

# Digital trade: An assessment of regulations and practices in Rwanda and Uganda

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and Uganda

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## Executive summary

This report offers an analysis of the regulatory environment for cross-border digital trade in Rwanda and Uganda, with the aim of informing evidence-based policymaking in these countries. The assessment draws on the Digital Trade Integration (DTI) framework, which captures regulatory measures across 65 indicators in key policy areas of digital trade regulation, including tariffs, data governance, telecom infrastructure, investment, intermediary liability, and online transactions. Regulatory information was compiled through desk research based on primary legal texts and secondary sources, complemented by qualitative inputs gathered in 2024 and 2025 through in-depth interviews, structured surveys, and focus group discussions with over 80 stakeholders. These included startups, established firms, business support organisations, regulators, and other public and private actors involved in policymaking.

The findings confirm that both countries view digital trade as a central pillar of their economic transformation. Rwanda shows a strong commitment to regulatory innovation, offering streamlined administrative procedures, sandbox initiatives, and targeted incentives for digital entrepreneurs. Uganda, on the other hand, has taken important steps toward regulatory alignment with international standards and has expanded its portfolio of enabling policies in recent years.

Despite these efforts, both countries face certain challenges that can inhibit digital trade. In Rwanda, concerns were raised about restrictive requirements for data transfers and compliance burdens that can disproportionately affect startups. In Uganda, stakeholders pointed to limited institutional coordination, lack of transparency, and blocking of online content and internet connections. Across both countries, firms highlighted structural barriers such as small domestic markets, skills mismatches, and limited regional integration, all of which constrain investment and growth in the digital sector.

The analysis emphasises that regulatory reforms must go beyond the introduction of new rules and focus on coherence between policy goals and implementation instruments, institutional coordination, and sustained engagement with the private sector. Regulatory frameworks should be guided by clearly defined objectives, take into account international standards when applicable, and incorporate mechanisms for independent monitoring and evaluation of outcomes. Moreover, greater cooperation in regional and continental forums, particularly within the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA), is essential to advance regulatory convergence, especially in areas such as data governance, licensing, and customs procedures. Development partners can play a crucial role in supporting these efforts by investing in institutional capacity-building, technical assistance, and regional policy harmonisation initiatives aimed at enabling digital trade to drive inclusive and sustained economic growth.

## Introduction

Digitalisation is reshaping global trade, and Uganda and Rwanda are actively pursuing digital transformation initiatives to facilitate both domestic and cross-border digital trade. This report aims to provide evidence to support these efforts, with a particular focus on developing a conducive regulatory framework for cross-border digital trade. Section I introduces the context of digital trade in Uganda and Rwanda. It examines the volume of exports and imports of ICT goods and digital services in both countries and provides an overview of key national strategies and programs. The section traces the evolution of these initiatives, outlining their objectives and how they align with broader regional digitalisation agendas. Section II shifts focus to the regulatory environment for digital trade. Using the methodology developed in the Digital Trade Integration (DTI) Project (Ferracane, 2022), we assess the policy frameworks governing digital trade in Uganda and Rwanda, identifying the main enablers and barriers. This assessment is enriched by insights from over 80 stakeholders gathered through interviews, workshops, and an online survey, offering a broader view of the digital trade environment. It captures business perceptions, regulatory challenges, and expectations for future policy actions. Section III summarises the key recommendations to foster a more conducive environment for cross-border digital trade in these countries.

## Digital trade in Rwanda and Uganda

Despite growing interest in digital trade, both Rwanda and Uganda continue to record low export volumes of ICT goods and digital services, two core components of digital trade (Ferracane, González Ugarte, & Rogaler, 2025). In 2022, Rwanda exported ICT goods worth USD 18 million, while Uganda exported USD 9 million in 2023 (Figure 1). Together, the two countries accounted for about 0.6% of Africa's total ICT goods exports. By contrast, the majority of the continent's ICT exports originate from four countries: Egypt, Morocco, Tunisia, and South Africa.

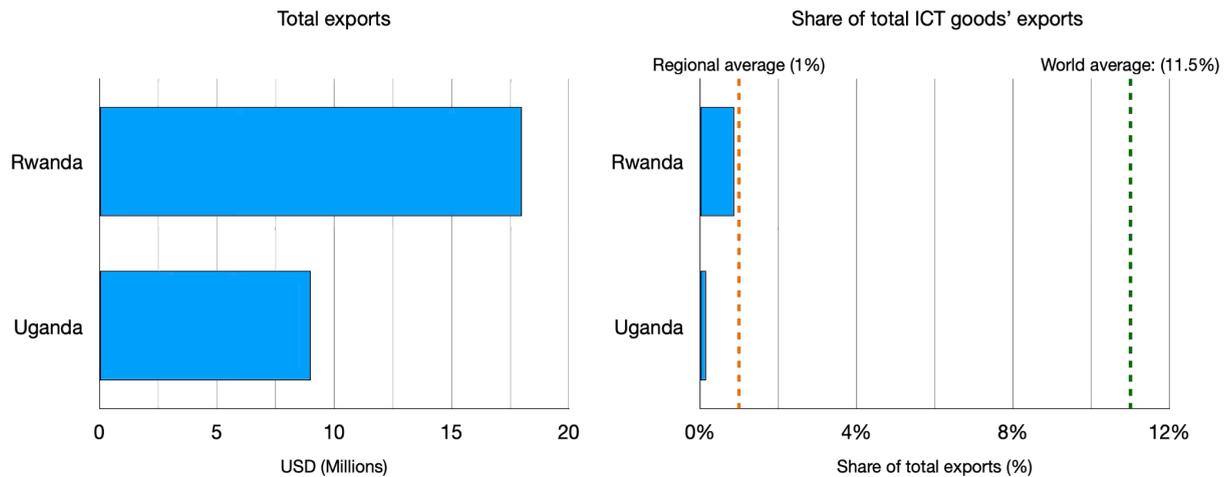
Rwanda and Uganda's shares of ICT goods in total exports, 0.9% and 0.15% respectively, remain below the African regional average of 1% and far below the global average of 11.5% (Figure 1). Notably, both countries have made investments in local ICT goods manufacturing, but these efforts have yet to significantly boost export performance. Rwanda recently launched Mara Phones' smartphone manufacturing plant in Kigali, the first facility in Africa to produce smartphones entirely on the continent<sup>1</sup>. In Uganda, the first ICT manufacturing and assembly plant was established in 2019 with the launch of SIMI Mobile, operated by the Chinese firm ENGO Holdings in partnership with the government. The facility produces smartphones, laptops, and tablets for both domestic use and export. In 2025, it underwent a major government-supported expansion aimed at diversifying production beyond ICT devices to include a broader range of electronics<sup>2</sup>.

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<sup>1</sup> CGTN Africa. (2023, June 16). *President Kagame launches first smartphone factory in Rwanda* [News article]. CGTN Africa. <https://africa.cgtn.com/president-kagame-launches-first-smartphone-factory-in-rwanda/>; and Ministry of Information, Communication, and Technology (MINICT), Rwanda. (2019). *Rwanda set to get first smartphone factory*. <https://www.minict.gov.rw/news-detail/rwanda-set-to-get-first-smartphone-factory>

<sup>2</sup> Tanui, C. (2019, July 5). *Chinese firm opens Uganda's first phone manufacturing plant*. WeeTracker. <https://weetracker.com/2019/07/05/chinese-firm-opens-ugandas-1st-phone-manufacturing-plant/>; and NTV Uganda. (2025, February 20). *New electronics production plant in Namanve to cut reliance on Asian imports* [News article]. NTV Uganda. [https://www.ntv.co.ug/ug/news/business/-new-electronics-production-plant-in-namanve-to-cut-reliance-on-asian-imports--4935442#google\\_vignette](https://www.ntv.co.ug/ug/news/business/-new-electronics-production-plant-in-namanve-to-cut-reliance-on-asian-imports--4935442#google_vignette)

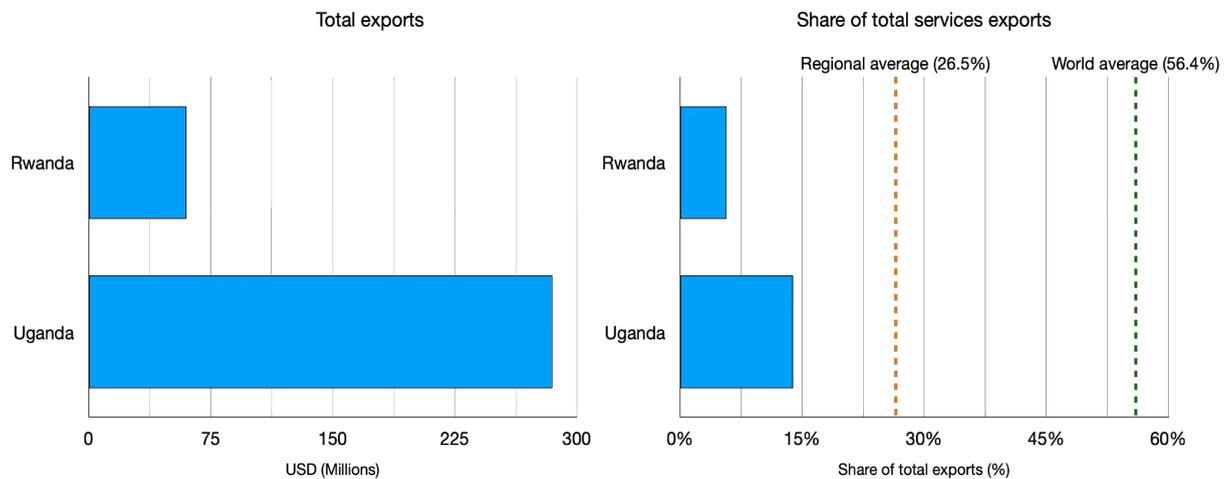
Figure 1: ICT goods export: total volumes and share in total goods exports, 2023



Source: UNCTAD (2025). Note: The figures present the most recent data available for Uganda (2023) and Rwanda (2022). The world and regional average data refer to the year 2023.

