

**Article: Legal Requirements for Capital Markets in Rwanda: CMA Regulatory Compliance Guide for Issuers and Investors**

## **Executive Summary**

Rwanda's capital market is increasingly central to long-term finance, private investment, public debt distribution, and Rwanda's broader ambition to operate as a competitive financial center. For issuers and investors Rwanda offers a regulated market architecture anchored by the Capital Market Authority, commonly referred to as CMA Rwanda, and supported by the Rwanda Stock Exchange, the central securities depository infrastructure, licensed intermediaries, and product-specific regulations.

The CMA's role is not merely administrative. Its published mandate includes making regulations under the Law regulating capital market in Rwanda and controlling and supervising capital market activities to maintain proper conduct and acceptable market practices. In practical terms, capital markets law in Rwanda is a licensing, disclosure, governance, conduct, and investor protection regime. Compliance is therefore not a filing formality; it is the legal foundation for market access, investor confidence, and enforceable capital formation.

## **CMA Rwanda Regulatory Framework**

The principal statutory foundation is the Law regulating Capital Market in Rwanda (Law 1 of 2011), which establishes the legal basis for regulating capital market business, public offers, licensed intermediaries, market abuse, and investor protection. It is supplemented by CMA regulations, guidelines, directives, and RSE operational rules.

Key instruments include the Capital Market Corporate Governance Code, the Regulation for Issuance of Capital Market Debt Securities, REIT guidelines, leveraged foreign exchange trading regulations, AML/CFT sanctions regulations, the CMA Fintech Regulatory Sandbox Guidelines, and the newly published framework for virtual asset business. Together, these instruments show that regulatory compliance in Rwanda is now product-specific as well as institution-specific.

## **Licensing and Market Entry Requirements**

As a general rule, no person should carry on regulated capital market business in Rwanda unless licensed, approved, or exempted under the applicable legal framework. The CMA specifically states that a person holding a CMA license may carry out the specific capital market business applied for. The licensing requirements which Rwanda market participants must consider depend on the activity: dealing, brokerage, sponsorship, investment advisory, fund management, credit rating, depository operations, fintech testing, or derivative-linked products.

Recent regulation illustrates the direction of travel. In January 2026, CMA Rwanda announced the Regulation Governing Licensing of Central Securities Depository Operators and Authorization

of Central Securities Depository Participants, covering institutions responsible for custody, transfer, and settlement of securities and designed to improve operational standards and market trust.

For leveraged foreign exchange, Regulations Governing Leveraged Foreign Exchange Trading require Rwandan-incorporated companies limited by shares, with minimum paid-up capital of Rwf 500 million for dealing brokers, Rwf 300 million for non-dealing brokers, and Rwf 100 million for money managers. The same rules impose client-money segregation, compliance and money-laundering reporting functions, monthly and quarterly reporting, annual audited accounts, a maximum leverage ratio of 100:1, negative balance protection, and risk disclosures. They also prohibit Rwanda franc currency pairs and binary options.

### **Compliance Obligations for Issuers**

For issuers, the first discipline is lawful offering. The capital market law requires a duly signed prospectus before capital market instruments are offered to the public, unless a lawful exemption applies. For debt securities, the Regulation for Issuance of Capital Market Debt Securities applies to public offers of debt instruments in Rwanda where listing on an approved securities exchange is intended. It covers Government Treasury Bonds, municipal bonds, corporate bonds, and infrastructure bonds. It requires, among other matters, issuer eligibility, prospectus content, three years of audited accounts, financial ratios, a minimum bond issue size of Rwf 500 million, and at least seven holders who are not directors or substantial shareholders.

The second discipline is governance. The Capital Market Corporate Governance Code applies to listed companies and became mandatory for them on 1 January 2013. It requires a board with executive, non-executive, and independent directors, separation of the chairman and chief executive officer, nominating, remuneration, and audit committees, an internal audit function, rotation of external audit partners every five years, annual reporting on compliance with the Code, and disclosure of director remuneration. For issuers, governance is therefore an offering condition, an ongoing listing discipline, and a core investor protection mechanism in Rwanda.

### **Compliance Obligations for Investors**

Investors are not passive beneficiaries of the regime. They must conduct legal and commercial due diligence on the issuer, instrument, license status of intermediaries, custody arrangements, risk disclosures, and tax or exchange-control implications. Where investors enter through brokers, dealers, fund managers, money managers, or fintech channels, they should verify that the provider is licensed, approved, or operating within an authorized sandbox or exemption.

Investor protection Rwanda is supported by statutory prohibitions on insider dealing and market abuse, CMA supervisory powers, public registers and licensed-person oversight, issuer disclosure requirements, and infrastructure rules for custody and settlement. AML/CFT obligations are equally relevant. CMA regulations lists administrative sanctions to capital market players for non-compliance with AML-CFT 03/31/2023, and Rwanda's law on anti-money laundering, combating the terrorist financing, and financing of the proliferation of weapons of mass destruction addresses risk assessments, beneficial ownership, compliance officers, internal

controls, and sanctions. Cross-border investors should also consider EAC harmonization materials and RSE rules.

### **Emerging Trends in Rwanda's Capital Markets**

Three trends are particularly important. First, product diversification is accelerating. REITs are well-governed, and CMA has stated that REITs open access to real estate investment for institutional and retail investors.

Second, fintech innovation is now part of supervised market development. The CMA Rwanda welcomes fintech innovations for testing, including capital raising, brokerage, securities trading, clearing and settlement, investment advisory, wealth management, credit ratings, derivatives, and RegTech or SupTech solutions.

Third, the perimeter is expanding. CMA has published material on the importance of regional integration and on 12 June 2026, it announced that Rwanda is moving to open the capital market to Islamic finance products. This can be seen in the inclusion of EAC Gazette Directives in the RSE framework, and Rwanda continues to discuss market deepening and links with regional market infrastructure.

### **Legal Opinion and Practical Guidance**

In our view, the most effective compliance strategy is to treat CMA Rwanda engagement as an early transaction workstream, not as a closing condition. Issuers should begin with a regulatory classification memorandum: instrument type, offer type, target investors, listing venue, prospectus requirement, governance readiness, financial statements, continuing obligations, AML/CFT controls, and whether specialist rules apply to REITs, debt securities, virtual assets, forex, or fintech distribution.

Investors should request evidence of licensing, offering approval, custody arrangements, audited financials, governance disclosures, material risk factors, and AML/CFT onboarding standards. Foreign investors should add cross-border review, including settlement, repatriation, tax, beneficial ownership, and EAC or regional exchange considerations. For both issuers and investors Rwanda rewards preparation: well-documented compliance reduces execution risk, shortens regulatory queries, and improves credibility with counterparties.

### **Conclusion: Compliance as a strategic advantage**

Capital markets law in Rwanda has moved beyond a narrow listing rulebook. It is now a broad regulatory system covering licensing, governance, disclosure, investor protection, market infrastructure, AML/CFT, fintech, REITs, leveraged forex, virtual assets, Islamic finance, and regional integration. For issuers, compliance is a condition of market access. For investors, it is the first line of protection. For both, regulatory compliance in Rwanda is a strategic advantage because it converts legal certainty into market confidence.

Stabit Advocates advises issuers, investors, intermediaries, funds, fintech operators, and market participants on CMA Rwanda compliance, licensing requirements in Rwanda, transaction structuring, disclosure, governance, and investor protection.

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