

CERTIFIED PUBLIC ACCOUNTANT STAGE 3 EXAMINATION S3.3: TAXATION

DATE: MONDAY 01, FEBRUARY 2024
MARKING GUIDE AND MODEL ANSWERS

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SECTION A

QUESTION 1 - 10

Marking Guide

Question one -10	Description	Marks	Total Marks
BRUP ARCHAR	Award 2 Marks on each correct answer	EBR REEBROAM	2AU 2022AIC
	PREFER WARREN AND A REPROPERTY OF THE PROPERTY	2	2UARY RETURNE
2	Parkethy at 102 Killy Day British Of Alon Property	2	32240 2410241
3	A CHARLIANTER ARE TO C	2	ARYDIAR RYDE
4	B	2	REPUBLICATION AND
BLOPPET 5 BRACE A	D	2	2 ATO ARY ARY
AC P 6 PREZUR	A A COMPANY OF THE STATE OF THE	20	
7 2 8 8	PORT OF THE PROPERTY OF THE PR	2	ACPARARYOUN
ARCHAR ARCHE	C	2.0	OABRUBRUEB
9	THE TOTAL PROPERTY OF THE PROP	2	ARICPARICPARIE
10	B	2	24202AB0A
RUARY ARE PARITURE	Total Marks	C PRINTER	20

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Model answers

OUESTION ONE

Direct and indirect taxes

The correct answer is A

- Excise duties and Value added taxes are both taxes on consumption and therefore indirect.
- 2 & 4 Corporate income tax is a tax on a company's profits, therefore direct tax, while capital gains tax is a tax levied on an individual or company when their wealth increases, it is therefore direct.

QUESTION TWO

The correct answer is D

A, B, C – these records are only required for businesses with turnover in excess of FRW 20,000,000.

Law no 026/2019, Article 13: Books of accounts and records

A person who carries out taxable activities in Rwanda and has an annual turnover exceeding two million Rwandan francs (FRW 2,000,000) but not exceeding twelve million Rwandan francs (FRW 12,000.000) must keep only records of sales.

QUESTION THREE

The correct answer is C

A taxpayer who is not required to file an annual tax declaration is one who only:

- 1. Receives only employment income.
- 2. Receives only income on investment that is subject to withholding tax.

(Article 13: Tax declaration)

QUESTION FOUR

The correct answer is B

(ii) is true, (i) is false. The default is for flat tax to apply, and the real regime is when the taxpayer chooses to be taxed in real regime. In addition, the taxpayer is in farming and cropping business activities. The first 12 million are exempted to be taxed, and the taxpayer will be taxed on the 3,000,000.

QUESTION FIVE

The correct answer is D

Annual Turnover	Tax regime	
2,000,000 – 12,000,000	Flat tax	
12,000,001 – 20,000,000	Lump sum	
Above 20,000,00	Real regime	

A taxpayer with an annual turnover of below 2,000,000 is not taxed.

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QUESTION SIX

The rates of corporate income tax.

The correct answer is A

• SKY Ltd, is listed on the Rwanda Stock Exchange last year and sold 38% of its shares publicly. It will pay corporate income tax at a rate of 25%.

True:

• SKY Ltd, a four-year old micro-finance company, pays corporate income tax at a rate of 30%.

False:

• A micro-finance company is entitled to a 0% corporate income tax rate for the first five years.

