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# RWANDA TRANSFER PRICING GUIDE 2026

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# NEW TRANSFER PRICING RULES, 2026

## WHY TRANSFER PRICING RULES?

**Transfer pricing (TP) refers to the rules and methods for pricing transactions within and between enterprises under common ownership or control.**

They provide the basis for adjustment of prices that differ from what would have been charged by unrelated enterprises dealing at arm's length (the arm's-length principle).

The transfer pricing rules provide a guide on how companies can ensure compliance with Transfer pricing provisions in the Income Tax Law.

The rules, initially published in 2020 under the Ministerial Order No. 003/20/10/TC of 11/12/2020, were revised in 2026 through Ministerial Order No. 003/26/10/TC of 29/04/2026.



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# 1. CORE DEFINITIONS

- i). **Controlled Transaction:** Any sale, purchase, service, licence, financing transaction, cost contribution arrangement, or business restructuring between related persons — or with a beneficial-tax-regime counterparty.
- ii). **Arm's Length Principle:** A controlled transaction's price or margin must comply with what independent enterprises would agree in comparable circumstances.

iii). **Beneficial Tax Regime:** A regime taxing at 15% or below (down from 20% in the 2020 Order), with no substantial-activity requirement, or no information access — triggers deemed-controlled treatment.

iv). **Advance Pricing Agreement (APA):** A unilateral, bilateral, or multilateral agreement with RRA fixing the arm's length approach for defined controlled transactions.



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## 2. 2020 ORDER VS 2026 ORDER

The revised 2026 rules preserve the core requirements of the 2020 rules— the arm's length principle, comparability factors, and five pricing methods are materially unchanged.

The key changes are: a lower beneficial-tax-regime threshold, an expanded list of transactions subject to adjustment, clarification on documentation, a new APA mechanism, and a discretionary (rather than automatic) domestic corresponding adjustment.

| Topic                                           | 2020 Ministerial Order (No. 003/20/10/TC)                                                                  | 2026 Ministerial Order (No. 003/26/10/TC)                                                                                                                             |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Beneficial Tax Regime Threshold</b>          | Effective tax rate ceiling of 20%, among other criteria.                                                   | Ceiling reduced to 15% — other criteria retained.                                                                                                                     |
| <b>Transactions Subject to Price Adjustment</b> | Goods, tangible/intangible assets, services, lending/borrowing of money, and a residual catch-all.         | New additions: cost contribution arrangements, business restructuring, and an expanded financing category (guarantees, marketable securities, advances, receivables). |
| <b>Documentation Requirement</b>                | One consolidated set of TP policy and supporting documentation.                                            | Three documents: A TP policy, Local File, and Master File; content mostly tracks 2020, plus new items.                                                                |
| <b>Filing Mechanics</b>                         | Prepared and kept; produced within 7 days of written request.                                              | TP document filed with the CIT declaration.                                                                                                                           |
| <b>Documentation Relief Threshold</b>           | Waived below FRW 600m turnover, or FRW 10m per transaction / FRW 100m aggregate.                           | Identical thresholds retained.                                                                                                                                        |
| <b>Corresponding Adjustment (Domestic)</b>      | RRA "makes" a corresponding adjustment to the other party — an obligation.                                 | RRA "may make" a corresponding adjustment — discretionary, not automatic.                                                                                             |
| <b>Prescribed Methods</b>                       | CUP, Resale Price, Cost Plus, TNMM, and Profit Split; alternative method only if none of the five applies. | Same five-method hierarchy and alternative-method test retained.                                                                                                      |
| <b>Advance Pricing Agreements</b>               | No APA mechanism.                                                                                          | Provision for APAs. Eligibility: transaction(s) ≥ FRW 100m, turnover ≥ FRW 600m; FRW 6m non-refundable fee; 3-year term (renewable once); 2-year rollback.            |

### 3. RECOMMENDED NEXT STEPS

**While maintaining the core arm's length obligations, the 2026 Order broadens what counts as a controlled transaction, formalises the Local File / Master File split, and creates the path for APAs.**

- i). Evaluate intragroup cost-sharing pools and reorganisations for TP compliance.
- ii). Confirm documentation-threshold status and update the Local File to reference a Master File.
- iii). Identify related-party intermediary sourcing and assemble the underlying third-party contracts and invoices.
- iv). Re-screen counterparties against the revised 15% beneficial-tax-regime threshold.
- v). Evaluate APA candidacy for material, recurring related-party arrangements.
- vi). Ensure updated TP documentation is ready for upload with the 2026 CIT declaration due by March 31, 2027.





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