
**CERTIFIED PUBLIC ACCOUNTANT
FOUNDATION LEVEL 2 EXAMINATION**

F2.4: TAXATION

DATE: MONDAY 23, FEBRUARY 2026

MARKING GUIDE AND MODEL ANSWERS

Marking guide

Question No	Correct Answer	Marks	Question No	Correct Answer	Marks
1	D	2	26	C	2
2	C	2	27	A	2
3	B	2	28	B	2
4	B	2	29	D	2
5	C	2	30	C	2
6	B	2	31	C	2
7	B	2	32	D	2
8	A	2	33	B	2
9	D	2	34	C	2
10	B	2	35	A	2
11	C	2	36	B	2
12	B	2	37	D	2
13	B	2	38	C	2
14	B	2	39	B	2
15	D	2	40	A	2
16	D	2	41	A	2
17	C	2	42	D	2
18	B	2	43	C	2
19	B	2	44	C	2
20	C	2	45	A	2
21	B	2	46	C	2
22	B	2	47	A	2
23	B	2	48	B	2
24	D	2	49	B	2
25	C	2	50	D	2

Model answers

QUESTION ONE

The correct answer is D

In Rwanda, a permanent establishment refers to a fixed place of business through which a foreign company conducts its business activities. This could include a place of management, a branch, an office, a factory, or a workshop. Among the options provided, the one that would qualify as a permanent establishment for a foreign entity in Rwanda is: D. A production site where goods are manufactured for sale.

QUESTION TWO

The correct answer is C

Option A: This is incorrect because it does not consider the exemption of FRW 12,000,000 income from agriculture and livestock. The calculation is as follows: $19,820,000 * 28\% = \text{FRW}5,549,600$

Option B: This is incorrect because it applies CIT rate while it is falling under a lump sum regime rate. The tax liability is calculated as $(\text{FRW}19,820,000 - \text{FRW}12,000,000) * 28\% = \text{FRW}2,189,600$

Option C: This is correct because it applies the lump sum rate of 3% to the taxable income after exemption: $(\text{FRW}19,820,000 - \text{FRW}12,000,000) * 3\% = \text{FRW}234,600$

As per Article 21 of ITL In case the turnover from agriculture or livestock activities exceeds FRW 12 million, the latter amount is excluded from the taxable income

Option D: This is incorrect because it does not consider the exemption of FRW 12,000,000 income from agriculture and livestock: $19,820,000 * 3\% = \text{FRW}594,000$.

QUESTION THREE

The correct answer is B

When an employer pays back an employee for expenses that the employee incurred only for the employer's business, such as buying data bundles, this is not considered income and is not taxed. However, any payments or benefits that an employee receives as part of their compensation or recognition for their work, such as sick pay, cash bonuses, or non-cash benefits, are considered income and are taxed.

QUESTION FOUR

The correct Answer is B

Law No. 027/2022, Article 6, states that Gaming activities, Digital services and converting profits into share capital are sources of income in Rwanda. However, when a Rwanda resident

pays for services that are performed abroad, this income is only from Rwanda if the services are consumed in Rwanda. If the services are consumed abroad, this income is not from Rwanda.

QUESTION FIVE

The correct answer is C

Option A is incorrect because it includes all costs as benefits in kind ($150,000 + 50,000 + 100,000 + 20,000,000$).

Option B is incorrect because it uses the house value as a benefit in kind (FRW20,000,000) and adds the school fees (FRW150,000), resulting in FRW20,150,000.

Option C is the correct answer. The calculation is as follows:

Total Benefits in Cash:

- Monthly basic salary: FRW500,000
- Transport allowance: FRW50,000
- Leave pay: FRW100,000
- Total: FRW650,000

Benefit in Kind for Housing Allowance:

- $\text{FRW650,000} \times 20\% = \text{FRW130,000}$

Mukamana's Daughter's School Fees:

- FRW150,000

Total Benefit in Kind:

$\text{FRW130,000 (housing allowance)} + \text{FRW150,000 (school fees)} = \text{FRW280,000}$

Therefore, the total benefits in kind amount to FRW280,000, making option C the correct answer.