QUESTION SEVEN

The correct answer is D:

- The following are considered permanent establishments according to Rwandan law:
- (a) A place of management
- (b) A branch
- (c) A factory or workshop
- (d) A mine, a quarry or any other place for an exploitation of natural resources
- (e) A site set for construction, construction site, or a place where supervision or assembly works are carried out
- (f) A place for the provision of services, including consulting services, carried on by a person, with the support of employees or other personnel, for more than 90 days in a 12 months period

Activities not considered permanent establishments

The following shall **not** be deemed to be operations through permanent establishments:

- (a) The use of facilities solely for the purpose of **storage**, **display or delivery of goods** or merchandise belonging to the enterprise
- (b) The **maintenance of an inventory** (stock) of goods or merchandise belonging to the enterprise solely for the purpose of **storage**
- (c) The maintenance of an inventory (stock) of goods or merchandise belonging to the enterprise solely for the purpose of **processing** by another enterprise
- (d) The maintenance of a fixed place of business solely for the purpose of **purchasing inventory** (stock) of goods or merchandise or of collecting information, for the enterprise
- (e) The maintenance of a fixed place of business for the sole purpose of carrying on, on behalf of the enterprise, any other activity of a preparatory or auxiliary character
- (f) The maintenance of a fixed place of business solely for any combination of activities mentioned in subparagraphs (a) to (e), provided that the overall activity of the fixed place of business resulting from this combination is of a preparatory or auxiliary character

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QUESTION EIGHT

The correct answer is C

Mugabo Remi would not declare his employment income on his PIT return as it was paid by a Rwandan company.

- Mugabo Remi has foreign income, and so foreign tax credits would be deducted,
- Withholding tax is always deducted from interest payments made by Rwandan financial institutions.
- Mugabo Remi is unlikely to be carrying out imports business, therefore, no Withholding tax on imports would be applied.

QUESTION NINE

The request for extension of tax declaration deadline.

The correct answer is D

According to the Article 20: Request for extension of tax declaration deadline

- A taxpayer may apply to the Commissioner General for an extension of the deadline for tax declaration if he or she provides valid reasons for not declaring tax on time.
- The taxpayer applies in writing to the Commissioner General at least fifteen (15) days before the last filing date of the declaration.
- The Commissioner General may, in writing, grant to the taxpayer an extension of tax declaration deadline within ten (10) days from the date the request was received.
- Extension of tax declaration does not suspend the accrual of interest of the principal tax.

QUESTION 10

The correct answer is B

Article 34: Quarterly prepayment

During the current tax period, the taxpayer pays to the account of the Tax Administration before and not later than 30 June, 30 September and 31 December of the year of taxable business activities, twenty-five (25%) per cent of the tax liability as calculated in the tax declaration of the previous tax period. This amount is reduced by the tax withheld in that quarter, unless the taxable income is not included in the total taxable income.

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SECTION B

QUESTION 11

Marking Guide

Question 13	Details	Marks	Total Marks
ZOAK OO AA ZUARZUARZOA ZUARZUARZOA	Award 1 Mark as follows, except where it is specified:		
ARTONAL VOLAR	Gross income received VAT inclusive		RIARYZUARARYZER
UARIBRUPEBRUAR	Gross income received VAT exclusive	1	REPUBLICATION OF THE PROPERTY
ARTOPARTERRA	less allowable expenses	O CPACE AND A	CPARTARY ARTAR
ONCHERRA	less depreciation		E E E BRUEBLE BRUE
1202BRUFBRUF	less interest expenses	1	PINCPAPARY20AY
PARICPAROLERARI	Taxable Rental income	21	
2012 PE 1202 AT 102 PE	Tax computation	RY RUADRUM	CPARTOR ARE
SUAR 202 AICH	Tax liability	2	02/2002 AND RUPP
RUPERORE	Installment prepaid	1	UARARERARICE
EBRUATU AND AND	Tax payable	6F 2F 6F 64	B NUMBER OF ARCHARD
RUARBRUARY	Total Marks	C) DAILORA D	10

Model Answers

Computation of Adam Sano taxable rental income tax, tax liability and the tax payable for the year ended 31/12/2019.

