

REPUBLIC OF RWANDA



MINISTRY OF INFRASTRUCTURE

MINISTERIAL INSTRUCTIONS No. 01/MOS/Trans/019... DETERMINING MONTHLY LUMP SUM AND OTHER FRINGE BENEFITS FOR GOVERNMENT OFFICIALS AND PEOPLE'S REPRESENTATIVES UNDER THE FLEET POLICY OF THE GOVERNMENT OF RWANDA.

After consideration and approval of the adjusted monthly lump sums for vehicle running costs by Cabinet in its session of 24th June 2019; the Minister of State in Charge of Transport is hereby issuing instructions for the implementation of the Fleet policy.

1- Objective

The instructions specify monthly lump sum and other fringe benefits under the Fleet Policy.

2- Scope

- ✓ The instructions apply to all Government Ministries/Agencies, Commissions, Projects and Local Governments;
- ✓ These instructions shall apply to all entitled beneficiaries with due consideration to the applicable case;

3-Variant of the lump sums under the 2014 Government of Rwanda Fleet Policy

Under the 2014 Government of Rwanda fleet policy, there are provisions for two variants of the vehicle loan scheme as follows:

Vehicle Loan Scheme

Vehicle Loan Scheme will be applicable to Ministers, Ministers of State, Permanent Secretaries, Senators, Members of Parliament, Mayors, Director Generals, Vice Mayors, Executive Secretaries of District and their equivalents, selection being on the basis of operational needs. Under the scheme the beneficiary shall be entitled to receive:

- A full tax exemption on the retail cost of a vehicle in accordance with the maximum ceiling as specified in these Ministerial Instructions;
- A portion of monthly lump sum that will cover 100% of the expected running costs; and
- A 100% contribution towards the repayment of monthly loan instalments including interest for 100% purchase cost of the vehicle without tax for a period of 5 years, to be received as a part of monthly lump sum.
- A Km indemnity for using the vehicle for long distance travel (outside the 30 km of the radius of the main workplace, that is, outside Headquarters City) instead of hiring another vehicle.

In order to be eligible for Km Indemnity payment, the concerned beneficiary shall obtain necessary authorisation for business miles outside 30 km radius from the competent authority.

Special Group

The Special Group has three categories of officials as follows:

Category I

The Category I under Special Group will consist of Executive Secretaries of Local Government at Sector level, the selection being on the basis of operational needs;

A beneficiary under this category shall be entitled to receive:

- A full tax exemption on the retail cost of a vehicle in accordance with the maximum ceiling as specified in these Ministerial Instructions;
- A fixed monthly lump sum as indicated in the Ministerial Instructions.

Category II

The Category II under Special Group will consist of a selected group of Government officials, such as, Agronomist and Veterinary officer of the Sector, Agronomist, Veterinary officer and Education Officer at District level, Labour Inspector at District Level, the selection being on the basis of operational needs.

A beneficiary under this category shall be entitled to receive:

- A full tax exemption on the retail cost of a motorcycle in accordance with the maximum ceiling as specified in these Ministerial Instructions;
- A monthly transport allowance as a part of monthly salary as determined by the Ministry of Public Service and Labour (MIFOTRA)

All other employees of the Government of Rwanda who will remain outside the scope of monthly lump sum payment shall be entitled to receive a monthly transport allowance as a part of monthly salary as determined by the Ministry of Public Service and Labour (MIFOTRA).

Category III

The Category III under Special Group will consist of Specialist Doctors of public hospitals, Senior Lecturers and Professors of public higher learning institutions, Rwandan Diplomats returning from foreign postings, the selection being on the basis of operational needs.

A beneficiary under this category shall be entitled to receive on full tax exemption for the retail cost of a vehicle in accordance with the maximum ceiling as specified in these Ministerial Instructions. A beneficiary under this category shall not be entitled to get any monthly lump sum or Km Indemnity.