Option D is incorrect as because benefit in Kind for Housing Allowance is calculated on wrong basis. $\text{FRW20,000,000} \times 20\% + 150,000 = 4,150,000$

QUESTION SIX

The correct answer is B

Option A is Incorrect. This option left out the education allowance, which is part of Juliana's taxable income

Option B is correct. This option correctly includes Juliana's monthly income (FRW 4,000,000) + travel allowance (FRW 300,000), and education allowance (FRW 500,000). The total taxable income is FRW 4,800,000.

Option C is Incorrect. This option considered the benefit in kind with regards to the interest on the loan, which would have been paid by the employee during the month in which the loan was received. It calculated the difference between the interest rate offered to commercial banks by the National Bank of Rwanda (8%) and the actual interest paid by the employee (3%). $\text{FRW } 4,000,000 + 300,000 + 500,000 + 8,000,000 \times (8\% - 3\%) = \text{FRW } 5,200,000$. However, the benefits of the advance on a salary were not exceeding three months' salary ($\text{FRW } 4,000,000 \times 3 = \text{FRW } 12,000,000$ Vs FRW 8,000,000) as per Article 18

Option D is incorrect. This option left out the travel allowance, which is part of Juliana's taxable income.

QUESTION SEVEN

The correct answer is B

A is not correct. Whereas **Fair market value (i)** is a feature of arm's length principles.

Prevention of tax evasion (iv) is the aim of the arm's length principle which ensures that profits are not artificially shifted to low-tax jurisdictions through manipulated pricing of intercompany transactions

B is correct. **Fair Market Value:** Prices or terms should reflect the open market conditions that would prevail between independent parties.

Comparable Transactions: The principle relies on identifying comparable transactions or relationships in the open market to determine whether related-party dealings are consistent with independent behaviour.

C is not correct. Whereas thin capitalisation is an anti-tax avoidance provision within the tax law, it is not a feature of an arm's length principle

QUESTION EIGHT

The correct Answer is A

Option A is a common mechanism for providing relief from double taxation under a DTA, as it avoids taxing the same income twice in the same period

Option B is another possible mechanism, but it may result in no taxation or low taxation of the income in either country.

Option C is not a valid mechanism, as it does not eliminate double taxation, but rather shifts the tax burden from one country to another

Option D is not a typical mechanism, as it requires the cooperation and agreement of the tax authorities in both countries.

QUESTION NINE

The declaration and payment of Personal Income tax in Rwanda.

D

Both statements are false.

According to the income tax law:

A person is not required to file his or her annual tax declaration if the person:

- 1° has an annual turnover of less than two million Rwandan francs (FRW 2,000,0000);
- 2° receives only employment income;
- 3° receives only income on investment that is subject to withholding tax.

QUESTION 10

The correct answer is B

Particular	FRW
Gross Rental Income	10,500,000
Allowable expense 50% of gross rental income	(5,250,000)
Bank Interest	(1,200,000)
Taxable income	4,050,000

Therefore, the amount of John Claude's rental income that is subject to tax for the year ended 31st December 2023 is FRW4,050,000.

QUESTION 11

The correct answer is C

- A Incorrect - This strategy does not make use of the tax loss in the current year and may not be feasible or optimal depending on the investor's cash flow and profitability projections. It also does not guarantee that the tax loss will be fully offset in future years.
- B Incorrect - This strategy is not allowed by the Rwandan tax law, which prohibits the transfer of tax losses between companies, even within the same corporate group. Each company must use its own tax losses separately. However, there is an exception for tax losses arising from an internal business reorganisation that does not change the ownership structure for at least three years, as per Article 31 of the law.
- C Correct - This strategy is in accordance with Article 31 of the law, which permits the carry forward of tax losses for a maximum period of five years. This allows the investor to reduce the taxable income in future years by the amount of the tax loss, thus lowering the tax liability.
- D Incorrect - This strategy is not permitted by the Rwandan tax law, which does not allow the carry back of tax losses to previous years for a tax refund. The investor can only use the tax loss in future years, not in past years, unless the losses result from long-term contracts.

QUESTION 12

The correct answer is B

- A Option A is incorrect because the flat regime does not have a lower tax rate than the other regimes, but a fixed tax amount that may vary depending on the type and location of the business.
- B Option B is correct because the flat regime has a fixed tax amount as stipulated by the income tax law, which does not require any computation of taxable income or expenses.
- C Option C is incorrect because the flat regime has a lower turnover threshold than the other regimes, ranging from FRW 2,000,000 to FRW 12,000,000.
- D Option D is incorrect because the flat regime does not have a more flexible tax payment schedule than the other regimes, but a fixed tax payment deadline of 31 March of each year.

