



**Revenue
Services**
Lesotho

**GUIDE ON TOBACCO
AND ALCOHOLIC
PRODUCTS LEVY**

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“Rea Aha”

WHAT IS TOBACCO AND ALCOHOL PRODUCT LEVY (TAPL)

Tobacco and Alcohol Product Levy (TAPL) is a newly introduced tax that is imposed on selling of tobacco and or alcoholic products at all stages of the business cycle in the country. This levy also applies on importation of these products into Lesotho by businesses and individuals (private shoppers).

What are Tobacco and Alcoholic Products that Attract Levy

Alcohol Products	Tobacco Products
Beer of all kind excluding traditional beer	Cigarettes
Spirits	Cigars
Wines	Pipe tobacco
Other Alcohol beverages	snuff
	Other tobacco products

What are TAPL Rates?

- Tobacco is charged at 15%
- Alcoholic products are at 7.5%

What is the effective date of TAPL rates above?

- The rates above are effective from 1st October 2023.
- Initially when the levy was introduced on the 1st March 2023 until 30th September 2023 the rates were 30% for tobacco products and 15% for alcoholic products.

Who Can Charge TAPL?

- Value added tax (VAT) registered persons (vendors) within the country.
- RSL border agencies staff on the importation of these products into Lesotho.

How to Register for TAPL?

Automatic registration will apply to already registered vendors of tobacco and alcoholic products. However it is the responsibility of the person/business to register for both taxes once the VAT registration threshold of M850, 000.00 per annum is reached.

How is TAPL Charged?

Levy as is the case with VAT is charged on the fair market value of the products, not on the VAT inclusive price. On importation TAPL is charged on all other duties, charges and levies that are payable on importation of products into Lesotho. The charges may include (**customs valuation + levies + customs duties + value of any services incidental to importation, e.g. freight/transport, insurance**)

Levy is not charged on the exportation of tobacco and alcoholic products. VAT law stipulates zero rate on export of goods. TAPL Law does not provide for any other rate other than the 7.5% and 15% rates already mentioned. This means that a vendor, is not expected to account for, or submit a TAPL return form for exported products.

Therefore, no TAPL is refundable on account of products having been exported out of Lesotho.

TAPL implications on:

- **Unsold Stocks:** A vendor is expected to submit a return form that shows or accounts for only the following: (i) imported products and or (ii) sold products. The return only accounts for sold products not unsold stocks.
- **Damaged Products:** The Levy on damaged goods cannot be claimed as a refund, but it is indirectly recovered through the normal accounting treatment of business losses.

Example of Application of TAPL and VAT

The following table shows the prices that should be charged after applying both TAPL and VAT. The figures do not deal with treatment of import duties and levies.

Brand	Pack Size	Selling Price (A)	Levy Rate (B)	VAT Rate (C)	Levy Amount (D) = A x B	VAT Amount (E) = A x C	Total Selling Price = (A + D + E)
Flying Fish	660ml	M208.90	7.5%	15%	M15.67	M31.34	M255.91
Smirnoff	660ml	M247.83	7.5%	15%	M18.59	M37.17	M303.59
Carling Black Label	750ml	M213.77	7.5%	15%	M16.03	M32.07	M261.87
Camel	Cartoon	M600.00	15%	15%	M90.00	M90.00	M780.00
Snuff	1 kg	M275.00	15%	15%	M41.25	M41.25	M357.50

Filing Process and Payment of TAPL

TAPL return can be filed online using interim e-filing available on RSL website: www.rsl.org.ls – E-SERVICES- Interim e-filing–Electronic tax clearance credentials (TIN & password) or physically at digital service centres offices in Maseru, Leribe and Mochale's hoek.

Payments of TAPL is due on the date the return is due which is the 20th of every month or before 20th of every month. Payments can be made through E-payment platform (Online & mobile money currently with M-Pesa). Payments can also be made through RSL banking hall available in Maseru only or commercial banks (EFT/physically), mainly:

Standard Lesotho Bank,

Nedbank Lesotho, and

First National bank

Proof of payment should be send to receipts@rsl.org.ls and you will be receipted through the same email address. This applies only to Clients who made payments using the commercial banks and RSL banking hall.

Failure to file a return and pay levy due attracts the same penalties as those imposed on VAT.

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