



**Revenue
Services**
Lesotho

GUIDE ON TOBACCO AND ALCOHOLIC PRODUCTS LEVY

25-26

“Re Tjena Ka Uena”

WHAT IS TOBACCO AND ALCOHOL PRODUCT LEVY (TAPL)?

Tobacco and Alcoholic 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 20%
- Alcoholic products are charged at 10%

What is the effective date of TAPL rates above?

- The new rates above are effective from 1st April 2025.

Who Can Charge TAPL?

- Value added tax (VAT) registered persons (vendors) within the country.
- RSL border agencies staff upon 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 M2,000, 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 10% and 20% 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. Consequently, credit is only available on imported products that have been sold during the tax period. In other words, NO credit for products that remain in stock can be claimed. 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	10%	15%	M20.89	M41.78	M271.57
Smirnoff	660ml	M247.83	10%	15%	M24.78	M49.56	M322.17
Carling Black Label	750ml	M213.77	10%	15%	M21.38	M32.07	M285.22
Camel	Cartoon	M600.00	20%	15%	M120.00	M90.00	M810.00
Snuff	1 kg	M275.00	20%	15%	M55.00	M41.25	M371.25

Filing Process and Payment of TAPL

TAPL should be filed through RSL website: www.rsl.org.ls>>E-Services>>FBT/LEVY/WHT filing>>Login in with electronic tax clearance certificate (e-TCC) credentials>>choose the tax type you want to file for (LEVY)

Payments and filing of TAPL is due on the 20th of the following month.

Methods of Payment

- **Payments made through Mobile Money (EcoCash & M-Pesa)**

Payments can be made using mobile money (EcoCash and M-Pesa) through e-Payments platform accessible at RSL website: <http://www.rsl.org.ls> >>E-Services>>e-Payments-login with your tax clearance certificate (e-TCC) credentials then follow all the steps to make a payment.

- **Payments Made Through Commercial Banks**

Taxpayers can make payments physically and through online or electronic payments (EFT) that are provided by the commercial banks, mainly:

- Standard Lesotho Bank
- Nedbank Lesotho
- First National Bank
- Lesotho Postbank (VAT only)
- RSL banking hall (available only in Maseru)

It is also important to note that Taxpayers do not necessarily need to have a bank account to make payments at these banks.

- **How to make payments through Standard Bank Lesotho's UNAYO**

Payments to the RSL through Standard Bank Lesotho's UNAYO can be made using the following methods:

- Unayo App
- Internet Banking (IB.unayo.com)
- USSD (*388#)
- Unayo Agents

Payments made through UNAYO are instantly reflected in the RSL system, so Taxpayers do not need to upload proof of payment on the RSL system

Proof of Payment (POP) Requirements

Proof of payment (POP) is a document or confirmation that verifies a transaction has been successfully processed. This can include a bank-stamped deposit slip, a transaction receipt or EFT confirmation.

Taxpayers who make payments using other banking channels other than UNAYO are expected to upload their POPs on RSL's e-Payments platform available on RSL website. (For more details download e-Payments guide on RSL website: <http://www.org.ls>>> Tax Tools and Resources>> Guides & Guidelines)

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