Rental Income computation	Workings	"FRW"
Gross income received VAT inclusive	RY 2UAK BRUP O 2 REED ARHOP AK	400,000,000
Gross income received VAT exclusive	(400,000,000*100/118)	338,983,051
less allowable expenses	(50% * 338,983,051)	169,491,525
RUBRULAR REFERENCE ARE VOLKE V	BRUEBLEEFE HCPRAICE	169,491,525
less interest expenses	(8% * 1,000,000,000)	80,000,000
Taxable Rental income	STORY STUBBENEED SOLVE	89,491,525
Tax computation	2017 CLUDA CLUBE CUEBRIL	PARICE SELVANCE BELLIANCO
Total rental taxable income		89,491,525
Tax liability	Tax rate	Tax
0 - 180,000	0%	0
180,001 – 1,000,000	20%	164,000
1,000,001 and above	30%	26,547,458
Total liability		26,711,458
Less Installment prepayments	ON ICEARY 20 ARY RUARY 20 FEF	6,000,000
Tax payable	202 BRUKEBREFEIDRUKPALIC	20,711,458

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QUESTION 12

Marking Guide

Question 14	Details	Marks	Total Marks
(a)	Award 1 marks as follows:	AR RY20 V202 AR	202 TEBRUEL ARE
WARELENGTHER	Award 1 mark on one correct item exempted from VAT when having an investment certificate (Maximum 6 marks)	6	PAUCON CONS OARYOOAR RU 2UAR ROOAR RA
(b)	Award 1 marks as follows:		32 AC AU 100 A
	Award 1 mark on one correct item exempted from Income tax (Maximum4 marks)	4	
REPARTEBRE	Total Marks	JA BARBARI CR	10

Model Answers

(a) List the goods and services imported by persons with investment certificate that are exempted from value added tax.

The following goods and services imported by persons with investment certificate are exempted from value added tax:

- 1. Industrial machinery.
- 2. Raw materials for industries.
- 3. Building and finishing materials imported by an investor fulfilling the requirements determined by an Order of the Minister.
- 4. Refrigerating vehicles, tourist vehicles, ambulances, fire- extinguishing vehicles and hearses.
- 5. Vehicles and movable property and equipment for foreign investors and Rwandans living abroad and their expatriate staff.
- 6. Equipment for tourism and hotel industry and relaxation places appearing.
- 7. Goods and services meant for free economic zone.
- 8. Medical equipment, drugs, agricultural equipment input, livestock and fishing equipment and agricultural input; i) didactical equipment.
- 9. Special tourist aero planes.

(b) List the types of components of income that are exempt from income tax.

The following components of income are exempt:

- 1. Income accruing to registered collective investment schemes and employee share schemes.
- 2. Income derived from agricultural and livestock activities if the proceeds from these activities do not exceed FRW 12,000,000 in a tax period.
- 3. Pension payments from the state social security system; and
- 4. Capital gains from secondary market transactions in listed securities.

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SECTION C

QUESTION 13

Marking Guide

Question 16	Details	Marks	Total Marks
BRUCP DAICHAIL	Award one mark as follows	ZTP ZTP PARTER	1 ^A 02 ^A 21202 ^A
O DRY LARTY 201 BY	Sales	CPOOR CPRIAR 1	ZZ BRUKAR ARIFER
EE BRUNE ART	Opening stock	1	12 12 12 12 12 12 12 12 12 12 12 12 12 1
ARTO ARYOUAR	Purchases	CONTRACTOR AND	ARY ARY BUREARY
AR BROKEBRUAK	Closing stock	NOUR NO GER	BREEFER
PAICE PREFERENCE PROPERTY	Cost of sales	EBRURCPALOR 14	JOPAN JARYA
2AICEARI2UARY	Gross profit	12024201841	
20 FBROFFBREEN	Discount received	1	OPACPICARYA
ARCP OF A CRAPOS	Less allowable expenses	2 1 2 1 2 1 C	201001000000000000000000000000000000000
ARTON ATOPIE	Discount allowed		
UP 2202 AC 80	Selling and distribution expenses		002400202
OLAR VAREDARI	Finance cost	1	RUALRY BEEN AR
3802402020	Salaries and wages	1	5B141102A102
Y ARY BRUKER	Administrative expenses		20 RY ON ONE
A CONTRACTOR OF THE CONTRACTOR	Directors' remuneration	20,820 20,880 1	
PARTYZORYZUA	Bad debts	RUP RICPA 1	SEBANON SERVICE
3ROBERTED RU	Depreciation allowed		2UABRU BBRU
ALCY ART OF	Taxable income		ARICPARE OF
20 ALCOMED BUTT	Computation of tax to be paid	ARTRUP ACTORAGE	OPALUAR UN
REPORT OF ALCE	Tax for the year	E RELEASE	OF ELOPARE
02412024201AB	Less	OF HOLD REVERSE BEAUTY	OACOORCIAR
UAKYREEDARE	Quarterly prepayments	1	UAKRY2UEBKEE
BRAICEDANCOLAN	Tax liability/credit	1	RUCPARICY ON ALL
	Total Marks	REPAR ACPARITO	20

