Revenue Services Lesotho

GUIDE ON PAYMENT OF IMPORT VAT ON GOODS PURCHASED FROM RSA

"Re Tjena Ka Uena"

This guide provides essential information on import VAT payment methods, valid tax invoices and customs declaration requirements for goods imported from South Africa.

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 travellers 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 M2,000.00

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

   3.3.3 Point of sale (POS / speed point)

   3.3.4 Online payments through the RSL e-Payments platform using EcoCash or M-Pesa, or via M-Pesa USSD (Phone)

4. **What is a tax invoice?**

   A Tax invoice is a document 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 Invoice/Invoice /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.
- Be endorsed/stamped by SARS officials (for travelers)

- Have full and proper description of movable goods supplied (codes alone are not sufficient)
- Bear Physical address of the South African vendor
- Bear the physical address of the importer for purchases of M5,000 and above.
- Bear proof of payment (cash receipt, point-of-sale slip or EFT copy) for goods valued at M10,000 and above.

Note:

- Electronic Funds Transfer (EFT) copy (proof of payment) must be supported by an official bank statement.
- Photocopies or screenshots are not accepted except for electronically issued invoices certified by a Commissioner of Oaths

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

6.1 A Valid Tax Invoice which shows the name and addresses of both the supplier and the importer for purchases of M5,000.00 and above

6.2 The Exporter Code

6.3 Required supporting documentation:

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

6.3.2 Valid Tax Invoice endorsed by SARS (for Travellers)

6.3.3 Proof of Payment for goods whose value is M10 000.00 and above must be provided in the form of cash receipt, POS slip or EFT copy

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

6.3.5 A Valid traders license (Traders) or a valid tax clearance (Traders)

6.3.6 In addition to the above, the following requirements apply to registrable goods:

- A copy of Traders license or Tax clearance certificate, where applicable,
- A copy of Manufacturing Certificate (for new vehicles), copy of registration certificate (second hand vehicles) and a copy of VAT 11 certificate

- A copy of SARPCCO Clearance Certificate (for second hand vehicles)

Note:

- Electronic Funds Transfer (EFT) copy (proof of payment) must be supported by an official bank statement.
- Photocopies or screenshots are not accepted except for electronically issues invoices certified by a Commissioner of Oaths.

7 What can Lesotho traders do to access customs declarations systems?

Traders must appoint / nominate the registered clearing agencies to represent them in the clearance of goods process or they can apply to be registered as Agents too.

8 How are goods transported through a courier treated?

All goods ferried by the courier upon importation should be declared through customs declaration systems (ASYCUDA & EDI).

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