Consumers will soon be able to initiate Electronic Billing Machine (EBM) receipts when sellers fail to issue them, under new regulations approved by the Cabinet that seek to strengthen tax compliance and make it harder to evade value-added tax.

The measure is part of a ministerial order approved on June 30 that updates Rwanda's electronic invoicing framework more than a decade after the EBM system was introduced. The changes also define categories of businesses exempt from mandatory EBM use and establish new procedures for issuing electronic invoices.

The new provision allows a buyer to begin generating an EBM invoice if a seller does not issue one after a purchase. The invoice, however, will only become valid after the seller verifies and confirms the transaction.

"Another important provision in this Ministerial Order is that the buyer is now empowered to initiate an invoice if the seller does not issue it promptly," Abel Ntegano, director general in charge of Tax Policy at the Ministry of Finance and Economic Planning, said during a briefing on tax revenue performance for the 2025/26 fiscal year.

"A system has been introduced where the buyer can start the invoice process, but it must still be confirmed by the seller. All these measures are intended to make it easier for all stakeholders to cooperate and ensure that tax collection is carried out effectively," he said.

The change is expected to address a common challenge faced by shoppers who request EBM receipts but are told the system is temporarily unavailable and are asked to leave their phone numbers to receive the receipt later. In many cases, the receipts are never sent, making it difficult for consumers to claim VAT rewards while creating opportunities for unrecorded sales.

Ntegano said the latest regulations are an update rather than an entirely new policy.

"The 2013 law already contained provisions on electronic invoices, tax deductions and incentives for reporting tax evasion," he said. "Over the past 13 years, many things have changed, so it became necessary to update the regulations to reflect current realities."

The ministerial order also limits reliance on handwritten receipts, which are not

automatically transmitted to the Rwanda Revenue Authority (RRA). Tax officials say electronic invoices improve transaction traceability and reduce opportunities for underreporting sales.

At the same time, businesses with annual turnover below Rwf2 million will remain exempt from mandatory EBM use.

“These businesses are generally not expected to use EBM, and alternative measures have been put in place where using EBM is not practical,” Ntegano said.

The reforms come as the government seeks to expand the use of electronic invoicing and increase domestic tax collections.

During the 2025/26 fiscal year, 43,243 additional businesses adopted the EBM system, according to the RRA, contributing to improved VAT compliance and transaction traceability.

Participation in the VAT Reward Scheme also grew sharply. Registered users increased from 74,964 in June 2025 to 1,096,931 by the end of June 2026. The scheme rewards consumers with 10% of the VAT paid on qualifying EBM receipts, encouraging them to request invoices after every purchase.

The RRA said invoices generated through the program accounted for Rwf105.8 billion in VAT output during the fiscal year, while consumers received Rwf4.2 billion in VAT rewards.

The tax authority collected Rwf3.956 trillion in central government revenue during the 2025/26 fiscal year and has set a target of Rwf4.64 trillion for 2026/27. Local government revenue is projected to increase from Rwf137.9 billion to Rwf165.9 billion.

RRA Commissioner General Ronald Niwenshuti said the projected collections would finance about 61.6% of the Rwf7.8 trillion national budget.

“Building on our strong partnership with stakeholders and lessons learned from previous years, we will continue implementing strategies that promote voluntary compliance,” Niwenshuti said.

He said the authority will focus compliance efforts on sectors including manufacturing, transport and storage, information and communication, professional

services, education, real estate and construction. Customs enforcement will also target importers dealing in high-risk commodities and shipments originating from high-risk countries or regions.

To meet its revenue targets, the RRA plans to strengthen taxpayer engagement, expand EBM adoption among eligible businesses, increase the use of data analytics to identify compliance risks and continue encouraging consumers to request EBM receipts through the Tengamara na TVA and Tenga Promo initiatives.

“Tax crimes are no different from any other crimes they undermine our economy, weaken public services, and erode fairness within our society,” Niwenshuti said. “Every citizen has a role to play in combating tax crimes by refraining from illegal activities, refusing to condone tax malpractices, and reporting anyone who acts outside the law.”

The authority said its enforcement efforts during the last fiscal year included registering 126,282 new taxpayers, recovering Rwf277.1 billion in domestic tax arrears, completing 1,883 tax audits that yielded Rwf9.3 billion in additional tax assessments and payments, and identifying fictitious invoices that prevented fraudulent VAT claims estimated at Rwf28 billion.