In 2023, Rwanda’s digital services exports reached USD 60 million, representing 5.7% of its total services exports (Figure 2). In comparison, Uganda exported USD 285 million worth of digital services, accounting for 13.9% of its total services exports. Both countries’ digital services export shares remain below the African regional average of 26.5% and the global average of 56.4%.

Figure 2: Digital services exports: total volumes and share in total goods exports, 2023



Source: UNCTAD (2025).

As members of the East African Community (EAC), Rwanda and Uganda are actively engaged in regional digital strategies that aim to deepen economic integration and accelerate the transition toward a unified digital market. The 6th EAC Development Strategy (2021/22–2025/26) identifies digital transformation as a central pillar of the region’s modernisation agenda, emphasising the need to re-engineer production and logistics systems through digital technologies and build an integrated regional digital economy (EAC, 2021). Aligned with this vision, the 2022 EAC E-Commerce Strategy sets out to establish a Single Digital Market by harmonising e-transaction laws, enhancing digital trust, and facilitating cross-border digital trade (EAC, 2022). Its objectives include improving legal and institutional coherence, promoting digital inclusion, particularly for women, youth, and MSMEs,

and fostering a more competitive regional business environment. To support implementation and ensure coordination across EAC partner states, the strategy introduces a multi-stakeholder engagement platform and a monitoring and evaluation framework.

Complementing this framework is the Eastern Africa Regional Digital Integration Project (EARDIP), an infrastructure and governance-focused initiative led by the EAC in partnership with the Intergovernmental Authority on Development (IGAD) and funded by the World Bank.<sup>3</sup> EARDIP provides the operational backbone for implementing the initiatives outlined in the EAC E-Commerce Strategy. Its scope spans several key pillars designed to address the main barriers to regional digital integration. First, it aims to expand cross-border digital connectivity by investing in regional broadband infrastructure to improve access and reduce connectivity gaps. Second, it supports the development of a regional data market through the harmonisation of data protection standards, the facilitation of secure cross-border data flows, and the strengthening of cybersecurity and digital trust frameworks. Third, it aims to advance regional digital trade by promoting e-commerce platforms, digital identity systems, and interoperable cross-border services. Finally, the project aims to enhance institutional governance and capacity by supporting legal and regulatory harmonisation and providing targeted assistance to national institutions.

These initiatives are closely aligned with national digital strategies in Uganda and Rwanda, allowing both countries to leverage regional efforts to accelerate their own digital transformation agendas.

### *Digital trade in Rwanda's digital transformation agenda*

Rwanda has implemented a comprehensive set of development plans that position digitalisation as a central driver of sustainable development. At the core are Rwanda Vision 2020 and its successor, Vision 2050, which set out the country's long-term development goals. These visions are operationalised through the National Strategy for Transformation plans (NST1 and NST2), both of which identify digital transformation as a cross-cutting enabler of economic growth, service delivery, and good governance. Supporting this overarching framework are several horizontal strategies, including the Smart Rwanda Master Plan (SRMP) 2020 and its successor SRMP II (2024–2028), the ICT Sector Strategic Plan (ICT SSP) 2018–2024 and its follow-up the ICT SSP 2024–2029, as well as the ICT for Trade, Industry and Commerce (ICT4COM) Strategy. In addition, Rwanda has adopted sector-specific strategies such as the E-Commerce Strategy (2023–2028), the Fintech Strategy (2022–2027), the Rwanda National Payment System Strategy (2018–2024), and the National Artificial Intelligence Policy.

Launched in 2000, Rwanda's Vision 2020 provided a comprehensive roadmap to transform the country from a low-income, agrarian economy into a middle-income, knowledge-based economy by 2020 (MINECOFIN, 2000). For the first time, the strategy explicitly recognised the ICT sector as a central driver of national development and as a means to promote financial inclusion and stimulate private sector growth. While the digital component of Vision 2020 was modest in scope, it laid the foundational groundwork for Rwanda's future by embedding technology into the country's development agenda. Vision 2050, launched in 2020, builds on this legacy with a more ambitious and integrated digital transformation agenda (MINECOFIN, 2020). Vision 2050 is Rwanda's current long-term development framework and places digital transformation at the heart of its economic and

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<sup>3</sup> East African Community. (n.d.). *Eastern Africa Regional Digital Integration Project (EARDIP)*. <https://www.eac.int/eardip>

social agenda, positioning technology and innovation as key drivers of growth, competitiveness, and global integration.

This strategic shift is reflected in priorities under the “Competitiveness and Integration” pillar, which emphasises export-oriented knowledge services, enhanced trade connectivity, and the development of a knowledge-intensive economy. The strategy envisions a fully digitalised economy, where advanced technologies, such as artificial intelligence, big data, and automation, play a transformative role across all sectors. Importantly, Vision 2050 recognises the digital economy not only as an enabler of development but also as a standalone growth sector. It aims to foster innovation, support high-value, technology-driven industries, and position Rwanda as a regional and global tech hub, deepening the country’s integration into the global digital economy.

At an operational level, the National Strategy for Transformation (NST1) and its successor, NST2, serve as key implementation frameworks for achieving Rwanda’s long-term development goals. NST1 (2017–2024) focused on laying the groundwork for a digital economy by expanding broadband access, enhancing digital literacy, and integrating technology into government operations (MINECOFIN, 2017). Building on this foundation, the newly launched NST2 (2024–2029) prioritises the broader adoption of formal financial services, including digital and electronic payment systems, and emphasises the integration of emerging technologies, such as artificial intelligence and big data, into Rwanda’s economic structure, supported by sector-specific training, while continuing to enhance the delivery of digital public services (MINECOFIN, 2024).

These strategies are further supported by several horizontal national plans. The Smart Rwanda Master Plan (SRMP) 2020 and its successor, SRMP II (2024–2028), are designed to replace the earlier ICT strategy plans (NICI I, NICI II, and NICI III), shifting the focus from “Liberation”, “Access”, and “Services” to “Innovation”. These aim to digitise the economy, position ICT as one of the country’s key exports, and provide a platform for increased private sector participation in ICT investment and development through public-private partnerships (Republic of Rwanda, 2015).<sup>4</sup> The ICT Sector Strategic Plan (ICT SSP) 2018–2024, along with its successor ICT SSP 2024–2029, seeks to foster digital transformation by expanding secure ICT infrastructure, enhancing digital inclusion, and improving service delivery through the adoption of emerging technologies and data-driven decision-making (MINICT, 2017, 2025). Complementing these efforts, the ICT for Trade, Industry and Commerce (ICT4COM) Strategy, developed by the Ministry of Trade, Industry and East Africa Affairs (MINEACOM), aims to digitally transform the trade and industry sectors by promoting ICT innovation, including the use of e-commerce platforms and Internet of Things (IoT) applications (MINICOM, 2017).<sup>5</sup>

Three additional sectoral strategies are worth mentioning to provide a comprehensive picture of Rwanda’s digital transformation agenda. The first is Rwanda’s National E-Commerce Strategy, which places strong emphasis on empowering MSMEs and enhancing cross-border trade integration (UNCTAD, 2023). The strategy aims to establish an inclusive and secure e-commerce ecosystem by addressing key policy areas, including digital skills, platform adoption, electronic payments, logistics, legal reforms, trade facilitation, data governance, and access to finance, with the objective of transforming Rwanda into a regional e-commerce hub. It also introduces clear implementation

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<sup>4</sup> The text of the SRMP II is not yet available.

<sup>5</sup> For the full list of indicators used to evaluate the ICT4COM Strategy, see: Ministry of Trade, Industry and East African Community Affairs (MINICOM), Republic of Rwanda. (2020, October). *M&E framework for the ICT4COM strategy and implementation plan*. Kigali: Ministry of Trade and Industry. <https://www.minicom.gov.rw/index.php?eID=dumpFile&t=f&f=10670>

mechanisms, including the creation of a National E-Commerce Council, and is designed as a flexible, adaptive framework that can respond to evolving technological and market developments.

Second, Rwanda's Fintech Strategy 2022-2027 provides a targeted policy framework to advance the country's digital financial ecosystem (MINICT, 2022). Developed by the Ministry of ICT and Innovation in collaboration with the National Bank of Rwanda and other stakeholders, the strategy aims to position Rwanda as a regional fintech hub while promoting financial inclusion and digital innovation. Key focus areas include regulatory reform, interoperability of digital financial services, consumer protection, access to finance for start-ups, and the development of digital skills. This strategy is connected with the Rwanda National Payment System Strategy 2018–2024, which focuses on promoting the widespread adoption of electronic payments across the population to advance financial inclusion and efficiency.<sup>6</sup>

Finally, the National AI Policy aims to harness artificial intelligence to drive sustainable economic growth, improve quality of life, and position Rwanda as a continental hub for responsible and inclusive AI (MINICT, 2023). The policy recognises AI's potential to enhance digital trade by fostering innovation, efficiency, and trust in digital transactions. It encourages AI adoption in supply chain management, online marketplaces, and financial services to improve trade facilitation, boost MSME competitiveness, and expand access to regional and global markets. Furthermore, it prioritises the creation of AI-ready infrastructure and robust data-governance frameworks, both essential for supporting secure cross-border digital transactions and attracting investment in emerging technologies that underpin digital trade.