QUESTION 13

The correct answer is B

- A A is incorrect - Since option (iii) is not included as part of the exemption considerations (article 65: Persons exempted from withholding taxes).
- B B is Correct - Options (i) and (ii) are on the list of exemption considerations (article 65: Persons exempted from withholding taxes).
- C C is incorrect - Since options (iii) and (iv) are not included as part of the exemption considerations (article 65: Persons exempted from withholding taxes).
- D D is incorrect - Since options (iii) and (iv) are not included as part of the exemption considerations as per article 65 as stated above.

QUESTION 14

The correct answer is B

According to Article 6, digital services are included in the list of income taxable in Rwanda, regardless of the residence or physical presence of the provider. Therefore, the income from the platform is taxable in Rwanda, as it has a source in Rwanda.

QUESTION 15

The correct answer is D

- A Incorrect. Physical presence is a key factor.
- B Incorrect. Habitual abode is a significant determinant.
- C Incorrect. Economic interests can be considered but are not sufficient alone.
- D Correct. Nationality is not a determining factor for tax residency.

QUESTION 16 D

The correct answer is

Investment income is taxed separately from business income and includes any payments in cash or in kind from various sources. This is the correct answer because it reflects the definition of investment income given in Article 34. The other options are false or incomplete.

QUESTION 17

The correct answer is C

- A. A is **True** because accelerated depreciation allows the business to deduct a larger portion of the asset's cost in the early years, reducing the taxable income and the tax liability, and freeing up more cash for other purposes.
- B. B is **True** because accelerated depreciation can enhance the liquidity and solvency of the business by increasing the cash flow in the short term, as less tax is paid, and more cash is retained or generated by the business.
- C. C is **False** because accelerated depreciation does not affect the cash flow of the business in the long term, as the total depreciation expense over the asset's life is the same regardless of the method used. In fact, accelerated depreciation can reduce the cash flow in the later years, as more tax is paid and less cash is available, since the depreciation expense is lower, and the taxable income is higher.
- D. D is **True** because accelerated depreciation reduces the taxable income of the business in the short term, as the depreciation expense is higher and lowers the profit margin. This can reduce the tax base and the tax liability of the business in the short term.

QUESTION 18

The correct answer is B

A is incorrect because the turnover threshold is not the only criterion for the real regime.

B is correct because the Rwandan tax law mandates that individuals in liberal professions, such as lawyers, accountants, and consultants, must use the real regime for the taxation of their business profits, regardless of their turnover.

C is incorrect because the lump sum regime is only available for businesses with a turnover below FRW20,000,000.

D is incorrect because the presumptive regime is only available for businesses with a turnover between FRW20,000,000 and FRW50,000,000.

QUESTION 19

The correct answer is B

A is incorrect because it does not include the interest income.

B is correct because it is the sum of the business profits (FRW130, 000,000) and the grossed-up interest income ($\text{FRW}90,000/0.85 = \text{FRW}105,882$).

C is incorrect because it includes the collective investment scheme income, which is exempt from tax.

D is incorrect because it uses the wrong interest income amount.

QUESTION 20

The correct answer is C

A is incorrect because it does not take the prepayments and withholding tax into account.

B is incorrect because it uses the wrong taxable income amount and does not deduct the prepayments and withholding tax

C is correct because it applies the tax rate to the correct

- taxable income amount ($\text{FRW}130,105,882 \times 28\% = \text{FRW}36,429,630$) and deducts
- the prepayments ($\text{FRW}35,000,000$) and deduct
- withholding tax on interest ($\text{FRW}15,882$)

Total tax liability is $\text{FRW}1,413,748$

D is incorrect because it does not consider the withholding tax on interest.

QUESTION 21

The correct answer is B

B is the correct answer because the court decision is only required for debts above $\text{FRW}3,000,000$, according to Article 30, Paragraph One, item 3°. A, C and D are required for all debts, according to Article 30, Paragraph One, items 1° and 2° and Paragraph Two.

