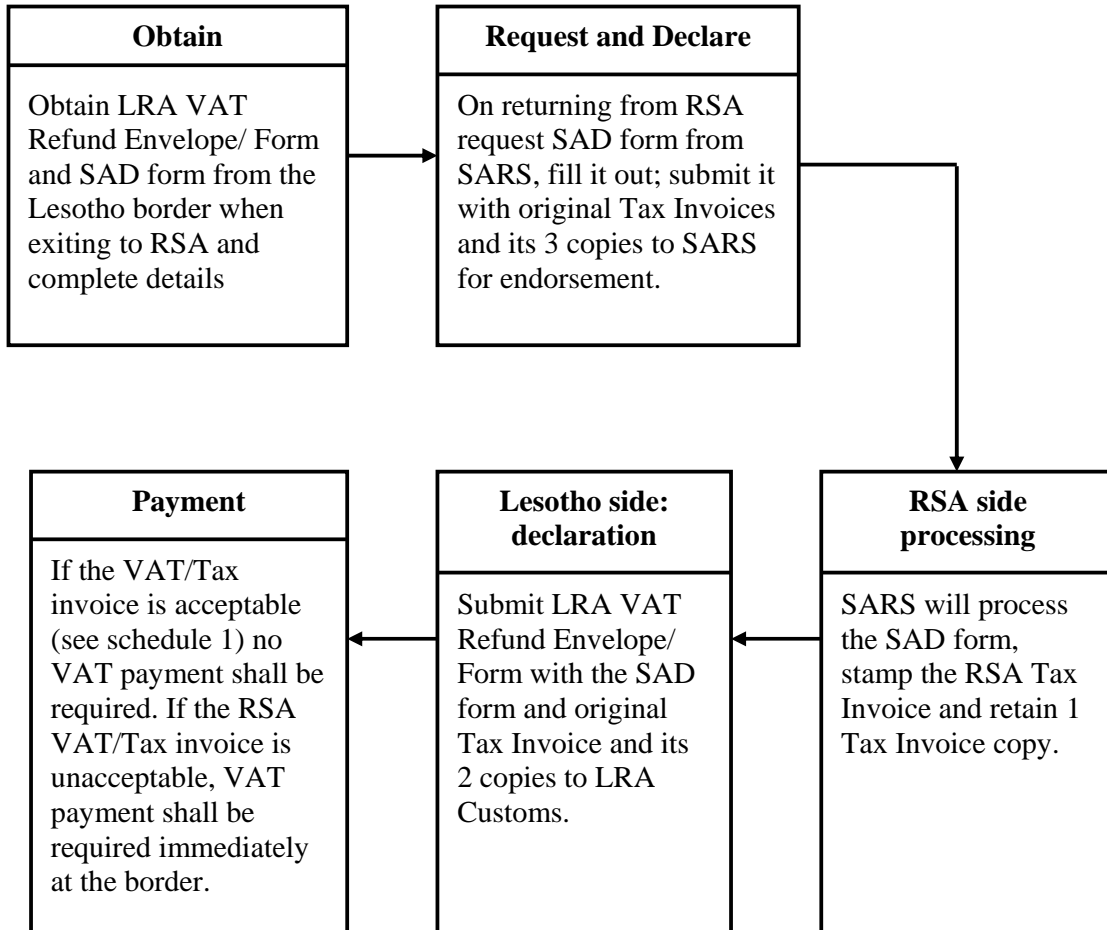


1. Border Clearance for Lesotho Vendors

The following process applies to all the imports into the Kingdom of Lesotho for commercial purposes or by Lesotho vendors. This section covers largely goods originating from within the Southern African Custom Union (particularly from RSA).