### *Digital trade in Uganda's digital transformation agenda*

At the heart of Uganda's digital strategy are the Uganda Vision 2040 and the Digital Uganda Vision, which lay the foundation for key implementation programmes, including the Third and Fourth National Development Plans and the Digital Transformation Roadmap for 2023/2024 to 2027/2028. In addition, Uganda has adopted sector-specific programmes, including the NITA-U Strategic Plan (2020/21-2024/25) and the Ugandan Digital Government Strategy.

Launched in 2013, Uganda Vision 2040 serves as the country's long-term development blueprint, aiming to transform Uganda into an upper-middle-income, service-driven economy by 2040 (NPA, 2013). The strategy identifies the ICT sector as a critical enabler of national productivity, highlighting its role in enhancing business efficiency, fostering innovation, strengthening industry-academia linkages, and improving coordination across government agencies. The Vision also emphasises regional integration and global engagement, positioning Uganda as an active member of EAC, other regional blocs, the African Union, and the broader international community. It promotes the revision and strengthening of foreign policy to enhance collaboration in line with existing and future agreements, standards, and protocols across these frameworks. The Vision also calls for the adoption of measures to ease doing business, harmonise laws to enhance competitiveness, and encourage increased investment.

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<sup>6</sup> National Bank of Rwanda & Ministry of Finance and Economic Planning (MINECOFIN). (2017, December 31). *Rwanda Payment System Strategy: Towards a cashless Rwanda 2018–2024*. Kigali: National Bank of Rwanda.  
<https://www.mfw4a.org/publication/rwanda-payment-system-strategy-towards-cashless-rwanda-2018-2024>

The Digital Uganda Vision is the national digital strategy (MoICT&NG, 2022a). It is guided by five key aspirations: (i) the creation of a digital and data-driven economy, where information and knowledge serve as fundamental inputs for production and planning; (ii) the transformation of service delivery through the digitalisation of government operations to enhance efficiency and reduce duplication; (iii) the promotion of ICT-enabled businesses and investment, by attracting private sector participation and supporting local enterprises; (iv) the enhancement of global competitiveness, through improved performance in digital and economic indices; and (v) the advancement of digital inclusion and empowerment, ensuring that the benefits of ICT are accessible to all, regardless of age, gender, income, or location. These aspirations are underpinned by five strategic pillars: digital infrastructure and connectivity; digital services; cybersecurity, data protection, and privacy; digital skills; and innovation and entrepreneurship.

To operationalise these goals, Uganda adopted the Comprehensive National Development Planning Framework, which outlines a 30-year vision to be achieved through six five-year National Development Plans. These plans focus on practical, short-term actions in key sectors such as infrastructure, education, healthcare, and digital transformation. The Third National Development Plan (NDPIII), covering 2020/21 to 2024/25, identifies digital transformation as a central driver of economic diversification, good governance, and improved service delivery (NPA, 2020). The plan includes “Digital Transformation” as one of its core programmes, with objectives that include increasing the penetration of ICT technologies, expanding the use of ICT services, and strengthening the ICT human resource base to ensure that individuals and businesses can actively participate in the digital economy. The programme also focuses on enhancing the policy, legal, and regulatory framework for the ICT sector.

In January 2025, the government launched the Fourth National Development Plan (NDPIV), placing a strong emphasis on industrialisation, infrastructure development, and the enhancement of human capital (NPA, 2024). Among its priority areas are the expansion of nationwide connectivity, the strengthening of support systems for digital innovation and entrepreneurship, and the reduction of costs associated with end-user devices and digital services. The program also prioritises the promotion of digital skills and literacy, the advancement of cybersecurity and data protection, and the improved enforcement of policies, laws, and regulatory frameworks, including better institutional coordination.

Complementing these plans are some additional strategies and sector-specific plans: the Digital Transformation Roadmap (2023/2024–2027/2028), the NITA-U Strategic Plan (2020/21-2024/25), and the Ugandan Digital Government Strategy. The Digital Transformation Roadmap, developed by the Ministry of ICT and National Guidance (MoICT&NG) with support from the United Nations Development Programme (UNDP), serves as a comprehensive guide for Uganda’s transition to a digitally inclusive society (MoICT&NG, 2023). It seeks to operationalise the vision of a digitally empowered nation by outlining concrete steps to bridge the gap between policy ambition and implementation. The roadmap sets a foundation for cross-sectoral technological advancement and offers a structured pathway for integrating digital tools into everyday governance and service delivery.

The NITA-U Strategic Plan (2020/21-2024/25) provides a framework for the strategic work of the National Information Technology Authority – Uganda (NITA-U) in its transition from an IT infrastructure-based model to an IT service delivery model. The plan provides strategies to develop digital infrastructure, digital skills, digital innovations, close access and usage gaps and encourage digitisation across the entire economy (NITA-U, 2020).

Finally, the Digital Government Strategy, which complements the Government Enterprise Architecture (GEA), the e-Government Interoperability Framework (eGIF) and the e-Government Master Plan, aims to develop a digital government (MoICT&NG, 2022b). To achieve this, it proposes a set of key actions including the revision of ICT legislation, the coordination of digital transformation efforts across institutions, the recognition of data and information as national assets, the development of new digital authentication and electronic signatures solutions, and the expansion of digital skills development among government employees.

## Digital trade policies and practices in Rwanda and Uganda

This section examines regulatory policies and practices implemented in Rwanda and Uganda, using the methodology developed under the Digital Trade Integration (DTI) project to identify relevant regulations affecting ICT goods, digital services, data, and investment in sectors linked to digital trade.<sup>7</sup> The regulatory data was collected through desk research based on primary regulatory texts and secondary sources. This was complemented by insights gathered through in-depth interviews, a structured online questionnaire, and focus group discussions conducted in both countries in 2024 and 2025. These engagements involved more than 80 participants, including representatives from start-ups, established firms, business hubs, academic and research institutions, industry associations, and policymakers.

Comprehensive details on the regulatory frameworks and practices discussed in this section can be accessed through the DTI database, an open-access repository that systematically compiles and analyses digital trade-related policies across 150 jurisdictions, including all African countries.<sup>8</sup> The database classifies regulatory measures into 65 indicators, organised under 12 policy pillars. These cover: tariffs and trade defence measures applied to ICT goods (pillar 1), public procurement of ICT goods and online services (pillar 2), foreign direct investment in sectors relevant to digital trade (pillar 3), intellectual property rights (IPRs) (pillar 4), telecom infrastructure and competition (pillar 5), cross-border data policies (pillar 6), domestic data policies (pillar 7), intermediary liability (pillar 8), content access (pillar 9), quantitative trade restrictions for ICT goods and online services (pillar 10), technical standards applied to ICT goods and online services (pillar 11), and online sales and transactions (pillar 12).

### *Rwanda's regulatory framework for digital trade integration*

Among the stakeholders interviewed, there is broad recognition of the Rwandan government's efforts to promote digital entrepreneurship, facilitate early-stage business operations, and support the testing of innovative solutions. The country's regulatory agility and openness to experimentation are widely acknowledged as key strengths. The respondents particularly highlighted the benefits of streamlined company registration procedures, administrative efficiency, regulatory sandboxes, and fiscal incentives targeted at startups. The government is also seen as receptive to evidence-based feedback and willing to adapt regulatory frameworks to evolving needs.

However, some stakeholders perceive the state-led nature of Rwanda's digital ecosystem as a potential limitation. Policy priorities and innovation agendas are often determined in a top-down manner, with the government playing a central role in identifying sectors and initiatives deemed worthy of support.

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<sup>7</sup> For more information about the project and methodology, see Ferracane, González Ugarte, and Rogaler (2025, forthcoming).

<sup>8</sup> Ferracane, M.F., González Ugarte, S. and Rogaler, T. (Eds.), (2025). Digital Trade Integration Database. European University Institute *et al.* <https://dti.eui.eu>

While this can help align public resources effectively, it may suppress organic market signals and limit the development of a demand-driven innovation culture. Several stakeholders stressed the need for a more balanced dynamic, one that fosters a productive tension between public and private sector priorities to build a more responsive and resilient ecosystem.

Before turning to the regulatory policies specific to cross-border digital trade, it is important to note that there are broad structural barriers that need to be addressed to support long-term growth through digital trade. The small domestic market, underdeveloped talent pool, and weak regional integration are critical challenges that undermine the business case for investing in local companies, leading to limited private investment. With regards to human capital, while institutions such as Carnegie Mellon Africa and the African Leadership University contribute to human capital development, the broader tertiary education system still faces challenges, including language barriers, staffing limitations, and persistent skill mismatches. The lack of a qualified workforce is further exacerbated by increasing restrictions on the hiring of foreign professionals, which have reportedly become more pronounced in recent years. Some companies reported growing difficulties in obtaining work permits, particularly in sectors requiring specialised digital expertise, where local talent remains insufficient.