QUESTION 22

The correct answer is B

- (i) **False:** On business restructuring that involves related entities, the capital gain is exempt from tax.
- (ii) **True:** An acquisition on business restructuring between related entities will not alter the claiming of capital allowance on depreciable assets.
- (iii) **True:** An acquisition on business restructuring between related entities will not alter the annual tax declaration requirements.
- (iv) **True:** Both entities being registered taxpayers in Rwanda, withholding tax will not apply on dividend payments.

QUESTION 23

The correct answer is B

If the change is due to an internal business reorganization maintaining all shareholders who have been in the shareholding structure for at least three years.

QUESTION 24

The correct answer is D

D is the correct answer, as goods that have been purchased for resale are considered as trading stock, not work in progress. A, B, and C are all examples of work in progress, as they represent incomplete production or service activities that have incurred costs.

QUESTION 25

The correct answer is C

The correct answer is C. because Article 30, Paragraph Three specifies that a bank, a similar entity and a leasing entity licensed by the National Bank of Rwanda are allowed to deduct the increase of the reserve. A cooperative society is not licensed by the National Bank of Rwanda.

QUESTION 26

The correct answer is C

A is false because the recovery of bad debts reverses the previous deduction

B is false because the recovery of bad debts increases, not reduces, the business profit

C is the correct answer because Article 30, Paragraph Three states that the business profit is increased by the entire amount recovered from bad debts deducted from such reserves

D is false because the mandatory reserve is not relevant for the recovery of bad debts.

QUESTION 27

The correct answer is A

A is the correct Answer: The condition that the taxpayer should be registered for VAT is not a requirement.

According to Article 8: Tax Period, the tax is calculated for the calendar year, which starts on January 1 and ends on December 31. Upon written request, the Minister may allow a taxpayer to apply any other twelve (12) months period as a tax period if the taxpayer fulfills the following conditions:

- He/she is an entity subject to corporate income tax.
- He/she is required to keep books of accounts according to generally accepted accounting principles.
- He/she presents sound reasons to change his/her tax period.

QUESTION 28

The correct answer is B

According to Article 26 of Rwandan tax law, a taxpayer is entitled to reduce the closing stock by the amount of any obsolescent stock. Therefore, the obsolescence amount of FRW1, 100,000 should be deducted from the closing stock value.

QUESTION 29

The correct answer is D

The tax depreciation rate for computer server equipment, which has a useful life of 12 years, is 10%. This rate is applied to the original cost of FRW6,000,000 to determine the annual depreciation amount.

QUESTION 30

The correct answer is C

According to Rwandan tax law, penalties of any kind is specifically not deductible for tax purposes. Wages, rent of shop, and interest on business bank loan are allowable business expenses.

QUESTION 31

The correct answer is C

The total tax depreciation is calculated by applying the respective depreciation rates to the TWDV of each asset pool and individual asset, considering additions and disposals. The correct calculation is as follows:

- Business premises: 5% of FRW100,000,000 = FRW5,000,000
- Computer server equipment: 10% of FRW6,000,000 = FRW600,000

- Computer equipment pool: 100% of FRW400,000 (3,500,000 - 3,100,000) (balance under 500,000) = FRW400,000
- Other assets pool: 25% of FRW9,200,000 (8,600,000 + 600,000) = FRW2,300,000

Total tax depreciation = FRW5,000,000 + FRW600,000 + FRW400,000 + FRW2,300,000 = FRW8,300,000

QUESTION 32

The correct answer is D

The chargeable income is calculated by deducting allowable expenses from the net sales and adjusting for closing stock and obsolescence. The correct calculation is as follows:

- Net sales: FRW66,800,000 - FRW1,800,000 = **FRW65,000,000**
- Net purchases: FRW38,780,000 - FRW780,000 = FRW38,000,000
- Adjusted closing stock: FRW7,400,000 - FRW1,100,000 = FRW6,300,000
- Cost of goods sold: FRW38,000,000 - FRW6,300,000 = **FRW31,700,000**
- Gross profit: FRW65,000,000 - FRW31,700,000 = **FRW33,300,000**
- Allowable expenses: FRW4,800,000 (wages) + FRW1,200,000 (rent) + FRW820,000 (other expenses) + FRW5,800,000 (interest on business loan) + FRW8,300,000 = **FRW20,920,000**

Chargeable income = FRW33,300,000 - FRW20,920,000 = FRW12,380,000

QUESTION 33

The correct answer is B

- A Option A is the net interest income,
- B The gross interest income is the net interest income divided by (1 - withholding tax rate), which is FRW720,000 / (1 - 0.15) = FRW847,059.
- C option C, withholding tax calculated on the net interest income
- D Option D is the net interest income plus the withholding tax.