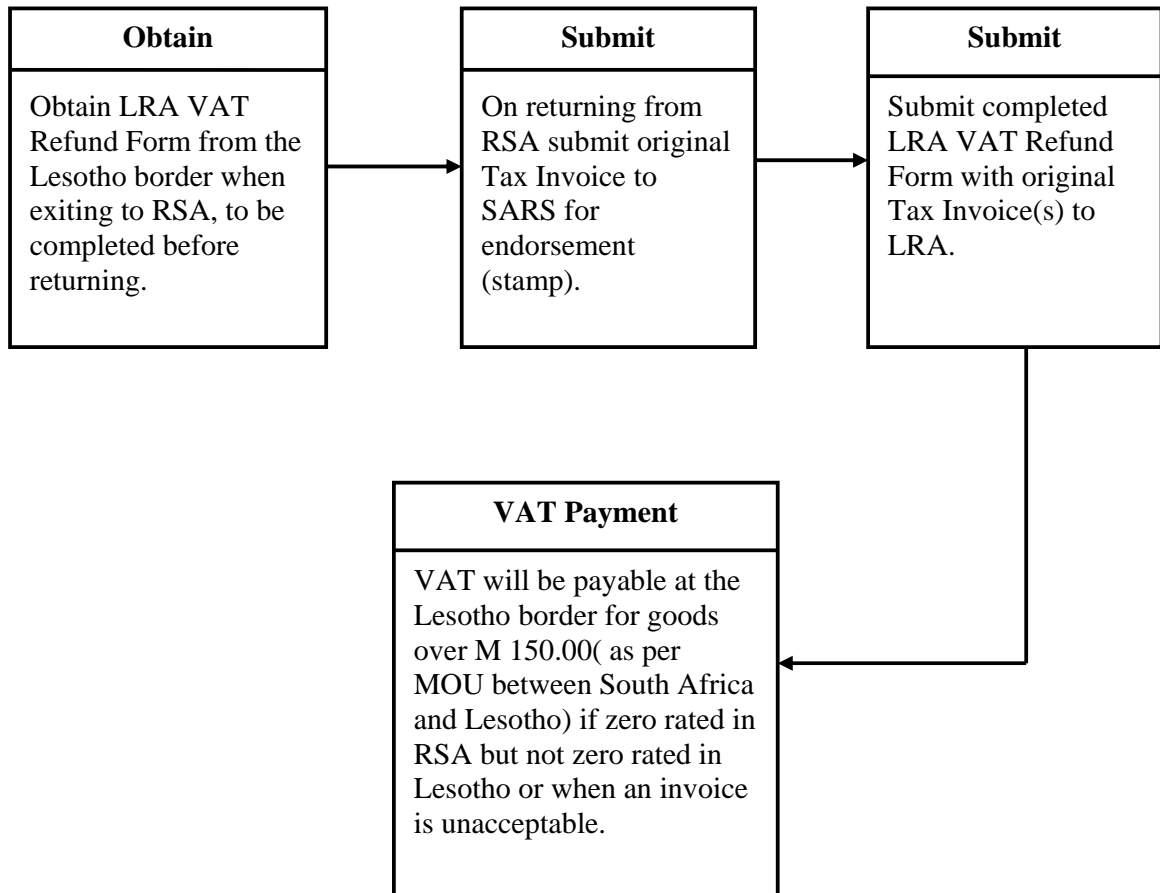


Note:

- The VAT Refund Envelope is used by the Lesotho VAT registered Vendors whereas the VAT Refund Form is completed by the non-registered Vendors and private shoppers.
- Remember that only a valid Tax Invoice from registered RSA VAT vendors will be accepted for refunds to LRA.
- All goods passing through the borders are subject to Customs inspection.

2. Border Clearance for Consumers / Private Shoppers

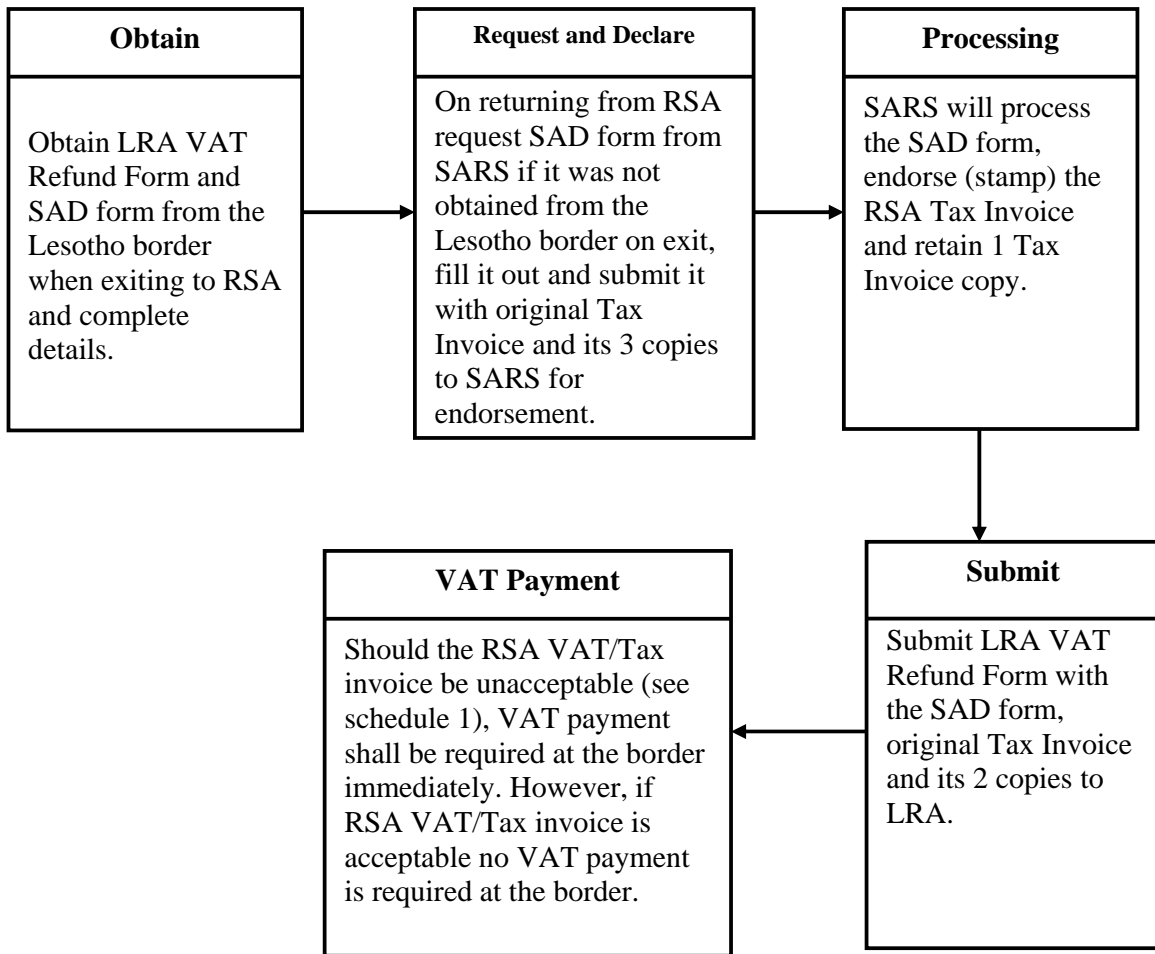
If your goods are worth less than M 5,000.00 incl. RSA VAT