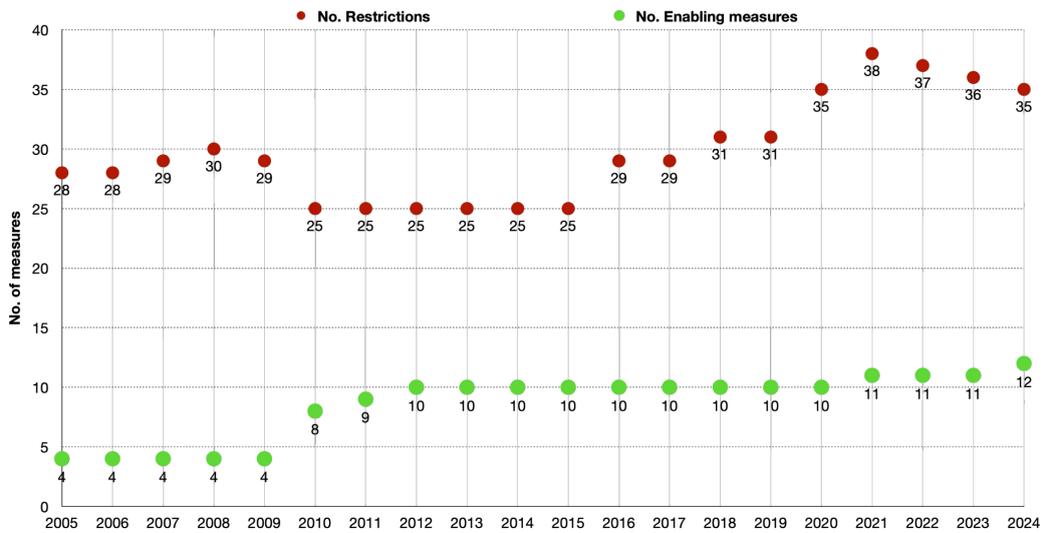
Without access to a broader customer base or the ability to scale easily across borders, many startups struggle to attract funding or demonstrate growth potential that appeals to investors, hindering the commercial viability of early-stage ventures. Business support organisations (BSOs) can play a role in supporting startups; however, it is reported that, despite the increasing number of these organisations active in Rwanda, these entities still lack strategic focus and the practical experience needed to guide startups toward successful growth in exports and exits. Moreover, stronger regional integration, both within EAC and with the entire African continent, is crucial for Rwanda to support the local startup ecosystem to access a broader customer base. While the strategies presented in the previous section show a clear ambition for further regulatory integration, our analysis points to a significant number of regulatory restrictions that are likely to impact the ability of companies to operate online and to export their services abroad, which are further detailed below.

Building on the DTI methodology for categorising restrictions and enabling policies for digital trade, Figure 3 shows a steady increase in regulatory activity related to digital trade in Rwanda (Figure 3). In 2024, a total of 12 key enabling measures were identified as supporting digital trade, alongside 35 restrictive policies that are likely to impose costs on digital trade operations. The number of restrictions increased between 2015 and 2021; however, some of these measures were lifted after 2021, reflecting a partial shift towards regulatory easing.<sup>9</sup>

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<sup>9</sup> Although the number of potentially restrictive and enabling policies per pillar provides only a rough estimate of the overall policy environment for digital trade integration, treating all policies equally without considering their varying scope, it provides a first overview of the level of activity in the country and has proven a valuable proxy in empirical analysis. See e.g. Martina F. Ferracane and Erik van der Marel, Digital Trade Regulatory Environment: Opportunities for Regulatory Harmonization in Africa (Economic Commission for Africa, African Trade Policy Centre (ATPC 2023). <https://dtri.uneca.org/assets/data/publications/Digital-trade-regulatory-environment-Opportunities-for-regulatory-harmonization-in-Africa-en.pdf>

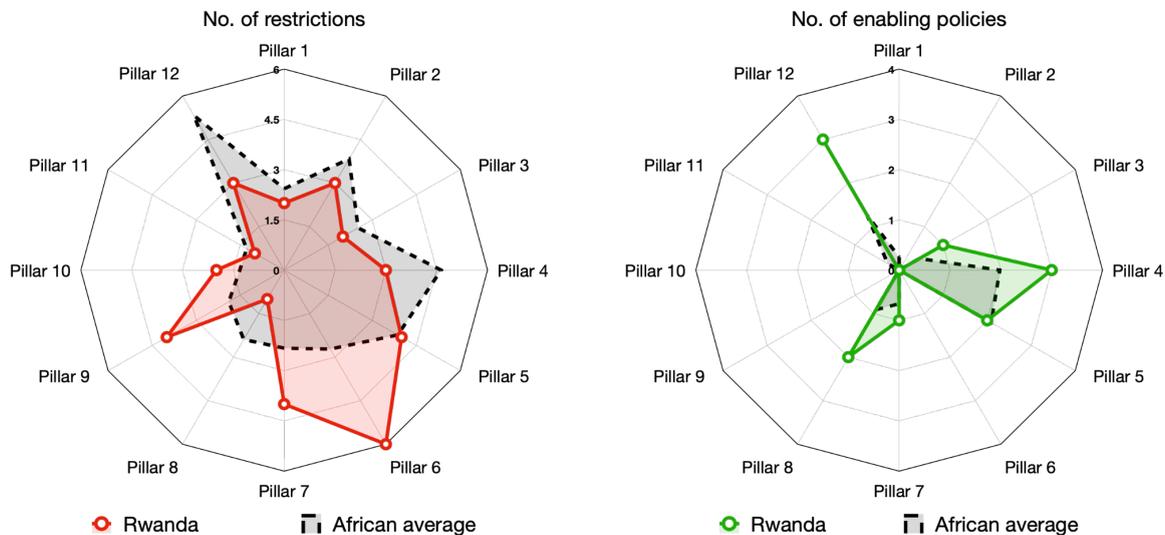
Figure 3: Number of digital trade-related measures in Rwanda, 2005-2024



Source: Authors based on the DTI database and additional desk research.

Figure 4 compares Rwanda’s regulatory framework for digital trade with the regional average across the 12 policy pillars of the DTI database. The country implements fewer restrictions than the regional average in policy areas covering tariffs, public procurement, foreign direct investment, intellectual property rights, intermediary liability, and online sales and transactions (Pillars 1, 2, 3, 4, 8, and 12). On the other hand, Rwanda exhibits a more restrictive regulatory environment in the pillars covering cross-border data policies, domestic data policies, and content access (Pillars 6, 7, and 9), with roughly double the number of measures compared to the regional average. In the pillars covering policies in the telecom sector (pillar 5), quantitative trade restrictions (pillar 10), and technical standards (pillar 11), the number of restrictive policies is in line with the regional average. With regard to enabling policies, Rwanda shows higher activity than the regional average across most pillars, especially in the policy areas covering intermediary liability (pillar 8), online sales and transactions (pillar 12), and intellectual property rights (pillar 4).

Figure 4: Number of restrictions and enabling policies by DTI pillar, Rwanda and regional average



Source: Authors. The average for African countries is based on the 2023 data available for 54 countries in the DTI database.

With regard to ICT goods, Rwanda applies relatively high tariffs, with a weighted average tariff rate of 5.3% on ICT imports in 2023. Although this rate is below the average for the African region (5.8%), it remains significantly above the global average of 0.9%. Moreover, while roughly two-thirds of ICT goods enter Rwanda duty-free, the country has not joined the World Trade Organisation (WTO) Information Technology Agreement (ITA I) or its expansion (ITA II), which would bind the country to tariff liberalisation in the digital sector. The country reportedly maintains a *de minimis* threshold of USD 100 for e-retail, which is below the USD 200 threshold recommended by the International Chamber of Commerce, and has not been found in the regulatory texts analysed.

With regards to public procurement, there are no regulations specifically targeting digital services and ICT goods, but certain regulations can also impact the procurement of these goods and services. Rwanda's public procurement framework, established under Law No. 031/2022 and implemented through Ministerial Order No. 001/23/10/TC, provides for both exclusive and preferential treatment for domestic suppliers and service providers. According to Art. 62 of the Ministerial Order, procuring entities must grant exclusive preference to: (i) goods or supplies manufactured in Rwanda for procurements up to FRW 200 million (approx. USD 160,000), and (ii) service providers registered in Rwanda as domestic companies for at least six months, for procurements of non-consultancy and consultancy services up to FRW 100 million (approx. USD 80,000). Furthermore, under Art. 63 of the Order, a 15% local preference applies at the financial evaluation stage of national and international tenders: (i) for locally manufactured goods or supplies, and (ii) for domestic service providers registered for at least six months. A similar preference is extended to joint ventures between foreign and domestic companies, provided the Rwandan partner meets at least 30% of the technical and financial criteria. Moreover, Rwanda has not acceded to the WTO Government Procurement Agreement (GPA)

In the area of investment, Rwanda maintains an open regime for foreign direct investment across all sectors relevant to digital trade. Pursuant to Art. 9 of the Investment Promotion and Facilitation Law, foreign investors may invest in and acquire shares of Rwandan entities under the same conditions as domestic investors, benefiting from equivalent investment incentives and facilitation. This also applies to the telecom sector, as confirmed by Law No. 24/2016 Governing Information and Communication Technologies. The sector is regulated by the Rwanda Utilities Regulatory Authority (RURA), which is reportedly independent in its decision-making process and is responsible for oversight and administration.

The country mandates passive infrastructure-sharing obligations in both mobile and fixed telecom segments, which are implemented through commercially negotiated agreements and are expected to support competition in the market. Yet, there is no mandate for functional or accounting separation for operators with significant market power in the telecom market. Additionally, Art. 29 of the Regulation Governing Licensing in Electronic Communication requires license applicants to provide a performance bond, serving as a safeguard to compensate end-users for any losses resulting from the licensee's failure to meet its obligations. This requirement is perceived as a stringent licensing condition, as applicants must make a significant upfront payment. The performance bond applies to providers of subscription services, internet retailers, prepaid service providers, and other applicants deemed relevant by the Regulatory Authority. Furthermore, Rwanda has not appended the WTO Telecom Reference Paper to its schedule of commitments, which could promote regulatory alignment with international best practices.