QUESTION 34

The correct answer is C

Option A is the annual rental income minus wrong deemed expenses of 50%.
 option B is the annual rental income minus the deemed expenses,

The taxable rental income is the annual rental income minus the deemed expenses at 10% of the annual rental income and the depreciation at 25% of the cost of machinery.

- The annual rental income is $\text{FRW}350,000 \times 12 = \text{FRW}4,200,000$.
- The deemed expenses are $10\% \times \text{FRW}4,200,000 = \text{FRW}420,000$.
- The depreciation is $25\% \times \text{FRW}5,000,000$ (assuming the cost of machinery) = $\text{FRW}1,250,000$.

Therefore, the taxable rental income is $\text{FRW}4,200,000 - \text{FRW}420,000 - \text{FRW}1,250,000 = \text{FRW}2,530,000$.

Option D is the calculated on monthly basis and used wrong deemed expenses of 50%.

QUESTION 35

The correct answer is A

The net agriculture income is the total income from farming activities minus the exempt income from agriculture activities.

- The total income from farming activities is $\text{FRW}15,000,000$.
- The exempt income from agriculture activities is $\text{FRW}12,000,000$.

Therefore, the net agriculture income is $\text{FRW}15,000,000 - \text{FRW}12,000,000 = \text{FRW}3,000,000$.

QUESTION 36

The correct answer is B

Option A is the total investment income minus the gross royalty income

Option B is the total investment income minus the gross interest income

Option B is the total investment income minus the gross interest income

The total investment income is the sum of the gross interest income, the gross royalty income, the net agriculture income, and the taxable rental income.

- The gross interest income is $\text{FRW}847,059$
- The gross royalty income is $\text{FRW}625,000 / (1 - 0.15) = \text{FRW}735,294$
- The net agriculture income is $\text{FRW}3,000,000$, and
- The taxable rental income is $\text{FRW}2,530,000$.

Therefore, the total investment income is $\text{FRW}847,059 + \text{FRW}735,294 + \text{FRW}3,000,000 + \text{FRW}2,530,000 = \text{FRW}7,112,353$.

Option D is the total investment income plus the dividend income.

QUESTION 37

The correct answer is D

The dividend income is specifically excluded from the taxable income by the income tax act. Article 47 states that dividends paid between resident companies are excluded from corporate taxable income. Further Article 60 specifically provides that dividends mentioned in Article 47 are exempt from Withholding Tax. Therefore, option D is the correct treatment. Option A and B are incorrect because the dividend income is not included in the taxable income. Option C is incorrect because the dividend income is not subject to any withholding tax.

QUESTION 38

The correct answer is C

$$1,500 \times 902 = 1,353,000 \text{ RWF}$$

The goods and liability are initially recorded at 1,353,000 RWF

$$1,500 \times 910 = 1,365,000 \text{ RWF}$$

The amount paid at settlement is 1,365,000 RWF

$$\text{Foreign exchange difference} = 1,365,000 - 1,353,000 = 12,000 \text{ RWF}$$

A is not correct because it is the total purchases price in local currency

B is not correct because it is the total payment of the goods bought on credit

D is not correct because C was selected as correct answer

QUESTION 39

The correct answer is B

A is not correct because it is not the only condition to be fulfilled

C is not correct because it include iv which is the only condition not to be included in

D is not correct because the first three items are correct.

QUESTION 40

The correct answer is A

A is the correct answer, as it reflects the general rule and the exception.

B is incorrect, as the exception is not unlimited and depends on the requirements set by the Ministerial Order.

C and D are incorrect, as they confuse the conditions that affect the deductibility of the loss, not the duration of the carry forward.

QUESTION 41

The correct answer is A

A is the correct answer, as it involves a change of more than 25% of the ownership of the company, which triggers the loss of the carry forward right under Article 31. B, C and D are incorrect, as they are examples of internal business reorganizations that maintain the shareholders, which are exempted from the loss of the carry forward right under Article 31.

QUESTION 42

The correct answer is D

A is incorrect, as it ignores the cost price of the trading stock.

B is incorrect, as it introduces an additional criterion of obsolescence or unsalability that is not in Article 26.

