



**Revenue
Services**
Lesotho

**GUIDE ON SARS
REQUIREMENTS FOR
IMPORTING
REGISTRABLE GOODS
FROM SA INTO LESOTHO**

“Re Tjena Ka Uena”

This guide seeks to explain the additional requirements for importing registrable goods (e.g motor vehicles, trailers, excavators etc.) into Lesotho from the Republic of South Africa (RSA). The additional requirements are valid with effect from 1st August 2023. These additional requirements affect all importers including private shoppers and traders.

1. Background

According to Value Added Tax (VAT) ACT, unless specifically exempt from VAT, any Importer bringing VATable goods into Lesotho must pay import VAT. Import VAT is due and payable on all goods which are valued at M 250.00 and above, including registrable goods upon importation into Lesotho.

In terms of relevant laws in the Republic of South Africa (RSA), a foreigner who buys any taxable item in RSA and exports it within 90 days (about 3 months) may claim and qualify for refund of VAT paid on purchases of such goods subject to terms and conditions.

If such an item is a registrable item such as a motor vehicle, a proof of registration in the form of a motor vehicle registration certificate from Lesotho (a country of importation) should accompany the refund claim.

In line with the VAT Mutual Assistance Agreement (MAA) between RSA and Lesotho and the VAT Refund Memorandum of Understanding (MoU) between SARS and RSL, any importer of goods into Lesotho who qualifies in terms of bullet 2 above may lodge a VAT refund claim which if valid will be paid to Revenue Services Lesotho (RSL). RSL will accept the claim on behalf of SARS and in doing so, the importer will be considered to have paid import VAT in Lesotho.

2. Importation of registrable goods into Lesotho from RSA:

There are 2 methods for importing registrable goods into Lesotho from RSA, namely, direct and indirect import/export.

2.1 Direct import/export from RSA

Under the direct import/export, the supplier transports and delivers the goods (including registrable goods) to the Importer in Lesotho. In this way no VAT should be paid in RSA in terms of the RSA laws. However, VAT will be due and payable in Lesotho on importation on such goods. The importer is personally liable to pay import VAT at the port of entry when the goods are imported into Lesotho.

2.2 Indirect import from RSA

In the case of an indirect import, the Importer is responsible for the delivery of the goods (including registrable goods) to Lesotho. VAT is charged by the seller of the goods and paid by the importer in RSA. Unlike in the case of direct import/export, the sale/purchase is not treated as an export. Similarly, upon importation of such goods into Lesotho, VAT will be due and payable in Lesotho. An importer is allowed to submit a valid tax invoice together with other relevant documents to lodge a claim for a refund of an import VAT from RSA.

3. Administrative and procedural requirements for importing registrable goods into Lesotho:

- Any Importer bringing VATable registrable goods into Lesotho must pay import VAT.

An importer is required to present proof of payment of import VAT e.g. cash receipt of import VAT paid. The import VAT paid upon importation of registrable good is claimable at the border post once the goods are registered in Lesotho.

- Upon completion of registration of registrable goods, an importer is required to present a Lesotho registration certificate. The registration certificate is submitted along with all declaration documents and proof of payment of import VAT, as per SARS laws (requirements). Note that for a registrable good to be registered in Lesotho, it is a requirement that an import VAT should be paid in cash at the port of entry into Lesotho at the time of importation. A refund cannot be made at the time of importation.
- To submit a refund claim of an import VAT paid on the value of a registrable good upon importation, an importer lodges a refund claim by filing in a VAT refund form accompanied by relevant declaration documents including a valid tax invoice. RSL will then submit the documents to SARS, which if valid will be paid to RSL.

Documentary Requirements for importing registrable goods into Lesotho:

3.1 Copy of qualified purchaser's passport showing travel, a qualified purchaser is an importer in possession of Lesotho passport or a foreigner that has work permit or residential permit in Lesotho,

3.2 Valid Tax Invoice (endorsed by SARS)

3.3 Proof of Payment for goods value exceeding M10 000.00

3.4 Customs official release documentation (SAD500, TRD1, CN2) for declarations made in the system

3.5 Valid traders license (Traders)

3.6 Valid tax clearance (Traders)

3.7 Lesotho registration certificate e.g. Motor Vehicle registration certificate

3.8 Proof of Payment of import VAT e.g. cash receipt of import VAT

4. Rationale for paying import VAT in cash upon Importation of Registrable Goods (vehicles)

In a case of registrable goods, a valid tax invoice is not allowed as a mode of payment rather it is used to claim VAT refund from SARS together with all declaration documents including a Lesotho motor vehicle registration certificate as per SARS laws.

To comply with Lesotho laws that require that registrable goods be registered only on proof that tax due on them has been paid, importers are required to pay import VAT in cash so that they obtain clearance form (VAT 11 Certificate) to enable registration. Once registration is completed, they may then submit the motor vehicle registration certificate with all relevant declaration documents and cash receipt to the RSL (nearest border post) who will then refund the cash paid through the RSL normal refund process and accept the claim for refund from SARS.

It is highly recommended that Importers/Taxpayers use direct export/import as it is the most convenient way of importing a vehicle into Lesotho from RSA.

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