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Model Answers

Computation of the taxable income, the tax liability and tax payable for Manganese Solutions Ltd for the year ended 31/12/2019.

Sales	SA EBRUAR WOODA BROBRUERD	17,000,000
Opening stock	1,800,000	107 101 VEAT 501 CBE
Add Purchases	9,000,000	AL BRUAK PARICPAL
Less Closing stock	(1,240,000)	
Cost of sales	3P CEBRURE BRUILCE ALCEONALCE	(9,560,000)
Gross profit	AL ALCARY 20, RY 20 AR YOUR BY	7,440,000
Discount received	A PALCA BRUTEBLAND TO TOPAL	100,000
MACA BEAT DE SOUS AND WATER BEAT BEAT BEAT BEAT BEAT BEAT BEAT BEAT	THE ARE OF ARETON AND REAL OF	7,540,000
Less allowable expenses	21 ALCY OF ALCY ARE UNKERU LARRA	RIPARICPARARETA OF A
Discount allowed	110,000	AL 2020 ALC BRURBINGER
Selling and distribution expenses	540,000	ARY ARTO ART CRARRE
Finance cost	700,000	TICSAIC ON AICH OR
Salaries and wages (1,150,000+10,000)	1,160,000	RYLORRY REED REED
Administrative expenses	430,000	EBRUICPAICPAICPAIC
Directors' remuneration	800,000	THOUSE AND ANCHE
Bad debts	450,000	ENRUA BRUDOR ART R
Depreciation allowed	1,260,000	CRARLE OF THE CONTROL
CPARTURE RULLER NEED ARTO AREA MANORANGE	20 BRUNEBEREET BRUIR AR CPAN	(5,450,000)
Taxable income	RECEATION PARTICIPATION PRINTERS ALCY	2,090,000
Computation of tax to be paid	2 120 2AU LAROUEBRUTTO ARM	SPANCE PART 201 RY 20
Tax for the year	(2,090,000*30%)	627,000
Less	NUPPARCOLARE ARTOUR RUPE	REFERENCE ARESO
Installment tax paid	(600,000-6,000)	(594,000)
Tax liability/credit	ELBERT BURNES BY CENTRAL SOLD	33,000

QUESTION 14

Marking Guide

Question 14	Details	Marks	Total Marks
(a)	Award Marks as follows:	24 DEED ARE	2 P. R. G. G. A. V. 202
AUTOUAR BRUKBRU	Computation of employment income tax	2 A L 12 O L	CYAROLANAROU
1.	for Himbaza Sthephanie:	SAR JOH	
A COLAR TEPROTOR	Basic Salary	0.5	S WALCE WAS TO
ARUTO EBRETTO RET	Transport allowance	0.5	1202 BROVE BY RE
JOB WE CALLES	Communication allowance	0.5	ARI CPALICOPAR
PARTO AND AND ROLL	Employment income	0.5	2012 (2002 ROLE)
OF BRUDER OF ARCOPATO	Add benefits in kind	10 P 8 60 P	2 ARREST AL
TER, 0545054 VEASON	Company car	1	0241202812020
ARUARBRUARPARIC	Company house	1	UARBRUIARARIB
THE PRESIDENCE OF THE PROPERTY	Taxable employment income	1	ELEGATO AND

