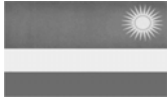


RWANDA REVENUE AUTHORITY



Rwanda Revenue Authority – A
Summary of Achievements

1. Outline

- Background to taxation in Rwanda;
- Formation of RRA and its mandate;
- Key success factors;
- Achievements made by RRA
- Key challenges.

Formation of RRA and its Mandate

- In 1998, Government decided to established a semi autonomous agency - RRA by an Act of Parliament under Law number 15 of 8th Nov. 1997;
- The agency was tasked with a responsibility of assessment and collection of all taxes and customs duties;
- In 2002, Government adopted a fiscal decentralization policy giving certain taxes to local Authorities;
- In 2003, it was also given a responsibility to collect non tax revenue.

Critical Success Factors

- Adequate Government support;
- Flexible and focused support from DFID;
- Preparedness to change;
- Clear business objectives-Adoption of a modern planning approach;
- Committed and focused leadership;
- Cooperation from stakeholders.

Achievements made by RRA

- Consistent reduction of duty and tax rates;
- Introduction of value added tax in 2001;
- Fiscal decentralisation in 2002;
- Collection of revenues by commercial banks;
- Move from 'tax head' to functional approach including establishment of Large Taxpayers Department;

Achievements made by RRA cont'd

- Improved partnership with all the stakeholders;
- Building capacity of staff and the setting up of a tax training institute;
- Decentralization of key taxpayer services;
- Development and documentation of policies, procedure manuals and work instructions;
- Gender promotion: 33% of position are staffed by women
- Education: over 50% of employees are graduated from university

Achievements made by RRA cont'd

- Implementation of ASYCUDA++ since 2004 in customs with a planned roll out to key outstations;
- Implementation of SAGE in Finance and Administration matters since 2003;
- Implementation of PEODESY, an HR software since 2005;
- Implementation of SIGTAS in LTD and IRD since 2005;
- Implementation of E-doc software within RRA since 2006.

Achievements made by RRA cont'd

- Assessment of hardware needs and execution of the purchase plan. RRA now has a total of 346 PCs making the computer to staff ratio 2:3;
- Purchase and installation of the computer interrogation software-I.D.E.A. for audit purposes;
- Development and implementation of new processes for the computerized systems;
- overhauled tax legislations and updated other tax instruments;
- Development and implementation of HR performance management systems.

RRA Achievements - Imports

PERIOD	IMPORTS	IMPORTS GROWTH	AVERAGE CLEARANCE RATES
2001	123,284,661,655	100%	56
2002	120,358,888,308	98%	60
2003	139,498,342,293	116%	74
2004	178,149,498,791	128%	95
2005	225,578,823,362	127%	180

RRA Achievements – Revenue Mobilisation

Period	1996	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rwf Bn										
Nominal GDP	391.7	629.4	649.7	708.8	766.3	838.5	905.3	1032.1	1184.7	1300.0
Total Tax Revenue	39.2	67.9	66.6	67.9	80.7	95.0	118.7	136.0	173.4	193.7
Total Revenue		67.9	66.6	67.9	80.7	95	121.2	139.6	183.9	202.4
Tax Revenue/GDP Ratio	10.0%	10.8%	10.3%	9.6%	10.5%	11.3%	13.1%	13.2%	14.6%	14.9%
Total Revenue/GDP Ratio		10.8%	10.3%	9.6%	10.5%	11.3%	13.4%	13.5%	15.5%	15.6%
Total number of employees		461	505	549	590	574	592	679	670	668
Revenue per employee		0.15	0.13	0.12	0.14	0.17	0.20	0.21	0.27	0.30

Key Challenges

- Bringing stakeholders on board;
- Sustainability of IT systems;
- Consolidating the gains from IT systems;
- Large and growing informal sector;
- Capacity building of staff in specialized areas of taxation such as E-Commerce.

Key Challenges cont'd

- Strengthening of Audit and Investigation functions;
- Economic Integration challenges;
- Fiscal Decentralization – Harmonization of approaches to taxation.

Where technology fit into the overall project?

New and improved legislations

New and improved regulations & administrative procedures

New software solution supporting best practices

**Modern, secure and reliable Enabling
Information Technology Infrastructure**
