



**Revenue
Services**
Lesotho

**GUIDE ON PAYMENT OF
IMPORT VAT ON GOODS
PURCHASED FROM RSA**

“Re Tjena Ka Uena”

1. What is import VAT?

The tax paid or payable in respect of a taxable import of goods or services into Lesotho

2. Who has to pay import VAT?

Import VAT can be paid by private shoppers and traders importing goods into Lesotho

3. What are the methods of payment for import VAT?

3.1 Valid tax invoice

3.2 Deferred payment

3.3 Cash payment

3.3.1 Cash not exceeding M20,000

3.3.2 Electronic Funds Transfer-EFT (must have the declaration reference number);

3.3.3 Point of sale (POS / speed point)

4. What is a tax invoice?

A Tax invoice is an invoice issued by a registered dealer / vendor to the purchaser, showing the amount of Tax payable on the supply.

5. What are the characteristics of a valid tax invoice?

A valid tax invoice has to

- be from a VAT registered South African Vendor; i.e. bears a South African VAT Registration number which has 10 digits starting with 4
 - Be An original not a copy or scan
 - Bear the words "Tax/VAT Invoice"
 - Have a unique Invoice Number
 - Bear the Tax Invoice Date
 - Be within 90 days from the date of purchase to the import date
 - Indicate standard rate of VAT charged at 15% or the VAT amount equivalent to 15% when calculated.

6. What are the requirements for using tax invoice as payment of import VAT?

6.1 A Valid Tax Invoice which shows the addresses of both the supplier and the purchaser

6.2 The Exporter Code

6.3 Proof of Payment

6.4 Required additional documentation necessary for claiming VAT Refunds

6.4.1 Copy of qualified purchaser's passport showing travel date (a qualified purchaser is an importer in possession of Lesotho passport or a foreigner that has work permit or residential permit in Lesotho)

6.4.2 Valid Tax Invoice (endorsed by SARS)

6.4.3 Proof of Payment for goods whose value exceed M10 000.00

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

6.4.5 A Valid traders license (Traders)

6.4.6 A Valid tax clearance (Traders)

6.4.7 Letter of authorization where goods are being collected by someone else on behalf of the importer

6.4.8 In a case of registrable goods the following are required:

- Lesotho registration certificate e.g. Motor Vehicle registration certificate
- Proof of Payment of import VAT e.g. cash receipt of import VAT on registrable goods

7. What are the uses of Importers/Exporters code?

7.1 Importers/Exporters code allows Lesotho importers to access clearance services for imported goods.

7.2 A tax-inclusive invoice cannot be used as a valid method of VAT payment at the border without the importer/exporter code.

8. Who has access to Customs Services?

Only South African entities duly registered as Taxpayers as well as foreign entities who have registered with SARS may directly access the customs services.

9. What can Lesotho traders do to access customs services?

SARS encourages all other foreign entities to appoint / nominate the registered entities to represent them in accessing SARS services including import and export or they can apply to be registered as Agents too.

10. Who can apply to be a registered agent?

Any South African individual or registered company may make application to become a 'registered exporter agent' to act on behalf of a "foreign principal", who in this case would be an importer or exporter from Lesotho. This requirement mostly applies to Lesotho traders.

11. How are private shoppers' goods carried by the traveler treated upon importation?

All household items irrespective of their value which are carried by a private shopper upon importation do not require declaration through the system and are generally processed over the counter by obtaining the manual date stamp.

This practice is not applicable on registrable goods (refer to guide on SARS additional requirements for importing registrable goods into Lesotho from RSA available on RSL website: <http://www.rsl.org.ls> –Tax Tools & Resources-Guides & Guidelines.

12. How are private shoppers' goods transported through a courier treated?

All household goods ferried by the courier upon importation should be declared through the formal commercial route, hence the requirement for an exporters' code.

Note:

It is important to note that a 'registered agent' is not the same as the current licensed 'clearing agent' but a licensed clearing agent may also become a 'registered agent' upon approval of the applications at SARS.

13. What happens when goods are imported without the Importer/Exporter code?

All traders and individuals not registered will face complications in exporting goods from South Africa into Lesotho. This is especially the case where such export will be an indirect export (meaning tax will have been paid in South Africa). In such instances, valid tax invoice will no longer be accepted by RSL as a form of payment for VAT due because, it applies that, an incorrect export procedure would have been used and therefore VAT payment will become due and payable

immediately at the Lesotho border before goods could be imported into the country. It is therefore advisable for members of the public to sort their registration matters prior to importation.

14. What should traders do if they don't have Importer/Exporter code?

Lesotho importers who have not registered with SARS and do not have Importer / Exporter Code can opt for direct export / import approach whereby the goods are delivered to the country of destination (Lesotho) by the seller and the VAT is paid directly to RSL by the importer upon importation.

14.1. The procedure to register with SARS is as follows:

- a) Obtain form DA 185 and DA 185D from SARS at the following border posts (Maseru Bridge, Maputsoe Bridge, Caledonspoort, Van Rooyen's Gate and Qacha's Nek Gate);
- b) Agree with a South African entity (registered) to act as your Registered Agent (The registered agent must accept the nomination made by the foreign principal and indicating which functions "importer, exporter" are to be fulfilled on behalf of the foreign principal);
- c) Complete the forms DA 185 and DA 185D;
- d) If security is required, complete DA185.C also
- e) Submit the completed forms to SARS offices and wait for the response;
- f) The registration validity period is indefinite and no cost required;
- g) The turnaround time for application processing is approximately 10 working days

For more information please contact us on 522 15191; 522 15902/3 and 522 15840/1

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