mango from Uganda, lime from DRC, sugar from Nigeria and packaging materials from Dubai. You prepare, bottle and label the jam in Rwanda, so that it is ready for sale. Looking at the relative costs of all these inputs in the table below, you can figure out how much value was produced in each country.

<table>
<thead>
<tr>
<th>Input</th>
<th>Country of Origin</th>
<th>Costs per jar of jam</th>
<th>% of total value of product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papaya</td>
<td>Burundi</td>
<td>RWF 150</td>
<td>10%</td>
</tr>
<tr>
<td>Mango</td>
<td>Uganda</td>
<td>RWF 400</td>
<td>28%</td>
</tr>
<tr>
<td>Lime</td>
<td>DRC</td>
<td>RWF 50</td>
<td>3%</td>
</tr>
<tr>
<td>Sugar</td>
<td>Nigeria</td>
<td>RWF 100</td>
<td>7%</td>
</tr>
<tr>
<td>Packaging</td>
<td>Dubai</td>
<td>RWF 400</td>
<td>28%</td>
</tr>
<tr>
<td>Preparation + fixed costs</td>
<td>Rwanda</td>
<td>RWF 200</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total production costs</strong></td>
<td></td>
<td><strong>RWF 1,300</strong></td>
<td></td>
</tr>
<tr>
<td>Profit margin (10%)</td>
<td>Rwanda</td>
<td>RWF 130</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Sales price per jar of jam</strong></td>
<td></td>
<td><strong>RWF 1,430</strong></td>
<td></td>
</tr>
</tbody>
</table>

As you can see, only 23% of the total value is created in Rwanda (14% preparation and 9% profit margin). About 35% of the product’s value (i.e. its sales price) originates from non-COMESA countries, Nigeria and Dubai/U.A.E. This means that less than the minimum 30% required for profiting from COMESA trade agreements are produced in Rwanda. However, owing to cumulation all inputs coming from a COMESA country can be counted as ‘originating from Rwanda’. Thereby 65% of the total value of the product can be classified as ‘originating from Rwanda’ (28% Uganda, 23% Rwanda, 10% Burundi and 3% DRC). This means can still profit from COMESA tariff reductions when you export your jam to Kenya. The same would apply to exporting any (non-restricted) good to any COMESA country. As long as more than 30% of its total value come from a COMESA country you can claim tariff reductions as agreed between member states.
2.5.4 Exporting to the EU

2.5.4.1 About the European Union

The European Union (EU) is a political and economic partnership between – currently – 28 European countries. The EU was created as an economic union in the aftermath of the Second World War (1939–1945), but developed into a political union, coordinating matters such as humanitarian aid, security and foreign policy.

Figure 5: Map of the European Union

For trade and exports, the most important feature of the EU is its common market. Within the EU's single market the free movement of goods, services, capital and persons is guaranteed. The EU also has common technical standards, product labelling and packaging requirements, rules on consumer safety, standards for pharmaceutical and cosmetic products, motor vehicles and construction materials. You can learn more about the EU online:
www.europa.eu

2.5.4.2 Tariffs and customs arrangements: EBA Agreement

The EU’s updated General Scheme of Preference is valid since January 2014. Under this scheme, Rwanda is treated as a Least Developed Country (LDC), meaning the Everything But Arms (EBA) agreement applies. Under the EBA,
Rwandan products exported to the EU face no duties, unless the goods are arms or are restricted or prohibited goods. In order to benefit from this agreement, a Rwandan company must ensure that it obtains a certificate of origin fit for the EU from RRA (see Section 3.7 for procedure and costs). The EU accepts certificates of origin only up to 10 months after their issuance.

At least 10% of the weight of an unprocessed or 10% of the value of a processed/manufactured export product needs to have been produced in Rwanda for the agreement to apply.

**Prohibited and Restricted Goods in the EU**

- **Restricted** – the EU applies quotas and additional checks on agricultural products, textiles, steel and steel products.
- **Prohibited** – arms, nuclear and chemical waste cannot be exported to the EU.
- **Bans and Restrictions Subject to Change** – dependent on product assessments and the region’s supply structure; import of certain goods into the EU can be restricted or banned on an ad-hoc basis. The restrictions/bans can take place at a country- or EU-wide level. Check with the customs authorities of your export destination whether any restrictions or bans are currently in place.

Under the Generalised System of Preferences (GSP) of the EU, Rwanda can profit from bilateral cumulation. Yet no regional cumulation applies to Rwandan exports. This is relevant if parts of your export product have been produced in a country with which Rwanda has a regional trade agreement, such as the EAC or COMESA. This means that 10% of the goods weight or value must originate from Rwanda alone, or from Rwanda and an EU member or partner state combined.

**Bilateral Cumulation**

Bilateral cumulation implies that although parts of the final product might have originated from an EU country or EU-partner state (Switzerland, Norway, Turkey and all countries, with which the EU has a free trade agreement – currently, Chile, Korea, Mexico, South Africa are included in this treaty), the country that finally exports the good to the EU will be counted as “the country of origin”.

Rules of Origin in Practice – Exporting Jam to the EU

Remember our jam example from Section XYZ. We had imagined that you source different inputs for making the jam from various EAC, COMESA and non-COMESA countries to export the jam to another COMESA country. Now, imagine you want to export the same jam to an EU country. Again, we face the same costs and can conclude that:

- 23% originate from Rwanda (preparation + fixed costs + profit margin)
- 61% come from EAC countries (papaya + mango + preparation + fixed costs + profit margin)
- 38% originate from non-EAC countries (packaging + sugar)
- 68% originate from COMESA countries (sugar + papaya + mango + preparation + fixed costs + profit margin)
- 28% from non-COMESA countries (packaging)

Under the EU’s Everything But Arms (EBA) agreement with Rwanda, only bilateral but not multilateral cumulation applies. This means that although some of the inputs come from EAC and COMESA countries, the European Union does not allow them to be counted as ‘originating from Rwanda’. Only what has truly been produced in Rwanda – the preparation of the jam, the overhead costs of your enterprise and the profit margin you apply – will count towards the required percentage to profit from the EBA agreement. In our case, this is not a problem. Under the EBA only 10% of the final value has to originate from Rwanda to profit from EBA tariff reductions. This 10% must stem from operations that are more labour-intensive than assembly, packaging or other simple handling tasks. Since you actually cooked the jam in Rwanda and this contributed 14% to the final sales price of the jam, you can still certify your jam as ‘originating from Rwanda’. You can export this jam to EU countries and profit from EBA tariff reductions.
2.5.4.3 Exceptions to EBA tariffs and duties

Although under the EBA agreement no duties and tariffs would apply to Rwandan products being exported to the EU, the European Union does apply quotas to specific products. The quotas are harmonised across member countries. In other words, if a quota applies to Belgium it will also apply to Germany. You can check online through the EU’s Export Helpdesk (see Section 2.5.4.4 below) whether any quotas apply to your product, using the HS code of your product and what country you want to export it to. Quotas mostly apply to cereals, rice, sugar, seed, olive oil and table olives, flax and hemp, bananas, wine, live plants, beef and veal, pork, lamb and goat, poultry, milk and milk products, eggs and agricultural ethyl alcohol.

Further, every member state of the European Union (EU) has the right to draw up a list of sensitive items. Member states charge for importation of these products. You can obtain the list of sensitive items from the customs office of the country you are exporting to. For instance, if you are exporting to Belgium, you can consult the Belgian customs office to see whether your product falls under the category of sensitive items. You can find a list of the EU member states’ customs offices online. Alternatively, you can get in touch – if existing – with the Rwandan trade commission at the export destination country or the destination country’s embassy in Rwanda. A list of currently operating foreign embassies can be found online. A map and contact details of Rwandan embassies abroad can also be found online.

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**Binding Tariff Information**

To get binding information (valid for 6 years) on what tariffs apply to your products, you can submit a Binding Tariff Information (BTI) form with the customs office of the country you are trying to export to. BTIs need to be filed before an export process has been started. If you need assistance and are registered with RDB, you can also contact the Trade and Manufacturing Department (for contact details see page 172) who will help to set you in touch with commercial attachés in your chosen export destination. Using a BTI is advantageous if you are planning on establishing a long-term trade relationship with a particular EU country and you are concerned that ongoing legislative processes might change tariffs without your knowledge. Under the BTI, customs offices make themselves legally liable to inform you of any changes to tariffs applying to your export product.
2.5.4.4 Using the EU Online Export Helpdesk

You can use the EU’s online tool the ‘Export Helpdesk’ in order to get up-to-date information on tariffs, quotas, product requirements and rules of origin that apply to your export good. You can access the tool via http://exporthelp.europa.eu

1. To get started click on the ‘My export’ button on the menu bar. This will lead you to a form.

2. Either enter your product code (HS code) or select the button to get to a pop-up window, in which you can select the product category applying to your export good by clicking through the different categories.

Select the country of origin, destination and date you want to ship your products next. Press ‘Search’.
3. You will be shown an overview of (i) minimum product requirements, (ii) tariffs and (iii) rules of origin applying to your product and export destination. Select the appropriate tab on top of the table to navigate to the section you are interested in. The GSP rather than EPA rules of origin will apply to your product if it originates from Rwanda, another country that the EU defines as Least Developed Country (LDC) or that has been included in its General System of Preference (GSP) list.

For country-specific information check:
http://ec.europa.eu/trade/policy/countries-and-regions/
2.5.4.5 Complying with EU product standards

The European Union (EU) is known for applying strict standards to consumer products. If requirements are not met, the import of your goods into the EU will be barred. While the “Everything But Arms” agreement between the European Union (EU) and Rwanda allows Rwandan companies duty free access to the European common market, the costs of complying with EU standards can be substantial. As explained in the previous chapter, you can inform yourself about the specific requirements applying to your export product via the EU’s online Export Helpdesk.

Generally, there are four categories of requirements:

i. sanitary and phytosanitary: including food and feed safety, animal health, plant health and public health;

ii. technical: focusing on product safety, technical standardisation, packaging and labelling;

iii. environmental: this includes regulation of trade in chemicals, ozone-depleting substances (ODS), fluorinated greenhouse gases, endangered species and waste

iv. marketing: meaning rules applying to how fresh produce – including fish and meat – is supplied and presented, and how products are being marketed as “organic”

Note that additional to these EU standards, each EU country has the right to apply additional standards. To find out about these, you should consult the export destination country’s customs office or – if existing – the Rwandan commercial attaché in this country. If you are registered as an exporter with RDB, you can request the Trade and Manufacturing department at RDB to put you in touch with the respective commercial attaché (for RDB contacts see page 172).

Getting CE marking

The CE mark is a quality seal that testifies that a certain product has achieved the standards set out by the EU. Obtaining CE marks is necessary for a range of products – mostly electrical goods, toys and explosives. To find out whether your product requires CE certification, you can either go online or contact the customs authorities of your export destination.


Products exempt from CE marking

- chemicals
- pharmaceuticals
- cosmetics
- foodstuff
Division of responsibility

Depending on the type of export arrangement you entered, the responsibility to obtain CE marking will lie with you or your business partner.

### Responsibility to obtain CE marking

<table>
<thead>
<tr>
<th>If goods are shipped to...</th>
<th>CE marking is...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importer</td>
<td>their responsibility</td>
</tr>
<tr>
<td>Distributor</td>
<td>their responsibility</td>
</tr>
<tr>
<td>Authorised Representative</td>
<td>your responsibility</td>
</tr>
<tr>
<td>Company Subsidiary</td>
<td>your responsibility</td>
</tr>
</tbody>
</table>

In this context an importer would be an organisation or person who buys your goods for production or consumption. A distributor is someone who warehouses and sells your products to end consumers, such as a supermarket. An authorised representative is an organisation that acts on your behalf to market your products. Often authorised representatives have licenses or are franchise-type organisations. Finally, you might be sending your goods to a foreign branch or office of your company – a subsidiary.

Certification process

The exact process for obtaining certification depends on your product. Some of the products will require you to get certified by a notified body – i.e. an accredited testing laboratory. You can find out about which laboratories and certification bodies are accredited via the EU’s online NANDO database (New Approach Notified and Designated Organisations).

Independent of whether you self-certified or obtained certification from a NANDO, once you have fulfilled all the requirements listed in the guide, you will need to draw up an ‘EC Declaration of Conformity’. In Appendix IX you can find a template for what this declaration usually contains. You are required to store this declaration together with all technical documents specified in the directive for 10 years.

Affixing the CE mark

After having signed the declaration, you can produce your own CE mark. It will simply be printed onto your product. You can obtain templates in different formats from the EU online.
2.5.5 Exporting to the USA

2.5.5.1 About the United States of America\textsuperscript{13}

The United States of America (USA) has a population of 319 million people and is highly urbanised with most people in the New York–Newark area (20 million), Los Angeles–Long Beach–Santa Ana area (14 million), Chicago (9 million), Miami (6 million), Philadelphia (6 million) and Washington DC (5 million). The USA’s biggest share of imports is spent on consumer goods (32%), capital goods such as computers, equipment or motor vehicle parts (30%) and industrial supplies such as oil (33%).

Figure 6: Map of the USA

![Map of the USA](image)


2.5.5.2 Trade Agreements and Tariffs: AGOA and GSP

In 2010, the African Growth and Opportunity Act (AGOA) came into force. Under this law, African countries – if they comply with certain standards lined out in the AGOA agreement – are granted duty free access to the US market. Access is granted if countries have a ‘visa system’ in place that allows tracking the origin and movement of goods effectively, rules of origin are complied with and certain labour and democratic standards are met. The act is valid until 2015. The US congress is required to vote on extension by the end of 2015.

AGOA includes an ‘apparel provision’, with the initial intention of setting requirements for sourcing fabrics. Under this provision African countries that
are deemed to have enough quantities of fabric available to trade commercially, AGOA grants them lesser developed country (LDC) status. Having LDC status means that visa requirements and rules of origin applied under AGOA are easier and less costly to comply with. Inclusion in the list of AGOA countries is reviewed every two years. To find out about the criteria that Rwanda will be evaluated on, see Appendix XIV.

**Product Criteria for Eligibility**

In addition to AGOA, the US also operates a Generalised System of Preference (GSP) for a range of products originating from specific countries. AGOA adds about 1,800 product lines to the GSP exemptions, adding up to approximately 7,000 products to which no duties are applied if they are exported to the US. If you have determined your HS code (see page 180), you can check on AGOA’s website whether your export product is included in the agreement.

If your product is included, it further has to comply with AGOA rules of origin, in order for the duty exemptions to apply. You will also have to make sure that the importer of your goods requests duty free treatment under AGOA on the relevant customs entry form, placing a “D” in column 27, in front of the US tariff number that identifies the imported articles.

**How to calculate the sum of costs/value?**

There are strict rules about what costs you can include in your calculation of the final sum of costs/value of your export good. Included in the ‘direct costs of processing’ are:

- cost of labour (including actual labour, fringe benefits, on the job-training)
- engineering
- supervisory quality control
- machinery costs (including depreciation of machinery and equipment)
- research and development (R&D) costs

On the other hand, there are a few costs that cannot be counted towards the final value. These are:

- profits
- general expenses
- business overhead /administrative salaries
- casualty and liability insurance
- advertising
- sales representative’s salaries
- commissions
• general company expenses unrelated to the product  
• packaging costs  
• shipping costs from the port of export to the US  
• selling commission  
• royalty and licensing fees incurred by a buyer  
• the value of free assistance that may have been provided to the buyer conditional upon the sale  
• proceeds accruing to the seller of any subsequent resale, disposal, or use of the imported merchandise

**AGOA Rules of Origin for Apparel**

In addition to these requirements, there are specific rules that apply to apparel exports. Generally, a distinction is made between apparel that has been manufactured using US fabric, yarns or threads, and those items that were produced from locally sourced materials or materials originating from other AGOA countries.

If the country from which you are exporting is not considered as a Least Developed Country (LDC) under the AGOA rules (Rwanda is currently considered a LDC), at least 90% of your product’s weight must be comprised of fabrics, yarns or threads originating from the U.S. or another AGOA LDC.

**US – Rwanda Bilateral**

In 2010 Rwanda and USA signed a bilateral treaty. The main objectives of this treaty are:

1. to protect US investment;
2. to encourage the adoption of market-oriented policies in Rwanda, which treat private investments in an open, transparent and non-discriminatory way;
3. to support the development of international law standards in Rwanda that are consistent with these objectives.

The agreement states the US commitment to promoting foreign investment into Rwanda and reaffirms Rwanda’s duty free access to the US market under AGOA and GPS.

### 2.5.5.4 Restrictions and Requirements For Importing to the US

The US has strict requirements concerning imports. There are a host of agencies responsible for ensuring the safety of substances and products entering the US.

**Food and Drug Administration (FDA)**

The Food and Drug Administration regulates

• foods including dietary supplements, bottled water, food additives and infant formulas
• prescription and over-the-counter drugs
• biologics including vaccines, blood products, tissue products and allergenic
• medical devices
• electronic products giving off radiation such as microwaves, x-ray equipment or sunlamps
• cosmetics
• veterinary products such as feed and veterinary drugs and devices
• tobacco products.

To learn about product-specific and import-country-specific requirements set by the FDA, consult their website. Their online portal “FDA Basics for Industry” walks you through all requirements that might apply and provides insights into how FDA approves or rejects products. Go online on: http://www.fda.gov/ForIndustry/FDABasicsforIndustry/default.htm

Other Important US Regulatory Agencies

The Federal Trade Commission (FTC) regulates advertising, including product labels and claims on packaging. Its goal is to protect consumers from unfair, deceptive or fraudulent claims.

For more information go to: http://www.ftc.gov/

The Department of the Treasury’s Alcohol and Tobacco Tax and Trade Bureau regulates the production, importation, distribution, labelling and advertising of alcohol and tobacco products.

For more information go to: http://www.ttb.gov/

The Consumer Product Safety Commission ensures the safety of products such as toys, cribs, power tools, cigarette lighters, household chemicals, and other products that pose a fire, electrical, chemical or mechanical hazard.

For more information go to: http://www.cpsc.gov/
Step 2: Getting to Know Your Market

Checklist

- f. Have you identified which market you want to export to? Yes ✓

- g. Have you done market research? Yes ✓

- h. Do you know about preferential trade agreements that you could benefit from? Yes ✓

Next Step: Getting Certified!
Suppliers of goods and service providers can make many claims about the attributes of their products and services. To ensure consumer safety, limit false claims and reassure consumers that stated characteristics are truthful, official bodies test products and services and issue certificates.

3.1 Steps to Take

1. Contact your buyer, an embassy or trade association located in your export market to establish what standards or certificates are required.

2. Contact – depending on your product – RSB, MINAGRI, RNRA or an independent certification body to apply for certification. Consult Chapter 3.4 to find out about the application procedures for each of these bodies.

3. Remember to renew certificates in time and keep up to date with changes in requirements. For market-specific requirements, consult trade bodies or the commercial attaché located in your export destination. For general information on standards and certificates for exporting to the EU, consult Chapter 2.5.4; for the USA, go to Chapter 2.5.5.

4. Consider applying for voluntary certification. For system certification, consult page 99. For other voluntary certification, such as organic or fair trade labels, go to page 105.
## 3.2 Key Institutions and Organisations

### Certificates of Quality

<table>
<thead>
<tr>
<th>NAEB</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product category</strong></td>
<td>coffee, tea, other horticulture products</td>
</tr>
<tr>
<td><strong>Costs/Fees</strong></td>
<td>3% of export value for coffee; free for rest</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>½ working day for coffee; unspecified for other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RSB</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product category</strong></td>
<td>processed and manufactured goods</td>
</tr>
<tr>
<td><strong>Cost/Fees</strong></td>
<td>depending on product and type of certification</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>1–2 working days for desk audits; 4 weeks for full audits</td>
</tr>
</tbody>
</table>

### Internationally Accredited Certification Bodies, located in the EAC

**Bureau Veritas**

- **Tel.** (+254) 20 445 0560/1/2/3/4 (Kenya), (+256) 792 280 280 / 281 (Uganda)
- **Website** [www.bureauveritas.com](http://www.bureauveritas.com)

**SGS**

- **Kenya Tel.** (+254) 20 273 3690
  - **Website** [http://www.sgs.co.ke/en](http://www.sgs.co.ke/en)
- **Tanzania Tel.** (+255) 22 213 21 31 / 211 65 82 / 211 39 82 / 211 26 27
  - **Website** [http://www.sgs.co.tz/en](http://www.sgs.co.tz/en)

**Eurofins/Agrí-Quest (Kenya)**

- **Tel.** (+254) 20551988
- **Email** info@agriq-quest.com

**RNRA Mining Certificates**

- **Email** info@rnra.rw
- **Website** [www.rnra.rw](http://www.rnra.rw)

**MINAGRI Certificates of Quality**

- **Product category** animals, plants, animal products, plant products
- **Cost/fees** RWF 2,000 for plants/plant products + transport costs; for others only transport costs
- **Duration** 1–2 working days; longer for fresh meat depending on value chain; potentially multiple visits (pre- and post-harvest)
3.3 Understanding standards and certificates

Before entering into a trade agreement, you should check with the buyer of your goods whether you require any certified standards, quality seals or other certificates, in order to pass customs and access distribution channels (if relevant) at your destination market. Alternatively, commercial attachés and other companies exporting to the same market might be able to provide you with information on product- and market-specific requirements. RDB’s Trade and Manufacturing Department (see page 172 for contact details) can assist you in contacting attachés. Finally, you can contact the Private Sector Federation (PSF) or your business association to find out whether a Rwandan producer similar to you had relevant experiences they are willing to share.

Furthermore, you should check whether any of the inputs needed to produce are listed as prohibited or restricted in Rwanda. You are not allowed to import prohibited goods to Rwanda. Importing restricted goods requires an import license. Please contact RBS to obtain an up-to-date list of prohibited and restricted goods in Rwanda.