Article 53 of the Law Governing Information Communication and Technologies grants the government broad authority over telecommunications networks, including the power to suspend

services indefinitely in the interest of preserving national integrity. Reports indicate the blocking of certain news websites and media platforms, which could undermine investor confidence and limit the predictability and openness of Rwanda's digital trade environment, particularly for content-driven and cross-border digital service providers.

Rwanda implemented several regulations to enhance trust in the digital market. One of these is Law No. 058/2021 relating to the Protection of Personal Data and Privacy, which provides a comprehensive protection regime. The law establishes key principles such as lawfulness, fairness, transparency, purpose limitation, pseudonymisation, and accuracy, alongside obligations concerning data subject rights. However, the law also creates compliance costs for local businesses. The law imposes obligations to appoint a data protection officer and conduct data protection impact assessments (Arts. 38–40), which can be particularly burdensome for small enterprises. In addition, according to Art. 29, any person intending to act as a data controller or data processor must register with the National Cyber Security Authority (NCSA). This registry, as set out in the Guide on Data Controller & Data Processor Registration, requires the submission of several documents, including a memorandum of understanding or agreement with a local representative if the controller or processor is neither established nor resident in Rwanda but processes the data of individuals located in the country (in line with the requirements set out in Art. 39 of Law No. 058/2021). The companies interviewed expressed concerns about the compliance costs linked to this procedure and the overall lack of transparency and predictability throughout the process.

Article 48 of Law No. 058/2021 outlines conditions for data transfers, including authorisation from the Supervisory Authority and data subject consent. Art. 50 further requires that all personal data be stored within Rwanda unless a company obtains permission from the NCSA. It is reported that, in sectors considered sensitive, such as finance, telecom, and health, the companies are required to first obtain a non-objection declaration by the relevant authority in their sector to be able to process data abroad, and then file the final request to NCSA. The companies interviewed raised serious concerns about the effect of these policies on both the cost of processing data and on security, which could be damaged if data is stored in local data centres. In fact, there is still a limited supply of secure and affordable services for data processing within the country, resulting in potential legal and financial risks for local companies.

There are also other regulations that limit data transfers, which are expected to create costs for digital services providers, as also confirmed by the companies interviewed. Art. 15 of Regulation No. 010/R/CR-CSI/RURA/020 of 2020 Governing Cybersecurity stipulates that, as part of the licensing process, ICT companies must ensure that their networks, systems, and applications are managed, hosted, accessed remotely, or located outside the territory of Rwanda without the explicit authorisation of the Regulatory Authority. Moreover, Art. 16 of Regulations No. 001/R/TD-ICS/RURA/016 of 2016 Governing Telecom Network Security in Rwanda requires that subscriber information held by telecommunications or internet service providers, including voice, SMS, and call data records, be processed, stored, and transmitted securely within the territory of Rwanda. The provision explicitly prohibits the transfer, storage, or processing of such subscriber data outside national borders. Finally, government institutions are required to host critical IT systems within the National Data Centre (NDC), and therefore, the companies offering services to the government need to rely on the NDC.

In addition to raising costs for businesses, these requirements to process data locally can also lower the trust of consumers in digital services and undermine investor confidence, especially when coupled

with a regulatory environment that allows the government to access the data without a court order, as provided in Law No. 60/2013 Regulating the Interception of Communications. Art. 3 states that the government has unrestricted access to personal data in the interest of national security. Moreover, under Art. 7, communications service providers are required to ensure that their systems have the technical capability to intercept communications on demand. This Law, coupled with Regulation No. 18/R/SM-ICT/RURA/2024, which provides that licensed electronic communications service providers must register the full personal details of all subscribers or SIM card holders and that RURA has unfettered access to SIM card databases managed by operators, effectively prevents the ability to communicate anonymously in the country. The Regulation further provides that licensees must also permit authorised officers to access their systems, premises, facilities, and all relevant records and data, to facilitate inspections and ensure compliance with the Regulation.

In addition to telecom companies and ICT services, licensing requirements also apply in the media sector. The Regulations Governing the Licensing of Multimedia Services require that online newspapers, internet radio and television services, video-on-demand platforms, IPTV, mobile TV services, and other related multimedia services obtain specific licences. Art. 18 of the Regulations also requires that multimedia service providers retain recordings for 90 days in case of a request by the Regulatory Authority. Moreover, the Law Governing Information Communication and Technologies identifies four categories of services that must be licensed, including application services licences and content services licences (Art. 40). Collectively, these regulatory instruments impose licensing obligations on virtually all internet-based activities in Rwanda.

In the fintech sector, licensing and compliance obligations were described as misaligned with start-up realities. Participants noted that licence requirements are tailored to traditional financial institutions, making them disproportionately burdensome for smaller firms, although there have been recent improvements. Regulation No. 74/2023 governing Payment Services Providers (PSPs) requires that applicants for a licence to provide payment services in the country must be legally incorporated in Rwanda and maintain a registered office or permanent place of business within the country. Likewise, they are required to appoint a chief executive officer or managing director who is a citizen or resident of Rwanda, and must meet a minimum initial capital requirement ranging from FRW 50,000,000 to FRW 300,000,000 (approx. USD 20,000 to 200,000), depending on the licence category. Some startups interviewed have shared concerns about the complexity of the process. Another area of concern in the financial sector is the persistent limited interoperability across e-payments systems and high commission rates for mobile money services, although the country is making substantial efforts to improve interoperability, also across countries,<sup>10</sup> and to foster innovation through sandboxes.<sup>11</sup> Also, issues with setting up merchant accounts in Rwandan banks to be used with foreign payment services have been raised.

With regards to intellectual property, the country has a clear regime of exceptions to copyright that follows the fair use model, allowing the lawful utilisation of copyrighted works without prior authorisation in certain circumstances. Law No. 055/2024 on the Protection of Intellectual Property clearly outlines these exceptions in Articles 291–304, allowing uses such as private and temporary reproduction, quotation, and reproduction by libraries without prior authorisation. Additionally, Section 4.7 of the Guidelines for Intellectual Property Registration further clarifies that limited use of copyrighted works, such as for commentary, criticism, news reporting, or research, is permitted

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<sup>10</sup> Connecting Africa. (2024, April 9). *Ghana, Rwanda partner to ease fintech regulation*.

<https://www.connectingafrica.com/regulation/ghana-rwanda-partner-to-ease-fintech-regulation>

<sup>11</sup> National Bank of Rwanda. (n.d.). *Regulatory sandbox framework*. <https://www.bnr.rw/regulatorysandbox>

without prior authorisation. Law No. 055/2024 also establishes a framework for protecting trade secrets. Under Art. 276, any unauthorised disclosure, acquisition, or use of secret information in the course of industrial or commercial activities, in a manner contrary to honest commercial practices, constitutes unfair competition. Additionally, Art. 380 provides that anyone committing unfair competition regarding intellectual property commits an offence punishable by a fine. The current legal framework also ensures a non-discriminatory application process for patents, with no requirement for a local representative. Additionally, Rwanda is a party to the Patent Cooperation Treaty (PCT). Despite these policies, some companies report challenges with regard to enforcement, particularly in relation to patents. Moreover, the country has not acceded to the World Intellectual Property Organisation (WIPO) Internet Treaties, namely the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

The country has also established a safe harbour regime for copyright infringement and other activities under Law No. 18/2010 relating to Electronic Messages, Electronic Signatures and Electronic Transactions, and Law No. 24/2016 Governing Information and Communication Technologies. The former exempts intermediaries and telecommunications network service providers from liability for electronic messages transmitted through their networks, provided they do not initiate, select, or modify the content of the transmission. It also grants liability exemptions for the automatic, intermediate, and temporary storage of electronic records, as well as for hosting services, so long as intermediaries are unaware of any infringing activity. Furthermore, Law No. 24/2016 reinforces the exemption of intermediaries from liability for linking to external websites containing electronic messages or potentially unlawful content by further detailing liability limitations for electronic service and network providers, particularly in relation to caching, hosting, and online content management.

Rwanda also has a comprehensive legal framework for consumer protection applicable to online transactions, established under Law No. 36/2012 on Competition and Consumer Protection. The law seeks to promote fair competition, ensure access to competitive prices and high-quality goods and services, and foster a conducive environment for investment. The Digital Business Institute has also instituted a framework to foster trust in the digital economy through ‘Trust seals’ that can be requested by fintech, e-commerce, edtech, and software operators.<sup>12</sup> Furthermore, Rwanda adopted national legislation influenced by the United Nations Commission on International Trade Law (UNCITRAL) Model Laws on Electronic Commerce and Electronic Signatures, further aligning its digital legal framework with international standards. Yet, it has not signed the UN Convention on the Use of Electronic Communications in International Contracts.

