

The background features a light blue gradient with a decorative arrangement of teardrop-shaped elements in shades of green, blue, and yellow. On the right side, the letters 'RRRA' are displayed in a large, light yellow, sans-serif font. A solid blue curved shape is located at the bottom of the page.

**THE USE OF ELECTRONIC
BILLING MACHINES**



RRRA



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1. Definitions

In this document, the following terms are defined with the same definitions got from the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine as follows:

1° “**Authority**”: Rwanda Revenue Authority;

2° “**User**”: a taxpayer who uses electronic billing machine;

3° “**TIN**”: taxpayer identification number;

4° “**Large taxpayer**”: any taxpayer who has been notified by the Authority that he or she is registered as large taxpayers;

5° “**Medium taxpayer**”: any taxpayer whose turnover is more than fifty million (50,000,000) Rwandan francs during the previous tax period and not designed as a large taxpayer by the Authority;

6° “**Small taxpayer**”: any taxpayer whose turnover is between twelve million and one (12,000,001) and fifty million (50,000,000) Rwandan francs during the previous tax period;

7° “**Micro taxpayer**”: any taxpayer whose turnover is equal or less than twelve million (12,000,000) Rwanda francs during the previous tax period million;

8° “**Commissioner General**”: Commissioner General of Rwanda Revenue Authority;

9° “**Certified Invoicing System (CIS)**”: electronic system designed for use in business for efficiency management controls, in areas of sales analysis and stock control system which fulfill the requirements specified by the Authority;

10° **“Sales Data Controller (SDC)”**: device connected to CIS used for processing and storing receipts;

11° **“Electronic billing machine”**: the system composed by CIS and SDC connected together as one system;

12° **“Signature”**: receipt data used for integrity verification by the Authority;

13° **“Receipt”**: certified retail receipt or wholesale receipt or receipt for the provision of services provided to the customer, whose integrity can be verified by the Authority;

14° **“Machine Registration Code (MRC)”**: CIS’s unique serial number with designation of its certificate;

15° **“SDC serial number”**: sales Data Controller’s unique serial number with specification of its certificate;

16° **“POS”**: Point Of Sale;

17° **“Supplier”**: company or physical person registered in Rwanda licensed by the Authority for holding certificates for CIS and/or SDC, manufactured in or outside Rwanda, and selling it to the market as a manufacturer or a representative of the manufacturer;

18° **“distributor”**: company or natural person registered in Rwanda, having a distribution agreement with Supplier, and a license by the Authority to sell CIS or SDC in Rwanda.

2. Registration as an electronic billing machine user

Any taxpayer informed according to the law shall be required to register with the Authority as a certified electronic billing machine user.

Any taxpayer who is exempted from the obligation of using electronic

billing machine may voluntarily register or may be required to register with the Authority as a certified electronic billing machine user, based on the level of risk assessment

determined by the Commissioner General. Only machines for issuing receipts that are found to be compliant with certified electronic billing machine specifications, and have been duly authorized by the Authority are utilized to generate receipts required

3. Exemption from the obligations related to the use of Electronic Billing Machines

The Commissioner General may exempt from the obligations under the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine, if the need for reliable information on financial supervision may be provided by other means upon an individual case.

The criteria for exemption are prescribed by the Commissioner General Rules as follows:

Exempt category I includes all non-VAT registered businesses. Such businesses are automatically qualified for exemption.

Exempt category II includes all VAT registered businesses where the scope of VAT sales is small compared to the company's total sales. Sales that sum up to 75% of the company's income derived from exempted services, are considered to belong with exempt category II. They must apply for an exemption.

Exempt category III (three) includes all VAT registered businesses whose sales are only conducted during a limited portion of the year. However, any such taxpayer may not be exempted if sales are summed

to at least 30 invoices during a calendar year. Such businesses need to apply for exemption.

4. Inspection of a certified electronic billing machine

The Authority shall reserve the right to inspect any certified electronic billing machines registered under the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine, at any time during work hours, to verify compliance of certified electronic billing machines with the specification, the conditions of their use as well as other regulations that may be issued governing their use.

Store personnel, under the supervision of the user, shall present the machine for inspection and audit by the concerned Authority personnel, whenever required.

Any certified electronic billing machine found to be non-compliant following inspection, shall be subject to seizure and the user shall be sanctioned as prescribed under the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine.

Any user of a certified electronic billing machine may immediately use it without the need for prior inspection and authorization by the Authority, if the following conditions are met:

1° the CIS and SDC model are procured from authorized dealer;

2° the dealer of the CIS and SDC has already registered those machines with the Authority, in accordance with the registration procedure provided for by Commissioner General Rules. However, for taxpayers that already have existing certified electronic billing machines

shall use them after they are inspected and upon authorization by the Authority.

