

CDC Group signs partnership memorandum with Rwanda Finance for the Development of the Kigali International Financial Center

- *New financial center designed to support inward investment into Africa*
- *CDC to play key advisory role in creating new legal framework for financial hub*

CDC Group, the UK's development finance institution and impact investor, today signed a partnership agreement with Rwanda Finance to support the development of a new international financial capital for Africa.

The Kigali International Financial Center is intended to be a world-class financial hub, designed to promote inward investment and the creation of thousands of highly skilled financial sector jobs for the benefit of Rwanda and the African continent.

This partnership will see CDC provide expertise that will help shape a strong legal and regulatory framework which is designed to attract institutional investors seeking to finance African businesses through a world class financial center.

"This partnership is a major milestone for our nascent International Financial Center. It will ensure that we have an optimal legal, regulatory and institutional framework that is in line with international norms and standards," said Rwanda Finance CEO, Nick Barigye during the virtual signing of the partnership.

He added that Rwanda already has a strict compliance framework which makes the country an ideal conduit for multinational investment deals.

Nick O'Donohoe, Chief Executive of CDC Group, said:

"The African continent needs a vibrant and stable financial services industry to foster inward investment and nurture a professional and technical skills base to support wider economic development.

"It is still very early days in Kigali's development as a financial hub, but we are confident it will deliver on its early potential. And if it does, then I see no reason why we wouldn't look to use it ourselves."

The KIFC will only support transactions that have a substantial business and economic purpose, rather than those that are designed for managing tax liabilities.

Rwanda Finance is mandated by the Government of Rwanda to develop effective frameworks for regulations, tax and capacity-building in the country and to promote the Kigali International Financial Center as a jurisdiction which provides a range of professional, business and financial services to international clients. The Kigali international finance center is modelled on Luxembourg and Singapore in the way it will provide a wide range of services for both regional and international clients.

Rwanda has already made great strides to ensure that the new KIFC initiative thrives. The country has a stable and resilient economy with a 10-year average growth rate of 8.6%. It has also been rated the number one country in **East** Africa for government transparency according to the 2019 Transparency International Report. Rwanda is ranked second for the rule of law in Africa according to the WJP Rule of Law Index 2020.

Rwanda also has established trading relationships with other African markets and is a key player in the creation of the African Continental Free Trade Agreement (AfCFTA).

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About Kigali International Finance Center (KIFC)

The Kigali International Finance Center has a vision to become the preferred inland center of excellence for investments in Africa. It also seeks to emerge as an efficient and effective nexus for cross-border trade and investments in the entire Eastern and Central African region, and beyond.

New reforms are being developed to enhance Rwanda's competitiveness, ensure compliance to international standards, and better leverage regional opportunities and integration into the global economy. All these will help to further develop the Kigali International Finance Center.

Rwanda offers a pro-business environment, excellent infrastructure, cost-competitiveness and benefits from strong leadership with the Government of Rwanda's Vision 2035 and 2050, guiding the way forward.

About CDC

CDC Group is the UK's first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa.

CDC is a leading player in the fight against climate change and a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.

The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of £5.8bn. This year CDC will invest over \$1.5bn in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.

CDC is funded by the UK Government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.

CDC's expertise makes it the perfect partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.