3.4 Obtaining certificates of quality (COQ)

Depending on the type of product you are exporting, you need to consult different agencies to obtain a COQ. The table on the next page gives an overview of the main export product categories, relevant standards and from which institutions they can be obtained.

Important: Meeting standards

Depending on the certification, it usually takes several days or weeks to obtain. If you do not meet the required standards, it might even require new investments such as upscaling of plant or product or training of your workforce. Meeting standards can thus become a lengthy and expensive process. Make sure you get informed about requirements early to avoid running into unforeseen costs and delays.
### Certificates of quality

<table>
<thead>
<tr>
<th>Type of Product</th>
<th>Type of Certificate</th>
<th>Responsible Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Plants/Plant Products</td>
<td>Phytosanitary Certificate</td>
<td>MINAGRI – Inspection Unit</td>
</tr>
<tr>
<td>(unprocessed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live Animals</td>
<td>Veterinary Certificate to Export Animal Products</td>
<td></td>
</tr>
<tr>
<td>Fresh meat (unprocessed)</td>
<td>General standard for the labelling of Pre-Packaged Foods</td>
<td>RSB/Internationally Accredited Certification Body</td>
</tr>
<tr>
<td></td>
<td>Code of Hygienic Practice for Meat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diverse Range of Other Mandatory and Voluntary Standards</td>
<td></td>
</tr>
<tr>
<td>Eggs (unprocessed)</td>
<td>Veterinary Certificate to Export Animal Products</td>
<td>MINAGRI – Inspection Unit</td>
</tr>
<tr>
<td></td>
<td>Diverse Range of Other Mandatory and Voluntary Standards</td>
<td>RSB/Internationally Accredited Certification Body</td>
</tr>
<tr>
<td>Manufactured products (non-food)</td>
<td>Diverse Range of Mandatory and Voluntary Standards</td>
<td>RSB/Internationally Accredited Certification Body</td>
</tr>
<tr>
<td>Processed food products</td>
<td>General standard for the labelling of Pre-Packaged Foods</td>
<td>RSB/Internationally Accredited Certification Body</td>
</tr>
<tr>
<td></td>
<td>General standard for the labelling and claims for pre-packaged foods for special dietary uses</td>
<td>RSB/Internationally Accredited Certification Body</td>
</tr>
<tr>
<td></td>
<td>Code of practice – General Principle for Food Hygiene</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product Specific Mandatory and Voluntary Standards</td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>Certificate of Quality and Voluntary Standards</td>
<td>first NAEB, then MINAGRI</td>
</tr>
<tr>
<td>Tea</td>
<td>Certificate of Quality and Voluntary Standards</td>
<td>first NAEB, then MINAGRI</td>
</tr>
<tr>
<td>Minerals</td>
<td>Certified Training Chain Standard (CTC)</td>
<td>RNRA</td>
</tr>
</tbody>
</table>
3.4.1 Getting a certificate from NAEB

If your export product is tea or coffee, you will first have to register with Rwanda’s National Agriculture Export Development Board (NAEB) to obtain a certificate (see Section 1.6.3.2 for details). Once you have obtained an exporters license, you can apply for certificates of origin for tea and coffee and certificates of quality for coffee from NAEB.

Certificate of origin (COO) for coffee or tea

All registered tea and coffee companies can request a certificate of origin from NAEB via letter or email (see Box on page 37 for contact details). The request must state the following information for each product:

- written description of type of product (what type of coffee/tea; e.g. Arabica or Robusta bean)
- number of batches
- weight

The COO is free of charge and is ready for collection at NAEB within one working day.

Certificate of quality for coffee (COQ)

All registered coffee companies can request a certificate of quality (COQ) via letter or email (see Box on page 25 for contact details). If the coffee is warehoused at NAEB, this request can also be made in person at the certification unit. The following information must be provided with the letter, email or to the certification unit:

- export contract: what quality of coffee is your buyer demanding?
- information on specific market requirements: are there any specific quality restrictions that you need to get certified for?
- evidence of payment of the 3% export fees and – if applicable – pesticide and fertilizer fees.

Following approval of the application, NAEB inspectors will test the coffee. Testing and issuing will usually take about half a business day. The COQ can be collected from NAEB’s certification unit after this period. A COQ is valid for 6 months.
3.4.2 Getting a certificate from MINAGRI

In order to be granted permission to export any (unprocessed) plants, animals, plant or animal products, you need sanitary and phytosanitary (SPS) certification. SPS certification attests plant and animal health, determining whether animals and plants are free from disease and pests. The inspection unit of Rwanda’s Ministry of Agriculture (MINAGRI) conducts such audits and issues SPS certificates. In addition to testing of plant and animal health, the inspection unit also tests for any requirements that apply to your export destination.

3.4.2.1 Phytosanitary Certificate for Coffee

To require a phytosanitary certificate, you need to first obtain pre-phytosanitary documentation (certificates of quality and origin) from NAEB as described in Section 3.4.1. These documents will be submitted alongside other forms from MINAGRI’s inspection unit as described below.

3.4.2.2 Certificate of quality for fresh produce, plants, live animals and unprocessed meat

If you are exporting fresh produce (plant products), plants, live animals or unprocessed meat (seasoned products, sausages, cured, smoked or other types of hams count as processed meat products), you need to file for certificates of quality with MINAGRI’s inspection unit.

Requirements for both phytosanitary and veterinary export certificates

1. First, fill out an application form. The forms can be found online on MINAGRI’s website. Alternatively you can get a copy at the MINAGRI Inspection Unit in Kiyovu, Kigali. Consult Appendix VI for templates. Bear in mind that the certificate will only be valid for the number of batches, packages or animals you list on the application form;

2. Obtain the list of standards that apply to your product in the export destination;

3. Submit the application form via email or in person. The description of standards must be in English, French or Kinyarwanda.
4. After submission of the documents, you can arrange for a visit date directly with MINAGRI’s Inspection Unit. You will have to arrange and pay for transport of the inspectors.

- For plants and plant products: it is crucial that inspectors visit the site both before and after harvest. The products should not be packaged yet. Depending on the product, these requirements might require arranging for two separate visits, spaced out over time.

- For live animals and unprocessed meat: the entire production chain will be assessed in addition to testing animals for health and diseases. This means that from feed, over transportation to cold chains at points of departure, all elements of your production chain will be assessed. This can take several days.

5. The inspectors will assess whether your products comply with Rwandan and foreign standards. You will usually be provided with an answer on the last day of inspection. If your products fail to comply with standards, recommendations will be given about how you can attain standards in the future.

6. Only if you are seeking a phytosanitary certificate, you have to go to Rwanda Revenue Authority (RRA) after the inspectors visit (or optionally before the visit), and pay RWF 2,000 into the account. The original payment receipt needs to be submitted in person to MINAGRI’s inspection unit. If you seek a veterinary export certificate, you currently do not have to pay any fees. However, fees might apply in the future. Check with MINAGRI’s inspection unit in advance for the current status.

If the inspection process was successfully concluded, you can collect your certificate within one working day from MINAGRI’s inspection unit.

To increase the chances of complying with standards

a. Be prepared to name the type, source and every step of your product’s value chain;

b. Package the product well, according to international standards (or those of your export market);

c. Ensure that the product is hygienic and hygienically handled;

d. Keep the product free of any pests or diseases (Note: be aware of which fertilizers, pesticides and animal feed are prohibited in Rwanda and your export destination!);

e. Avoid any physical defects that could decrease the quality of the product.
3.4.3 Getting a certificate from RSB

If the product you want to export is manufactured or processed in any manner, the Rwanda Standards Board (RSB) is the institution responsible for certifying your product. A product is usually regarded as “processed” if machines or tools have been involved in its alteration or production. For instance, if *sambaza* fish are simply dried in the sun, they are seen as “unprocessed”. If they are however fried or dry frozen, they will be regarded as “processed” goods.

RSB currently offers certification for

- Standardisation Mark (S-Mark)
- Excellence Mark (E-Mark)
- ISO 9001 (Quality Management Systems)
- ISO 14001 (Environmental Management Systems)
- ISO 22000 and HACCP (Food Safety Management Systems)

for a host of products and industries.

You can get an overview of available standards online, or by visiting RSB offices (see page 172 for contact details). Once you have familiarised yourself with required standards and feel confident that your products comply, you can apply for certification at RSB. A certificate of quality will always only apply to one specific product category. For instance, if you are producing strawberry and vanilla yoghurt, you will need two certificates, one for each yoghurt type.

**Requirements for applying for certification:**

1. Go to the RSB standards unit to receive the appropriate form, depending on which certification you apply for. You need to submit it in person at RSB Certification Unit (see Appendix XIII on page 169 for contact details).
2. For a template of what kind of information you will need to provide on an E- and S-Mark application, consult Appendix VII.
3. After you submit your form, RSB should provide a review and notification on whether the application is accepted within one hour of submission. If it is accepted, you can arrange for submission of product samples and product audits.
4. **At least** 3 weeks before the auditing date, you need to submit:

- for the S-Mark and all other certificates: your commercial registration number (obtained from RDB);
- for the E-Mark: the above PLUS
  i. documents describing the production process (sourcing of raw materials, process, description of production site’s location and layout),
  ii. CV and proof of qualification of your production manager;
- for System certificates: all above PLUS a business plan

5. Immediately after submission of your documents (or optionally before), you have to pay the certificate fees at Rwanda Revenue Authority (RRA) and submit a receipt to RSB’s inspection unit. See Box on page 99 for an overview of approximate costs or consult RSB for the most up-to-date list.

6. If the documentation has been approved, which usually takes 1–2 weeks, you can arrange for an inspection visit. The visit can take place at the earliest one week from the day of your documentary approval. You need to arrange and pay for transport of the inspectors.
   a. If you did not pass this stage, you will receive advice about how to change your application. You are usually allowed a total of 2 revisions.

7. Immediately after submission of your documents (or optionally before), you will also have to pay the certificate fees at Rwanda Revenue Authority (RRA) and submit a receipt to RSB’s inspection unit. See Table on page 93 for an overview of approximate costs or consult RSB for the most up-to-date list.

8. Should you pass the inspection, samples will be submitted to RSB’s laboratory. Testing usually takes a maximum of two days.
   b. If you did not pass the inspection, advice will be provided how to comply with standards. Fees (apart from transport costs) will include a maximum of three visits. If you do not manage to pass standards by the third visit you need to apply again.

If you are successful, you can pick up the certificate from RSB once you have received an approval letter. Enquire at the RSB Inspection Unit’s helpdesk about terms of using S-Mark, E-Mark and other quality logos on your products.
Estimates of Certification Fees

**RSB Mark of Standard**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>RWF 30,000</td>
</tr>
<tr>
<td>Full Audit</td>
<td>RWF 100,000 (1–20 employees), RWF 200,000 (20–50 employees) or RWF 400,000 (&gt; 50 employees) + RWF 30,000 per product</td>
</tr>
<tr>
<td>Two year License</td>
<td>RWF 100,000 per product</td>
</tr>
<tr>
<td>Renewal of license</td>
<td>same as full audit + license charge</td>
</tr>
</tbody>
</table>

Max cost: RWF 560,000

**RSB Mark of Excellence**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>RWF 100,000</td>
</tr>
<tr>
<td>Desk Audit</td>
<td>RWF 200,000</td>
</tr>
<tr>
<td>Full Audit</td>
<td>RWF 200,000 (1–20 employees), RWF 400,000 (20–50 employees) or RWF 600,000 (&gt; 50 employees) + RWF 100,000 per product</td>
</tr>
<tr>
<td>Two year License</td>
<td>RWF 150,000 per product</td>
</tr>
<tr>
<td>Renewal of license</td>
<td>same as full audit + license charge</td>
</tr>
</tbody>
</table>

Max cost: RWF 1,150,000

**RSB Systems Certification**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application</td>
<td>RWF 100,000</td>
</tr>
<tr>
<td>Desk Audit</td>
<td>RWF 200,000</td>
</tr>
<tr>
<td>Full Audit</td>
<td>RWF 200,000 per audit day (excluding transportation costs)</td>
</tr>
<tr>
<td>Three year license</td>
<td>RWF 100,000</td>
</tr>
<tr>
<td>Renewal of license</td>
<td>same as full audit + license charge + surveillance audits (every 6 months – RWF 200,000)</td>
</tr>
</tbody>
</table>

Max cost: dependent on days of audit and distances

### 3.4.4 Getting internationally accredited

If you are exporting to a country outside the EAC or if your buyer has more stringent standards than those applicable within the EAC, you might have to obtain quality certificates from internationally certified bodies. Within the East African region, there are a few laboratories that can certify your products (see Table on next page). If you are exporting to the EU, you will have to ensure that the certification body you are using is listed in the EU’s NANDO database (see page 86 for more in-depth information).
### International Accrediting Laboratories in East Africa

<table>
<thead>
<tr>
<th>Agency</th>
<th>Location</th>
<th>Address and Phone</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau Veritas</td>
<td>Kenya</td>
<td>First Floor, ABC Place, Waiyaki Way, Westlands, Nairobi, Kenya (+254) 20445 0560/1/2/3/4</td>
<td><a href="http://www.buerauveritas.com">www.buerauveritas.com</a></td>
</tr>
<tr>
<td>Uganda</td>
<td>Kenya</td>
<td>Plot No.30, Regency Plaza, Lugogo Bypass, PO Box: 4032, Kampala, Uganda (+256) 792 280 280 / 281</td>
<td><a href="http://www.buerauveritas.com">www.buerauveritas.com</a></td>
</tr>
<tr>
<td>SGS</td>
<td>Kenya</td>
<td>Victoria Towers, Kilimanjaro Avenue, Upper Hill, Nairobi, 00200, Kenya (+254) 20 273 3690</td>
<td><a href="http://www.sgs.co.ke/en">http://www.sgs.co.ke/en</a></td>
</tr>
<tr>
<td>Tanzania</td>
<td>Kenya</td>
<td>Nelson Mandela Road No.5, Kurasini, PO Box: 2249, Dar Es Salaam, 2249, Tanzania (+255) 22 213 21 31 / 211 65 82 / 211 39 82 / 211 26 27</td>
<td><a href="http://www.sgs.co.tz/en">http://www.sgs.co.tz/en</a></td>
</tr>
<tr>
<td>Eurofins/</td>
<td>Kenya</td>
<td>Agri-quest Laboratory Ground floor, Plessey House, Uhuru Highway, Industrial Area, Nairobi, Kenya (+254) 20551988</td>
<td><a href="http://www.agriq-questlaboratory.com">www.agriq-questlaboratory.com</a></td>
</tr>
</tbody>
</table>

### 3.5 Mining certificates

If you are considering exporting minerals, you will need to register with Rwanda’s Natural Resource Authority (RNRA).

All companies need to acquire an International Conference of the Great Lakes Region (ICGLR) Mineral Export Certificate, before they are granted permission to export minerals. All minerals further have to go through a ‘fingerprint assessment’ and marking process.

All companies receive a Certified Training Chain (CTC) grade, which determines whether they are allowed to export their minerals. If the company fulfils all compliance criteria, their CTC level is 4. If it does not comply at all, its compliance level is 0. In order to get registered and find out more about certification processes for mining exports, please contact RNRA (see Box opposite).

RNRA

Email: info@rnra.rw
Website: www.rnra.rw
### Assessment Criteria for CTC compliance grades

<table>
<thead>
<tr>
<th>Step</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Origin and volumes of produced and traded goods as well as company payments to host government are transparent.</td>
</tr>
<tr>
<td></td>
<td>1.1 Origin and production volume of minerals from the pilot mine site throughout the trading chain are traceable.</td>
</tr>
<tr>
<td></td>
<td>1.2 Meet fiscal obligations required by host government law.</td>
</tr>
<tr>
<td></td>
<td>1.3 Publish all payments made to government according to internationally accepted standards.</td>
</tr>
<tr>
<td></td>
<td>1.4 Actively oppose bribery and fraudulent payments.</td>
</tr>
<tr>
<td>2.</td>
<td>The company does not use child labour and ensures fair remuneration and work conditions as well as continual improvement of health and safety measures for all employees.</td>
</tr>
<tr>
<td></td>
<td>2.1 Maintain salary or payment levels equal to or greater than those in comparable enterprises within Rwanda.</td>
</tr>
<tr>
<td></td>
<td>2.2 Ensure that no child labourers (age under 16) work on company sites.</td>
</tr>
<tr>
<td></td>
<td>2.3 Support workers’ organizations and collective bargaining.</td>
</tr>
<tr>
<td></td>
<td>2.4 Provide essential protective and production services to support the work of artisanal miners.</td>
</tr>
<tr>
<td></td>
<td>2.5 Ensure occupational health and insurance in all company operations.</td>
</tr>
<tr>
<td></td>
<td>2.6 Provide training for employees and contractors on safety, health and effective use of on-site facilities.</td>
</tr>
<tr>
<td>3.</td>
<td>The company ensures security on company sites whilst respecting human rights.</td>
</tr>
<tr>
<td></td>
<td>3.1 Provide sufficient and adequately trained security forces.</td>
</tr>
<tr>
<td></td>
<td>3.2 Undertake security risk assessments.</td>
</tr>
<tr>
<td>4.</td>
<td>The company consults communities in which it operates and contributes to their social, economic and institutional development taking into account gender sensitive aspects.</td>
</tr>
<tr>
<td></td>
<td>4.1 Interact regularly with communities and local governments to address grievances and other common concerns.</td>
</tr>
<tr>
<td></td>
<td>4.2 Support local enterprises to supply company operations.</td>
</tr>
<tr>
<td></td>
<td>4.3 Implement integrated development programs in nearby communities for livelihood security, social and physical infrastructure and capacity building.</td>
</tr>
<tr>
<td></td>
<td>4.4 Obtain free, prior and informed consent before acquiring land or property.</td>
</tr>
<tr>
<td></td>
<td>4.5 Understand the situation and perspectives of the women in the company’s area of influence and design and implement company’s operations in a gender sensitive way.</td>
</tr>
</tbody>
</table>
3.6 Voluntary certification

Besides mandatory certification, a number of voluntary standards exist that act as signifiers for consumers and business partners that certain organisational measures or product attributes are in place. Some guarantees also certify a company as a whole.

For example, the World Fair Trade Organisation issues Fair Trade marks for companies that as a whole comply with its 10 Principles of Fair Trade (see Box on next page). Obtaining voluntary quality marks can serve as a competitive advantage. On the other hand, certification is costly for a producer and many standards are limited in their validity to certain countries or regions.

For example, getting your product certified as being ‘organic’ might enable you to ask a higher price, as consumers might be willing to pay more for the knowledge that the product is free of synthetic, potentially harmful substances. In Europe – especially in Austria, Denmark, Finland, Germany and Sweden – organic foods make up a large market share and are consumed over non-organic foods by a significant share of the populations.45

However, your export destination will determine which standards must be met to be certified as ‘organic’ and whether your product will need to be approved by a government or private certification body. Regardless of which type of voluntary certification you want to obtain, you should first check its validity in your export market and weigh costs versus benefits of obtaining it.

For an overview of which voluntary certificates would be relevant for your export product or service and destination market, you can use the International Trade Commission’s free online ‘Standards Map’. This tool allows you to search and compare voluntary certificates. You can access the tool on: www.standardsmap.org

Opting for ISO standards is another way of increasing the likelihood that your quality mark will be valid in several destination markets. ISO standards are agreed by the International Standards Organisation (ISO). It has 164 member countries, spanning most of the globe. The certification body that grants you an ISO certificate must however be accepted by your export destination, for the standard to be valid.

Obtaining voluntary certificates

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ increases trust (consumer safety; producer reliability)</td>
<td>✗ fixed costs high: product upgrades, purchase of equipment, training of staff…</td>
</tr>
<tr>
<td>✔ acts like a brand (recognition, positive associations)</td>
<td>✗ variable costs high: testing and license fees, packaging and labelling…</td>
</tr>
<tr>
<td>✔ opens access to more markets (international standards; specialised – e.g. organic)</td>
<td>✗ contradicting standards in different markets</td>
</tr>
</tbody>
</table>
### Examples of voluntary certificates

<table>
<thead>
<tr>
<th>Label</th>
<th>Type</th>
<th>Region</th>
<th>How To Obtain?</th>
</tr>
</thead>
</table>
| ![European Union] | European Union | 1. Contact your buyer/commercial attaché/trade representative about your export market’s authority for organic certification.  
2. The authorisation body will provide you with a list of conditions that have to be met to obtain organic certification.  
3. Check with the authorisation body, which laboratories are accredited.  
4. Have your products and/or processes tested and certified by the accredited laboratory. |
| ![Organic] | Canada |  |
| ![USDA Organic] | United States of America |  |
| ![Protection of Nature and Wildlife] |  |
| ![Labour Rights] | International | 1. Contact the label-issuing organisation directly (e.g. Fair Trade International) and inform them that you are interested in getting certified according to their standards.  
2. The organisation will provide you with a list of criteria that you will need to fulfil, in order to receive the label.  
3. Next, arrange with the label-issuing organisation to find inspectors (e.g. laboratories, national certification agencies) that they accept. The range of accepted agencies will vary between label-issuers.  
4. Get your products and/or processes tested and send the results to the label-issuing organisation. |
| ![Environmental Impact – CO2 Emissions] |  |  |
3.7 Certificates of Origin (COO)

A certificate of origin is a legal document verifying in which country your export product was produced – in your case, most likely Rwanda. Certificates of origin are necessary for exporting if you want to profit from a trade agreement, such as existing arrangements with EAC, COMESA or EU countries. These trade agreements grant your export product preferable market access if it originated from Rwanda. Foreign buyers also often require certificate of origins to accompany purchased products, regardless of whether specific trade arrangements are in place or not. COOs help to track what portion of the value of a product was created in which country.