4-Duration of the scheme for contracts under 2014 Government of Rwanda Fleet policy and term period for lump sum computation

The term period for both loan repayment and lump sum computations as well as renewal of the scheme is five (5) years for the 2014 fleet policy of the Government of Rwanda. The transitional period between the end of the period of the scheme (5 years) and the re-entry of the beneficiary into the scheme can go

up to a maximum of three (3) years after which time the beneficiary has to re-enter the scheme or lose all benefits of the fleet policy of the Government of Rwanda. The beneficiary can re-enter the scheme any time during the transitional period. In addition, during this transitional period, the beneficiary will be entitled to receive a portion of monthly lump sum that will cover 100% of the expected vehicle running costs as indicated in these ministerial instructions.

5- Maximum Ceilings

Under the current 2014 Fleet Policy of the Government of Rwanda, the ceilings are fixed as follows:

Vehicle Loan Scheme:

The ceilings for the purchase cost of a tax-free vehicle effective from July 1, 2019 based on the rank of the Vehicle Loan Scheme beneficiaries are as follows:

#	Beneficiary	Maximum Ceiling
1	Minister and Minister of State (and equivalent)	RWF 35 Million
2	Permanent Secretary and Mayor of District	RWF 25 Million
3	Equivalent of Permanent Secretary, Senator and Deputy (Member of Parliament)	RWF 25 Million
4	Director General of Referral and Provincial Hospital	RWF 25 Million
5	Director General (and equivalent)	RWF 15 Million
6	Director General of District Hospital	RWF 15 Million
7	Vice Mayor and Executive Secretary of District	RWF 15 Million

Special Group Categories I, II and III

The maximum ceilings for the purchase cost of a tax-free vehicle/motorcycle for different categories under Special Group are follows:

#	Beneficiary	Maximum Ceiling
1	Returning Ambassador	RWF 25 million
2	Returning Minister Counsellor of Embassy	RWF 15 Million
3	Returning Commercial attaché	RWF 15 Million
4	Returning 1 st Counsellor of Embassy	RWF 15 Million
5	Returning 2 nd Counsellor of Embassy	RWF 15 Million
6	Specialist Doctor of Public Hospital, Senior Lecturer and Professor of Public Higher Learning Institution	RWF 15 Million
7	Executive Secretary of the Sector (for a vehicle)	RWF 10 Million
8	Returning 1 st Secretary of Embassy	RWF 10 Million
9	Returning 2 nd Secretary of Embassy	RWF 10 Million
10	Returning 3 rd Secretary of Embassy	RWF 10 Million
11	Agronomist and Veterinary officers of the Sector; Agronomist, Veterinary officers, Inspector of Education at District level and Labour Inspector at District Level (for a motorcycle)	RWF 3 Million

6- Monthly Lump sum under the 2014 Fleet Policy of Government of Rwanda

The monthly lump sum payments for a beneficiary for the different schemes are:

Vehicle Loan Scheme

Beneficiaries under the Vehicle Loan Scheme that entered into contract with Government of Rwanda under the 2014 Fleet policy of Government of Rwanda, shall be entitled, during the duration of the loan scheme five (5) years to receive a monthly lump sum, which is equivalent to 100% of vehicle running cost and 100% monthly loan repayment including interest on the basis of ranks. They are also entitled to receive 100% of vehicle running cost only during the transitional period that can go up to three (3) years. Monthly lump sums are fixed as follows:

Existing and new contracts under 2014 Fleet Policy.