5. Certified Invoicing System Features(CIS)

CIS is comprised of any cash register model, POS system under any form of hardware or similar business machine connected to SDC, with functions prescribed by Commissioner General.

A CIS shall be able to send to its SDC the receipt -data needed in order to produce the receipt's SDC information.

6. Receipt data requirements

A Certified Invoicing System shall generate receipts which show, among others, the data enumerated in items below as minimum required information:

1° taxpayer's name;

2° taxpayer identification number;

3° address at which the sale takes place;

4° optional tax identification number of the client;

5° receipt type and transaction type;

6° serial number of the receipt, from an uninterrupted ascending number series per receipt type;

7° registered items or services with description, quantity, price, with any other action that may be done, such as cancellations or corrections;

8° total sales amount;

9° tax rates applied;

10° the tax added to the sale amount;

11° means of payment;

12° SDC information including:

- a. date and time stamped by SDC;
- b. sequential receipt type number;
- c. receipt signature;
- d. SDC identification number;

13° date and time stamped by CIS;

14° machine Registration Code (MRC).

Each receipt shall be formed from a combination of a receipt type and a transaction type, determined by the Commissioner General.

The receipt data requirements referred to in the lines above shall apply to return receipts. However, special provisions for issuing return receipts shall be determined by the Commissioner General.

7. Electronic billing machines accreditation

The Commissioner General shall announce, by Public Notice, the commencement period for submission of application for CIS or SDC accreditation.

The CIS accreditation shall be required for each version of a machine model or a POS program supplied on the Rwandan market. The SDC

accreditation shall be required for each version of a model supplied on the Rwandan market. The accreditation shall indicate that a software version has been tested. The test methods and result shall be documented in a test report determined by Commissioner General.

An actual system demonstration or machine inspection shall be conducted by the applicant at the time of application, and attended by the Authority, to determine if the machine is compliant with the conditions set by the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine and Commissioner General instructions.

Any violation of the provisions of this Article is considered as sufficient basis for the immediate revocation of the accreditation granted, and the supplier concerned shall be subject to sanctions provided for under the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine.

Each CIS shall be provided with a Machine Registration Code (MRC). MRC specifications are provided for by the Commissioner General's instructions.

Each SDC shall be provided with SDC identification number. SDC identification specifications shall be provided for by the Commissioner General's instructions. Exemption may be granted from the requirement for certification of CIS by the Commissioner General's instructions. Exemption shall presuppose that a manufacturer declaration exists demonstrating that the CIS fulfils the requirements pertaining to the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine.

The exemption provided for, shall not be extended to the SDC.

8. Use of a certified electronic billing machine

The Authority shall announce, by public notice, the commencement period of the obligation to use certified electronic billing machines for each category of users.

A certified electronic billing machine shall only be used if both CIS and SDC are certified by the Authority. The Commissioner General shall inform by public notice which CIS and SDC brand and model is certified.

A certified electronic billing machine shall be suitable to the category, operation and type of user business transactions.

9. Maintenance of a certified electronic billing machine

Every user of certified electronic billing machines shall ensure that the electronic billing machines undergo periodic technical maintenance service within the time frame prescribed by the Commissioner General. The technical maintenance service shall be performed by a qualified supplier's technician approved by the Authority.

Expenses for periodic maintenance of certified electronic billing machines shall be covered by the user.

10. Obligations of a certified electronic billing machine user

Users of certified electronic billing machines shall be subject to the following obligations:

- 1° to purchase certified set of electronic billing machines from a licensed supplier;
- 2° to install certified electronic billing machines at the sales location;

3° to issue receipt generated by certified electronic billing machines to every customer purchasing items or service;

4° to ensure that certified electronic billing machines is placed at a place which is accessible and easily seen by customers;

5° to ensure that all items or services sold through certified electronic billing machine have clearly defined name and appropriate tax rate;

6° to include client's TIN on the receipt upon request from the client who performs the payment prior to start issuing a receipt,;

7° to put a conspicuous notice containing the following information at a place where the certified electronic billing machine is installed:

a. name of the user, address and the TIN;

b. machine Registration Code;

c. SDC Serial Number;

d. statement "In case of machine failure, sales personnel shall issue manual receipts authorized by the Authority";

e. statement "DO NOT PAY IF A RECEIPT IS NOT ISSUED";

8° to make certified electronic billing machine available for control with respect to its being intact and the correctness of its operations;