COOs enable you to access partner markets at preferential tax rates, when exporting. On the other hand, you often face less import duties, if the product is accompanied by a COO verifying that it came from one of the trade partner states.

You can obtain COOs from Rwanda Revenue Authority, once you have made an export declaration (refer to Section 3.7.1 for details on how to). The next section will detail the exact steps and documentation you require to successfully obtain a COO. Since this handbook is mainly concerned with exporting, we will explain all steps from the viewpoint of an exporter. The process you follow depends on the value of your export goods. If your goods value less than USD 500, you can obtain a COO at any Rwandan border post. If they are more expensive, you will need to go to RRA in Gikondo, Kigali.

3.7.1 Steps to get your COO

No matter whether you are at the border or at RRA in Gikondo, the customs desk is your first point of contact. You will already have encountered it when making your export declaration (see page 107).

1. Specify your final export destination

Let the customs/border agent know where your export product is destined. You will then receive a COO application form for this specific export market. On this application form you will state the

• name of your company, its physical location and address
• costs of the manufacturing process that took place in Rwanda
• import duties you paid on inputs for the export good
• HS codes of the export items
• HS codes of packaging material if it is also sold in the export market
• wholesale price of the good.
2. File necessary documentation

Regardless of whether you are filing for a COO at the border or at RRA’s customs unit in Gikondo, there are several documents you will need to present to the customs/border agent. If you are using clearing agents, you will provide them with the necessary documentation, which they will file on your behalf. Your driver or another representative can also obtain a COO on your behalf. In such a case, ensure that they are aware of the necessary steps to guarantee a smooth process.

Documents required

- export declaration
- company TIN number / RDB company registration number
- commercial invoice (stating: value of products, HS code, including date, address and names of parties)
- packaging list
- transportation/carrier license (if products are destined for outside COMESA)
- payment receipt (except for COOs for China, a fee of RWF 3,000 payable in cash at RRA, and for simplified COOs a fee of RWF 500 payable at the border applies)
3. Pay the processing fee

At the border you will need to pay RWF 500 in cash to the border agent to obtain your simplified COO. At RRA in Gikondo, you simply go to the bank counter next to the customs desk, pay the RWF 3,000 (unless you are requesting a Chinese COO, which is free of charge), get a receipt and present this to the customs agent.

4. Wait for your COO to be issued

In most cases, if your product was clearly wholly produced in Rwanda (see page XYZ for an overview of classification criteria for certificates of origin), presenting these documents will be sufficient to obtain a COO. In some cases, especially if your product might contain more parts sourced from outside the EAC, RRA customs might request to inspect your goods and/or the production site. Depending on whether checks are requested, you can obtain a COO on the same day (no checks or immediate checks at the border post) or within 2–5 days (checks done).
Getting Certified

Checklist

i. Do you know what requirements apply to your exports? ✓ YES

j. Do you have the capacity to fulfil these requirements? ✓ YES

k. Are you informed about each of the steps of the certification process? ✓ YES

l. Have you considered voluntary certification? ✓ YES

Next Step: Getting Your Goods Ready and Cleared!
4 Getting Your Goods Ready and Cleared

Before you send your goods off, ensure that you get your contract and customs clearance process right. You will have different responsibilities depending on your contract terms and face different tariffs depending on your export destination.

4.1 Steps to Take

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>Inform yourself about tariffs, duties and mandatory certificates that apply to your export destination. For up-to-date tariffs contact your export destination’s custom authorities or RRA (see key institutions next). For general information on trade agreements and tariff tranches, consult Chapter 2.5. To learn about certificates, go to Chapter 3.3.</strong></td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Agree on your contract terms with regards to shipment expenses, ownership, payment terms and damages. Develop a commercial invoice that will be used by the customs of the export destination to determine potential import duties. Refer to Section 4.7.2 to learn about how to write a commercial invoice.</strong></td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Inquire about packaging and labelling requirements for your buyer, export destination and transportation provider(s). This is critical – refer to Section 4.8 to learn about different packaging/labeling requirements.</strong></td>
</tr>
<tr>
<td><strong>4</strong></td>
<td><strong>Make a decision on your choice of logistic agents (if needed) and clear your goods at customs.</strong></td>
</tr>
</tbody>
</table>
4.2 Key Institutions and Organisations

<table>
<thead>
<tr>
<th>RRA Customs Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Hotline</td>
</tr>
<tr>
<td>Tel.</td>
</tr>
<tr>
<td>Website</td>
</tr>
</tbody>
</table>

4.3 Agreeing on contract terms

As you will be aware terms and conditions set out in business contracts are crucial for dividing tasks, setting out conditions and holding business partners legally accountable to them. For international trade, there is a set of definitions, which can be used in trade contracts, which are internationally recognised. The advantage of using these international commercial terms (‘incoterms’) is that definitions are clearly provided and their interpretation is internationally accepted.

Incoterms are a set of internationally agreed definitions used for trade contracts. They are released by the International Chamber of Commerce (ICC), an association of businesses and country’s chambers of commerce. Rwanda is a member of the ICC. The newest Incoterms were released in 2010. There are earlier versions, which are still valid. It is therefore important to specify which Incoterms one is referring to, when using them in contracts. Incoterm’s advantage lies in the pre-determined set of definitions they provide, which help to clarify

- who is responsible for which expenses involved in a shipment
- who owns the goods traded at a particular point in time
- who is responsible for paying damages to goods traded at a particular point in time.

There are two types of incoterms, those that apply to any mode of transport used in the export process and terms that apply specifically to export arrangements using sea and inland waterland transport (i.e. shipments that go across lakes or the ocean). In this handbook, we will briefly present the Incoterms®2010. More information can be obtained online on the ICC’s website.

The ICC also offers annual training sessions for professionals, especially traders, trade contract negotiators or export/import consultants and advisers. Details about the training can be found on the ICC’s website. The trainings take place in Paris, France, for the duration of an average of two days. They cost between €965–€1,400 per person. Accommodation and transport costs are not included.
4.4 Rules for any mode of transport

**EXW – Ex Works**

This arrangement means that the one selling the goods (the ‘seller’) – in the case of exporting it would be you, the exporter – has fulfilled the contract terms when he/she has disposed the goods at the seller’s premises or at another pre-determined place for shipment. This means the seller/exporter is not responsible for arranging collection, clearing of the goods (customs) or any further transport.

**FCA – Free Carrier**

Under this agreement the seller/exporter needs to deliver the goods to a carrier (e.g. trucking company, airport, port…) or another person or place that the buyer nominated. As soon as the goods are delivered to this place the liability transfers from the seller to the buyer. The location should therefore be precisely specified in the contract.

**CPT – Carriage Paid To**

‘Carriage Paid To’ terms mean that like under the Free Carrier Agreement the seller/exporter has to deliver the goods at a specified place. In addition, the seller/exporter must pay for the costs of carriage for the whole way up to the named place of destination.

---

**Important - Check your Contract!**

Apart from conditions detailed in the international contract terms, there are several things you should check before signing a contract. In order for a contract to be valid, signatories must be authorised to conclude contracts for their organisations. Methods of payment, penalties for late delivery, damage or loss of goods and additions such as confidentiality clauses should be carefully considered before signing the contract. For more detailed information on trade contracts, you can read more online or download the International Trade Centres Guide on export contracts from its publication pages (http://www.intracen.org/itc/publications/about-itc-publications/). For a specific guide on agriculture products, you can consult guidelines on Iberglobal.com (www.iberglobal.com/files/international_trade_contracts.pdf).
CIP – Carriage and Insurance Paid To
This agreement contains the same obligations as ‘Carriage Paid To’, but in addition the seller needs to take out insurance cover against the risk of loss or damage to the goods during carriage. The insurance would be paid out to the buyer. The seller is however only required to obtain insurance with minimum cover. If the buyer wishes to receive more protection, this will need to be specified separately in the contract.

DAT – Delivered At Terminal
This arrangement implies that the seller/exporter fulfils his/her contract terms when he/she has delivered the goods at a named terminal at a specific place that the buyer named. “Terminal” includes a place, whether covered or not, such as a quay, warehouse, container yard or road, rail or air cargo terminal. The seller bears all risks involved in bringing the goods to and unloading them at the terminal at the named port or place of destination.

DAP – Delivered At Place
‘Delivered at Place’ means that the seller/exporter is required to deliver the goods at a named place, ready for unloading. The seller/exporter bears all risks involved in bringing the goods to the named place. This implies that is the seller/exporter’s responsibility to clear the goods for exporting.

DDP – Delivered Duty Paid
Different to the ‘Delivered at Place’ agreement, under the DDP the exporter/seller also has an obligation to clear the goods for importing, pay any duty for both export and import and to carry out all customs formalities.
4.5 Rules for Sea and Inland Waterway Transport

**FAS – Free Alongside Ship**
Under this agreement the seller/exporter is responsible for placing the goods alongside the vessel, meaning that they will be delivered to – for example – a quay or a barge. The costs and risks are borne by the seller until this moment.

**FOB – Free on Board**
The seller/exporter is required to deliver the goods onto the vessel that was nominated by the buyer. The costs and risks are borne by the seller until this moment.

**Cost and Freight**
“Cost and Freight” means that the seller/exporter delivers the goods on board the vessel, unless they are already on board of the designated vessel. On top of that, the seller must organise and pay for transportation of the goods to the destination determined by the buyer. However, the risk of damage or loss transfers from the exporter to the buyer as soon as the goods are on board of the vessel.

**CIF – Cost, Insurance and Freight**
In addition to all requirements covered under Cost and Freight arrangements, the seller/exporter needs to contract for insurance cover against loss or damage to the goods during carriage. The buyer would receive the insurance pay-outs. The seller/exporter is only required to take out minimum coverage. If the buyer wishes to have more insurance protection, the buyer will either need to agree explicitly with the seller or make his/her own extra insurance arrangements.

4.6 Choosing methods of payment

In your contract you should further specify which mode of payment your buyer should use. Different payment modes can determine how fast you can access funds and how secure the transfer will be. Regardless of which form you choose, you should first conduct or commission a credit check of your buyer. This will allow you to better gauge the risk of non-payment.

We will explain the most common methods of payment, listed from the riskiest to the most secure:
Credit Checks

If you are dealing with new buyers, it is advisable to enquire about their payment record and current ability to pay. You could assume that company that pays its debt on time and fulfils contract terms reliably will be more likely to behave similarly when trading with you. Trade associations, chambers of commerce and banks are usually good contact points for inquiring about the reliability of business partners.

4.6.1 Open Account Payment

This form of payment implies that you will ship the goods to the buyer without any advance payment and receive the billed amount at some future agreed date. There are no guarantees that the buyer will pay on time or pay at all. Contract terms and legal protection can only help to recover unpaid funds in so far as the legal regimes in both countries recognise such commercial regulation and have the capacity to enforce it. Even if enforcement is possible, recovery of funds is usually highly costly and time intensive. An open account payment arrangement requires a high level of trust and is usually used by trade partners who have an established relationship.

Wire versus Cheque Payments

You can opt for receiving your payments via wire transfer, straight from your buyer’s into your own bank account, or as a cheque. Each comes with certain advantages and disadvantages.

<table>
<thead>
<tr>
<th>Wire Transfer</th>
<th>Cheque Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td><strong>Advantages</strong></td>
</tr>
<tr>
<td>✓ quick and secure</td>
<td>✓ allows you to shop around for better exchange rates</td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td>✓ cheap to issue</td>
</tr>
<tr>
<td>✗ can be costly</td>
<td>✗ can be expensive to clear</td>
</tr>
<tr>
<td>✗ binds you to your bank’s exchange rate</td>
<td>✗ no guarantee that the cheque will be honoured</td>
</tr>
</tbody>
</table>
4.6.2 Countertrade

This arrangement is usually only used in the presence of long-term contracts. Instead of receiving cash payments by the buyer, you receive goods or credit to buy goods at a later date.

Risks are similar to open account payment arrangements. If you are the party supplying goods first, there is still a chance that the buyer might never follow up on her commitment. However, parties entering longer-term contracts tend to be more committed to honouring their promises. If exchange rates are unstable, it might further be a way of ensuring that you receive goods of an equivalent value of the sales cost of your product. On the other hand, countertrade arrangements are less flexible. There might be months when you would need cash rather than a certain good. Being locked into a long-term contract can thus become disadvantageous.

EXAMPLE

Countertrade in Practice – Re-Exporting Cars

Imagine your business consists of importing used cars from Europe, fixing them up and selling them to car dealerships in the region. You recently imported a Toyota Corolla and managed to refurbish it, but you are missing several car parts that match the car type. A car dealership in Burundi that you usually sell fixed-up cars to has all matching components in stock. You agree to import these components from the car dealership in Burundi for RWF 1 million, repair the car and sell it to the same car house (export it) for RWF 1.5 million. You agree that you will not pay for the supplied components and the car house will not pay you for the car, but give you credit to buy more components for RWF 500,000 at a later date.

Note: Do not forget to claim your tax rebates for re-imports with RRA!

4.6.3 Documentary Collection

This payment arrangement involves your and the buyer’s bank exchanging documents on your behalf. Only if the agreed documents have been exchanged, payments and goods will be released. For an overview of documents and procedures usually required for this form of payment refer to
Section 1.7 in the chapter on Export Finance. This method of payment offers medium levels of risk for both parties. As an exporter you can be sure that your bill of lading is only available to the buyer when your invoice has been accepted and a commitment to pay has been issued. As an importer, you can be certain that the goods have been shipped and you will only have to release payment once the receipt of documentation such as bill of lading and certificates of origin have confirmed this. However, the banks’ commitments end with the delivery of documents. Should your buyer go bankrupt, you might still end up without payment. Similarly, as an importer, if the goods turn out to be damaged or faulty, your banks do not guarantee for any refunds.

4.6.4 Letter of Credit

A letter of credit is a form of bank guarantee that is issued on top of services offered under a documentary collection arrangement. Thereby, it is one of the safest payment methods you could opt for. It insures you against default or fraud by the buyer. Arranging a letter of credit can be very costly for an importer. Your buyer might therefore be unwilling to take out a letter of credit. For a more in-depth explanation of requirements and procedures usually required for this form of payment refer to page 47 in the chapter on Export Finance.

Once you have decided on contract terms and methods of payment, you will need to compile a commercial invoice, which lists the value of your goods and will be used for duty calculations as well as billing your client.

4.7 Compiling a commercial invoice

A commercial invoice details the quantity, weight, type (description and HS codes) and sales value of your goods. It specifies what you will charge your buyer and will be used by customs of the export destination to calculate any import duties that might apply. It will be crucial to get the price of your products right, for your export venture to be profitable. The next section gives guidance on how you could arrive at an optimal export price.

4.7.1 Costing/Export Pricing

Before entering a business deal and as integral part of your export plan, you will need to determine the price for your export product. The final price of your export product will depend on three factors:

(i) the costs – calculate the total of all expenses associated with producing the good and selling it abroad;

(ii) your marketing strategy – how do you want to position your product; are you trying to underbid competitors?, are you willing to cross-subsidise the costs of your product with domestic sales?

(iii) the margin – this is the price added to the costs; it will depend on your marketing strategy and determine your profit per unit sold.
In addition to costing considerations you usually take for your domestically marketed products, you should also consider the following expenses when you calculate the costs of your export product:

**Market research:** this can range from desk research and free advice from RDB to market visits and the commissioning of extensive studies; costs will vary accordingly. Do not forget to take your own time spent on these tasks into consideration.

**Business travel:** exporting a product might entail visiting the export destination, to establish contacts, meet business partners or – if applicable – establish offices and hire workforce.

**Translation costs:** if you are exporting to a country that does not market products and conducts business communication in the same language as your company does, you might need to invest into translation services.

**Credit risk and insurance premiums:** loans and insurance you take out for export purposes will increase your overhead costs; interest rates and insurance premiums are often higher for cross-border trade than for domestic sales as risks are higher.

**International postage fees, telephone rates and other communication:** even before you have shipped your products you will need to have communicated with buyers and potential business partners at the export destination. Depending on your mode and frequency of communication – consider free methods such as Skype versus telephone calls.

**Commissions, training fees, other costs involving foreign representatives:** depending on the mode of entry you chose, you might have to pay commissions to agents marketing your goods in the export market or train staff on the ground.

**Inspection, certification and licenses:** if your export products needs to be certified and your products or premises inspected or you need to obtain an export license for your products, you will need to include fees and employee time spent on these processes into your calculations. Beware that inspections could also mean that your production might be slowed down for the time of the certification unit’s visit. For more information on certification and licensing see Section 3.3.

**Product modification and special packaging:** depending on legal requirements, target group preferences and mode of transport you might need to adjust your product and acquire special packaging.

**Clearing agents and custom clearance costs:** depending on the value of your products you might have to hire a clearing agent to conduct the custom clearance process for you; depending on your export destination administrative fees will apply. See Section 4.1 for more information on the clearance process. Check your contract terms if you are further required to come up for import clearance costs (see Section 4.3).
**Cartage, terminal handling charge/port service charge, sea or air freight charges:** depending on your contract arrangements (see Section 4.3 for more information on contractual terms) you might have to pay for the entire or parts of the transport of your export goods; different fees will apply depending on the mode of transports required for getting your goods to their destination.

When you have calculated the costs of your export products you need to consider whether you need to modify the product or production process to reduce the export price and what profit margins you can apply. The decisions will largely depend on your marketing plan. If you need help to compile a comprehensive marketing plan, you can go to your district’s Business Development Centre (for contacts see Appendix XIII), apply for being included in one of RDB’s business development programmes (see Appendix XIII) or hire a private consultant.

### 4.7.2 Writing up a commercial invoice

Once you have determined the final export price of your product, you can start to compile your commercial invoice. On the next page you can find a template for what a commercial invoice should look like. The exact requirements for what should be included can vary depending on your buyer’s, shipping company’s or distributor’s demands. In general, it is advisable to include the following information:

- Seller’s address
- Buyer’s address
- Shipping address (final destination)
- Any inco term specifications agreed
- Agreed terms of payment
- Invoice number and date
- Customer order reference or purchase number
- Price of goods in currency of sale
- Marks and numbers unique to the sold packages (see Section 4.8)
- Quantity, weight and measures of goods
- VAT stated if applicable

The most crucial aspect of compiling a commercial invoice is to get the prices and the shipping details correct. Import duties will be calculated by customs based on the information you provide. It will further be used to verify shipping instructions. You should pack a copy of the commercial invoice with your goods and mark the package and location of where the commercial invoice is attached.
4.8 Packaging and labelling your products

Before you arrange for transporting your goods to their export destination, finding out about packaging and labelling requirements of your buyer, export destination and transport provider(s) is crucial. Your products might be certified, of the highest quality and competitively priced, but if they are not packaged and labelled correctly they will not be transported or granted market access.

Generally, we can distinguish between three levels of packaging and labelling. All three categories might face government regulations and buyer- or shipping-specific requirements.

4.8.1 Product/Sales packaging and Product labels

This refers to the packaging (carton, plastic, foil) of your product, as it will be displayed for sale. Countries and retailers often specify which information (e.g. nutrition information per 100g or serving size) must be printed onto the package. There are also rules applying to how you can name your product and the claims you can make about it. For example, for mixed products US legislation requires you to name the ingredient making up the majority of the product first. If you sell juice that consists of 80% apple juice and 20% mango juice, you need to call it “Apple and Mango Juice” rather than “Mango and Apple Juice” or “Mango Juice”.

To find out about the exact requirements applying to your product, get in touch with your buyer, trade association or the relevant commercial attaché. To ensure that your product will be marketed, it is essential to take details such as whether plastic wrapping is required, stick-on labels are accepted and certain package print colours permitted into consideration.

In addition to complying with requirements, you might want to invest some time and funds into producing professional and aesthetically appealing labels and packaging. There is evidence that packaging and labelling influence consumer buying decisions, especially in the case of food products.52

Getting packaging and labelling right pays off!

Apart from facing obstacles to accessing markets, there are legal consequences if you wrongly label a product or package it in a way that does not comply with regulations – knowingly or accidentally. Many countries, especially in Europe and North America, have strict enforcement mechanisms that allow consumers, businesses and government agencies to sue producers that wrongly label or package their products. Damage claims and legal penalties often amount to sums that bankrupt producers.
Sourcing High-Quality Packaging and Labels to Compete

“They think they are innovative [about their packaging], but they are not!”, explained a BDC consultant when asked about the main obstacles to success that Rwandan companies face marketing their products abroad. According to the consultant, compared to internationally and regionally marketed goods, Rwandan products’ packaging is often low in quality. This increases the risk of damage to the goods. Secondly, low quality packaging renders products less aesthetically appealing to costumers.

Sourcing materials and machinery
Kigali Farms’ development manager agrees. She laments that it is hard to find companies that can design and print professional-looking labels. Professional labels are necessary to establish a good brand image.

Labels and packaging should be
- of good quality: labels do not rub off easily; packaging withstands physical handling, moisture and heat
- attractive: appealing to the consumer;
- unique: they distinguish the product from competitor’s products.

The managing director of Macadamy, a producer of organic macadamia nuts operating in Rwanda, had similar experiences. Machinery for commercial vacuum packaging – this ensures products remain protected and quality is preserved – is unavailable in Rwanda. Within the East African region Macadamy could locate only one company supplying packaging machines.

As explained, being dependent on one supplier is disadvantageous. It is

Figure 7: Example of innovative packaging.

The product is packaged in a wasteful way. The packaging does not reduce risk of damage and does not present the product in an aesthetically pleasing manner.

Source: smashingmagazine.com

Figure 8: Example of bad packaging.

The packaging is distinctive, keeps the product safe and is visually appealing.