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Question 14	Details	Marks	Total Marks
OZALCPARY VAR DU	Tax computation	ARY 2020	BRUBBRUFEBRU
OO BEEN BEEN REED	Tax pliability	1	PARICPARTEDO?
2. 2000 ACCURACY	Computation of employment income tax for Juru	BY AND	
BRUPALCY ALCOPAT	Award 2 marks for explanation	RESERVE OF	02AU 1202AC RUP
(b)	Computation the RSSB contribution	PARARYARY	2UARRY RETURN
(i)	RSSB pension contribution computation		BROAK CANDONA
ASTRICANUS ASTRICAS	Award 0.5 contribution for Himbaza and for Juru as follows:	DALCPAR DALCPAR DOALGPAR	
	Basis Total amount for pension (0.5 +0.5)	1	
OZALOVARRUANORO	Employees' contribution 3% (0.5 +0.5)	1	REPORT OF A
ON REPORTED AND BEING	Employer's contribution 5% (0.5 +0.5)	1	ALACPIARUAR
DAY 1202 AICE DARFIER	Total pension contribution (0.5 +0.5)	R I	OF BEEFE
(ii)	RSSB RAMA contribution computation	EBREIC	ALC DALCE ARE
RUARY PARTIBETIBE	Award 0.5 contribution for Himbaza and for Juru as follows:	ARY202A2V2 ARY201ARY2	RY OF BREES
B102A202AR4202AR	Total Basis amount for medical scheme	1	4707 RY 20 PA
RUARBRUARAREPA	Employees' contribution 7.5%	1	NE BUILD DE BERRY
CP B 2 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2	Employer's contribution 7.5%		2RUP (1002A)
CPIARY WAR BRUAR	Total Rama contribution	1000	RYZUARRUAR
(iii)	RSSB Maternity leave contribution computation		
	Award 0.5 contribution for Himbaza and for Juru as follows:	2470 AR (2)	
	Total Basis amount for maternity leave scheme		
BRUCEPACTALO	Employees' contribution 0.3%	3° 20° 1 °	OP AH CP ALCP
20 REVERSE EN 20 BREE	Employer's contribution 0.3%		TOURS TO BRU
REBRUIT ALONA	Total Maternity leave contribution	1	BRURARICPA
ART 20 RY 20 BRY 20	Total Marks	PARTICEAR	20

Model Answers

(a) Computation of the taxable monthly employment income and the tax liability of each employee

1. Himbaza Stephanie

Particulars	Workings	202 BRUFEBREE	Amount (RWF)
Basic Salary	ON WONAL UAR RUREBRUAR	2,500,000	ONEX SOURE AS SOUR BEOFFE
Transport allowance	2UP DEV OFEIS ARE CRAREES NO	300,000	OF BRUPARICPAIC
Communication allowance	3RI CPRINICOZA NCPARY DUNES	200,000	VELLO 5 450 VEA 505
Employment income	OF RATURE AS CEBECHER BELLER	RAICE DAIL DOLATO	3,000,000
Add benefits in kind	SO BEOWN OF WELL SON TO SENSON	IARY UARY WEB	Ster System Ster Son
Company car	(10% * 3,000,000)	300,000	2ALCPARY OUAR RUAY

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Company house	(20% * 3,000,000)	600,000	MICE ARREST OF RY 20 PR
Taxable employment income	PREED AUTODREY 202AL	PUARUARBRUARY	3,900,000
Tax computation	Rate	BEEBLARFE BRUAR	Tax
0 - 30,000	0%	DAIC PARKETS BROAT	AUTO OZATOPATAR O
30,001 – 100,000	20%	OZANCPARARYZOYZ	14,000
> 100,00	30%	12024 BRURUNEE	1,140,000
Tax liability	EVALEBICE PARTEBRUP	306,500	1,154,000
AP UAR VAREBARED AREED BR	OF ALCROPALCE AND REFEREBRA	10 AIC 20 AICPUAR	JAK BROUAR ARICPAICE

2. Juru Gaju

Mutesi is income is equal to threshold of FRW 30,000 therefore it is exempted to employment income tax.