C is incorrect, as it does not allow for the possibility of valuing the trading stock at cost if it is higher than the market price.

D is the correct answer, as it reflects the rule stated in Article 26.

QUESTION 43

The correct answer is C

A is incorrect because (i) a sole trader is personally liable for the business's debts, just as partners are jointly and severally liable.

B is incorrect because (i) is incorrect and (iii) partnerships typically require a formal agreement, while a sole trader does not need a formal business plan.

A is correct because it accurately describes the fundamental difference between a sole trader and a partnership.

D is incorrect because (iv) a sole trader's income is taxed at the individual tax rate, not the corporate tax rate.

QUESTION 44

The correct answer is C

C is correct because the deductible expenses are calculated as follows:

- Wages and salaries: FRW6,000,000
- Telephone Bills (80% of FRW500,000): FRW400,000
- Fuel expenses (80% of FRW1,800,000): FRW1,440,000
- Print materials: FRW12,000,000
- Rent for the business premise: FRW3,000,000
- Capital allowance: FRW5,000,000
- Donations to an NGO (1% of turnover, FRW50,000,000): FRW500,000

Total: **FRW28,340,000**

QUESTION 45

The correct answer is A

A is correct because the taxable income is calculated as follows:

Sales/Turnover: FRW50,000,000

Deductible Expenses: FRW28,340,000

Taxable Income: = FRW21,660,000

QUESTION 46

The correct answer is C

Fixed administrative fine is set at:

- FRW50,000 for a taxpayer whose annual turnover is more than FRW2m but not exceeding FRW20m or for a natural person not engaged in any commercial activity
- FRW300,000 if the taxpayer's annual turnover exceeds FRW20m or if the taxpayer is a public institution or a non-profit-making organisation
- FRW500,000 if the taxpayer is considered by the tax administration to be in the category of large taxpayers

Note: If a person repeats the same offence within two years from receiving a fine notification for the first offence, the initial fine will be doubled. If the offence is repeated for the third time in that period, the fine is four times the basic administrative fine

QUESTION 47

The correct answer is A

Option A

- The administrative fine for understatement of tax is 10% of the understated amount if the understatement rate is between 10% and 20% of the correct tax amount.
- Umutoni's understatement rate is 8% ($800,000 / 10,000,000 * 100 = 8\%$), which falls within this range. therefore, the fine is $800,000 * 10\% = \text{FRW}80,000$.

Option B is the fine for an understatement rate of 20% or more

Option C is the fine for a late payment of more than 60 days.

Option D is not a valid amount for any category of taxpayer

QUESTION 48

The correct answer is B

Option A is the interest for 4 months of delay

The interest for late payment is calculated as the principal tax due multiplied by the interest rate per month multiplied by the number of months of delay. Umutoni's principal tax due is FRW1,200,000. The interest rate is 0.5% per month. The number of months of delay is 5 (from April to August). Therefore, the interest is $1,200,000 * 0.5\% * 5 = \text{FRW}30,000$.

Option B is the interest for 6 months of delay.

Option D is the interest for 7 months of delay.

QUESTION 49

The correct answer is B

(ii) is wrong because Ignite Limited, not Matiku, is responsible for collecting and submitting the CGT. (iv) is right - see below.

Both (iii) and (iv) are right. Ignite Limited has to collect the CGT from Matiku as its shareholding changed and submit it to RRA. The CGT rate is 5%

(i) is wrong as individuals are not exempt from CGT because of their residence. (ii) is also wrong - see above.

(i) is wrong - see above and (iii) is right - see above.

QUESTION 50

The correct answer is D

- A** Incorrect: Nkurunziza was a tax resident of Rwanda in 2023 because he had a permanent home in Bugesera, where he stayed for a month, so his income from his business in Uganda was also taxable in Rwanda.
- B** Incorrect: Olivier was a tax resident of Rwanda in 2023 because she spent more than 183 days in Rwanda, working in Musanze, so her income from her job in Kenya was also taxable in Rwanda.
- C** Incorrect: Jean Marie was a tax resident of Rwanda in 2023 because he was a Rwandan national working for the Rwandan government abroad, so his income from his job in Switzerland was also taxable in Rwanda.
- D** Correct: All of the four friends were tax residents of Rwanda in 2023, so none of them could avoid paying tax in Rwanda on their income from the activities mentioned.

End of marking guide and model answers