Source: treehugger.com
more difficult to negotiate lower prices. Maintenance of machinery might be jeopardized if the supplier has unique knowledge and access to replacement parts.

When packaging materials and machinery are successfully sourced from abroad, the next challenge to master is how to time orders efficiently. On the one hand, it is key to avoid cluttering warehouses with superfluous packaging materials. This would use up space that could be more effectively used for temporary storage of products before dispatchment. Further, packaging can expire and be damaged. Long, inadequate storage might increase the risk of this. Another problem might be related to technology and trends. If preferences or regulations regarding packaging change, huge stockpiles of the old packaging material would become a dead investment.

On the other hand, running out of packaging, failing to deliver and meet demand could be detrimental. Competitors might snatch up demand. Delays in delivery could discourage buyers, rendering them unwilling to extend supply contracts. Consumers could start substituting the product to avoid having to deal with unpredictable shortages. In Rwanda importing materials to date is associated with relatively long lead times and large overhead costs. Therefore, the frequency with which new orders for import are placed must be well managed.

Kigali Farms experienced this problem first-hand. Demand exploded, packaging ran out and their usual provider of packaging was unable to fulfil their order without considerable delay. Kigali Farms’ team tried to locate alternative sources. Phone call after phone call, no suitable supplier could be located. Time was ticking and profit opportunities foregone. The company eventually relied on its personal networks. Sourcing packaging and quality labels is a tough challenge that companies must approach strategically.

Complying with strict standards

Settling for lesser quality packaging and labelling solutions is of course a tempting option. It might even be a successful marketing strategy: saving costs, offering the product at a low price, underbidding competitors and attracting buyers on a budget.

Nevertheless, certain basic standards must be met. Depending on the target consumer group as well as the sophistication of the chosen retail outlet and market, the stringency of requirements will vary.

For instance, supermarkets such as Nakumatt or Shoprite require their suppliers to equip their products with bar codes that can be scanned. In order to market one’s product in these outlets, product packaging has to be adapted to the retailer’s requirements. This can be time intensive and costly.

From a long-term perspective, adapting to standards might however be an advantage. Improving standards early allows companies to acquire skill and knowledge before their competitors do. This can help to enter bigger markets, with stricter standards and consumer expectations. They might appeal to consumers with higher spending power who are willing to spend the extra franc for better quality.

Figure 18: Bar code.

Most large supermarket chains require their suppliers to equip products with bar codes.
4.8.2 Outer packaging and Warehouse labelling

Outer packaging is the intermediate layer of packaging, used to – for example – selling the product to a wholesaler. The bundled products will then be subdivided before sale to the end user.

If your product is being warehoused, labels with codes entailing information such as content of the package, batch number and warehouse location might be required. Find out whether your logistics provider or buyer will handle the warehouse labelling of your product.

4.8.3 Transport packaging and Labelling for transport and tracking

Transport packaging refers to the packaging used for securing your goods during transport. Transport providers will differ in their requirements. For instance, certain carriers will accept packages on pallets, while others – often air freight carriers mainly transporting passenger goods – will insist on smaller sized, easily handled boxes. Check with your carrier, what requirements you need to comply with.

Generally, unless differently specified in a contract it is the exporter’s responsibility that all goods are packaged to minimise risks of damage and ensure compliance with regulations. If your goods are transported via air, you will need to ensure that they are packaged in such a way that airport security personnel can easily open the packages for inspection and your clearing agent or logistics provider reseal them afterwards.

If you are exporting sensitive such as perishables or light-sensitive substances, or hazardous goods such as chemicals, you can further use internationally recognised transport labels that specify how to handle your products.

In addition, you will need to specify information about the nature of your goods, their dimensions and their destination. Depending on which transport companies and freight forwarders you use, the exact requirements can vary.

Most commonly, details required for transport labelling include:

• gross or net weight
• volumetric measure (cubic cm or m)
• product serial numbers
• invoice number
• description of the good
• name and address of the export destination/buyer
• country of origin
• transport instructions (e.g. Ship from Kigali to Dar es Salaam for final destination Rotterdam)
• handling instructions (e.g. handle with care)
• translation of all instructions into language of transit countries and export destination
Distributors or buyers might further require you to print bar codes onto your products, which contain information such as product characteristics, expiration date, batch number etc. You can create template bar codes for your product for free online via GS1: \[www.gs1.org\]

The website contains a step-by-step guide, explaining in detail what you need to do to get your bar code.

### 4.8.4 Using plastic packaging in Rwanda

The use of polythene bags is prohibited in Rwanda. Any person wanting to manufacture, use, import or sell polythene bags must apply to Rwanda’s Environmental Management Authority (REMA) in written form (for contact details see page 22). In exceptional circumstances, exceptions are granted. Any company manufacturing, using or selling polythene bags without this authorisation will face fines ranging between RWF 100,000–500,000 and imprisonment for 6–12 months.\[53\]

### 4.9 Deciding on logistics: freight forwarders and clearing agents

A clearing agent, also called freight forwarder, is a professional who can handle all customs clearance processes and steps involved with getting your goods onto their way – might it be via road, air or water. The standard fee most clearing agents in Rwanda charge for their services is USD 100 (for a list of licensed clearing agents see Appendix VIII, or go online for the latest version\[54\]). Their services usually include getting appropriate certificates of origin; booking storage space at warehouses; and arranging for payment of any applicable fees and communication with customs, border and logistics personnel at the point of departure (the border post, airport or port). Most clearing agents can also arrange for your goods to be picked up from your factory and arrange transport on your behalf. For these services additional charges apply.

The next section outlines all the steps that a customs clearance process can involve. If you are using a clearing agent, you will not be directly responsible for managing each step, but you will still be asked to provide the listed documents, make the stated payments and give feedback as indicated.

#### 4.9.1 Writing up a packing list

Besides the commercial invoice, the packing list of your shipment is one of the most crucial documents that you will need for your goods to be successfully cleared and shipped. It is used to determine the total weight, volume and the final destination of your shipment. Number and type of details you will include in your packing list will vary according to requirements stated by your logistics provider, clearing agent and buyer. However, there are a few pieces of information that must be included:
• Description of parts of the shipment (how many packages, boxes etc.)
• Quantity per item
• Weight per item
• Height, width and length of every item
• Description of contents of each item (what is in the box, in the barrel etc.)
• Final delivery address

You should pack a copy of the packing list with your goods and mark the package to which the document is attached. You should further specify the marking applied to your packages – their unique numbers and potential handling marks (see page 120). This helps to identify which packages belong to your shipment and how they should be handled.

4.9.1.1 Understanding Gross Weight, Net Weight and Legal Weight

There are different definitions for how to describe the weight of your goods. Starting with gross weight, this type of measurement refers to the weight of your good including its packaging. Your product might for example be packaged in a box, which is wrapped with foil and fastened onto a palette. The weight of the product plus all these packaging materials makes up the gross weight.

Your product’s legal weight refers to your product’s weight including the weight of sales packaging. If you are for instance selling fruit juice, it would be the weight of the juice plus the weight of the drink carton, which contains the juice.

An item’s net weight, is the weight of the product on its own. To use our juice example, it would be the weight of the fruit juice without any packaging.

4.9.1.2 Understanding Dimensions: Height, Width and Length

Getting the measurements of your packages right is important. You determine their length by measuring the packages longest side touching the ground. Its width refers to the shorter side touching the floor. Its height is the measure from its bottom to the top of the package.
4.10 Going through customs: clearing goods

Once you have packed, labelled and arranged for transport of your goods, you will have to get them cleared by customs. Depending on the total value of your export goods, you will be able to access simplified customs procedures (value under RWF 200,000) or need to go through customs clearance at RRA in Gikondo, Kigali (value equal to or over RWF 200,000).

4.10.1 Simplified Custom Clearance: for goods < RWF 200,000

Together with the simplified certificate of origin, you can get your customs cleared directly at all Rwandan border posts if they value less than RWF 200,000. If the goods originate from an EAC member state and are destined for another EAC market – for example, if your products have been produced in Rwanda and are going across the border to Uganda – you will be exempted from paying any import duties (if required by contract).

However, you will still need to pay a processing fee of RWF 500 in cash, regardless of the destination or value of your goods. For any other destination market outside of the EAC, duties will apply. They will vary greatly, depending on the exact export destination.

Products clearance at the border post, follows these steps:

1. Presenting the driver’s passport
2. Showing the customs officer the goods to declare
3. Requesting a simplified certificate of origin (if needed; Section 3.7 on page 106)
4. Paying the RWF 500 processing fee in cash
5. The border official may request to inspect the goods.

While simplified customs clearance at border posts neither involves many steps nor documents, one can expect long waiting times as all people and low-value goods are cleared at the same desk.

4.11.2 Custom Clearance at RRA: for goods ≥ RWF 200,000

If your goods value RWF 200,000 or more and are transported on roads, you will need to get the clearance from RRA/MAGERWA in Gikondo, Kigali. If your goods will be transported via air, you can clear them at RRA’s customs unit at Kigali’s airport.

It is advisable to work with a clearing agent if you are exporting large quantities or products of high value as the process can be time intensive, involving multiple steps and parties. Currently, you will also have to register as an agent.
with RRA, in order to access their electronic clearing system (One Single Electronic Window). Access for exporters who want to work without a clearing agent and access the portal themselves is still under development (call RRA’s hotline to find out about the current status: 3400).

**Products clearance for goods over RWF 200,000, follow these steps:**

1. Arrange for transport of your goods to MAGERWA in Gikondo or their airport site
   - remember that trucks are restricted to evening and morning hours
   - get in touch with warehouse representatives or your clearing agent to find out about prices and available storage space (see Appendix VIII for contacts)

2. Ensure that you or your clearing agents have copies of all necessary documentation (certificates of quality, packing list, commercial invoice, any other contractually determined documentation)
   - long waiting periods at the warehouse entrance might apply during busy days
   - Ensure that you or your clearing agents have copies of all necessary documentation (certificates of quality, packing list, commercial invoice, any other contractually determined documentation) and your certificate of origin (for details on how to do this, see Section 3.7)

3. Make an export declaration via the One Single Electronic Window, where you will have to
   
   (a) fill out the declaration form
   (b) upload copies of all essential documentation

4. Make a payment of RWF 3,000 to RRA and upload a copy of the receipt. Your goods will be measured and weighted, and if deemed necessary, inspected in the warehouses.
   - If your goods go through the airport they will be subjected to security checks. This means that it should be possible to open your packages without damaging the packaging. In case your goods will need to be repackaged after security screening, your clearing agent will apply additional charges.
   - Depending on the amount you are hoping to ship and how busy the warehouses are, it might take several hours to conclude the screening process.
   - The weight and measures of your packages need to match your packing list and commercial invoice.

5. Your cargo is then officially sealed – and, if applicable, certificates of origin and other documents as specified by the contract are attached to it.

6. Once all the documents have been submitted and your goods checked, you will be able to load them onto the cargo carrier you booked.

Whether you are still responsible for any step after clearing your goods at customs in Rwanda, will depend on your contractual terms (see Section 4.3).
Step 4
Getting Your Goods Ready and Cleared

Checklist

m. Are you informed about international contract terms?
   - Yes

n. Have you agreed on a method of payment for the transaction?
   - Yes

o. Have you calculated what price/profit margins your product will have?
   - Yes

p. Have you sourced appropriate packaging and labels for your products?
   - Yes

q. Are you informed about the custom clearing process? Have you obtained a customs agent?
   - Yes

Next Step: Getting Your Goods Shipped!
Depending on the arrangements you opt for, all logistical aspects elaborated below might be the responsibility of your freight forwarder/logistics provider, or you might be in charge of some, or they might be the responsibility of the buyer. This chapter will therefore focus on providing a general overview of available logistics services in Rwanda, timelines and costs of transport.

5.1 Steps to Take

1. Know available transport routes. For an overview of the main routes, consult Chapter 5.3.

2. Inform yourself about costs and timelines. Compare different logistic providers to get the best deal. Remember that there might be unforeseen delays that can add costs to the basic price of shipment. For an overview of current market prices, go to page 131.

5.2 Key Institutions and Organisations

<table>
<thead>
<tr>
<th>Rwanda Freight Forwarders Association</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Head Office</strong></td>
</tr>
<tr>
<td>Tel. (+250)788495208</td>
</tr>
<tr>
<td>Address 1st Floor Le Prestige Building, Gikondo-Kicukiro Road, P.O.Box 6359, Kigali, Rwanda</td>
</tr>
<tr>
<td>Website <a href="http://www.adrwanda.com">www.adrwanda.com</a></td>
</tr>
</tbody>
</table>

| Rusumo Border                          |
| Tel. (+250)788624722                    |
| Email rusumo@adrwanda.com               |

| Gatuna Border                          |
| Tel. (+250)788624722                    |
| Email rusumo@adrwanda.com               |
5.3 Knowing available transport routes

To get your products to their export destination, you might opt for road, air or sea transport, or a mixture of them. For transport within East Africa, most destinations can be reached via road.

5.3.1 By road

Most logistic companies either offer to source appropriate trucks for you or have them available for rent.

Fuel costs add the most to your overall transport costs. Figuring out which routes are the shortest and have the best roads is therefore advantageous. For an overview of border posts between Rwanda and its neighbouring countries, their location and distance from Kigali, consult the Table below.

<table>
<thead>
<tr>
<th>Neighbour</th>
<th>Border Post</th>
<th>Town</th>
<th>District</th>
<th>Province</th>
<th>Distance from Kigali</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>Kayanza Haut</td>
<td>Huye / Kayanza</td>
<td>Huye</td>
<td>Southern</td>
<td>60 km</td>
</tr>
<tr>
<td></td>
<td>Kanyero</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cynagugu</td>
<td>Cyangugu</td>
<td>Rusizi</td>
<td>Western</td>
<td>291 km</td>
</tr>
<tr>
<td></td>
<td>Fugi</td>
<td>Huye</td>
<td></td>
<td>Southern</td>
<td>180 km</td>
</tr>
<tr>
<td>DRC</td>
<td>Cyangugu/Bukavu</td>
<td>Cyangugu</td>
<td>Rusizi</td>
<td>Western</td>
<td>291 km</td>
</tr>
<tr>
<td></td>
<td>Gisenyi/Goma</td>
<td>Gisenyi</td>
<td>Rubavu</td>
<td>Western</td>
<td>158 km</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Rusumu/o</td>
<td>Rusumu/o</td>
<td>Kirehe</td>
<td>Eastern</td>
<td>173 km</td>
</tr>
<tr>
<td>Uganda</td>
<td>Gatuna (Katuna)</td>
<td>Kabale</td>
<td>Burera</td>
<td>Northern</td>
<td>77 km</td>
</tr>
<tr>
<td></td>
<td>Ruhengeri (Cyanika)/Bunagana</td>
<td>Ruhengeri</td>
<td>Musanze</td>
<td>Northern</td>
<td>94 km</td>
</tr>
<tr>
<td></td>
<td>Kagitumba (Mirama hills)</td>
<td>Kagitumba</td>
<td>Nyagatare</td>
<td>Eastern</td>
<td>200 km</td>
</tr>
<tr>
<td></td>
<td>Buziba/Kamwezi</td>
<td>Buziba</td>
<td>Nyagatare</td>
<td>Eastern</td>
<td>176 km</td>
</tr>
<tr>
<td></td>
<td>Kizinga/Rwempesha</td>
<td>Kizinga</td>
<td>Nyagatare</td>
<td>Eastern</td>
<td>200 km</td>
</tr>
</tbody>
</table>


5.3.1.1 Procedures

For small amounts and goods with a value of less than RWF 200,000 some bus companies, such as Jaguar Bus, offer to transport and clear export products. Inquire with your bus company of choice whether they offer such services and fees that might apply. Most logistics providers offer transport of goods on trucks in containers or in smaller vehicles such as “medium duty commercial trucks”. These trucks are also often called “fuso” or “box body trucks” (see figures 9 and 10).
If you are using a container truck, you have the choice between 20ft and 40ft (length) containers. Should you not be able to fill the entire container, you might want to consider whether you can split the container and transport fees with other exporters.

Ask your logistics company if they offer containers to be shared by multiple shippers. Alternatively, you can arrange for your own means of transportation. To date there are only a handful of companies with fleets of trucks.

### 5.3.1.2 Cost and Timelines

Depending on the distance, weight, type (sensitive, perishable?) and dimensions of your freight, different rates and shipping times will apply. The market rates and estimated shipping times presented here are based on market rates applicable in June 2014. For exact rates and times, ask your logistics provider for an individual quotation.

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Container Size</th>
<th>Weight</th>
<th>Price</th>
<th>Estimated Time to Arrival</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kigali</td>
<td>Dar es Salaam</td>
<td>20</td>
<td>light</td>
<td>USD 3,000</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>heavy</td>
<td>USD 6,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td>n/a</td>
<td>USD 4,000–9,000</td>
<td></td>
</tr>
<tr>
<td>Mombasa</td>
<td></td>
<td>20</td>
<td>light</td>
<td>USD 4,700</td>
<td>5 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
<td>heavy</td>
<td>USD 6,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td>n/a</td>
<td>USD 6,500</td>
<td></td>
</tr>
<tr>
<td>Bujumbura</td>
<td></td>
<td>20</td>
<td>n/a</td>
<td>USD 2,000</td>
<td>1–2 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td></td>
<td>USD 2,500</td>
<td></td>
</tr>
<tr>
<td>Kampala</td>
<td></td>
<td>20</td>
<td>n/a</td>
<td>USD 2,000</td>
<td>2–3 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td></td>
<td>USD 2,500</td>
<td></td>
</tr>
<tr>
<td>Bukavu/Goma</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Depending on the nature of your goods, you might be required by the transport provider or your buyer to insure your goods. Especially, in the case of transporting perishable goods or highly valuable items, insurance is recommended by most providers.

Your logistics provider will further advise you how the goods should be packaged to be loaded efficiently onto the truck. It will be important to respect weight limits per axles. En route your truck is likely to encounter multiple weighing stations. If weights per axles exceed the maximum allowed amount, further delays can be caused by having to re-shift weights and penalties up to USD 600 can apply. If the truck’s total weight exceeds the maximum allowed amount, your truck will be stopped until the weight has been reduced. That usually implies sending a second truck to divide the load or discarding some of the freight. This can be time consuming and costly.

### 5.3.2 By air

Several airlines currently offer cargo services from Rwanda to a host of destinations in Africa, Europe, Asia and North America: Brussels Airlines, Ethiopian Airlines, Kenyan Airlines, KLM and Turkish Airlines.

Since it is however only passenger airplanes that connect Rwanda to other destinations, the size and weight of cargo these carriers can transport is very limited. If you want to ship bulky freight or freight weighing more than a few hundred kilograms, you will most likely be required to use land and/or sea routes.

#### 5.3.2.1 Procedures

Either your clearing agent or a company representative will contact the airline to book a space on a particular aircraft. Reservations for storing your goods in the airport’s warehouse before departure will also need to be arranged for. When your goods arrive at the airport your clearing agent or representative must file an arrival notice. To do so the following documents must be available:

- packing list
- commercial invoice

Once an arrival notice has been issued, a clearing agent can arrange custom clearance (see Section 4.10 for details). You will need to ensure that the following documents are available to the agent:

- any required certificates of quality (see Section 3.4)
- certificates of origin (see Section 3.7)
- packing list
- commercial invoice

Once your goods have been cleared, they will be loaded onto the airplane. The carrier will issue an airway bill, which documents that the goods have been cleared for transport.
transferred from you to the airline. It details nature, quantity, dimensions and the final destination of goods transported as well as the date they have been loaded onto the airplane. You will require this document to verify with your buyer that the goods are on its way.

Advantages of Electronic Bills of Lading/ Airway Bills

Most carriers offer bills of lading and airway bills as electronic documents. These documents serve as receipt issued by the carrier for goods and an evidence of the contract of carriage but it is not a document of title to the goods. The advantages of using these electronic versions is that they reduce paper and handling costs, they can be submitted to freight forwarders at any time and reduce administration time.

5.3.2.2 Costs

Approximately RWF 2 per kilogram are charged for storing goods in airport warehouses. Goods that need to be stored in the cold chain or goods classified as dangerous will face a surcharge depending on the exact type of product and duration of storage. Your clearing agent and the RRA customs unit located at the airport can inform you about the exact costs.

In addition, like at any border post a processing fee of RWF 3,000 for making an export declaration (for goods worth more than RWF 200,000) will apply. Be aware that if your packaging material has been damaged by security searches, you will need to pay your clearing agent for repackaging (usually around USD 50) or arrange for new packaging.

Minimum charges for Logistic Providers

Some logistic providers have minimum requirements for shipments. For example, Bolloré Logistics charges 19 tonnes for tea/coffee and 20 tonnes for minerals, even if the container is filled with materials that have less weight. Ask your logistics providers for their minimum shipping charges.

5.3.2.3 Timelines

If your good needs to pass through the cold chain or qualifies as sensitive or dangerous good, you will need to ensure that it arrives at the airport at least 6 hours before the official departure time of the aircraft. Customs clearance can take from several hours up to several days. On average, goods are cleared within two days.
5.3.3 By sea

The two closest ports to Rwanda are located in Dar es Salaam, Tanzania, and Mombasa, Kenya. From there sea freight companies such as Maersk ship goods to almost every port in the world.

5.3.3.1 Procedures

Goods are transported in containers, either 20ft or 40ft containers. It is often expensive to order containers for exports due to high transportation costs from major ports to Rwanda. Therefore, most containers that leave Rwanda with export goods need to be sourced amongst those containers that enter the country for imports. Once the imports have been unloaded and the container cleared, it is ready to transport export goods out of the country. As imports and exports are not coordinated, you might face substantial waiting times until enough containers for your shipment become available. It is important that you check availability before agreeing on a shipment date with your buyer. If you have too little goods to fill up a container, you may arrange with your logistics provider or in partnership with other companies to divide a container between multiple parties and share the cost.