### *Uganda’s regulatory framework for digital trade integration*

Uganda has taken important steps toward regulatory alignment with international standards and has expanded its portfolio of enabling policies in recent years. However, based on the feedback received from the stakeholders interviewed, the country’s digital ecosystem suffers from challenges related to trust and transparency in the regulation of the digital economy. Despite notable progress in telecom liberalisation and the widespread adoption of mobile money, regulatory uncertainty and fragmented enforcement continue to undermine private sector confidence. A recurring concern is the perceived arbitrariness of taxation and limited transparency in policy implementation. Some of the stakeholders interviewed noticed that new tax measures are introduced without sector-specific impact assessments, creating uncertainty for businesses. After the contestations with regards to the over-the-top (OTT) tax,

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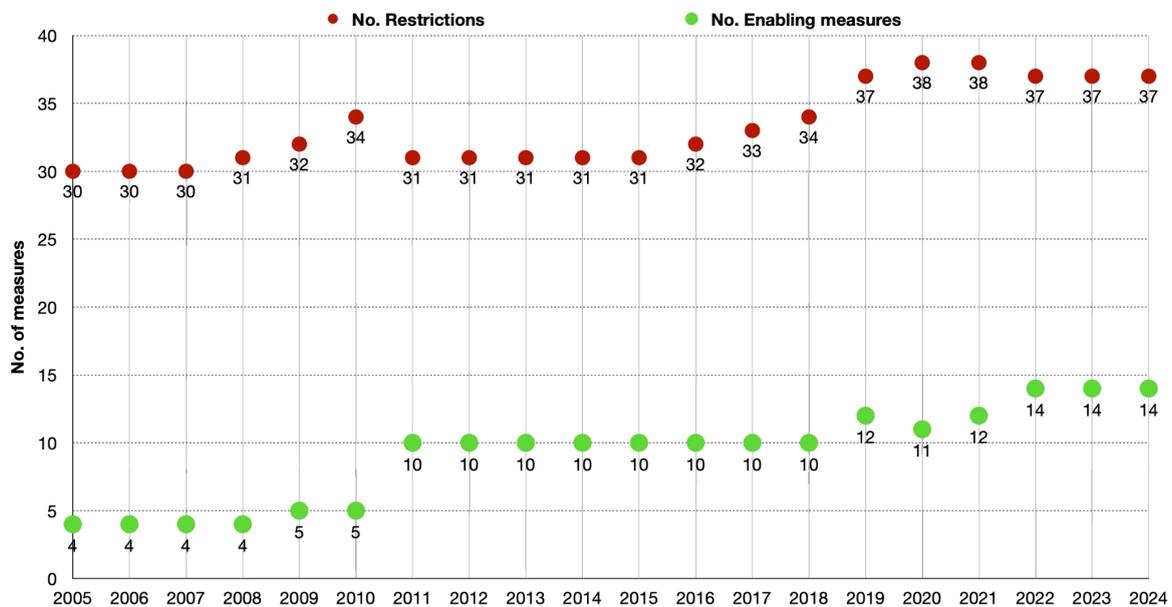
<sup>12</sup> Digital Business Institute. (n.d.). *DBI certificates*. <https://dbi.rw/certification-2/>

which was eventually lifted in 2021,<sup>13</sup> the country introduced several other policies with the objective of taxing data usage and digital services. In July 2025, the 5% Digital Services Tax introduced in 2023 was repealed and replaced by a 15% withholding tax on income from digital services by non-residents, which adds to the 18% VAT on digital services.

The lack of interoperability between mobile money platforms and formal financial institutions, along with persistently high transaction fees and challenges accessing mainstream international payment platforms, reportedly inhibits efficiency and innovation. Moreover, there are challenges regarding the high cost and limited quality of internet access. More broadly, the legal framework is viewed as fragmented, with overlapping mandates, a lack of independence of regulators, and limited governance and institutional coordination, undermining the country’s efforts to build a secure and enabling digital economy. A notable exception is the National Information Technology Authority of Uganda (NITA-U), whose activity is highly appreciated by local companies and stakeholders. Overall, the stakeholders interviewed called for policy reforms to define clearer mandates for different regulators, improved regulatory coordination, and streamlined and more effective enforcement mechanisms to create an enabling environment for digital trade and private sector growth. They also pointed to the need to develop ad hoc mechanisms to support tech startups, such as regulatory sandboxes for responsible experimentation, tax breaks to support early-stage ventures, and business support programs.

Turning to regulatory policies specifically related to cross-border digital trade, our analysis suggests that the country has steadily expanded its set of enabling measures over time, reaching a total of 14 implemented policies by 2024 (Figure 5). In terms of restrictive measures, the number increased progressively between 2011 and 2020, with the total number stabilising at 37 from 2022.

Figure 5: Number of digital trade-related measures in Uganda, 2005-2024

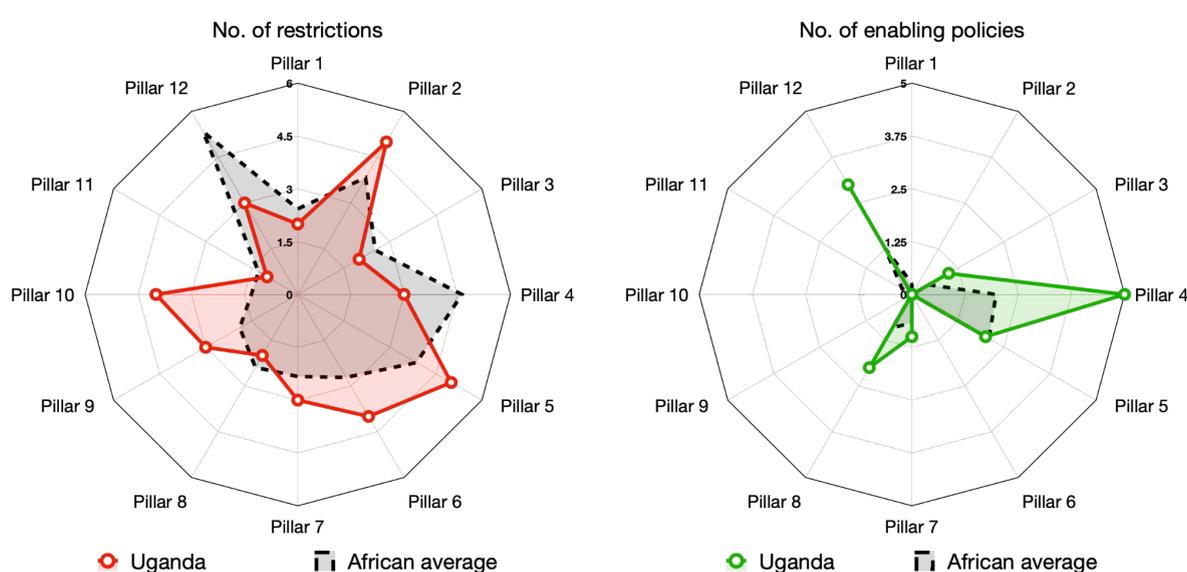


Source: Authors based on the DTI database and additional desk research.

<sup>13</sup> Mwesigwa, D. (2021, July 1). *Uganda abandons social media tax but slaps new levy on internet data*. Collaboration on International ICT Policy for East and Southern Africa (CIPESA). <https://cipesa.org/2021/07/uganda-abandons-social-media-tax-but-slaps-new-levy-on-internet-data/>

As shown in Figure 6, the country implements fewer restrictive measures than the regional average in the policy areas covering tariffs, foreign direct investment, intellectual property rights, intermediary liability, and online sales and transactions (corresponding to pillars 1, 3, 4, 8, and 12). Conversely, the country demonstrates comparatively higher numbers of restrictive regulations in public procurement, telecom infrastructure and competition, cross-border data policies, domestic data policies, content access, and quantitative trade restrictions related to ICT goods and online services (pillars 2, 5, 6, 7, 9, and 10). With regard to enabling policies, Uganda implements a range of enabling measures that surpass the regional average across nearly all DTI pillars, with a particularly strong performance in pillar 8 (intermediary liability), pillar 12 (online sales and transactions), and pillar 4 (intellectual property rights), where it has adopted more than twice the number of enabling measures compared to the regional average.

Figure 6: Number of restrictions and enabling policies by DTI pillar, Uganda and regional average



Source: Authors. The average for African countries is based on the 2023 data available for 54 countries in the DTI database.

With regard to ICT goods, Uganda maintains relatively high tariffs, with a weighted average import tariff of 6.2% in 2023. This rate is above the average for the African region (5.8%) and remains significantly higher than the global average of 0.9%. While approximately 49.3% of ICT goods can be imported duty-free, many key product categories are still subject to elevated import duties. Several types of accumulators and batteries face tariffs exceeding 30% (see e.g. HS codes 850610, 850640, 850650, and 850660), and coaxial cables, wiring sets, and conductors (HS 854420 to 854460), which are fundamental components in the telecom sector, are subject to tariffs above 20%. These high rates can raise costs for ICT manufacturing and for the development of the local telecom network.

The companies interviewed have also raised concerns about recent proposals to increase tariffs on imports. These include a 1.5% infrastructure levy on all goods imported for home use, unless exempted under a specific schedule, as part of the External Trade (Amendment) Bill 2025.<sup>14</sup> While a similar levy currently applies only to selected dutiable items imported from outside the EAC region, the proposed expansion would apply the levy universally. More generally, Uganda has not signed the WTO Information Technology Agreement (ITA I and ITA II), which would bind the country to

<sup>14</sup> Parliament of the Republic of Uganda. (2025). *External Trade (Amendment) Bill, 2025* (Bill No. 553). Kampala: Parliament of Uganda. [https://bills.parliament.ug/user\\_bill\\_stage.php?billid=553](https://bills.parliament.ug/user_bill_stage.php?billid=553)

impose zero tariffs on a wide range of ICT goods. In addition, Uganda also does not apply a formal *de minimis* threshold for low-value shipments, although an informal threshold of USD 50 is reportedly used in practice.

Certain quantitative trade restrictions can also affect imports and exports of ICT goods. Section 2 of the Finance Act prohibits the import of used computers, while the External Trade Act (Cap. 88) empowers the Minister of Trade, Industry and Cooperatives to issue statutory instruments limiting the import of designated goods without a licence, and to grant exclusive import or export licences for specific items. Under the Order, several ICT-related goods, including electrical transformers, static converters, and inductors (HS 85.04), as well as various types of insulated and optical fibre cables (HS 85.44), are subject to import licensing requirements. Moreover, while the transition to a paperless customs environment has been a major milestone in improving transparency at the border, the stakeholders interviewed stated that delays in customs clearance remain common, with widespread issues of bribery and general lack of transparency in the import procedures.

