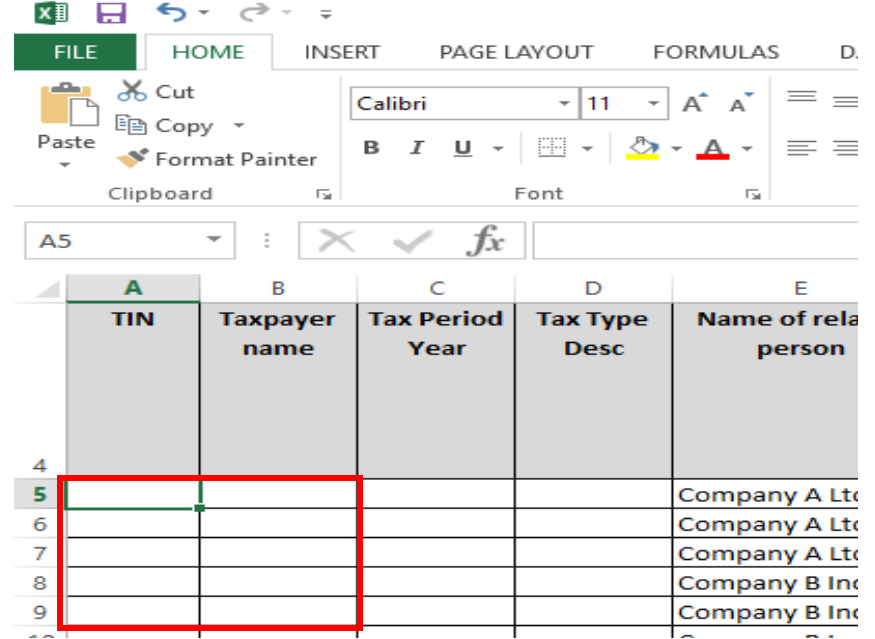
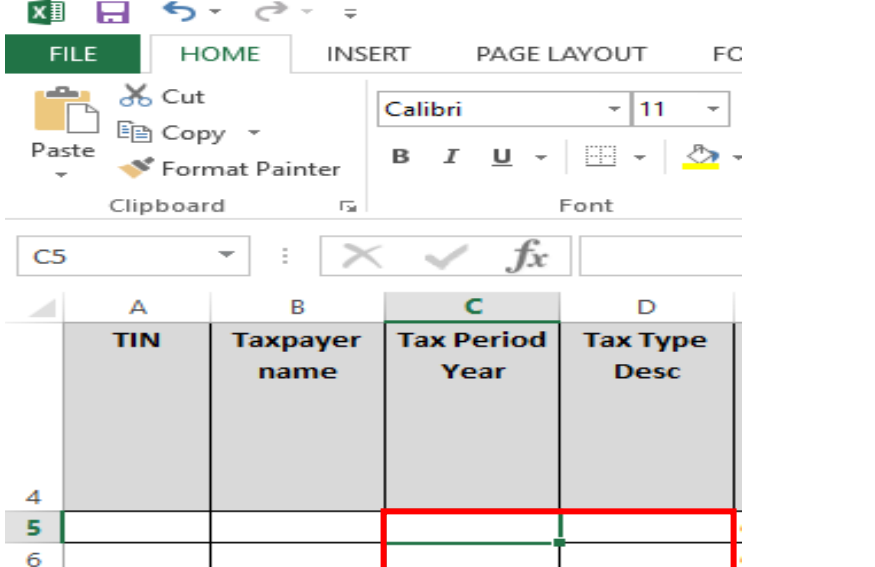


The information in the filled in the demonstration table is for illustration purposes and should not be used by taxpayers as it is.