Containers are mounted onto trucks and driven to the port, where the containers are first unloaded, cleared for customs and then loaded onto the vessel for shipment to the destination port. At the port they need to be unloaded from the trucks, inspected, cleared for customs once more and then loaded onto the vessel. Once the goods are loaded onto the carrier, your freight forwarder will receive a bill of lading. Depending on the arrangements you made, you will either receive this bill as a printed document via mail courier or as an electronic document sent by email.

5.3.3.2 Costs and Timelines

Prices for transport will vary according to your product, the weight and size of your shipment, distance travelled, insurance needs, and your relationship with your logistics provider. Similarly, transport times will heavily depend on your export destination.

Costs are further heavily linked to timing. If vessels or customs clearance procedures delay shipment of goods, they will need to be warehoused for longer, ramping up further warehouse charges. Additional costs might also apply for parking trucks ("trucks detention charges"), waiting to unload their cargo onto the vessel. Most contracts determine that these charges must be borne by the exporter.

The first step in the clearance process will be handled in Kigali, which can be completed in one business day. However, customs clearance at ports and reloading procedures can add considerable time to the total amount of days required for shipment. Clearing goods at Mombasa port clearance takes between 2–3 days. Average loading and customs clearance times amount up to 10–15 days at Dar es Salaam port. Inquire with your logistics provider, whether they possess an Independent Container Depot (ICD) and clearing agent licenses. Such arrangements can help to expedite the process.
Getting Your Goods Shipped

Checklist

1. Have you selected your transport plan and transporter?
   - YES

2. Have you made a logistics plan?
   - YES

3. Have you considered alternate modes of shipment?
   - YES

Congratulations!
You are now Ready to Export!
Advance Payment Guarantee

is a guarantee that a bank issues on your behalf. If you have already entered into a contract and need an advance cash injection to – for example – start production, but the buyer of your goods wants a guarantee that you will deliver on contract terms before agreeing to pay an advance, your bank can act as an intermediary. You will be asked to provide (i) a copy of the commercial invoice showing the amount you will be paid, (ii) a 100% cash or mixed collateral and (iii) a good credit history. The collateral will be ‘frozen’, the money will not be available to you, until the contract has been fulfilled. The bank then issues a guarantee, after which you can receive up to 70% of the contract value as an advance payment. After the contract has been fulfilled, the bank will ‘unfreeze’ your collateral. Bear in mind that most banks will charge fees or interest for this service.

Agricultural permit

If you are importing or exporting pesticides, fertilizers, plants, plant products or animals, you will require permission from MINAGRI. For exports, refer to Section 3.4.2 “Getting a certificate from MINAGRI” on page 97. For imports, you can find more information online: http://www.minagri.gov.rw/index.php?id=613

Air waybill (AWB)

also called air consignment note, is a transport document issued by an international airline. It is a receipt issued by the airline company that serves as evidence of having agreed to a contract of carriage – i.e. the airline has agreed to transport goods on behalf of your or the buyer of the goods. Usually, air waybills show (i) the airline carrier’s name, (ii) its head office address, (iii) its logo and (iv) the eleven digit air waybill number. AWB number, consisting of eleven digits. This code can be used for making bookings, checking the current position of the goods being shipped, and the status of delivery.

Articles/Memorandum of Association

only applies to “limited” (Ltd.) companies. In essence, this term refers to the document that is drawn up when forming a company, for which its subscribers only have limited liability. This means that the owners of the company are only liable for the amount they invested into the company. For instance, should you have invested RWF 5 million in a limited company and it goes bankrupt, you will only be liable to pay for a maximum of RWF 5 million of the company’s debt. The memorandum of association usually states (i) the company’s name, (ii) the names of its subscribers (shareholders) and the number of shares held by each of them and (iii) the registered location of the company. It often also states the company’s objectives, amount of authorised share capital, type of company and what type of contracts the company is allowed to enter into.
Balance Sheet is a type of financial statement, which summarises the company's assets, liabilities and shareholder's equity at a given point in time. The balance sheet usually is used by investors or lenders to understand what the company owns, owes and how much shareholders have invested in it.

Bar Code refers to a printed set of lines, which acts as a code for product information. A bar code usually consists of the machine-readable line arrangement and the human-readable number code. Bar codes are used for supply chain management and traceability. Every product category has a unique number and code. By scanning the item at different points of its journey and making this information available through a computerised system, stock, sales and location in a supply chain can be easily determined. Most retailers require that products they sell have a bar code printed onto them. You can obtain barcodes from www.GS1.org

Bid Bond Security is a financial contract issued by a bank. If you were bidding for a contract, but are concerned that the tender-issuing company will not seriously consider your bid, because it might doubt whether your company is capable of fulfilling the bid conditions, you can ask your bank to issue a bid bond security. This security will state that you have the specified funds to take on the bid. For example, if you need RWF 3 million to supply the tender-issuing company with goods, your bank will whether you possess the necessary funds. The bank will ask you for (i) a copy of the tender, (ii) a 100% cash or other collateral and (iii) a good credit history. The collateral will be ‘frozen’ – you will not be able to access the money or sell the collateral – until a date you specified or until you have won the tender.

Bill of Lading refers to a receipt that is issued by the shipper of a particular good, once the goods have been loaded onto the vessel or vehicle for transport. It is usually used as proof of shipment for customs and insurance purposes as well as a proof of fulfilling obligations (i.e. shipping the goods) as specified earlier in a contract. A bill of lading states the number of items (packages), their weight, marking and destination. The document must accompany the goods and has to be signed by a representative from the shipper, the receiver and – if applicable – the carrier.

Bonded warehouse refers to a building or other secured area. Imported goods that would usually be subject to duties, can be stored, manipulated, or undergo manufacturing there without payment of duty. The warehouse can be managed by the state or by a private company. In the latter case, an application for registering the bonded warehouse must be filed with RRA.
**Business Plan**

is a document stating your company’s goals and mapping out a strategy, specifying how you will achieve them. The level of detail and extent to which you project into the future can vary. Most investors ask for a business plan outlining the next 3–5 years.

**Certification**

refers to the process of confirming certain characteristics of your product, organisation, or production processes. Depending on the type of certification you require, you will need to approach a different certification body. Some of the most common certificates you might need include (i) phytosanitary certificate, (ii) veterinary certificate, (iii) certificates of quality and (iv) certificates of origin.

**Certificate of analysis**

is a document authenticating the quality and/or purity of pharmaceuticals, and animal or plant products that are being exported.

**Certificate of Origin (COO)**

refers to a document that attests in which country goods have been obtained, produced manufactured or processed. This certificate is necessary for you to profit from trade agreements. Customs authorities also often make a certificate of origin a requirement for importing goods. Goods that are not accompanied with a certificate of origin, will not be allowed into the country. In Rwanda, the customs unit of Rwanda Revenue Authority (RRA) is responsible for issuing certificates of origin.

**Certificate of Quality (COQ)**

refers to a document, which make a definite, legally binding statement about the quality of a product, service or process. The Rwanda Standards Board (RSB) issues several product quality marks (e.g. S-Mark and E-Mark) and process quality certificates (e.g. ISO 9001, ISO 22000). RSB ensures that products sold in Rwanda meet the minimum standards set for the country and the East African Community. They further help companies to comply with internationally set standards. External certification bodies (see list on page 101) offer additional, internationally accepted quality marks.

**Clearing Agent**

A clearing agent is a person who has obtained a license from the Commissioner for Customs to handle custom clearings on behalf of a client. The clearing agent is legally bound to inform the client of any omissions from documents and any problems in occurring during the clearing process related to non-compliance. In cases of misconduct – fraud, smuggling or other offenses – both the client and the clearing agent will be prosecuted.

Currently, only clearing agents are authorised to operate Rwanda Revenue Authority’s (RRA) filing system, the One Single Electronic Window. This means that any customs clearance processes for goods of a value exceeding RWF 200,000 must be handled by a clearing agent. The system is scheduled to be opened to companies/entrepreneurs. Contact RRA to find out about the latest updates (see contact details on page 172).
Collateral\textsuperscript{71} refers to something of value – usually cash, a house, plot, machinery or a vehicle – which will be transferred to the creditor (the one giving a loan) if the debtor (the one taking out a loan) defaults. The collateral acts as a security for the creditor (usually a bank). Depending on the perceived risk of the project, the debtor’s credit history and relationship with the creditor, the collateral required to receive the loan or guarantee can range from 100% of the loan/guarantee value to a fraction of it (usually at least 30%).

Commercial Invoice\textsuperscript{72} is a document used by custom authorities to determine the value of goods and calculate what taxes and duties apply to the product. A commercial invoice must include information on (i) date and terms of sale, (ii) quantity, weight, and/or volume of the shipped goods, (iii) type of packaging, (iv) a complete description of all shipped goods, (v) their unit value and total value, and (vi) insurance, shipping or any other costs that apply.

Commercial Attaché is an embassy or consulate staff member whose professional responsibilities mainly concern commercial, economic and trade affairs between the country they represent (e.g. Rwanda) and the country they are posted to (e.g. Belgium).

Commodity Code refers to a unique, standardised sequence of numbers that identifies a product. The code is used to identify what taxes, duties and custom procedures apply. Rwanda is part of the World Customs Organization (WCO), which prescribes using the Harmonized System (HS) Codes to calculate tariffs and rates of duty. You can find out about your product’s HS code through Rwanda Revenue Authority’s (RRA) customs department or online on \url{www.hscode.org}

Consignment Note derives from consignment, which denotes a quantity of goods that are sent to someone or somewhere to be sold. A consignment note is the document that verifies the agreement between the consignee (the one who originally owns the goods) and the consignor (who will transport the goods to their point of sale or receipt by the buyer). For instance, if you (the consignee) sell a batch of mango juice to a supermarket in Kenya (the buyer) and employ a logistics company to deliver the goods there (the consignor), you might want to draw up a consignment note. It can be used as an alternative to a bill of lading (see page 137). It allows further specification of the responsibilities that the consignor (usually a logistics provider) will take on.

It typically states (i) the date when the consignment note has been prepared, (ii) the name and address of the sender, (iii) the name and address of the carrier, (iii) the date and place of transfer of goods from consignee to consignor, (iv) the destination of the goods, (v) a description of the goods, (vi) number and marking of packages, (vii) the gross weight of all goods, (viii) charges related to carriage, (ix) instructions for customs and other formalities.
Credit History\textsuperscript{73} refers to an entity's (a company or person) responsibility in repaying debts fully and timely, its historic and current levels of debt. This information is usually collected by checking your bank accounts and credit arrangements with financial institutions. Banks will take your credit history into account, when deciding whether to loan you money or guarantee for you.

Credit Risk Insurance refers to an insurance provided by a bank or an insurance company that covers your risk of giving a credit line to a buyer and failing to be paid, because the buyer defaults or frauds you. For example, a supermarket you are supplying might only pay within 30 days of delivery. This means that you will incur production and potentially – depending on the contract – transport costs before you will receive any payment. You supply the supermarket without any guarantee that you will ever be reimbursed for your expenses. Taking out credit risk insurance, means that you will pay a (usually monthly or annual) fee depending on the maximum loss you want to insure yourself against. In the case of non-payment by the buyer (conditions will be specified in the insurance contract), you will then be paid by the insurer. An alternative way of guaranteeing that you will be paid is using a Letter of Credit (see page 47).

Customs refers to a state authority, responsible for controlling the flow of goods into and out of a country. The authority applies duties and tariffs on certain goods. Rwanda’s customs authority is part of Rwanda Revenue Authority (RRA), located in Gikondo, Kigali (for contact details see page 172).

Customer/Market Allocation Agreements refers to a form of collusion between companies, which is forbidden under most trade agreements and national competition rules. It means that two or more companies agree which markets or customers they are going to supply. In essence, they agree not to compete against each other for the same customers or markets. Such agreements can lead to monopolies (where one firm dominates the market) or oligopolies (where a handful of companies dominate the market), which usually leads to adverse price and quality outcomes for consumers.

Distributor refers to an organisation, which buys goods, warehouses them and sells them. Often a distributor also assumes other marketing roles, such as advertising the products and after-sales services. A company interested in selling its products abroad, without having to assume any marketing roles in the foreign country, can contract a distributor. Depending on the contract arrangements, a distributor can also assume responsibility for the import process and potential duties that apply to the imported products.

Documentary Bills for Collection If the buyer agrees to only releasing funds once the goods have arrived, your and the buyer’s banks can act as intermediaries. Copies of trade documents will be sent through your bank to the buyer’s bank, which will then release the
funds to your accounts once the buyer has approved that the documents match the shipment he/she expected. This service is called ‘documentary bills for collection’ or ‘documentary collection’.

**Duties vs. Tariffs**
Customs duties are indirect taxes levied on specific products, often in accordance with what HS code the product falls under. Tariff refers to the tax that is levied on a list of products.

**Economies of Scale**
apply when as your production volume increases, the average costs of producing decrease. For example, if you produce 20 packs of dried mushroom, you might need to have the same amount of equipment and hire a similar amount of employees if you would produce 100 packs. The average production costs per pack will therefore be smaller if you produce 100 packs than if you only produce 20 packs.

**Embargo**
refers to a partial or complete ban on trade and commerce with a certain nation. It is illegal to trade with a country against which your government or an organisation speaking on behalf of your government (e.g. the African Union) issued an embargo.

**Exporter**
refers to a company, which sells its goods or services abroad. For example, if your company is based in Rwanda, but you sell some of your goods to a buyer in Burundi, you are an exporter. The exporter is the party on whose behalf an export declaration is made and who is the legal owner of the goods during the export declaration process.

**Export license**
is an official permission to conduct a particular export transaction. Permission to export certain goods or services is only needed in a few selected cases. For exporting from Rwanda you will need to obtain an exporters license from NAEB if you are exporting coffee or tea, and from RNRA if you are exporting minerals. If you want to export any of the following goods currently classified as “restricted” within the East African Community (EAC), you will need to contact RRA to obtain an export permission:
- waste and scrap of ferrous cast iron
- timber form any wood grown in EAC states
- fresh, unprocessed fish (nile perch, tilapia)
- wood charcoal


**E-Mark**
is a quality mark issued by Rwanda Standards Board. It is an abbreviation for “mark of excellence”. To learn how to obtain this mark, go to page 99.
Environmental Impact Assessment (EIA)
refers to an audit conducted by the Rwanda Development Board (RDB) and a mandatory requirement for companies wanting to register as investors for projects involving construction or handling of certain materials.

Export Processing Zone (EPZ)
refers to an area or company premises that have been registered with government as being designated for producing goods that will be exported. At least 80% of the goods manufactured at this sight must be destined for exports. Only 20% are allowed to be sold on the domestic market.

Financial Statements
are a set of documents, which explain the status of your company’s finances. They usually include a profit and loss statement and a balance sheet. Most companies compile them on at least on a quarterly, semi-annual or annual basis.

Foreign Check Recovery
refers to a service a bank can provide, which involves converting a check you received in a foreign currency/from a foreign financial institution into cash. Banks will charge you for this service.

Franchising
refers to a business strategy and a legal arrangement, whereby a company acquires the license to operate another company’s established brand, sell and distribute its products or services.

Freight statement
is a document detailing the conditions and terms of handling the shipped products.

Free Trade Zone
is a geographical area, in which no taxes, duties or quotas apply. All countries part of this free trade zone can import and export goods without facing restrictions. An example of a free trade zone is the COMESA Free Trade Area.

Freight Forwarder
is often used interchangeably with the terms clearing agent and forwarding agent.

HS Code
is a standardised commodity code. Please refer to the section on commodity codes on page 180 for more information.

Importer
is an organisation or person that acquires goods abroad for use within their country. If you, for example, by packaging material for your products in Uganda and have it transported to Rwanda, you are an importer. You must declare any imports to the Rwanda Revenue Authority in Gikondo, Kigali, or directly at the border posts. Most imports are subject to tariffs or duties.
**Internal Rate of Return (IRR)**

refers to the increase in value of money invested in a project over the time span of the project. You can calculate the IRR of a project by assuming that its current Net Present Value (for an explanation see page 144) equals zero.

\[
\text{NPV} = \sum \frac{C_t}{(1 + r)^t} - C_0
\]

where:
- \(C_t\) = net cash inflow during the period
- \(C_0\) = initial investment
- \(r\) = discount rate, and
- \(t\) = number of time periods

For example, imagine you buy a car for USD 5,000 today. You think that you can use this car for 5 years to taxi customers around. You estimate that it will earn you $2,000 per year.

\[
r = \text{NPV} = 0
\]
\[
0 = \frac{10,000}{(1 + r)^5} - 5,000
\]
\[
r = \sqrt[5]{2,000} - 1
\]
\[
r = 26.81\%
\]

Plugging in these numbers and solving for \(r\), you conclude that the IRR of your project is around 26.81%. You can compare this number with the IRR of other projects. The project with the highest IRR will earn you the most money. It is however important to note, that this approach does not take risk and inflation fluctuations into account.

**Invoice Discounting**

Payment might not often coincide with your production expenditures. To ease cash flow constraints, you can request a bank to provide you with a loan using the amount you are about to receive from the buyer as a guarantee. A bank will loan you a proportion – most of the times up to 70% – of this amount.

**Letter of Credit**

refers to a document that a bank issues, which states that the buyer’s payment will be received in time and for the agreed amount. The bank guarantees to cover the payment should the buyer fail to do so. In reverse, the bank also ensures that the supplier will not be paid until the goods have been received.

**Liability Insurance**

is a form of insurance for businesses against the risk of law suits against them when the company has unintentionally caused harm to the public, its clients or consumers. The most common types of liability insurance are: Product, general and professional liability insurance.
**Licensing** can be considered as an alternative to exporting. Rather than producing your good and exporting it abroad, you can grant a company in a foreign country a license to produce and market your product. For example, the Rwandan beverage producer Bralirwa holds a license from the Dutch beer company Heineken to produce Heineken beer. Heineken is not exporting beer, but Bralirwa (licensee) instead produces beer in Rwanda branded as Heineken (license holder) according to Heineken’s recipe. This form of expanding into a different market is usually associated with lower costs than exporting, however also implies having less control over the production and marketing of the product. To remedy this, licensing companies often decide to take a stake in the licensee’s company. Heineken, for instance, owns 70% of Bralirwa’s stocks.

**Net Present Value (NPV)** is the present value of a project, discounting inflation in future years of the project. It represents how much an investment that will generate revenue streams in the future is worth in the present. The NPV is calculated by summing the difference of the net cash inflow, divided by the current interest rate, and the initial investment.

\[
\text{NPV} = \sum_{t=1}^{n} \frac{C_t}{(1 + r)^t} - C_0
\]

where:
- \(C_t\) = net cash inflow during the period
- \(C_0\) = initial investment
- \(r\) = discount rate, and
- \(t\) = number of time periods

**One Single Electronic Window** refers to an online system operated by Rwanda Revenue Authority (RRA) “that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements”. Your clearing agent can use it to file all documents necessary to make an export declaration.

**Open Account Trading** means that your buyer will be paid at a specified date in the future without giving any guarantees. You supply the goods before receiving the payment. This payment method is used mostly by trading partners that have an established relationship.

**Outstanding Shares** refers to the total of shares that have been issued by a company.

**Overdraft** is referring to the allowance to take out more money a financial institution grants a client, when the client’s account has reached zero. In essence, the client is borrowing the money from the bank. Therefore, interest payments will
apply – unless explicitly stated differently – to any amount taken out after the account has reached zero. The amount and period for which the client will be allowed to overdraw his/her account will vary depending on the client’s account type, credit history and relationship with his bank.

**Packing List**
also called *shipping list*, is a document that lists details about the goods to be shipped, including (i) the name and contact details of the exporter and the importer, (ii) the gross weight of the cargo, (iii) nature, quality and specification of the product, (iv) type of packaging, (v) measurements/dimensions of packaging, (vi) number and marking of packages, (v) content of each package.

**Performance Guarantee**
If you already have won a tender, your client might require you to enter into a performance bond. A performance bond is a guarantee issued by your bank to pay your client an agreed amount should you breach the terms of the contract, i.e. not perform.

**Phytosanitary Certificate**
is a certificate that testifies that your plants or plant products are free of specified pests and diseases.

**Preferred Shares/Stock**
refers to shares that come with the advantage of receiving dividend pay-outs before the rest of the stockholders are being paid.

**Price Fixing**
is an anti-competitive measure, which is rendered illegal by most trade agreements and national competition authorities. It refers to collusion between two companies to set prices at a certain (potentially, minimum or maximum) level, in order to limit competition.

**Product Life Cycle**
refers to the time starting with the introduction of a product to a market until its removal from the market. Depending at which life cycle stage a product finds itself in, marketing and investment strategies will differ.

For example, the newest iPhone will require advertising its new features or design. This is different to trying to increase sales of older versions of the iPhone. While they cannot compete with newest technological developments, their price will have decreased and many ancillary services, apps and accessories will be easily available. This means that sales of older iPhone models could be increased by marketing them to new target groups, such as less wealthy, technology-savvy customers.

The length of a product cycle describes for how long the product will generate sales. A long product cycle is not sufficient for success. Production and maintenance costs must continue to be lower than sales revenue for the product to be profitable.
**Profit/Loss Account**
is a financial statement, which lists all costs, expenses and revenues. The difference between these factors makes up the company’s profit or loss of a stated time period.

**Prohibited Good**
is a product, which is illegal to be imported or exported. An up-to-date list of prohibited goods can be found on Rwanda Standards Board’s website (http://www.rsb.gov.rw/).

**Project Feasibility Study**
means investigating whether a project is worth investing in. As part of a feasibility study you are usually required to calculate the NPV (see page 144), identify risks, threats and opportunities.