Regarding public procurement, the Public Procurement and Disposal of Public Assets Act of 2003 includes provisions that may restrict the participation of foreign firms in public tenders. According to Arts. 2 and 81, open international bidding may only be used when effective competition cannot be achieved without foreign bidders or when their participation is likely to deliver better value for money. Similarly, Art. 16 of the Public Procurement and Disposal of Public Assets (Procurement of Consultancy Services) Regulations of 2023 authorises open international bidding for consultancy services only when domestic competition is insufficient or when foreign participation is expected to enhance value for money. Furthermore, Section 50.2 of the Public Procurement and Disposal of Public Assets Act allows certain procurement contracts, or parts thereof, to be subject to reservation schemes. The Act also provides preference margins for domestically manufactured goods, Ugandan contractors, and consultants to support local industry. Additionally, Uganda has not joined the WTO GPA and does not hold observer status. Foreign firms frequently report corruption as a major obstacle to doing business in Uganda, particularly in public procurement processes. The stakeholders interviewed confirmed these concerns regarding the procurement of ICT goods and services.

In the area of investment, the Investment Code Act of 2019 provides an open environment with no restrictions on foreign ownership in sectors relevant to digital trade. Yet, the Act established a horizontal investment screening regime. Foreign investors must register with the Uganda Investment Authority before initiating any investment activity in the country (Art. 19) and commit to a minimum investment (Arts. 15–16). While the Act does not set a statutory capital threshold, it is commonly reported that a minimum investment of USD 250,000 is required to qualify for registration. To obtain an investment licence, applicants must submit a comprehensive application which includes, among other requirements, a certificate of business registration, a detailed business plan addressing operational, financial, and localisation aspects, an environmental impact assessment certificate, employment projections, and a sector-specific operating licence (Art. 17).

The telecom sector, regulated under the Uganda Communications Act of 2013 and Investment Code Act of 2019, is open to foreign investment, and Uganda has incorporated the WTO Telecom Reference Paper into its commitments schedule, thereby aligning with common principles for regulatory frameworks that promote competition, facilitate market access, and uphold foreign investment commitments in the telecommunications sector. Passive infrastructure-sharing is mandated in both the mobile and fixed telecommunications segments, while the country does not impose functional separation requirements on operators with significant market power, which may affect

competition in the sector. The Ugandan state holds equity in two telecommunications companies: MTN Uganda and Uganda Telecom Limited (UTL), the latter being the leading telecom services provider in the country. Some of the stakeholders interviewed shared concerns about the chilling effect on foreign investment resulting from government ownership in these telecom companies.

The Uganda Communications Commission (UCC) regulates the telecom sector. While the UCC officially operates independently of the government in its supervisory and administrative functions, some stakeholders interviewed have expressed concerns about the lack of effective independence of the authority. The Commission evaluates licence applications based on public interest and the applicant's potential contribution to sectoral development, such as investment, infrastructure expansion, and improved connectivity, as stipulated in Art. 38 of the Uganda Communications Act of 2013 and Section 93(3)(e) of the Uganda Communications (Licensing) Regulations No. 95 of 2019. These 2019 Regulations introduced a revised licensing framework in the telecom sector, with significant financial and procedural obligations, including regional licensing fees, a 2% levy on gross annual earnings, and mandatory public shareholding requirements.

Specifically, Section 9 mandates that national telecommunications operators (NTOs) list at least 20% of their shares on the Uganda Securities Exchange within two years of licensing to encourage local ownership. NTOs are also required to demonstrate sufficient financial and technical capacity to ensure nationwide service coverage. Although the new framework is considered a generally good development in the country and promotes competition in this crucial sector, the stakeholders interviewed shared concerns about the lack of clarity surrounding the use and effectiveness of the funds raised through the new 2% levy. Moreover, there are concerns about the licensing obligations, particularly the geographical coverage requirements, which are considered overly burdensome and potentially limiting the attractiveness of the market for new operators.

Uganda has a comprehensive data protection regime under the Data Protection and Privacy Act (DPPA). The Act provides for the creation of a data protection and privacy register and sets out procedures for investigating complaints related to the infringement of data subject rights. The law requires institutions that process personal data to appoint a data protection officer when their operations involve large-scale monitoring or the handling of sensitive data. Additionally, where processing activities pose a high risk to individuals' rights and freedoms, a prior data protection impact assessment is mandatory. Additionally, the DPPA permits public authorities to collect personal data without requiring a court order in certain circumstances, such as for national security or law enforcement purposes. Specifically, Section 7 of the Act authorises data collection against the objection of the data subject when deemed necessary for the performance of public duties, without clarifying whether judicial authorisation is required. It is reported that the flexibility provided by the Act is not abused by the authorities, which has limited its use in the past to contain health emergencies.

Under Art. 29 of the DPPA and Section 15 of the Data Protection and Privacy Regulations, data controllers and data processors must register with the Personal Data Protection Office (PDPO), unless exempted by a notice published in the Uganda Gazette. As specified in Section 16 of the Regulations, applicants are required to submit several documents, including the name and address of the applicant's representative if the applicant is a foreigner or is situated outside Uganda. Although the supervisory authority is required to issue a registration certificate to any applicant meeting these conditions, both the registration process and the local presence requirement for companies processing the data of individuals in Uganda have been highlighted as restrictions for companies. This registration

requirement applies to all digital operators, as confirmed by the recent *Ssekamwa v Google LLC* case.<sup>15</sup>

With regards to cross-border data transfers, Section 19 of the DPPA stipulates that personal data may only be processed or stored outside Uganda if the receiving country ensures data protection standards equivalent to those of Ugandan law, or if the data subject provides explicit consent. Section 30 of the Data Protection and Privacy Regulation establishes that the PDPO shall specify, by notice in the Gazette, the countries that have adequate measures in place for the protection of personal data at least equivalent to the protection required by the Act. As of August 2025, the PDPO has not released any list. Where a data collector, data processor or data controller wishes to process or store personal data in a country that does not appear on the list of adequate countries, it is their responsibility to prove that that country has adequate measures in place for the protection of the personal data at least equivalent to the protection provided for by the Act. In the recent *Ssekamwa v Google LLC* case, Google failed to provide evidence to show its compliance with this requirement. These provisions increase compliance burdens for firms engaging in digital trade, particularly those operating across multiple jurisdictions or relying on cloud-based services, and several startups interviewed have raised concerns about the negative effects of these requirements on the cost and security of data processing conducted in the country.

In the financial sector, Art. 68 of the National Payment Systems Act requires all electronic money issuers to establish and maintain their primary data centres within Uganda for the provision of payment system services. In parallel, the Central Bank of Uganda is reported to interpret national cybersecurity legislation as authorising it to compel financial institutions to localise their data within the country, thereby granting government access to customers' digital financial information. This requirement is reportedly driven by concerns over data breaches and enforcement challenges, and it can negatively impact companies in terms of business continuity, costs, and time to deploy the service.

With regard to the legislative framework for intellectual property, Uganda has adopted a fair use approach to copyright exceptions, allowing the lawful use of protected works without prior authorisation in certain circumstances. Section 15 of the Copyright and Related Rights Act No. 19 of 2006 outlines exceptions for private personal use, educational purposes, and quotation or summarisation of published works, provided that proper attribution is given. Furthermore, Uganda established a framework for the effective protection of trade secrets under the Trade Secrets Protection Act No. 2 of 2009. The country ratified the WIPO PCT, the WIPO Internet Treaties, and the Berne Convention.

Nevertheless, foreign businesses have reported costs and uncertainties arising from certain legal and institutional constraints. In particular, Section 21.3(2) of the Industrial Property Act requires that applicants whose ordinary residence or principal place of business is outside Uganda be represented by an advocate of the High Court of Uganda when filing a patent application, creating a procedural barrier for foreign applicants. Additionally, under Section 11 of the Trade Secrets Protection Act, trade secrets may be required to be submitted to a government department. While the government must protect the information from disclosure, this requirement can raise concerns about the confidentiality of sensitive business data. More broadly, it is reported that enforcement mechanisms remain weak,

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<sup>15</sup> *Ssekamwa v Google LLC*, Form 12: The Republic of Uganda in the Personal Data Protection Office at Kampala in a Matter Concerning Infringement and Violation of the Act, Complaint No. 08/11/24/6683, 18 July 2025, <https://pdpo.go.ug/media//2025/07/Ssekamwa-Frank-3-Ors-vs-Google-LLC-PDPO-Decision-18th-July-2024.pdf>

and limited institutional capacity continues to hinder efforts to prevent piracy and other forms of IPR infringement, although there have been significant improvements over the recent years.<sup>16</sup>

Uganda has established a safe harbour regime for intermediaries under the Electronic Transactions Act No. 8 of 2011, particularly in cases of copyright infringement and other unlawful online activities. Specifically, Art. 29 of the Act provides that a service provider is not subject to civil or criminal liability for third-party material in the form of electronic records to which it merely provides access, so long as the provider is not directly involved in the creation, publication, dissemination, or distribution of the material, or in any infringement of related rights. Additionally, Art. 30 exempts service providers from liability for referring or linking to data messages or infringing content, as long as they are unaware of the violation, do not benefit financially from it, and act promptly to remove or disable access once notified.