Column	Demonstration	Details																																																
<p>A : TIN B: Taxpayer Name</p>	 <p>The screenshot shows the Excel interface with the 'HOME' tab selected. The ribbon includes 'Clipboard' and 'Font' groups. The active cell is A5. The table below has the following structure:</p> <table border="1"> <thead> <tr> <th></th> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> </tr> <tr> <th></th> <th>TIN</th> <th>Taxpayer name</th> <th>Tax Period Year</th> <th>Tax Type Desc</th> <th>Name of related person</th> </tr> </thead> <tbody> <tr> <td>4</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> <td></td> <td></td> <td>Company A Ltd</td> </tr> <tr> <td>6</td> <td></td> <td></td> <td></td> <td></td> <td>Company A Ltd</td> </tr> <tr> <td>7</td> <td></td> <td></td> <td></td> <td></td> <td>Company A Ltd</td> </tr> <tr> <td>8</td> <td></td> <td></td> <td></td> <td></td> <td>Company B Inc</td> </tr> <tr> <td>9</td> <td></td> <td></td> <td></td> <td></td> <td>Company B Inc</td> </tr> </tbody> </table>		A	B	C	D	E		TIN	Taxpayer name	Tax Period Year	Tax Type Desc	Name of related person	4						5					Company A Ltd	6					Company A Ltd	7					Company A Ltd	8					Company B Inc	9					Company B Inc	<p>Fill up your information in columns A and B (taxpayer's/filer's information)</p>
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Column	Demonstration				Details
<p>L: Transfer Pricing Adjustment</p> <p>M: Percentage (%) for which transfer pricing documentation has been prepared</p> <p>N: TP Method</p>	<p style="text-align: center;">K</p> <p style="text-align: center;">Aggregate value of transactions to related persons (Frw**)</p>	<p style="text-align: center;">L</p> <p style="text-align: center;">Transfer pricing adjustment (if any)</p>	<p style="text-align: center;">M</p> <p style="text-align: center;">Percentage (%) for which transfer pricing documentation has been prepared</p>	<p style="text-align: center;">N</p> <p style="text-align: center;">TP method***</p>	<p>Column L: Enter information of any transfer pricing (TP) adjustment done on the transaction described in Column I. TP adjustments relate to changes made in order to arrive at a transfer price in accordance with the arm's-length principle.</p> <p>Column M: In relation to transaction in Column I, enter the percentage of the total value for which transfer pricing documentation has been prepared.</p> <p>Column N: Enter the TP method applied on the transaction(s) described in Column I.</p>
			0	CUP	
			10	TNMM	
			30	CPLM	
			50	RPM	
			70	PSM	
			100	OTH	

Column	Demonstration			Details
<p>O: Key Financial Items</p> <p>P: Rwanda Taxpayer</p> <p>Q: Holding Company (Consolidated) FRW</p>	O	P	Q	<p>Column O- Key Financial Items: Enter the key financial items which include, but are not limited to:</p> <ul style="list-style-type: none"> • Total assets, • Operating Assets, • Current Liabilities, • Long-term Liabilities • Total Turnover, • Gross Profit, • Operating Expenses, • Operating Profit (EBIT). <p>Columns P & Q: For the Key Financial Items entered in Column O, enter the corresponding values for the filer (Rwanda Taxpayer) in Column P and for the holding or parent company (parent financial items) in Column Q.</p>
	Key Financial Items	Rwanda Taxpayer	Holding Company (Consolidated) FRW	
	Total Assets	100,000,000	35,000,000,000	
	Operating Assets	50,000,000	89,800,877	
	Total current Liabilities	27,000,000	37,000,000	
	Total turnover/sales	10,000,000,000	35,000,000,000	
	Gross profit	5,000,000,000	18,000,000,000	
	Total expenses	4,000,000,000	10,000,000,000	
	Operating expenses	10,000,000	2,300,000,000	
	Operating profit (EBIT)	1,000,000	200,000,000	

Frequently Asked Questions:

Q1: Should the annex be filled with weekly, monthly, quarterly or annual transactions?

The annex should be filled annually showing the total value of each type of transaction purchased from or sold to the related party.

Q2: For the taxpayers who had not been filling the annex in prior years, will they be required to go back and amend/rectify the returns of those years and fill the annex?

It is recommended that taxpayers who have not been filling the annex in prior years should amend/rectify such returns and to fill the TP annex. It is also recommended that wrongly filled TP annexes for prior years be rectified.

Q3: What happens to TP annexes not filed for periods already audited by the Tax Administration and those that are beyond the legally prescribed period?

Taxpayers are not required to fill-up TP annexes and rectify tax returns for periods already audited by the Tax Administration and those that are beyond the legally prescribed period.

Q4: What information is to be filled in Column O of the TP Annex?

All Key Financial Items (from the Statement of Financial Position and the Income Statement) should be entered. They include but are not limited to:

- Total assets,
- Operating Assets,
- Current Liabilities,
- Long-term Liabilities
- Total Turnover,
- Gross Profit,
- Operating Expenses,
- Operating Profit (EBIT).

Q5: Before engaging our suppliers, should we first know the tax rate of their jurisdiction to determine whether or not they are in a beneficial tax regime?

In order to establish whether a supplier is resident or registered in a beneficial tax regime, it is advisable for all taxpayers to find out the tax rate of the jurisdictions their suppliers are domiciled.

Q6: Is the transfer pricing documentation submitted with the income tax return? When should I submit it?

The transfer pricing documentation is not submitted with the income tax return. The transfer pricing documentation should be submitted to the Tax Administration upon request. However, documentation for a relevant tax period must be in place before the deadline of income tax declaration.

Q7: When do we submit the Country by Country Report to RRA?

The Country by Country (CbC) report must be filed within twelve (12) months after the last day of the reporting fiscal year of the multinational enterprises group.

Q8: When should the group structure be submitted?

The documents related to the global organizational structure of the group of companies to which a Rwandan taxpayer belongs, indicating all related persons, their shareholding and their management structure, must be submitted to the tax administration with the first income tax declaration. In case of modification on documents related to the global organizational structure, the updated version must be submitted to the tax administration.