**Projected Payback Period**
is the estimated amount of time it will take for you to earn the (minus depreciation/interest rate discounted) amount back that you originally invested in a project. For example, if you invest USD 2,000 into a project today. Inflation stays at 3% throughout the project length. You make USD 500 profit every year. This means that it will take you between 5–6 years to pay back the original investment. This moment is also called the “Break Even Point”.

**Quota**
is a term used for restrictions applying to the amount of imports or exports allowed in and out of a country. For instance, if a quota of 20 tonnes for banana exports applies within a given year, anyone wanting to export more bananas, once this point has been reached, will not be granted permission.

**Research and Development (R&D)**
means activities, usually undertaken by a company, which are targeted at improving their service or products.

**Restricted Good**
refers to a product to which the government applies certain additional rules concerning its trade and transport out of or into the country. Waste products, arms and dangerous chemicals are usually declared restricted goods.

**SACCO**
is an abbreviation for Savings and Credit Co-Operative (SACCO). Their objective is to pool savings and act as lending facilities.

**Sales/Brand Representative**
is a person who is representing your brand, taking care of advertising and marketing efforts on your company’s behalf. Depending on contractual arrangements, the representatives might receive a fee for her services or a share of the profits sold in the market or amongst the consumer segment the representative is responsible for.
Special Economic Zone (SEZ)
is a geographical area that the government designs in such a way that industrial production is facilitated via infrastructural and often also tax incentives. Companies apply to build their businesses in these areas. They rent a space within the SEZ and profit from beneficial production conditions provided there.

Standard(s)
A standard most often refers to a minimum norm that is either implicitly expected by consumers or prescribed by law.

S-Mark
refers to a quality mark issued by the Rwanda Standards Board. It signifies a “standard” (S) pass for the quality test. Its requirements are less stringent than those applicable for the E-Mark.

Substitutes
are products that consumers can use instead of your product. For example, the substitute for a car would be a motorbike, a scooter or even a bicycle. It will depend on the consumer's preferences and the specificity of your product how large the range of potential substitutes will be. Even if you do not face many competitors, it might be difficult to compete against potential substitutes. For instance, there might be little other car dealers apart from you, but you might also have to compete for those who are considering opting for a cheaper motorcycle, in order to expand your customer base.

Tariff
is a fee that is levied on the import of a product. Facing high tariffs on your export products might render your product less competitive than similar items produced locally, since tariffs will add to the total cost.

Targeting
means tailoring your product design, marketing and sales strategy specifically to a certain consumer group. This makes sense, if you think that your product is attractive to one particular demographic group but not others. For example, if you produce clothes for youth, you might want to tailor your whole strategy to reaching this consumer group.

Temporary Exportation
refers to the process of goods being exported for manufacturing, processing or repair abroad, with the intention of reimporting them again. Such products can be partially or entirely exempt for import duties, depending on the existing trade agreements between your country and the export destination.

Trade Line Credit
is similar to an overdraft, meaning that your bank allows you to borrow money up to a certain maximum amount. Different to a normal credit, you will not be charged interest fees on the maximum amount but rather only the sum you are using. The only difference between a trade line credit and an overdraft lies in trade line credits being only applied to business accounts and are granted under the assumption that they will be used for business activities.
**Traveller Sample**
Before entering into a trade contract, your buyer might want you to provide samples. If it is a negligible quantity, you will be exempted from paying import duties for the samples. You should first inquire with your country’s commercial representative or directly with your export destinations customs authorities what exact rules apply to your products. Be aware that if you are travelling with the samples in your luggage, you will require a business visa.

**TIN Number**
is short for tax payer identification number. This unique number allows revenue authorities to match your payment with your identify. It tells them who paid which taxes.

**VAT**
is an abbreviation for value-added tax. It taxes the end consumer of a product. As a seller you will have to declare the VAT on your invoices and file monthly VAT income with RRA40.

**Veterinary Certificate**
refers to a certificate issued by MINAGRI in cooperation with RAB. This certificate verifies that you are permitted to export animal products in accordance with the national animal health regulations.
Appendices

Appendix I: Business Registration Fees

Office of the Registry: List of Fees 2015

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<thead>
<tr>
<th></th>
<th>Description</th>
<th>Fee</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Registering a Company (foreign and domestic) (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>2</td>
<td>Registering an Individual Enterprise (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>3</td>
<td>Reservation or change of business name (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>4</td>
<td>Searching the trade register (Company Search) (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>5</td>
<td>Filing Deeds (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>6</td>
<td>Change in business activities (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>7</td>
<td>Change of shareholders or shares (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>8</td>
<td>Issuing Duplicate Certificate (Done Online)</td>
<td>Free</td>
</tr>
<tr>
<td>9</td>
<td>Cessation of business</td>
<td>RWF 5,000</td>
</tr>
<tr>
<td>10</td>
<td>Certificate of Non-bankrupt</td>
<td>RWF 5,000</td>
</tr>
</tbody>
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Appendix II: Online Resources for Business Support

Compiling a Business Plan

With Templates:
www.entrepreneur.com/businessplan/

“Golden Rules” for Writing a Business Plan:

Comprehensive Intro on Financial Forecasting, with links for further help:

Help for Financial Forecasting:
http://entrepreneurs.about.com/od/businessplan/a/financialproj.htm

Help for Financial Forecasting with Example Statements:

Help for Cashflow Statements and Projections, with downloadable template spreadsheet:
Appendix III: Memorandum of Association Templates

Kinyarwanda Version

IYANDIKO Y’UBWUMVIKANE YO GUSHINGA ISOsiyete IFITE UBURYOZWE BUGARUKIRA KU MIGABANE (INGINGO YA 14)

1) Izina ry’isosiyete ni “______________________________” ifite uburyozwe buhinnye “Ltd” (kwandika izina ry’isosiyete)

2) Icyiciro cy’isosiyete: Ni isosiyete idahamagarira rubanda kuyiguramo imigabane/Isosiyete ihamagarira rubanda kuyiguramo imigabane.

3) Iyi sosiyete ifite amategeko shingiro / ntabwo ifite amategeko shingiro.

4) Icyicaro cy’isosiyete kizaba ____________________________

5) Abanyamigabane bemeje ko, Bwana/Madamu: ____________________________ ariwe Muyobozi mukuru wa mbere w’isosiyete

6) Isosiyete igamije ____________________________

7) Uburyozwe bw’abayigize burahinnye.

8) Imari shingiro y’isosiyete ingana na ______________________ (Kwandika amafaranga y’imari shingiro) igabanyijemo imigabane ______________________ buri mugabane ufite agaciro k’amafaranga ______________ y’amanyarwanda.

Twebwe, dufite imyirondoro nk’abanyamigabane, turifuza gushinga isosiyete, hasherhiwe kuri iyi nyandiko y’ubwumvikane, kandi twemeye gufata imigabane muri sosiyete nk’uko yanditswe ku izina rya buri wese.

<table>
<thead>
<tr>
<th>No.</th>
<th>Amazina yombi n’aho abanyakimigabane babarizwa</th>
<th>Umubare w’imigabane yafashwe</th>
<th>Umukono w’abanyakimigabane</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2</td>
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</tr>
<tr>
<td>5</td>
<td></td>
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</tr>
</tbody>
</table>

Imigabane yose yafashwe

* (iyi barenda 5, ni ngombwa gukora urutonde rw’abanyakimigabane kurundi rupapuro rugashyirwa kumugereka)

Italiki ____________________________

Amazina y’umuhanya (umugabo) ______________________ umukono ______________________

150
Memorandum of Association for Companies Limited by Shares (English)

FORM OF MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES (ART. 14)

1) The name of the company is “__________________________” Limited (insert name of company).

2) The category of the company is Private/Public.

3) The company has the articles of association/doesn’t have articles of association.

4) The registered office of the company will be ________________________________

5) The shareholders resolved that Mr./Mrs./Miss: __________________________ will be the first Managing Director of the Company.

6) The objects for which the company is established are ________________________________

7) The liability of the members is limited.

8) The share capital of the company is ________________ (Insert the amount of share capital) divided into ________________ shares of ________________, Rwandan francs.

WE, the several persons whose names and addresses are subscribed, desire to be formed into a company, under this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

<table>
<thead>
<tr>
<th>No.</th>
<th>Names, postal addresses and occupations of subscribers</th>
<th>Number of Shares Subscribed</th>
<th>Signature of Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3</td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Shares Taken</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* (if more than 5, please attach a list of shareholders on separate paper)

Date: ________________________________________

Witness: ____________________________________  Signature: ________________________________
## Appendix IV: List of Licensed Banks (2014)

<table>
<thead>
<tr>
<th>N/C</th>
<th>Name</th>
<th>Address</th>
<th>Category</th>
<th>Year Licensed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I&amp;M Bank Rwanda Ltd (ex Banque Commerciale du Rwanda (BCR)</td>
<td><a href="http://www.imbank.com/rwanda">www.imbank.com/rwanda</a></td>
<td>Commercial Bank</td>
<td>1963</td>
</tr>
<tr>
<td>2</td>
<td>Bank of Kigali Ltd</td>
<td><a href="http://www.bk.rw">www.bk.rw</a></td>
<td>Commercial Bank</td>
<td>1966</td>
</tr>
<tr>
<td>3</td>
<td>Banque Rwandaise de Développement (BRD)</td>
<td><a href="http://www.brdrwanda.com">www.brdrwanda.com</a></td>
<td>Development Bank</td>
<td>1970</td>
</tr>
<tr>
<td>4</td>
<td>GUARANTY TRUST BANK RWANDA LTD (ex FINA Bank Rwanda, ex BACAR)</td>
<td><a href="http://www.gtbank.co.rw">www.gtbank.co.rw</a></td>
<td>Commercial Bank</td>
<td>1983</td>
</tr>
<tr>
<td>5</td>
<td>ACCESS Bank Rwanda Ltd (ex BANCOR)</td>
<td><a href="http://www.accessbankplc.com/rw">www.accessbankplc.com/rw</a></td>
<td>Commercial Bank</td>
<td>1995</td>
</tr>
<tr>
<td>6</td>
<td>ECOBANK Rwanda Ltd (ex BCDI)</td>
<td><a href="http://www.ecobank.com">www.ecobank.com</a></td>
<td>Commercial Bank</td>
<td>1995</td>
</tr>
<tr>
<td>7</td>
<td>COGEBANQUE Ltd</td>
<td><a href="http://www.cogebank.com">www.cogebank.com</a></td>
<td>Commercial Bank</td>
<td>1998</td>
</tr>
<tr>
<td>8</td>
<td>Banque Populaire du Rwanda</td>
<td><a href="http://www.bpr.co.rw">www.bpr.co.rw</a></td>
<td>Commercial Bank</td>
<td>2008</td>
</tr>
<tr>
<td>14</td>
<td>ZIGAMA CSS</td>
<td><a href="http://www.zigamacss.org/">http://www.zigamacss.org/</a></td>
<td>Cooperative Bank</td>
<td>2011</td>
</tr>
<tr>
<td>15</td>
<td>AB BANK RWANDA</td>
<td><a href="http://www.abbank.rw">www.abbank.rw</a></td>
<td>Micro Finance Bank</td>
<td>2013</td>
</tr>
</tbody>
</table>
### Appendix V: List of Licensed Insurers and Brokers (2014)

#### Public Insurers

<table>
<thead>
<tr>
<th>1. RSSB – Medical Scheme (RSSB - MEDICAL)</th>
<th>Plot 1003 Ubumwe Cell; African Union Boulevard; Kiyovu Nyarugenge.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone:</td>
<td>+250598400</td>
</tr>
<tr>
<td>RSSB was established by Law No45/2010 of 14/12/2010 as Social Security Board of Rwanda and determining its mission, Organization and Functioning</td>
<td></td>
</tr>
<tr>
<td>Fax:</td>
<td>+250 584445</td>
</tr>
<tr>
<td>E-mail:</td>
<td><a href="mailto:info@rssb.rw">info@rssb.rw</a></td>
</tr>
<tr>
<td>P.O. Box:</td>
<td>250/6655, Kigali</td>
</tr>
<tr>
<td>Web site:</td>
<td><a href="http://www.rssb.rw">www.rssb.rw</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. MILITARY MEDICAL INSURANCE (MMI)</th>
<th>MMI was established by the Law No 23/2005 of 12/12/2005 determining its organization and functioning.</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.O. Box:</td>
<td>6219, Kigali</td>
</tr>
<tr>
<td>Tel/Fax:</td>
<td>(+250) 504239-504240</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:info@mmi.gov.rw">info@mmi.gov.rw</a></td>
</tr>
<tr>
<td>Web site:</td>
<td><a href="http://www.mmi.gov.rw">www.mmi.gov.rw</a></td>
</tr>
<tr>
<td></td>
<td>KIGALI-RWANDA</td>
</tr>
<tr>
<td></td>
<td>MMI is currently located at Kimihurura, near the Ministry of Defence</td>
</tr>
</tbody>
</table>

#### Private Insurers

<table>
<thead>
<tr>
<th>1. SONARWA General Insurance Ltd</th>
<th>Licensed in 1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>2417, Bld de la revolution, PO BOX 1035 KIGALI, NYARUGENGE-KIGALI CITY</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>+250252572101/2/3, 252592100, 252573350, +250</td>
</tr>
<tr>
<td>Fax:</td>
<td>+250573362</td>
</tr>
<tr>
<td>Web site:</td>
<td><a href="http://www.sonarwa.co.rw">www.sonarwa.co.rw</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. SORAS ASSURANCES GENERALES Ltd (SORAS AG Ltd)</th>
<th>Licensed in 2010 (After separation of life and non-life business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bld de la revolution, PO BOX 924 KIGALI, NYARUGENGE-KIGALI CITY</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>+250252573712, +250252593300, Fax: +250573362</td>
</tr>
<tr>
<td>Web site:</td>
<td><a href="http://www.soras.co.rw">www.soras.co.rw</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. SOCIETE RWANDAISE D’ASSURANCE VIE Ltd (SORAS-VIE Ltd)</th>
<th>Licensed in 2010 (After separation of life and non-life business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avenue de la Jeunesse, Po Box 2616 Kigali, NYARUGENGE-KIGALI</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>+250252573716, Fax: +250252573362</td>
</tr>
<tr>
<td>Web site:</td>
<td><a href="http://www.soras.co.rw">www.soras.co.rw</a></td>
</tr>
</tbody>
</table>
| 4. COMPAGNIE RWANDAISE S’ASSURANCE ET DE REASSURANCE (CORAR AG Ltd) | Licensed in 2001  
Centenary House, Place de la constitution, PO BOX 3869 Kigali, NYARUGENGE-KIGALI  
Telephone: +250252501210/11, Fax: +250252575596  |
|---|---|
| 5. COMPAGNIE GENERALE D’ASSURANCE ET DE REASSURANCE AU RWANDA (COGEAR Ltd) | Licensed in 1995  
Avenue de l’armee, Po Box 2753 Kigali, NYARUGENGE-KIGALI  
Telephone: +250576041, Fax: +250576083  |
| 6. PHOENIX of Rwanda Assurance Company S.A | Licensed in 2006  
Grand pension PLAZA, Po Box 82 Kigali, Nyarugenke-Kigali,  
Telephone: +250252570331/2, Fax: +250252570332  
Web site: www.phoenixassurancegroup.com  |
| 7. PRIME LIFE ASSURANCE Ltd (PRIME Life Ltd ) | Licensed in 2012  
Grand pension PLAZA, Ground floor and 3rd floor, Po Box 6425 Kigali, Nyarugenge.  
Telephone: +250788305084  |
| 8. SONARWA LIFE ASSURANCE COMPANY Ltd | Licensed in 2012 (After separation of life and non-life business)  
2417, Bld de la revolution, PO BOX 1035 KIGALI, NYARUGENGE-KIGALI CITY  
Telephone: +252592119/252573351, Fax: +252573351  
Web site: www.sonarwalife.rw  |
| 9. UAP INSURANCE RWANDA LIMITED | Licensed in 2013  
Grand pension Plaza – 7th Floor, BP 6644 Kigali, Rwanda  
Telephone: +250 252 500905-7, Fax: +250 252 500908  
E-mail: uapinsurancerw@uap-group.com  
Web site: www.uap-group.com  |
| 10. RADIANT INSURANCE COMPANY | Licensed in 2013  
KN 76 STREET  
Telephone: +250280666421  
E-mail: radiantrwanda@yahoo.fr  
Web site: www.radiant.rw  |
| 11. BRITAM INSURANCE COMPANY RWANDA Ltd | Licensed in 2013  
Union Trade Center, 5th Floor  
Telephone: MTN: +250 788 380 737; Tigo: +250 728 380 737  
E-mail: britam@britam.rw  
Web site: www.britam.rw  |
| 12. CORAR Vie Ltd | Licensed in 2014 (After separation of life and non-life business)  
Centenary House, Place de la constitution, PO BOX 3869 Kigali, NYARUGENGE-KIGALI  
Telephone: +250252501210/11, Fax: +250252575596  |
## Brokers

<table>
<thead>
<tr>
<th>Brokers</th>
<th>Licensed in</th>
<th>Address</th>
<th>Telephone</th>
<th>Registration No</th>
<th>P.O. Box</th>
<th>E-Mail</th>
<th>Web site</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ALLIANCE INSURANCE BROKERS Limited (AIB)</td>
<td>2014</td>
<td>Boulevard de l’Umuganda / Kacyiru</td>
<td>+250788503733</td>
<td>R.C.A: 10116/KIG</td>
<td>138 / Kigali</td>
<td><a href="mailto:info@alliancegrp.ro">info@alliancegrp.ro</a></td>
<td></td>
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</tr>
<tr>
<td>2. ASCOMA RWANDA Ltd</td>
<td>2014</td>
<td>Immeuble Aigle Blanc/Kimihurura</td>
<td>+250788301385 / +250255100692</td>
<td>R.C.A: 10104/KIG</td>
<td>6170 / Kigali</td>
<td><a href="mailto:rwanda@ascoma.com">rwanda@ascoma.com</a></td>
<td><a href="http://www.ascoma.com">www.ascoma.com</a></td>
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</tr>
<tr>
<td>3. LIAISON RWANDA Ltd</td>
<td>2014</td>
<td>Kimihurura, Plot No.1520</td>
<td>+250-280004004</td>
<td></td>
<td>12990 / Kigali</td>
<td><a href="mailto:infor@liaisongroup.net">infor@liaisongroup.net</a></td>
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<td></td>
</tr>
<tr>
<td>4. AFRICA RISK INSURANCE BROKERS</td>
<td>2014</td>
<td>Kacyiru, Umumwe House, 2th Floor</td>
<td>+250788806446</td>
<td></td>
<td>7247 / Kigali</td>
<td><a href="mailto:afrikarisk@yahoo.fr">afrikarisk@yahoo.fr</a></td>
<td><a href="http://www.afrikarisk.com">www.afrikarisk.com</a></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. UTMOST INSURANCE BROKERS RWANDA Ltd</td>
<td>2014</td>
<td>Imprimerie Muhima, 1st Floor, Nyabugogo Road</td>
<td>+250788302001</td>
<td></td>
<td>6551 / Kigali</td>
<td><a href="mailto:utmostrwanda@gmail.com">utmostrwanda@gmail.com</a></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>6. BRD INSURANCE BROKER Ltd</td>
<td>2014</td>
<td>Boulevard de la Révolution</td>
<td>+250-252575079</td>
<td></td>
<td>1341 / Kigali</td>
<td><a href="mailto:utmostrwanda@gmail.com">utmostrwanda@gmail.com</a></td>
<td></td>
</tr>
</tbody>
</table>
| 7. FAIR INSURANCE BROKER Limited | Licensed in 2014  
Remera-Kisimenti (opposite Stella VIP)  
Registration No R.C.A 102887983  
P.O. Box: 3066 / Kigali  
E-mail: fibrwanda@gmail.com |
|----------------------------------|--------------------------------------------------|
| 8. GLOBAL RISK ADVISORS Ltd      | Licensed in 2014  
LBC Bldg, Wing A 3rd floor 24  
Registration No R.CA102910779  
P.O. Box: 6571 / Kigali  
E-mail: globalrisk.rwanda@gmail.com |
| 9. ELEPHANT INSURANCE BROKERS Ltd| Licensed in 2014  
Gikondo/Kicukiro  
Registration No 103037717  
P.O. Box: 1838 / Kigali  
E-mail: info@elephantbrokers.com  
Web site: www.elephantbrokers.com |
| 10. CVL BROKERAGE SERVICES Ltd   | Licensed in 2014  
Grand Pension Plaza, 14th Floor  
Registration No: 103182626  
P.O. Box: 1287 / Kigali  
E-mail: info@cvl.co.rw |
Appendix VI: Application for a Phytosanitary Certificate

APPLICATION FORM FOR PHYTOSANITARY CERTIFICATE

I/We apply for Phytosanitary certificate to export plants/plant parts as described below in accordance with national plant health regulations

• Name and address of applicant ____________________________

• Name and address of exporter ____________________________

• Declared name and address of ____________________________

• Plant importation order (From importing country) ____________________________

• Products details:
  – Name of plants ____________________________
  – Botanical name ____________________________
  – Description (seed, cuttings, fruit strain, variety, cultivar, unprocessed, fresh, cooked):
    ____________________________
  – Number of packages ____________________________
  – Quantity declared ____________________________

• Area of production (Location of farm, collection area) ____________________________

• Inputs used (fertilizers, pesticides) within 3 last months ____________________________

• Point of entry ____________________________

• Report from field inspectors (NAEB or RAB) before harvesting ____________________________

Signature of the applicant ____________________________
Appendix VII: Application Template for an E-Mark/S-Mark

APPLICATION FORM FOR THE MARK OF EXCELLENCE LICENCE

Applicant’s Name: ____________________________________________________________

Commercial Registration Number: _____________________________________________

Physical Address: ____________________________________________________________

Postal Address: ______________________________________________________________

Telephone Number: ___________________________________________________________

Fax Number: __________________________________________________________________

Email: ______________________________________________________________________

Contact Person responsible for Management System: ________________________________

We the undersigned hereby apply for a licence to use the RSB Mark of Excellence on the product(s) specified above and declare(s) that he/she/they is/are properly authorized to make this application and to bind the applicant legally.