(b) Computation of the RSSB pension contribution, Medical and maternity schemes of each employee

1. RSSB pension contribution computation

Particulars	Himbaza Stephanie	Juru Gaju
24 APC RURY REED ARE OF AREDOVALOUS	FRW	FRW
Basic salary	2,500,000	30,000
Transport allowance	OLARO MANCHAR RUMBRUM OF	Chyrch Bronston DE O
Communication allowance	200,000	AND CHARLAR BURBERUA OF
Total basis amount for pension	2,700,000	30,000
Employees' contribution 3%	81,000	900
Employer's contribution 5%	135,000	1,500
Total pension contribution	216,000	2,400

Note: The basis for computation of Pension is all employment income except transport allowances and car benefits.

2. RSSB Medical scheme (RAMA) contribution computation

Particulars	Himbaza Stephanie	Juru Gaju
DATOPARTUDERUDO AREED ARE CRETERIONALOS	FRW	FRW
Basic salary	2,500,000	30,000
Transport allowance	ALC DAY 20 DAY CUAR RURE O	JAK REED ALL CEPARTOO
Communication allowance	RY UNDY REE REED AREESO	1002 ATO TATO AND THE BEILD
Total Basis amount for medical scheme	2,500,000	30,000
Employees' contribution 7.5%	187,500	2,250
Employer's contribution 7.5%	187,500	2,250
Total Rama contribution	375,000	4,500

Note: The basis for computation of RAMA, is the basic salary only

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3. RSSB Maternity leave scheme contribution computation

Particulars	Himbaza Stephanie	Juru Gaju
AND REPORTED ARE REPORTED ALONDAY ON ALOND ARE BRUTED WARM	FRW	FRW
Basic salary	2,500,000	30,000
Transport allowance	JAR 202 ALC CPALARY ARO	WARAS SEED VEH SUBJECT OF
Communication allowance	200,000	SOUNCE VOICE OF VICE OF
Total Basis amount for maternity leave scheme	2,700,000	30,000
Employees' contribution 0.3%	8,100	90
Employer's contribution 0.3%	8,100	90
Total Maternity contribution	16,200	180

Note: The basis for computation of maternity leave is all employment income except transport allowances and car benefits

QUESTION 15

Marking Guide

Question 15	Details	Marks	Total Marks
(a)	Award one mark as follows	PAICYAR	RUA BRU 202 AR
CPARTEDOZALOOZA CPARTEDOZAROOZA CPUARTOZAROOZA	Award 1 mark on explanation that the loss is carried forward in the next five years.	1	ARRONAUNONA ARRONAUNONA ARRONAUNAUNAUNA
52 PEEP CPARTED ARE 1007 A CPARTED AREA 1007 A CP	Award 1 mark on explanation that the taxpayer will apply if he wants to forward the loss in the period exceeding 5 years	ACCEARTICE	REGISTRATION AND AND AND AND AND AND AND AND AND AN
FACOLA COAS	Award 0.5 mark on each well stated requirement the taxpayer should fulfill in order to be authorized to carry forward the loss in the period exceeding five years.	3	
	Award one mark as follows	MOS VENT	ARVEUA REB
	Net profit	BRUTER	2FE BRUCPATO
	Add backs	CP ALCY	ASTON BY SUPER
	Disallowed wages and salaries	ET 100 L	
	Electricity	1	
	Depreciation	TO REL	DARUAT RULES
	Bad debt	BRUNTS	FEAR CPARE
	Entertainment expenses	EE L	ALCO ACCAPA
	Patent royalties	TOUR I	(BRADE OF CRA
	Legal expenses	1	
	Bank interest paid		RADING PROPERTY.
	Allowable depreciation	2	EN PLU PARCY
	Adjusted Profit	2 P	4202 E420 BE 420
JE BULLER TO WELL	<u>Tax computation</u>	2024 1	BRUEERBRUARAR
TCB BEEN SON SANO	Tax liability	2	CPAREDOZALZOL