Despite these liability protections, the Regulation of Interception of Communications Act of 2010 requires intermediaries to install surveillance equipment, cooperate with the national monitoring centre, and ensure that their services support real-time interception. Failure to comply constitutes an offence punishable by a fine, imprisonment of up to five years, or revocation of the intermediary's licence. While the Regulation requires that a warrant be issued for intermediaries to disclose information to the authorities, it has been reported that the threshold for issuance of a warrant is low, given that law enforcement must only demonstrate "reasonable" ground for unspecified and broad threats to national security, national economic interests and public safety. As a result, there are significant concerns regarding the government's surveillance of the internet, which has eroded public trust in the digital space.

It is also reported that the government intermittently blocks access to social media platforms such as WhatsApp, Facebook, and Twitter, as well as mobile money services, particularly during electoral periods. In 2021, these restrictions were extended to include over a hundred virtual private network (VPN) services. Users also reported limited access to app distribution platforms such as the Google Play Store and the Apple App Store. As of 2025, Facebook remains officially inaccessible. There are also reports of internet shutdowns, although occasional, which can create an unpredictable digital environment and affect the continuity of cross-border business operations. These internet shutdowns have been justified by the UCC under Sections 5.1 and 56 of the Uganda Communications Act of 2013. One of the companies interviewed shared an episode about the impossibility of bidding for an important international contract because of an internet shutdown. Beyond this anecdotal evidence, internet shutdowns significantly affect the operations of digital services, especially when the shutdown lasts several days,<sup>17</sup> as also confirmed by the companies interviewed, which rank internet shutdown among the highest sources of concern for their operations.

Uganda imposes licensing requirements on certain digital service providers through the NITA-U (Certification of IT Providers and Services) Regulations. Under Art. 3, no person may provide IT products or services without the necessary certification. These regulations cover IT products, including hardware, software, and peripherals, as well as IT services, which encompass services

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<sup>16</sup> See e.g. Ministry of ICT & National Guidance (MoICT&NG), Republic of Uganda. (2025, January). *Uganda ICT Intellectual Property Guidelines: Guidelines for managing intellectual property rights of locally developed IT systems, applications and innovations* [Guidelines]. Kampala, Uganda: MoICT&NG. <https://ict.go.ug/site/documents/uganda-ict-up-guidelines-2025.pdf>

<sup>17</sup> See e.g. Malakata, M. (2021, January 22). *Internet shutdown could trip Uganda up on debt repayments*. ITWeb Africa. Retrieved from <https://itweb.africa/article/internet-shutdown-could-trip-uganda-up-on-debt-repayments/RgeVDqPYVnrvKJN3>

delivered by suppliers, application providers, consultants, service delivery entities, and internet cafés. Articles 6 and 7 outline the criteria for certification, including compliance with technical standards, demonstrating financial viability, maintaining competent management and staff, establishing internal policies and procedures, and possessing adequate infrastructure and equipment.

Similarly, the NITA-U also mandates that all e-transactions providers obtain certification before operating in the country. E-transaction activities are broadly defined to include financial, insurance, reinsurance, and pension services, as well as online transactions such as e-payments, virtual gambling, betting activities, and banking and insurance services. Applicants must submit extensive documentation demonstrating legal compliance, operational integrity, and adherence to information security standards. This includes legal documents, company policies and procedures, and comprehensive IT policies covering areas such as risk management, network security, software development, supplier management, backup and recovery, incident management, and business continuity.

While the NITA-U licensing framework is generally viewed as a foundational tool to strengthen quality standards and consumer protection, the stakeholders interviewed also noted that the process would benefit from greater predictability and efficiency, as it can be lengthy and sometimes burdensome. This could be achieved by strengthening the capacity of the agency by increasing its human resources to effectively carry out its mandate. While the licence lasts three years, there is an annual review process that companies perceive as unnecessarily burdensome, especially for smaller companies. Moreover, there is a general perception of duplication of requirements as companies need to comply with different licences for different parts of their operations (data processing, payments, general operation license, among others), which creates substantial compliance costs and duplications of efforts for tech companies. There is also a perception of overlapping of agencies with different roles in data governance.

The Electronic Transactions Act No. 8 of 2011 establishes a consumer protection framework applicable to online transactions, and more generally, the country adopted national legislation influenced by the UNCITRAL Model Laws on Electronic Commerce and Electronic Signatures, thereby aligning its regulatory framework with international standards. Yet, the Act is generally perceived as outdated, requiring a review to align with current digital realities, and some respondents complained about the lack of enforcement of the law. Moreover, the country has not signed the UN Convention on the Use of Electronic Communications in International Contracts.

## Conclusions

This report provides an overview of key regulatory policies expected to influence cross-border digital trade in Uganda and Rwanda. As both countries increasingly view digital trade as a catalyst for economic growth, the analysis aims to support evidence-based policymaking that is responsive to private sector concerns and grounded in practical realities. To ensure regulations are effective and inclusive, the policymaking process should be anchored in regular and transparent multi-stakeholder dialogues. These consultations are essential for aligning regulatory instruments with the actual needs of market participants, avoiding top-down distortions, and fostering an innovation-friendly environment.

The countries should also consider independent assessments to evaluate the effectiveness of digital policies and sandbox initiatives, using measurable indicators such as startup survival rates, access to

investment, regional market access, and growth in digital exports. In parallel, greater efforts are needed to promote regulatory convergence within the frameworks of the EAC and the AfCFTA, particularly in areas such as taxation, customs procedures, licensing of digital services, and data governance. Such alignment would not only reduce the cost of cross-border compliance but also enhance scalability and competitiveness for local firms operating in regional and global markets.

While this report focuses on regulatory policies and practices affecting digital trade, it is important to note that a conducive regulatory environment for digital trade is only one of the factors needed to unlock the full potential of the digital economy. Other important factors, which are beyond the scope of this report, include sustained investments in ICT infrastructure, targeted support for research and development, accessible capital markets, an efficient ecosystem for online payments, and a robust system for developing digital and entrepreneurial skills. Only by integrating regulatory reform with broader structural measures can Uganda and Rwanda fully harness digital trade as a driver of inclusive, long-term economic transformation. Development partners can play a crucial role in supporting these efforts by investing in institutional capacity-building, technical assistance, and regional policy harmonisation initiatives.

### *Rwanda's digital trade ecosystem: Main recommendations*

- Lower tariffs applied on ICT goods and consider joining the WTO Information Technology Agreements;
- Consider the necessity of the different regulations imposing local processing in light of current limitations in the supply of local data processing services, and the potential effects for business costs, security, and continuity of services;
- Clarify the sectoral scope of different regulations that apply to data transfers across borders, and avoid duplication of requirements;
- Establish a formal coordination mechanism between authorities involved in data governance, especially with regard to cross-border data flows, to avoid duplication of applications for requesting to store data outside the country;
- With regard to cross-border data transfers, developing a plan for enforcement of the commitments within the AfCFTA's Digital Protocol, which will require substantial amendments to the current regime;
- Clarify and streamline the process for the registration of data controllers and data processors, offering the possibility to conduct the process entirely online;
- Implement safeguards to limit government access to personal data without a court order;
- Streamline and clarify the licensing process for different categories of digital services, offering the possibility to conduct the process entirely online;
- Append the WTO Telecom Reference Paper to the country's schedule of commitments and review the necessity of the performance bond as part of the telecom licensing process;
- Streamline the process for hiring foreign talent to support the growth of the domestic tech industry;
- Strengthen the enforcement of IP laws and consider ratifying the WIPO Internet Treaties;
- Build the capacity of BSOs through staff training and experience-sharing;
- Promote EAC initiatives to harmonise digital trade rules and encourage mutual recognition of digital services regulations;
- Consider ratifying the UN Convention on the Use of Electronic Communications in International Contracts.

### *Uganda's digital trade ecosystem: Main recommendations*

- Lower tariffs applied on ICT goods and consider joining the WTO Information Technology Agreements;
- Consider replacing the ban on importing used computers with a licensing regime;
- Streamline the licensing process in the telecom sector and consider the necessity of the geographical coverage requirement to attract new operators;
- Tackle the issue of corruption and bribery in public procurement and customs procedures through more transparent online processes;
- Strengthen the independence of the Uganda Communications Commission;
- Avoid internet shutdowns and blocking of online services;
- Consider the necessity of the different regulations imposing local processing in light of current limitations in the supply of local data processing services, and the potential effects for business costs, security, and continuity of services;
- Clarify and streamline the process for obtaining approval by the PDPO for processing data abroad;
- Implement safeguards to limit government access to personal data to promote trust in the digital economy. The grounds for obtaining a court order should be clearly defined and transparency ensured throughout the process;
- Establish a formal coordination mechanism between the authorities involved in data governance and clarify the mandates of the different agencies and authorities to avoid overlapping mandates;
- Ensure the continuous independence of NITA-U and strengthen the authority's institutional capacity by increasing its human resources to effectively carry out its mandate. In this sense, the proposed plan for rationalisation that would merge NITA-U within the Ministry of ICT should be reconsidered to maintain trust in the institution;
- Clarify and streamline the process for obtaining the IT licence, including releasing online the full checklist of requirements for the different types of licences and extending the periodic review period from one year to three years;
- Clarify and streamline the process for the registration of data controllers and data processors, offering the possibility to conduct the process entirely online;
- Strengthen the enforcement of the current regulatory policies and update outdated policies, in particular the Electronic Transactions Act;
- Consider developing *ad hoc* mechanisms to support tech startups, such as regulatory sandboxes, tax breaks, and business support programs;
- Consider ratifying the UN Convention on the Use of Electronic Communications in International Contracts.

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