Note:

It is, however, important to fill in the SAD form for all goods imported into Lesotho for purposes of trade data statistics.

If your goods are worth MORE than M 5,000.00 incl. RSA VAT



SCHEDULE 1:

RSA Tax Invoices

Requirements:

Due to current arrangement between the governments of the Kingdom of Lesotho and the Republic of South Africa, VAT charged on all goods purchased in RSA and imported into Lesotho is claimed by Lesotho Revenue Authority (LRA) from the South African Revenue Services (SARS). This arrangement provides that an importer into Lesotho presents a tax invoice with all the characteristics outlined below. In this case no cash payment of VAT shall be required at the ports of entry into Lesotho on goods imported. To be acceptable, the RSA tax invoices must have the following characteristics:

- be original , and not photocopies;
- The words “tax invoice” in a prominent place;
- VAT registration number of the seller in RSA – this is a 10 digit number starting with the number 4;
- An individual serialized invoice number;
- The date upon which the tax invoice is issued;
- The VAT amount paid or an indication that VAT has been paid at the standard rate (14%) is included;
- Description of the goods supplied
- Must not be 90 days old from the date of issuance.

However, should the importer present a tax invoice that does not comply with the above characteristics, the VAT amount shall be payable in cash at the port of entry.

PLEASE NOTE:

1. There are **NO PHOTOCOPYING FACILITIES AT THE BORDER POSTS.**
2. Importers are therefore advised to make enough copies of their invoices (and or other declarations documents) before arriving at the border.
3. Once a tax invoice complies with these characteristics it shall be surrendered to LRA Customs at the ports of entry.
4. Importers are advised to make photocopies of their invoices if they shall need to refer to them later on.
5. VAT is payable at the Lesotho border for goods purchased in Intra-SACU member states excluding the Republic of South Africa (RSA) because of the existing Memorandum of Understanding between Lesotho and RSA.
6. It is a criminal offence to make a false declaration;
 - Falsely declared and non-declared goods and the means of transport carrying them will be subject to detention by LRA officials. Moreover, the importer will be penalized at the rate of 200% of the VAT and/or triple the value of the consignment according to the VAT Act and Customs and Excise Act respectively.

- If the tax invoice is not acceptable (does not meet the above mentioned characteristics) and importers have not VAT equivalent cash, goods shall be detained pending payment of VAT due.

Prohibition and Restrictions

The prohibition and restrictions are in place for security, health, cultural and economic considerations. In the case of alcoholic beverages, the importer has to apply for the import permit. Please note that in terms of Liquor Licensing Act no. 8 of 1998, no permit shall be issued in respect of the beer.

Disclaimer:

This Guide is for general information only, and should not be relied upon as being correct or accurate or anyhow authoritative. For any queries, you may contact the nearest LRA Advice Centre for further assistance and guidance. Please take note that it is your obligation to verify independently any matters dealt with in this Guide from primary sources of information and by taking specific professional advice, should it be necessary. The LRA excludes any liability for any costs, losses, claims, damages, expenses or proceedings (including special, incidental or consequential loss or damage, loss of profits and wasted management time) incurred or suffered by you arising directly or indirectly in connection with this Guide.