9° to perform compulsory technical inspection of certified electronic billing machine with appropriate service point, once such obligation is requested by the Commissioner General;

10° to store the copies of certified electronic billing machines journal records within ten (10) years;

11° to ensure that the user manual is received at the time of supply by the dealer;

12° to ensure that the supplier has registered certified electronic billing machine at the time of supply with the Authority;

13° to report change of sales location to the Authority through procedure prescribed by the Commissioner General;

14° not to stop using certified electronic billing machine for more than twelve (12) hours without prior notification to the Authority;

15° to report malfunctions of certified electronic billing machine to the Authority within six (6) hours;

16° to keep the SDC in Rwanda;

17° to preserve the SDC in the event of sale or scrapping of a certified electronic billing machine;

18° to preserve the SDC for at least twelve (12) months in a secure manner recommended by manufacturer. This also shall apply to a SDC which has been replaced to be dismantled or has been replaced for some other reason;

19° to have a valid purchase contract for the certified electronic billing machines from an authorized supplier;

20° not to start business activity without acquisition of a certified Electronic billing machine with and its installation at sales location;

21° to provide accurate information about sales outlet where electronic billing machine shall be operating on the application form for system activation;

22° to report to the Authority about electronic billing machine replacement in twelve (12) hours after Electronic billing machine is replaced or moved out from registered sales outlet for any reason;

23° to submit request to the Authority for electronic billing machine deactivation in case of cessation of business activity;

24° issue certified receipt printed by Electronic billing machine, regardless if client is requiring or rejecting to take certified receipt, in case there is at least one electronic billing machine functioning properly at sales location;

25° to issue certified refund receipt printed by certified electronic billing machine in case that there is at least one certified electronic billing machine functioning properly at sales location and document refund in accordance with refund procedure specified by Commissioner General's instructions;

26° to issue invoices written by hand in two specimens, regardless if the client is requiring or rejecting to take invoice, in case there is no certified electronic billing machine functioning properly at the sales location and at least for ten (10) years and keep second specimen of invoice handwritten together with original certified receipt printed after certified electronic billing machine is recovered;

27° to issue certified refund receipts in case of necessary balance correction for previously issued certified receipt due to entry error. Refund receipt in this case shall be in consecutive order from original receipt followed by documented evidence, in accordance with refund procedure specified by Commissioner General's instructions;

28° to notify the Authority in writing about termination of certified electronic billing machines operation in twelve (12) hours due to theft

or damage by force majeure like flood, fire, earthquake, accident in transportation or similar. This notification shall be accompanied by copy of report from competent authority. If business activity is continuing, a taxpayer shall purchase a new certified electronic billing machine within eight (8) working days;

29° to keep the proper functional SDC connected to CIS all the time;

30° not perform operations on certified electronic billing machine applying different tax rates for goods and services other than the ones officially prescribed by the Authority;

31° any other obligation that may be determined by the Commissioner General.

11. Licensing of CIS and SDC supplier and its distributors

A manufacturer to be approved as a manufacturer of SDC, has to fulfill the following conditions:

1° to have a financial capacity;

2° to own and possess a high technical expertise in manufacturing electronic devices;

3° to have prior experience of minimum of five (5) years in manufacturing and selling similar device;

4° to have internal policy and objective of granting product guarantees and warranties covering a period of not less than three (3) years;

5° to sign a memorandum of understanding with the Authority binding him/her to manufacture SDC as approved by the Authority in the Memorandum of Understanding.

12. Failure to use certified electronic billing machine

Any person who is required to use certified electronic billing machine and fails to do so shall be liable to a fixed administrative fine as follows:

1° a large taxpayer shall pay twenty millions (20,000,000) Rwandan francs;

2° a medium taxpayer shall pay ten millions (10,000,0000) Rwandan francs;

3° a small taxpayer shall pay five millions (5,000,000) Rwandan francs;

4° a micro taxpayer shall pay one million (1,000,000) Rwandan francs.

13. Fraudulent use of certified electronic billing machine

Any person who uses a certified electronic billing machine in violation of the law shall be liable to an administrative fine equal to twice the amount of tax involved in addition to payment of tax which would have been paid.

Without prejudice to provisions of the precedent Paragraph, any person fraudulently using certified electronic billing machine may be prosecuted in accordance with provisions on tax offences provided for under the Penal Code.

14. Failure to comply with any of the obligations

Any person who fails to comply with any of the obligations provided for by the Ministerial Order N° 002/13/10/TC of 31/07/2013 on modalities of use of Certified Electronic Billing Machine and whose

penalties are not specified in the same Order shall be liable to an administrative fine as follows:

1° a large taxpayer shall pay ten million (10,000,000) Rwandan francs;

2° a medium taxpayer shall pay five million (5,000,000) Rwandan francs;

3° a small taxpayer shall pay two million five hundred thousands (2,500,000) Rwandan francs;

4° a micro taxpayer shall pay five hundred thousand (500,000) Rwandan francs.