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Question 15	Details	Marks	Total Marks
(a)	Award one mark as follows	20,284,7203	QAL BRUBE TERM
PARTE BEEFFARED	Award 1 mark on explanation that the loss is carried forward in the next five years.	BRUNCH BRUNCH	ST ARTORAGE
OART 120 BROKE	Total Marks	RIARIARU	20

Model Answers

(a) Advice to the investor on tax treatment of the Loss carried forward from the previous period in the computation of business profit.

- If the computation of business profit results in a loss in a tax period, the loss may be deducted from the business profit in the next five (5) tax periods, earlier losses being deducted before later losses.
- However, the Tax Administration may authorize the taxpayer who so applied for, the loss carried forward of more than five (5) tax periods if s/he fulfils the following:

Article One: Requirements for authorization to a taxpayer to carry forward the loss for more than five (5) tax periods A taxpayer who applies for carrying forward the loss for more than five (5) tax periods must:

- 1. Submit a written application to the Commissioner General of Rwanda Revenue Authority for carrying forward the loss for more than five (5) tax periods.
- 2. Submit his or her application with the declaration of tax for the fifth tax period.
- 3. present sound reasons that caused the loss for which he or she is requesting to carry forward and reliable strategies to overcome such a loss.
- 4. Prove that the loss was derived from the investments carried out.
- 5. Submit the certified financial statements of the tax period corresponding to the loss.
- 6. Be a credible taxpayer who declares and promptly pays tax and not guilty of tax evasion in the previous five (5) years.
- 7. Not to have distributed any profits in the previous five (5) years.

(b) Computation of the adjusted taxable trade profit, the tax liability for Mugenzi Louis for the year ended 31/12/2020.

OZALICE REVIOLARENTA OZARETERA	RIORETTARENTALORARIA	FRW "000"	FRW "000"
Net profit	OF SECTION OF STREET	RUA BRUARARI	181,400
Add back disallowed expenses			
Wages and salaries	Sole trader personal expenses	50,000	02AC700AAC7AR 02AC700ARCAR
Electricity and fuel	20% deemed private proportion	2,400	321 A RECEAR OF A COLOR
Depreciation	TEN ONE TO PEND PENDER FEET BENDE	22,000	JAS RUKARI SE
Bad debt	Allowable expense		REPORT OF THE
Entertainment expenses	A STATE OF THE STA	6,400	PAR 120 RYZUAR

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Patent royalties	(no cap as not related party)	02 25 20 XC XC X	REPAIN DE 120 M
Legal expenses	Capital expenditure	6,000	RUA BRUA BRUA
Bank interest paid	allowable expenses	SEUDERY SU	REPAREE
Total expenses	O RUSTORES BEZUPOPROPROPRO	58-880 HCV 1010	(86,800)
24 TO DAY RUAD ROBROTAN		3120 120 1AR 20	94,600
Allowable depreciation		RUAGBRUAR P	20,000
Adjusted Profit			74,600
Tax computation:	0-360,000	0%	
	360,000-1,200,000	20%	168
AR OR COR COR COR COR	>1.200,000	30%	22,020
Tax to be paid	AV 25 EL BRUCCE ACCE ON CONTROL ACCE OF	PART PART CP OR	22,188

END OF MARKING GUIDE AND MODEL ANSWERS

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