Applicant’s Representative (in block letters): ______________________________________

Date of application: __________________________________________________________________

Signature: ______________________________________________________________________

Official stamp

<table>
<thead>
<tr>
<th>Serial Number</th>
<th>Product Description</th>
<th>Trade Mark or Brand in Use with the Product</th>
<th>Standard (Number, Title and Date of Issue)</th>
<th>Relevant specific rules (Number, Title and Date of Issue)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

FOR OFFICIAL USE

Application number ___________________________ Official stamp

Date delivered ______________________________

Application expiry date ______________________

Application review results ____________________

Name of handling Official ______________________

Date ________________________________________

Signature ____________________________________
Appendix VIII: Licensed Clearing Agents (2014)

1. A.A. Traders Limited
2. A.O. Musingo Investments Ltd
3. A.S. United Investments Ltd
4. Ace Forwarders Ltd
5. Acoline UG Ltd
6. Across Africa C & F Ltd
7. Afro-Freight C & F Co. Ltd
8. Agility Logistics Ltd
9. AGS Frasers (U) Ltd
10. AKA C & F Ltd
11. Alaca Clearing & Forwarding Ltd
12. Alaska Entity Ltd
13. Allport Freight Ltd
14. Allways Shipping Services Limited
15. Anthem Group Ltd
16. Arafat Logistics Ltd
17. Aramex Uganda Ltd
18. Arthur Freight (U) Ltd
19. Ataco Freight Services Ltd
20. Atlas Cargo Systems Ltd
21. B. Answer Freight Ltd
22. Bambu Cargo Agencies Limited
23. Bemuga Forwarders Ltd
24. BGR Evotrans Uganda Ltd
25. Blink Logistics (U) Ltd
26. Bolax Enterprises Ltd
27. Bollore Africa Logistics Ltd
28. Bookrad Logistics Intl Ltd
29. Boret International Ltd
30. Bridge Investments Ltd
31. Bridge Merchants Uganda Ltd
32. BTS Clearing & Forwarding Ltd
33. Buhinga Clearing & Forwarding Ltd
34. Care Agencies Ltd
35. Care Freight Services Uganda Ltd
36. Cargo Trust U Limited
37. Chickways U Ltd
38. Circle Freight International U Limited
39. Claman PC Ltd
40. Classic Clearing & Forwarding Co. Ltd
41. Coast Freight International Ltd
42. Coast International Limited
43. Cosmofreight International Ltd
44. Crane Freighters Ltd
45. Crested Cargo International Ltd
46. Cross Border Limited
47. Daks Couriers Limited
48. Damco Logistics UG. Ltd
49. Delta Forwarders Ltd
50. Deluxe Investments Co. Ltd
51. Dema Freight Limited
52. Denna Enterprises Ltd
53. DHL Global Forwarders Ltd
54. DHL International Uganda Ltd
55. Difam Freight Forwarders Limited
56. Drop Cargo Services Ltd
57. E.A. Investments C & F Tour & Travel Ltd
58. Eagle Air Limited
59. Eagle Logistics Solutions Limited
60. Ebenez Supplies Limited
61. Emasa Uganda Ltd
62. EPA Couriers and Taxation Services Ltd
63. Epitome Enterprises Ltd
64. Equator Clearing & Forwarding
<p>| 65 | Excel Forwarders and Transporters (U) Ltd |
| 66 | Excel Freight Consult Limited |
| 67 | Executive Cargo |
| 68 | Express Movers Ltd |
| 69 | Fast Forwarding &amp; Shipping Co. Ltd |
| 70 | Flitlinks International Ltd |
| 71 | Flona Investments Ltd |
| 72 | Foxwoods Uganda Ltd |
| 73 | Freeways Tradelinks Limited |
| 74 | Freight In Time |
| 75 | Freight Logistics Systems Limited |
| 76 | Freno Freighters Ug Ltd |
| 77 | Fresh Handling Limited |
| 78 | Front Investments International Ltd |
| 79 | Gach Services Ltd |
| 80 | Gagama Enterprises Ltd |
| 81 | General Machinery Ltd |
| 82 | Geroma Limited |
| 83 | Global Forwarders &amp; Clearing Ltd |
| 84 | Global Ventures Export &amp; Import Co. Ltd |
| 85 | Globe Trotters Ltd |
| 86 | GN Logistics Ltd |
| 87 | Go Africa Clearing and Forwarders Ltd |
| 88 | Go Quick Agencies |
| 89 | Haks Investments Ltd |
| 90 | Haraka Clearing &amp; Forwarding Ltd |
| 91 | Haris Motors (U) Ltd |
| 92 | Icemark Africa Limited |
| 93 | Iftra Uganda Ltd |
| 94 | IMA Uganda Limited |
| 95 | Inchcape Shipping Services U Limited |
| 96 | Inter-Afrique Agencies Ltd |
| 97 | Inter-Cargo Agencies Ltd |
| 98 | Interline Cargo Agencies Ltd |
| 99 | International Bible Students Association |
| 100 | Interplannet Cargo Freighters Ltd |
| 101 | Intervision Uganda Ltd |
| 102 | Intraf U Ltd |
| 103 | Intraline Shipping &amp; Logistics (U) Ltd |
| 104 | Inward Africa Forwarders Limited |
| 105 | Ivy &amp; Jowel Ltd |
| 106 | J &amp; P General Agencies |
| 107 | J.W. Interservices Ltd |
| 108 | Jaffer Freighters Ltd |
| 109 | Jambo Roses Limited |
| 110 | Jinka Enterprises Limited |
| 111 | JM Freight Services Ltd |
| 112 | Joe Freight Ug. Ltd |
| 113 | Jofra International Forwarders Ltd |
| 114 | Joint Clinical Research Centre |
| 115 | Jope Forwarders Limited |
| 116 | Jupiter Forwarders Uganda Ltd |
| 117 | Jussac Uganda Limited |
| 118 | Kajansi Roses Limited |
| 119 | Kampala Nissan Ltd |
| 120 | Kamwe Cargo &amp; Clearing |
| 121 | Kargo International Ltd |
| 122 | Karmic Foods Ltd |
| 123 | Kasiiry Freighiters Ltd |
| 124 | Kelim International Ltd |
| 125 | Kenfreight Uganda Ltd |
| 126 | Kenloyd Logistics Ltd |
| 127 | Kob Freightlinks Ug. Ltd |
| 128 | Kuehne + Nagel Ltd |
| 129 | Limotrans (U) Ltd |
| 130 | Lincoln Logistics Ltd |
| 131 | Line Agency Ug Ltd |
| 132 | Livercot Impex Ltd |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Company Name</th>
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<tr>
<td>133</td>
<td>Makai International Agencies</td>
</tr>
<tr>
<td>134</td>
<td>Malisi Apollo Investments</td>
</tr>
<tr>
<td>135</td>
<td>Mande Computech Limited</td>
</tr>
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<td>136</td>
<td>Margory Uganda Ltd</td>
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<tr>
<td>137</td>
<td>Mark Forwarders Ltd</td>
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<td>138</td>
<td>Master International Ltd</td>
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<td>141</td>
<td>Midland Freight Services Limited</td>
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<tr>
<td>142</td>
<td>Mikwen Farm Enterprises Ltd</td>
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<td>144</td>
<td>Moda Freight Forwarders Ltd</td>
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<tr>
<td>145</td>
<td>Mukwano Industries Ltd</td>
</tr>
<tr>
<td>146</td>
<td>Multex Agency Ltd</td>
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<td>147</td>
<td>Multi-Bulk Forwarders Ltd</td>
</tr>
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<td>148</td>
<td>Multilines International Ltd</td>
</tr>
<tr>
<td>149</td>
<td>Multiple Forwarders (U) Limited</td>
</tr>
<tr>
<td>150</td>
<td>Multiple Freight Solutions Ltd</td>
</tr>
<tr>
<td>151</td>
<td>Munkusa Clearing &amp; Forwarding Limited</td>
</tr>
<tr>
<td>152</td>
<td>National Logistics Co. Ltd</td>
</tr>
<tr>
<td>153</td>
<td>Ndiira Group Limited</td>
</tr>
<tr>
<td>154</td>
<td>New Africa Cargo Freighters Ltd</td>
</tr>
<tr>
<td>155</td>
<td>Nice House Of Plastics</td>
</tr>
<tr>
<td>156</td>
<td>NK Logistics Limited</td>
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<tr>
<td>157</td>
<td>Nordic Freight International Ltd</td>
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<td>158</td>
<td>Nunix Enterprises Ltd</td>
</tr>
<tr>
<td>159</td>
<td>On-Line Cargo Handlers Limited</td>
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<td>160</td>
<td>Open Economy Agencies Ltd</td>
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<td>161</td>
<td>Oriental Forwarders Ug. Ltd</td>
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<td>Pax Transport Ltd</td>
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<tr>
<td>169</td>
<td>Pioneer International Forwarders U Ltd</td>
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<td>170</td>
<td>Poa International Ltd</td>
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<tr>
<td>171</td>
<td>Precise Agencies Limited</td>
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<td>Promises Cargo Forwarders Ug. Ltd</td>
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<td>Raka Agencies Ltd</td>
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<td>174</td>
<td>Rapid Kate Services (U) Ltd</td>
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<tr>
<td>175</td>
<td>Rehman International Ltd</td>
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<tr>
<td>176</td>
<td>Reliable Cargo Centre Ltd</td>
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<td>177</td>
<td>Rift Valley Railways</td>
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<td>178</td>
<td>Rolax International Uganda Ltd</td>
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<td>179</td>
<td>Roofclad Ltd</td>
</tr>
<tr>
<td>180</td>
<td>Roofings Limited</td>
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<td>181</td>
<td>Rosebud Limited</td>
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<td>182</td>
<td>Royal Agencies Limited</td>
</tr>
<tr>
<td>183</td>
<td>Rwenzori Commodities Ltd</td>
</tr>
<tr>
<td>184</td>
<td>S.W.T. Tanners Limited</td>
</tr>
<tr>
<td>185</td>
<td>Sapphire Limited</td>
</tr>
<tr>
<td>186</td>
<td>Seacon Masters Limited</td>
</tr>
<tr>
<td>187</td>
<td>Seafast Logistics (U) Limited</td>
</tr>
<tr>
<td>188</td>
<td>Seawing Cargo Ug Ltd</td>
</tr>
<tr>
<td>189</td>
<td>Shafa Clearers and Forwarders Limited</td>
</tr>
<tr>
<td>190</td>
<td>Shift Cargo Services Ltd</td>
</tr>
<tr>
<td>191</td>
<td>Sib General Supplies Ltd</td>
</tr>
<tr>
<td>192</td>
<td>Skylight International (U) Ltd</td>
</tr>
<tr>
<td>193</td>
<td>Southern Enterprises Ltd</td>
</tr>
<tr>
<td>194</td>
<td>Sovan Enterprises Ltd</td>
</tr>
<tr>
<td>195</td>
<td>Spedag Interfreight (U) Ltd</td>
</tr>
<tr>
<td>196</td>
<td>Speedline Cargo Limited</td>
</tr>
<tr>
<td>197</td>
<td>Speedline Uganda Ltd</td>
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<tr>
<td>198</td>
<td>St. Mark Clearing &amp; Forwarding Int’l Co. Ltd</td>
</tr>
<tr>
<td>199</td>
<td>Stamet Forwarders Ltd</td>
</tr>
<tr>
<td>200</td>
<td>State House</td>
</tr>
</tbody>
</table>
201 Steel & Tube Inds Ltd
202 Stenkco International (U) Ltd
203 Super Traders Agencies Ug. Ltd
204 Supercargo Investments Limited
205 Swift Freight International Uganda Ltd
206 SWT Tanners Ltd
207 Taurus Investments Ltd
208 Tetra Cargo (U) Limited
209 The Clearer U Limited
210 The Grace Freight Forwarders Ltd
211 Three One One Freight Forwarders (U) Ltd
212 Three Star Cargo Ltd
213 Threeways Shipping Services (Group) Ltd
214 Tororo Cement Ltd
215 Transoceanic Project Development
216 Tropical Clearing & Forward Co Ltd
217 Twinco Forwarders Limited
218 Uganda Hortech Limited
219 Uganda Police Force
220 Un/World Food Prog
221 Uni-Movers and Logistics Ltd
222 Unifreight Cargo Handling Ltd
223 Union Logistics Uganda Ltd
224 United Logistics Ltd
225 United Vanlines Ltd
226 United Worldwide Forwarders Ltd
227 Vismafreight Uganda Limited
228 Wafcou Limited
229 Wage Freight Forwarders Ug. Ltd
230 Western Merchants Limited
231 Your Choice Ltd
232 Zahaati Freight Cargo Limited
Appendix IX: EC Declaration of Conformity Template

**EC DECLARATION OF CONFORMITY**

1. No xxxxxx (unique identification of the product):  

2. Name and address of the manufacturer and/or his authorised representative:  

3. This declaration of conformity is issued under the sole responsibility of the manufacturer (or installer):  

4. Object of the declaration (identification of product allowing traceability. It may include a photograph, where appropriate):  

5. The object of the declaration described above is in conformity with the relevant Community harmonisation legislation:  

6. References to the relevant harmonised standards used or references to the specifications in relation to which conformity is declared:  

7. Where applicable, the notified body … (name, number)… performed … (description of intervention) … and issued the certificate: …  

8. Additional information:  

Signed for and on behalf of:  
(place and date of issue)  
(name, function)  
(signature)
### Appendix X: Commercial Invoice Template

#### COMMERCIAL INVOICE

<table>
<thead>
<tr>
<th>Seller:</th>
<th>Invoice No.:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sold to:</th>
<th>Customer Reference No.:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ship to (if different from Sold to):</th>
<th>Terms of Sale:</th>
<th>Terms of Payment:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Currency of Settlement: | |
|-------------------------| |

#### Quantity | Description | Unit of Measure | Unit Price | Total Price | Mode of Shipment: |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Package Marks</th>
<th>Total Commercial Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Miscellaneous charges (e.g. insurance, packing...):</th>
<th>Total Invoice Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Certifications</th>
<th>I certify that all stated details in this document are true and correct.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name (in CAPITALS):</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix XI: Packing List Template

PACKING LIST

Place and Date of Shipment

To
(Name and Address of Buyer)

Under your order number

the material listed below was shipped by
(Names of Shipping Company)

via
(Detail all countries passed and the mode of shipment)

To
(Name and Address of Final Destination)

The Shipment Consists of

<table>
<thead>
<tr>
<th>Cases</th>
<th>Packages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crates</td>
<td>Cartons</td>
</tr>
<tr>
<td>Barrels</td>
<td>Drums</td>
</tr>
<tr>
<td>Reels</td>
<td>Other Parcels (specify)</td>
</tr>
</tbody>
</table>

Marks

<table>
<thead>
<tr>
<th>Package Number</th>
<th>Weights (specify lbs or kg)</th>
<th>Dimensions (specify cm/m or inches/ft)</th>
<th>Quantity</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Weight</td>
<td>Legal Weight</td>
<td>Net Weight</td>
<td>Height</td>
</tr>
</tbody>
</table>


Appendix XII: Template Bonded Warehouse Application Form

Regulations 57(1), 74(1)
APPLICATION FOR LICENCE OF PREMISES TO BE USED AS A
*BONDED WAREHOUSE/FACTORY/INTERNAL CONTAINER DEPOT (ICD)

PART I

Name of applicant

__________________________

PIN/TIN.

__________________________

Registered address

__________________________

If Renewal state bonded warehouse/factory number (where applicable)

__________________________

Form of business *sole proprietorship/a partnership/limited company
(attach certified copies of certificate of incorporation, memorandum and articles of association)

__________________________

Particulars of *owners/directors/partners;
(Names, occupation, nationalities and percentage of shares held)

__________________________

Other business currently engaged in by your *sole proprietorship partnership/company
(Registered name physical and postal address)

__________________________

Are you/your employees conversant with the Customs procedures? (circle appropriate) *YES/NO
(a) If yes, give name(s) of your employee(s) who will be stationed in the premises to be licensed stating the experience in Customs procedures

__________________________

(b) If no, what steps do you/your employee(s) intend to take to acquire the necessary know-how in the customs procedures?
Name(s) of Bankers

Authorised share capital/business capital in dollars

Paid up capital.

Has your application for a license ever been rejected? (circle appropriate) *YES/NO
If yes state reasons

State whether the warehouse is for general or private use.

State the estimated amount of Import Duty, VAT and any other tax chargeable on goods likely to be warehoused or to be in the factory at any one time (USD)

Name of proposed securities

PARTICULARS OF PREMISES
(a) Whether a room or rooms or an entire building should be bonded

(b) Where situated.

(c) How bounded

(d) Of what material built.

(e) Dimensions

(f) Doors.

(g) Windows.

(h) How doors fastened.
(i) How windows fastened.

(j) Ventilation.

(k) How secured.

(l) If there is an upper storey, for what purpose is it used

(m) Are your procedures computerized?

NOTE: Plans of the proposed building and situation of the warehouse building in relation to other buildings should accompany this application.

14. I hereby declare that the above particulars are true and correct.

Signed. _______________________________________________

Title _________________________________________________

Date _________________________________________________

PART II

For Official Use

*Recommended/Not recommended

*Approved/Not Approved

* Delete whichever is inapplicable

NOTES

1. Any late application must be submitted with a non-refundable application fee of (USD) which is not a guarantee for issue of a license.

2. New applicants will be required to produce evidence of citizenship of shareholders (or partners), business registration and other documents of association. Failure to do so may disqualify the applicant.

3. Giving of false or incorrect information renders the applicant liable to prosecution.
# Appendix XIII: Relevant Contacts

## Business Development Centres

<table>
<thead>
<tr>
<th>Location</th>
<th>Contact Person</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bugesera</td>
<td>KAGWENE Emmanuel</td>
<td>(+250)788446571</td>
</tr>
<tr>
<td>Burera</td>
<td>SIBIKINO Evariste</td>
<td>(+250) 783296191</td>
</tr>
<tr>
<td>Gakenke</td>
<td>RUBAGUMYA Claude</td>
<td>(+250) 788870233</td>
</tr>
<tr>
<td>Gasabo</td>
<td>SHEMA Bernardin</td>
<td>(+250) 788300679</td>
</tr>
<tr>
<td>Gatsibo</td>
<td>NUWAGABA Justus</td>
<td>(+250) 788776885</td>
</tr>
<tr>
<td>Gicumbi</td>
<td>MUGORUKEYE Césarie</td>
<td>(+250) 788511832</td>
</tr>
<tr>
<td>Gisagara</td>
<td>NSENGIYUMVA Ildephonse</td>
<td>(+250) 783030637</td>
</tr>
<tr>
<td>Huye</td>
<td>NSHIMIYIMANA Eric</td>
<td>(+250) 788524298</td>
</tr>
<tr>
<td>Kamonyi</td>
<td>MBABAZI Peninah Mr.</td>
<td>(+250) 788514596</td>
</tr>
<tr>
<td>Karongi</td>
<td>MUGIRWANAKE Melchior</td>
<td>(+250) 788736534</td>
</tr>
<tr>
<td>Kayonza</td>
<td>MUHAYIMANA Célestin</td>
<td>(+250) 783560114</td>
</tr>
<tr>
<td>Kirehe</td>
<td>KAGABA Eric</td>
<td>(+250) 788305121</td>
</tr>
<tr>
<td>Muhanga</td>
<td>MUKAKALISA Médiatrice</td>
<td>(+250) 788884136</td>
</tr>
<tr>
<td>Musanze</td>
<td>HARELIMANA Jean Marie</td>
<td>(+250) 788683271</td>
</tr>
<tr>
<td>Ngoma</td>
<td>MUHIMPUNDU Clémentine</td>
<td>(+250) 788415889</td>
</tr>
<tr>
<td>Ngororero</td>
<td>TURAHIMANA Ferdinand</td>
<td>(+250) 788400332</td>
</tr>
<tr>
<td>Nyabihu</td>
<td>NIYONZIMA Afeos Isaie</td>
<td>(+250) 788757320</td>
</tr>
<tr>
<td>Nyagatare</td>
<td>KWIZERA Didier</td>
<td>(+250) 788551994</td>
</tr>
<tr>
<td>Nyamagabe</td>
<td>MUKASEKURU Michelle</td>
<td>(+250) 788694334</td>
</tr>
<tr>
<td>Nyamasheke</td>
<td>BIGIRABAGABO Moise</td>
<td>(+250) 788754137</td>
</tr>
<tr>
<td>Nyanza</td>
<td>MANIRAFASHA Janvier</td>
<td>(+250) 788618694</td>
</tr>
<tr>
<td>Nyarugenge</td>
<td>Patrick DUSABE</td>
<td>(+250) 788426045</td>
</tr>
<tr>
<td>Nyaruguru</td>
<td>MUTWARANGABO Robert</td>
<td>(+250) 783494835</td>
</tr>
<tr>
<td>Rubavu</td>
<td>NSENGIMANA Lémon</td>
<td>(+250) 788574757</td>
</tr>
<tr>
<td>Ruhango</td>
<td>NZARAMBA James</td>
<td>(+250) 788417172</td>
</tr>
<tr>
<td>Rulindo</td>
<td>HAKUNDIMANA AiméSauveur</td>
<td>(+250) 788671167</td>
</tr>
<tr>
<td>Rutsiro</td>
<td>Eliezer MUKESHIMANA</td>
<td>(+250) 788661979</td>
</tr>
<tr>
<td>Rwamagana</td>
<td>MUKABAZIMYA Peace</td>
<td>(+250) 788628607</td>
</tr>
<tr>
<td>Rusizi</td>
<td>RUGAMBWBA Orest</td>
<td>(+250) 788506760</td>
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</table>
Ministries/Government Bodies