15. Tampering with a certified electronic billing machine

Any person who deliberately tampers with or causes malfunction of a certified electronic billing machine shall be liable to a fixed administrative fine as follows:

1° a large tax payer shall pay twenty million (20,000,000) Rwandan francs;

2° a medium taxpayer shall pay ten million (10,000,0000) Rwandan francs;

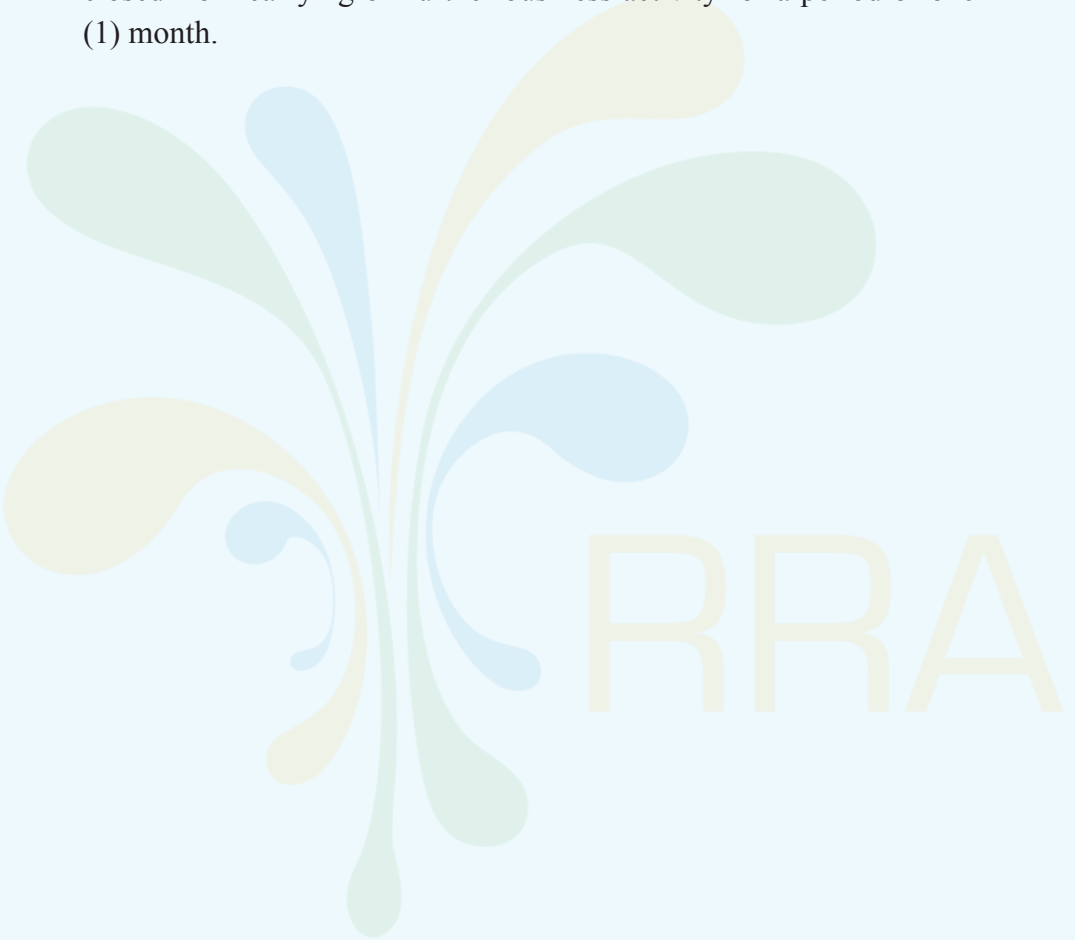
3° a small taxpayer shall pay five million (5,000,000) Rwanda francs;

4° a micro taxpayer shall pay one million (1,000, 000) Rwandan francs.

Without prejudice to the provisions related to fixed administrative fine under the above Paragraph, the person referred to in the same Paragraph may also be prosecuted in accordance with provisions related to tax offences provided for by the Penal Code.

16. Other prohibitions

A sales outlet of taxpayer which has violated obligations described in Article 11 of Ministerial Order N° **002/13/10/TC OF 31/07/2013** on modalities of use of Certified Electronic Billing Machine may be closed from carrying on further business activity for a period of one (1) month.





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