#	Beneficiary	Monthly Lump sum for first 5 years	Monthly Lump sum for the transitional period
1	Minister and Minister of State (and equivalent)	RWF 1,882,086 / month	RWF 974,166 / month
2	Permanent Secretary and Mayor of District	RWF 1,392,138 / month	RWF 743,624 / month
3	Equivalent of Permanent Secretary , Senator and Deputy (Member of Parliament)	RWF 1,254,952 / month	RWF 606,438 /month
4	Director General of Referral and Provincial Hospital	RWF 1,254,952 / month	RWF 606,438 /month
5	Director General (and equivalent)	RWF 830,916 / month	RWF 441,807 / month
6	Director General of District Hospital	RWF 830,916 / month	RWF 441,807 / month
7	Vice Mayor and Executive Secretary of District	RWF 983,672 /month	RWF 594,563 /month

Special Group

Category I

A beneficiary under this category shall be entitled to receive a monthly fixed lump sum as follows:

Existing and new contracts under 2014 Fleet Policy.

#	Beneficiary	Monthly Lump sum for first 5 years	Monthly Lump sum for the transitional period
1	Executive Secretary of the Sector	RWF 571,564 / month	RWF 312,159 / month

Category II

A beneficiary under this category shall be entitled to receive a monthly transport allowance as a part of monthly salary as determined by the Ministry of Public Service and Labour (MIFOTRA).

8- Km Indemnity

For contracts subjected to 2014 Fleet Policy of the Government of Rwanda, and for travel outside a 30 km radius (i.e. outside Headquarters City), only beneficiaries under the Vehicle Loan Scheme will be entitled to receive a Km Indemnity based on a 70 km/day to cover the additional fuel, maintenance and depreciation costs. The Km Indemnity is as follows:

Vehicle Loan Scheme (all contracts) starting from July 1, 2019

#	Beneficiary	Km Indemnity
1	Minister and Minister of State (and equivalent)	RWF 422 per Km
2	Permanent Secretary and Mayor of District	RWF 364 per Km
3	Senator and Deputy (Member of Parliament)	RWF 364 per Km
4	Director General of Referral and Provincial Hospital	RWF 364 per Km
5	Vice-Mayor and Executive Secretary of District	RWF 370 per Km
6	Director General (and equivalent)	RWF 326 per Km
7	Director General of District Hospital	RWF 326 per Km

9- Contract obligation

Existing contracts will be enforced until the end of respective terms.

10- Special provisions for used cars

A beneficiary can purchase a new or used vehicle. In the case of a used vehicle, the used vehicle should comply with the following criteria by the time of acquisition by the beneficiary:

- a) Imported vehicles must be less than 5 years old;
- b) The mileage should not exceed 40,000 km;
- c) Should comply with national motor vehicle inspection requirements;
- d) Should be eco-friendly (not exceeding the limit of CO₂ emissions as provided by related legislation into force).

Requirements a) and b) do not apply to Rwandan diplomats returning from foreign postings.

11- Termination of the co-ownership agreement of vehicles acquired by Officials within the framework of Government fleet Policy

The co-ownership agreement of vehicles acquired by Officials within the framework of Government fleet Policy shall be terminated in the following cases:

- a) Resignation or desertion or dismissal or Leave of absence for non-specific period: the co-ownership agreement of a vehicle shall be terminated when the beneficiary, at will, discontinues his/her duties by resignation or desertion or Leave of absence for non-specific period. The beneficiary shall refund the duties and taxes exemption incurred by the Government on pro-rata basis discounted over the prescribed repayment period till the date of discontinuation of his/her service to get clearance letter from the Ministry of Finance and Economic Planning granting him/her full ownership.

The allowed period of time in which such payments must have been made is 12 months from the date of cessation of duties, or any other period agreed on in writing by parties, and in conditions

they have agreed on.

Should the Beneficiary fail to reimburse within the period of 12 months, the vehicle shall be seized by the public institution with which the contract was signed and sold through public auction in accordance with the law. The amount of the sale shall, first, be used to cover the outstanding amount of the Bank's Loan not exceeding beneficiary's allowed ceiling minus amount already paid through vehicle loan scheme (if any) and taxes and duties exemption incurred by Government on pro-rata basis. The balance, if any, shall be handed over to the Beneficiary.

b) Death of the beneficiary or replacement,

c) Handover of the vehicle due to the incapacity of refunding the duties and taxes exemption incurred by the Government. The vehicle will be handed over to the public institution which signed vehicle co-ownership agreement.