<table>
<thead>
<tr>
<th>Name</th>
<th>Telephone</th>
<th>Website</th>
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<tbody>
<tr>
<td>MINAGRI</td>
<td>(+250) 788434272</td>
<td><a href="http://www.minagri.gov.rw">www.minagri.gov.rw</a></td>
</tr>
<tr>
<td>MINEAC</td>
<td>(+250) 252 599 120</td>
<td></td>
</tr>
<tr>
<td>NAEB</td>
<td>(+250) 0252 57 56 00</td>
<td><a href="http://www.naeb.gov.rw">http://www.naeb.gov.rw</a></td>
</tr>
<tr>
<td>RAB Veterinary Inspections</td>
<td>Hotline: 4675</td>
<td><a href="http://www.rab.gov.rw">www.rab.gov.rw</a></td>
</tr>
<tr>
<td></td>
<td>Tel: (+250) 252582945</td>
<td></td>
</tr>
<tr>
<td>RRA Customs Department</td>
<td>Hotline: 3004,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tel: (+250) 252595512</td>
<td></td>
</tr>
<tr>
<td>Rwanda Judiciary (Commercial High Court)</td>
<td>(+250) 257 582276</td>
<td><a href="http://www.judiciary.gov.rw">www.judiciary.gov.rw</a></td>
</tr>
</tbody>
</table>

Trade Bodies and Foreign Government Bodies

**EAC (East African Community) Secretariat**
Address: Arusha International Conference Center (AICC), 5th floor, Kilimanjaro Wing, P.O.Box 1096, Arusha – Tanzania
Email: eac@eachq.org
Telephone: (+255) 27 250 4253

**COMESA (Common Market for Eastern and Southern Africa)**
Address: COMESA Secretariat, COMESA Centre, Ben Bella Road, Kang’ombe House, 5th Floor – West Wing, PO Box: 30051, Lusaka – ZAMBIA
Telephone: (+260) 211 229725/32
Website: www.comesa.int

**COMESA Competition Commission**
Email: compcom@comesa.int
Telephone: (+265) 01 772466, (+ 265) 991 320088
Website: http://www.comesacompetition.org/

**European Commission’s Trade Division**
Website: http://ec.europa.eu/trade/

**European Commission Export Help Desk**
Website: http://exporthelp.europa.eu/thdapp/index.htm
European Binding Tariff Information (BTI) and Link to European Customs Offices
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/classification_goods/index_en.htm#authorities

APHIS USA Permit Unit for plants & plant products
Address: USDA-APHIS, Plant Protection and Quarantine, Permit Unit, 4700 River Road, Unit 133, Riverdale, MD 20737, USA
Email: permits@aphis.usda.gov
Telephone: (+1) 877 770-5990 or (+1) 301 851-2046
Website: www.aphis.usda.gov/plant_health/permits/index.shtml

APHIS USA Permit Unit for animals, meat and meat by-products
Address: USDA-APHIS-NCIE, 4700 River Road, Unit 39, Riverdale, MD 20737, USA
Email: AskNCIE.Products@aphis.usda.gov
Telephone: (+1) 301 851-3300, select option 5

Private Sector Contacts

Business/Trade Associations

African Development Consultants Ltd.
Address: 18 Avenue KG167, Kimironko, Remera, Kigali, PO Box: 6693
Email: info@adcltd.org
Telephone: (+250) 55100487, (+250) 788415194

ADR (Rwanda Freight Forwarders Association)
Address: 1st Floor Le Prestige Building, Gikondo-Kicukiro Road, PO Box: 4967, Kigali, Rwanda
Email: info@adrwanda.com
Telephone: (+250)788495208
Website: http://www.adrwanda.com/

RTTA (Rwanda Tours and Travel Association)
Address: Centinary Building, 1st Floor, Office Number 39, PO Box: 1530, Kigali, Rwanda
Website: www.rttarwanda.org

Private Sector Federation
Address: Gikondo, Kigali, PO Box: 319
Email: info@psf.org.rw
Telephone: Hotline: 2233, Tel.: (+250) 252 570650
Website: www.psf.org.rw
FEAFFA (Federation of East Africa Freight Forwarder Associations)
Address: PO Box: 22694-00400, Tom Mboya, Nairobi, Kenya
Email: info@feaffa.com
Telephone: (+254) 202684802, (+254) 738 150673
Website: www.feaffa.com

Kigali Warehouses

MAGERWA
Address: Gikondo, Kigali
Email: info@magerwa.com
Telephone: (+250)78874494, (+250)788141100
Website: www.magerwa.com

MAGERWA: Gikondo warehouse and other services
Email: florence.mutesi@magerwa.com
Telephone: (+250)788482357, (+250)788141114

MAGERWA: Airport and Border post services
Email: albert.murenzi@magerwa.com
Telephone: (+250)788500047, (+250)788141205

MAGERWA: Assistance for cargo losses and/or damage evaluations
Email: bosco.songa@magerwa.com
Telephone: (+250)788553357, (+250)788141138

MAGERWA: Office, Warehouse, Space, and Garden Rental
Email: chantal.umugwaneza@magerwa.com
Telephone: (+250) 788451196, (+250)788141150

MAGERWA: Equipment rental
Email: pascal.kagarama@magerwa.com
Telephone: (+250) 788301499, (+250) 788141155

Insurances

Alliance Insurance Brokers
Address: Boulevard de l'Umuganda, Kacyiru, Kigali
Email: info@alliancegrp.ro
Telephone: (+250) 788503733
Website: www.alliancegrp.co
Ascoma Rwanda Ltd.
Address: Immeuble Aigle Blanc, Kimihurura, Kigali, PO Box: 6170
Email: rwanda@ascoma.com
Telephone: (+250) 788301385
Website: www.ascoma.com

Liaison Rwanda Ltd.
Address: Kimihurura, Plot No.1520, Kigali, PO Box: 12990
Email: infor@liaisongroup.net
Telephone: (+250) 788713619
Website: www.liaisongroup.net

Africa Risk Insurance Brokers
Address: Ubumwe House, 2th Floor, Kacyiru, Kigali
Email: afrikarisk@yahoo.fr
Telephone: (+250) 788 30 1648
Website: www.afrikarisk.com

Utmost Insurance Brokers Rwanda
Address: Imprimerie Muhima, 1st Floor, Nyabugogo Road, PO Box: 6551, Kigali
Email: utmostrwanda@gmail.com
Telephone: (+250) 788302001

BRD Insurance Broker Ltd.
Address: Boulevard de la Révolution, PO Box: 1341, Kigali

Fair Insurance Broker Ltd.
Address: Kisimenti, Remera, PO Box: 3066, Kigali
Email: fibrwanda@gmail.com
Telephone: (+250) 788857699, (+250) 788517854

Global Risk Advisors Ltd
Address: LBC Bldg, Wing A, 3rd floor, 24, PO Box: 6571, Kigali
Email: globalrisk.rwanda@gmail.com
Telephone: (+250) 788300272

Elephant Insurance Brokers
Address: Gikondo, Kicukiro, PO Box: 1838, Kigali
Email: info@elephantbrokers.com
Telephone: (+250) 782531313
Website: www.elephantbrokers.com
CVL Brokerage Services Ltd
Address: Grand Pension Plaza, 14th Floor, PO Box: 1287, Kigali
Email: info@cvl.co.rw
Telephone: (+250) 788307993

African Trade Insurance
Address: Prester House, Umuganda Boulevard de l'Umuganda, Kacyiru, Kigali- Rwanda
Email: rwanda@ati-aca.org
Telephone: (+250) 786 381 406
Website: http://www.ati-aca.org

SONARWA General Insurance Ltd
Address: 2417, Boulevard de la revolution, PO Box: 1035, Kigali
Telephone: (+250) 252572101
Website: www.sonarwa.co.rw

SORAS Assurance General Ltd.
Address: Boulevard de la revolution, PO Box: 924, Kigali
Telephone: (+250) 788305040
Website: www.soras.co.rw

CORAR S.A.
Address: Centenary House, Place de la constitution, PO Box: 3869, Kigali
Email: Infos@corar-ag.com
Telephone: (+250) 78830 6435
Website: www.corar-ag.com

COGEAR Ltd.
Address: Avenue de l'armee, PO Box: 2753, Kigali
Telephone: (+250) 78830 0642

Phoenix of Rwanda Assurance S.A.
Address: Grand Pension Plaza, PO Box: 82, 2753, Kigali
Email: info@phoenixrwanda.com
Telephone: (+250) 788306977
Website: www.phoenixassurancegroup.com

UAP Insurance Rwanda Ltd.
Address: 7th Floor Grand Pension Plaza, PO Box: 6644, Kigali
Email: uapinsurancerw@uap-group.com
Telephone: (+252) 5009057, (+250) 2525009057
Website: www.uap-group.com
Radiant Insurance Company
Address: KN 76 Street 5, Avenue du Commerce, Kigali
Email: radiantrwanda@yahoo.fr
Telephone: (+250) 788300115, (+250) 280666421
Website: www.radiant.rw

Britam Insurance Company
Email: britam@britam.rw
Telephone: (+250) 788 309 277, (+250) 788 380 737, (+250) 728 380 737
Website: www.britam.rw

Banks/Lending Institutions
I&M Bank Rwanda Ltd
Address: 3rd Avenue/KG 9
Email: customerservices@imbank.co.rw
Telephone: Hotline: 3227, Tel.: (+250) 252595200, (+250) 788302993
Website: www.imbank.com/rwanda

Bank of Kigali Ltd
Address: Plot No.6112, Avenue de la Paix, PO Box: 175, Kigali
Email: sbymukama@bk.rw, bk@bk.rw
Telephone: Hotline: 4455, (+250) 788143000, (+250) 252 593100
Website: www.bk.rw

Banque Rwandaise de Développement (BRD)
Address: Boulevard de la Revolution, PO Box: 1341
Telephone: Hotline: 3288, (+250) 575079
Website: www.brd.com.rw

Guaranty Trust Bank Rwanda Ltd
Address: 20 Boulevard de la Révolution, PO Box: 331, Kigali
Email: kigali@gtbank.com
Telephone: (+250) 252 598600
Website: www.gtbank.co.rw

ACCESS Bank Rwanda Ltd
Address: Access Bank Rwanda Head Office, 3rd Floor UTC Building, Kigali, Rwanda
Email: rwandacontactcenter@accessbankplc.com
Telephone: (+250) 788145100
Website: http://subs.accessbankplc.com/rw/
**Ecobank Rwanda Ltd**
Address: Plot 314, Avenue de la Paix, PO Box: 3268, Kigali
Website: [www/ecobank.com](http://www.ecobank.com)

**Cogebanque Ltd**
Address: KN 2 Roundabout, Centenary House, PO Box: 5230, Kigali, Rwanda
Email: GFerdinand@ecobank.com, cogebank@cogebank.com
Telephone: (+250) 788 155 500/509
Website: [www.cogebank.com](http://www.cogebank.com)

**Banque Populaire du Rwanda**
PO Box: 1348, Kigali
Email: info@bpr.rw
Telephone: Hotline: 1500, (+250) 788187200
Website: [www.bpr.co.rw](http://www.bpr.co.rw)

**Kenya Commercial Bank Rwanda (KCBR)**
Address: KCB Corporate Centre, Avenue de la Paix, Wing B, Ground floor, PO Box: 5620, Kigali
Email: corporatebanking@rw.kcbbankgroup.com
Telephone: (+250) 252 570620/21, (+250) 252 570715/6
Website: [www.kcbbankgroup.com](http://www.kcbbankgroup.com)

**Equity Bank Rwanda**
Address: Grand Pension Plaza, Ground Floor, PO box: 494, Kigali
Email: info-rwanda@equitybank.co.rw
Telephone: +250 788190000
Website: [http://rw.equitybankgroup.com/](http://rw.equitybankgroup.com/)

**Urwego Opportunity Bank (UOB)**
Address: Plot 1230, Avenue de la Paix, PO Box: 748, Kigali
Website: [www.opportunity.org](http://www.opportunity.org)

**Unguka Bank**
Address: Avenue de la Paix
Email: info@uob.rw
Telephone: +250 0830 3957
Website: [opportunity.net/rwanda/](http://opportunity.net/rwanda/)

**Agaseke Bank**
Website: [http://www.agasekebank.com](http://www.agasekebank.com)
Zigama CSS
Address: PO BOX: 4772
Email: info@zigamacss.com
Telephone: (+250) 252571184, (+250) 0788303504
Website: http://www.zigamacss.org/

AB Bank Rwanda
Address: BCK Building, Nyarugenge District, Nyarugenge Sector, Kiyovu Cellule, KN 78 ST 15, Kigali
Email: info@abbank.rw
Telephone: (+250) 727694809, (+250) 727694817
Website: www.abbank.rw

Internationally Accredited Certification Bodies

Bureau Veritas (Kenya)
Address: First Floor, ABC Place, Waiyaki Way, Westlands, Nairobi, Kenya
Telephone: (+254) 20 445 0560/1/2/3/4
Website: www.buerauveritas.com

Bureau Veritas (Uganda)
Address: Plot No.30, Regency Plaza, Lugogo Bypass, PO Box: 4032, Kampala, Uganda
Telephone: (+256) 792 280 280 / 281
Website: www.buerauveritas.com

SGS (Kenya)
Address: Victoria Towers, Kilimanjaro Avenue, Upper Hill, Nairobi, 00200, Kenya
Telephone: (+254) 20 273 3690
Website: http://www.sgs.co.ke/en

SGS (Tanzania)
Address: Nelson Mandela Road No.5, Kurasini, PO Box: 2249, Dar Es Salaam, 2249, Tanzania
Telephone: (+255) 22 213 21 31 / 211 65 82 / 211 39 82 / 211 26 27
Website: http://www.sgs.co.tz/en

Eurofins/Agri-Quest (Kenya)
Address: Agriq-quest Laboratory Ground floor, Plessey House, Uhuru Highway, Industrial Area, Nairobi, Kenya
Email: info@agriq-quest.com
Telephone: (+254) 20551988
Website: www.agriq-questlaboratory.com
ITC Standards Map
Website: http://www.standardsmap.org

HS Codes
Website: www.hscode.org/

Barcode Association

GS1 Barcodes
Website: www.gs1.org

GS1 Kenya
Address: Allbid House, 2nd Floor, Wing C Mombasa Road, 00200 Nairobi, PO Box: 3243, Kenya
Email: info@gs1kenya.org
Telephone: (+254) 20 20 238 5270 / 2319414
Website: http://www.gs1kenya.org

GS1 Tanzania
Address: 1st Floor Sido Head Quarter, Upanga – Mfaume street, Tanzania, PO Box: 2476
Email: info@gs1tz.org
Telephone: (+255) 22 2150118
Website: http://www.gs1tz.org/
Appendix XIV: AGOA Country Criteria

Country Criteria for Eligibility

Currently, about 40 African countries profit from these agreements. Inclusion in the preferential agreements is however subject to annual review. Please consult Appendix XYZ for detailed information based on which criteria your production country is evaluated.

Criteria for General Inclusion

(A) General Eligibility Characteristics

1. The country must have established or is making continual progress towards establishing:
   a) a market-based economy that protects property rights, incorporates an open rules-based trading system, and minimises government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets;
   b) the rule of law, political pluralism, and the right to due process, a fair trial, and equal protection under the law;
   c) the elimination of barriers to United States trade and investment, including by
      i. the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;
      ii. the protection of intellectual property; and
      iii. the resolution of bilateral trade and investment disputes;
   d) economic policies to reduce poverty, increase the availability of healthcare and educational opportunities, expand physical infrastructure, promote the development of private enterprise, and encourage the formation of capital markets through micro-credit or other programs;
   e) a system to combat corruption and bribery, such as signing and implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and
   f) protection of internationally recognized worker rights, including the right of association, the right to organise and bargain collectively, a prohibition on the use of any form of forced or compulsory labour, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

2. The country does not engage in activities that undermine the US national security or foreign policy interest; and

3. The country does not engage in gross violations of internationally recognised human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities.
(B) On-going Compliance

If the country is not continuing to make progress towards the criteria outlined in (A), the country can be dismissed from the list of AGOA beneficiaries.

**Effective Visa System**

If the have fulfilled these conditions, countries further need to have ‘an effective visa system’ in place. In practice this means that

- each shipment is covered by an original visa stamped on an original invoice
- the visa must contain certain information such as: date of visa, the quantity of goods being shipped, the preference grouping the goods qualify under, and a country code
- the country’s government must
  - agree to cooperate with U.S. Customs Service to prevent unlawful trans-shipment and use of counterfeit documentation
  - agree to permit verification visits to factories, producers, exporters and/or manufacturers
  - require factories, producers, exporters and manufacturers to retain proper record relating to the production of goods for a period of five years.

**AGOA Rules of Origin**

As with many trade agreements that you have been reading about in this book, when wanting to profit from the AGOA agreement, you also have to comply with certain rules of origin. In general three rules apply:

1. The product must be directly imported from the AGOA-country (e.g. Rwanda) to the US.

2. The sum of costs/value of materials produced in one or more AGOA beneficiary countries and the ‘direct cost of processing’ performed in those countries may not be less than 35% of the value of the product when it enters the US.

3. However, up to 15% of the 35% can be derived from US parts or materials (i.e. bilateral cumulation applies).
Endnotes

3 Based on http://www.businessdictionary.com/definition/distributor.html#ixzz367V8Zeq
4 http://org.rdb.rw/?page_id=249
5 Based on RDB’s EIA application guide, available on www.rdb.rw/one-stop-centre/environmentimpact-assessment.html
6 Section based on interviews with NAEB on 9/6/2014, conducted in Kigali, Rwanda
8 Based on http://www.rra.gov.rw/index.php?id=139
9 All provided definitions are based on corresponding entries on www.businessdirectory.com and www.investopedia.com
10 All cost estimates and stated requirements for this chapter are based on interviews with Bank of Kigali (BK), Equity Bank, Access Bank and I&M, which took place on 28/5/2014 in Kigali, Rwanda.
11 All definitions and cited documentary requirements are based on those used by interviewed insurance companies (Sonarwa, Soras, CORAR and UAP conducted in Kigali, Rwanda, on June 4, 2014, e-mail communication with Britam on June 19, 2014).
12 Based on interviews with Sonarwa, Soras, CORAR and UAP conducted in Kigali, Rwanda, on June 4, 2014, e-mail communication with Britam on June 19, 2014 and ATI’s website: www.ati-aca.org
13 Based on http://www.mindtools.com/pages/article/newTMC_09.htm
14 http://www.mindtools.com/pages/article/newTMC_09.htm
17 http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main
18 http://ec.europa.eu/enterprise/faq/ce-mark.htm
20 Based on http://agoa.info/about-agoa/product-eligibility.html
21 http://agoa.info/about-agoa/products.html
22 Based on http://agoa.info/about-agoa/products.html
23 based on interviews with NAEB, conducted 9/6/2014, in Kigali, Rwanda.
24 Based on interviews with MINAGRI, conducted on 28/5/14, Kigali, Rwanda.
25 Source: Deloitte, June 2013 – Rwanda Integrated Trade Logistics Facilities Project
26 Deloitte, June 2013 – Rwanda Integrated Trade Logistics Facilities Project
27 CIA Factbook, 2014.
28 Deloitte, June 2013 – Rwanda Integrated Trade Logistics Facilities Project
29 GoR – Cross Border Trade Strategy 2012
31 Source: Deloitte, June 2013 – Rwanda Integrated Trade Logistics Facilities Project
32 http://www.comesacompetition.org/?page_id=125
36 http://www.embassy.gov.rw/
37 http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main
38 http://ec.europa.eu/enterprise/faq/ce-mark.htm
40 Based on http://agoa.info/about-agoa/product-eligibility.html
41 http://agoa.info/about-agoa/products.html
42 Based on http://agoa.info/about-agoa/products.html
43 Based on interviews with NAEB, conducted 9/6/2014, in Kigali, Rwanda.
44 Based on interviews with MINAGRI, conducted on 28/5/14, Kigali, Rwanda.
45 Based on interviews with MINAGRI, conducted on 28/5/14, Kigali, Rwanda.
47 info@minagri.gov.rw
49 Source of pictures: rwanda-standards.org
50 Based on interviews with Angeline Wibabara, conducted on 13/5/2014, MINAGRI on 28/5/2014 and NAEB 9/6/2014, in Kigali, Rwanda.
51 Taken from RNRA’s Mineral Certification Regulation, available for download at: http://mra.rw/index.php?id=70
Fulfilling contract terms is called ‘deliver’ under Incoterms.

Requirements cited in this chapter are based on standards set by DPD, TNT, UPS and recommendations given by JEM Freight and Forwarding and Zephania Muhigi (trade and customs consultant).


Chapter based on interviews with RRA, conducted on 14/5/14, and Zephania Muhigi, conducted on 12/5/2014, in Kigali, Rwanda.

Contact Details: Admin Office: (+250) 788141100

Rates and times based on estimates from Bolloré, Kenfreight, RDB and PAL.

Interviews with Bolloré, JEM Freight and Forwarding and PAL.

Interview with JEM Freight and Forwarding, 8.5.2014, Kigali.

Interview with Bolloré and Interview with RRA customs unit, 14.5.14, Kigali.

Interview with JEM Freight and Forwarding.

Interview with Bolloré, 10.6.14, Kigali.