In case of b) the beneficiary or his authorized heir will be entitled to get the clearance letter from the Ministry of Finance and Economic Planning (MINECOFIN) granting him/her full ownership while for the case c) the beneficiary will be cleared from any duties and taxes exemption incurred by the Government and will get clearance letter from MINECOFIN.

This Article 11 applies to all contracts signed under 2014 Fleet Policy for the beneficiaries who have not yet got full ownership i.e. tax clearance from MINECOFIN.

12- Suspension of the agreement

The co-ownership agreement of vehicles acquired by Officials within the framework of Government fleet Policy can be suspended in the following cases:

- authorized absence from service for studies;
- Where a Government official has been put in a state of leave of absence for a non-specified period. In case of leave of absence the period of leave cannot exceed that one provided for by the Law.

During the period of suspension, the beneficiary ceases to receive the monthly vehicle running cost part of the total monthly lump sum but will be facilitated to continue to receive the monthly loan instalment component of the total monthly lump sum. The suspension period will end by reintegration in the Government position /rank/duties or by termination in case of resignation or desertion or dismissal or Leave of absence for non-specific period.

13- Facilitation of the beneficiary of the co-ownership agreement while waiting for the vehicle

Following the appointment or recruitment of the government officials entitled to the vehicle co-ownership scheme, the beneficiary will be facilitated through receiving the portion of the monthly lump sum related to vehicle running cost after signature of the vehicle co-ownership agreement and will receive the total monthly lump sum after presentation of the payment proof of the vehicle or yellow card.

14- Change of job position (promotion to a higher rank or demotion to a lower rank)

If a beneficiary who receives 100% government contribution and tax exemption after receiving a vehicle for a certain rank, is promoted to a higher rank, he/she will have two alternatives, that is, either (i) continuing driving the existing vehicle but receiving the higher rate corresponding to the new position or

(ii) selling the vehicle, repaying the government on a pro rata basis and start a new vehicle loan scheme from scratch.

The decision to continue driving the existing vehicle shall be sent to the Ministry of Infrastructure in writing and shall remain unchangeable till the end of the contract period.

If a beneficiary who receives 100% government contribution and tax exemption after receiving a vehicle for a certain rank, is downgraded to a lower rank, he/she will be entitled to remain with the current vehicle (if she/he wishes) and to pay the loan balance by monthly instalments until the end of the repayment period with taxes and duties incurred by the Government exempted. He/she will be entitled to the lump sum, if any, corresponding to the new position. If she/he is not able to keep the current vehicle, she/he will be allowed to get a vehicle corresponding to the new position. The beneficiary will be given maximum six months to sell the current vehicle. The beneficiary will have to use the money from the sale of the vehicle to refund the government contribution on pro rata basis, and to repay the bank loan if any.

15- Change of working location

If a beneficiary of the fleet policy (all categories) changes the working location without changing rank/level, he/she will remain with the same vehicle until the end of the vehicle co-ownership contract.

16- Fixed term service

If the service term of a Government official or people's representative ends before the vehicle loan scheme contract period, she/he will be cleared from any duties and taxes exemption incurred by the Government and get clearance letter from the Ministry of Finance and Economic Planning. In case his/her service term is renewed, he/she will remain with the same vehicle until the end of the vehicle co-ownership contract.

17- Authorities responsible for implementation of this order

All concerned government Ministries/Agencies, Commissions, projects and Local Governments are responsible for implementing these instructions.

18- Repealing of inconsistent provisions

All prior provisions contrary to these instructions are hereby repealed.

19- Commencement

These instructions shall come into force from 1st July 2019.

Kigali, on 25/06/2019


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Minister of State in Charge of Transport