

October 2015 - March 2016

newsletter



The official Newsletter of the Lesotho Revenue Authority

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Manager Public Relations and
Communications
Mr. Pheello Mphana

Technological advancements in the environment in which the Lesotho Revenue Authority (LRA) operates are the main drivers of the changes currently taking place. The LRA's modernization agenda is encapsulated on the 2014-2019 Strategic Plan with modernisation of procedures and processes as one of the critical issues. Serious strides have been made in as far as the Customs Modernisation Programme (CMP) is concerned.

To date, the LRA was able to successfully implement a number of projects that includes Customs Scanners, Trade Portal, and Preferred Trader Scheme amongst others and it is currently rolling out the Customs Procedures and Automation (CPA) to all ports of entry.

On the Tax Modernisation front there are remarkable achievements that have also been recorded. Under the Enterprise Taxation and Policy Management (ETPM) project, the LRA embarked on Taxpayer Re-registration drive and have so far rolled out a couple of modules that include; Pay As You Earn (PAYE) and the Fringe Benefit Tax (FBT).

This publication will take you through the above mentioned achievements and other initiatives that the LRA is embarking upon. These other initiatives covered here include the official signing of a Memorandum of Understanding (MOU) between the LRA and Her Majesty's Revenue and Customs of the United Kingdom of Great Britain and Northern Ireland (HMRC), celebration of the International Customs Day, staff and management training to mention just a few.

As a responsible corporate citizen, the LRA in collaboration with Basotho Enterprise Development Corporation (BEDCO) and Standard Lesotho Bank continue with the initiative intended to help young entrepreneurs turn their business ideas into tangible business entities. A story on this initiative is also covered in this edition.

NB. As the 2015-16 financial year comes to an end and the filing season opens, it is important to remind all the Taxpayers to observe the **June 30th 2016** deadline **and file their Income Tax Returns and pay taxes due.**

Qacha's Nek, Van Rooyens borders celebrate ASYCUSAgo live



Acting Commissioner General Adv. Realeboha Mathaba, Team Leader Customs (Van Rooyens) Mr. Ramaqele Khechane, Chief Planning and Modernisation Officer Ms. Idea Penane and The Manager Customs Modernisation Programme Ms. Puseletso Ntene at the ASYCUDA roll out in Mafeteng

Customs employees were jubilant as the first declarant reported arrival holding a Proceed to Border document at Van Rooyens Border Post on Saturday, 20th February 2016 at the go live celebration. The celebrations formed part of the national rollout of the new automated customs procedure using ASYCUDA world system.

The Lesotho Revenue Authority (LRA) Chief Planning and Modernisation Officer, Mrs. Idea Penane said rolling out the system in all the commercial borders was a mammoth task and she praised her team for ensuring that the system was fully functional.

"I am proud today the Customs Modernisation Program (CMP) team pulled this off without my close supervision," she said, adding that such remarkable performance was a true reflection of how committed the team was towards the success of the programme. She congratulated the team for demonstrating hard work in executing the national rollout plan.

"I am pleased to say we have really incorporated the lessons learned from the pilot phase in Maputsoe in 2014

and Maseru rollout in 2015," she said also indicating that the system was more stable and they were able to process exit notes once the declarants have reported arrival.

One of the frequent border users, Mrs. Malimpho Thulo said she had exposure to the system through using the Maseru Bridge Border Post. She mentioned that the system has assisted her to avoid long queues at the borders. "We used to spend hours waiting for our declarations to be processed and this was a cost to us because we sometimes use hired trucks," she said.

She noted that the days of having to spend long hours in the borders were gone and she urged all traders to comply with the requirements for declarations to enjoy the benefits of easy and seamless importation of goods.

The ASYCUDA world rollout celebrations were held in Qacha's Nek Border Post and Van Rooyens Border Post on the 20th of February 2016 and the system will also be rolled out in Caledonspoort border post on 19th March 2016.

Below are statistics recorded during the roll out of the ASYCUDA System on the 20th February 2016:

	Van Rooyens Gate	Qacha's Nek Gate
Number of declarations lodged	65	6
Number of declarations ready for P2B	52	5
Number of Exit Notes	14	5
Declarations found to be under declared	1	1

Youths to get second bite of the cherry



The Acting Chief Executive of BEDCO Mrs. Masechaba Mahlapha, Acting Commissioner General Adv. Realebaha Mathaba of LRA and the Chief Executive for Standard Lesotho Bank Mr. Mpho Vumbukani

The second phase of BACHA Entrepreneurship Project, an initiative to help unemployed youths with business skills and start-up capital, was launched on Tuesday, 16th February 2016 at the Lesotho Revenue Authority (LRA) Boardroom. The project is supported by LRA, Standard Lesotho Bank (SLB) and Basotho Enterprises Development Corporation (BEDCO).

The three institutions are calling for graduates to submit business proposals for a chance to get business mentorship and funding. Applications are to be submitted by the end of March and candidates should be aged between 21 and 35.

Speaking at the official launch of the second phase of the project, the LRA Acting Commissioner General Advocate Realebaha Mathaba said it was upon every Mosotho and everyone trading in the country to ensure that the economy of Lesotho grows.

“It is common knowledge that Lesotho is faced with a mammoth task of fighting the ever increasing

unemployment, poverty and hunger. The El Nino-induced drought that we are experiencing in the sub-Saharan region is also adding fuel to an already bad situation,” he said.

He said it was apparent that Lesotho needs concerted efforts by all sectors of society if she is to succeed in addressing the unemployment rate. “Unemployment among youth is alarming and continues to rise, hence an immediate action is needed,” he said.

Advocate Mathaba added that with the project they were not only trying to address unemployment but also other related issues like poverty, crime, hunger and diseases.

Unemployment is bedrock underpinning crime, diseases and others vice-versa. If one is unemployed they are likely to go to bed hungry and as a result may easily succumb to a number of illnesses as well as engage in crime related activities,” he said. He said without businesses there would not be business for BEDCO and Standard Lesotho Bank

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and there would not be taxes collected, meaning there would not be development. The Acting Commissioner General also stated that the phase one of the project produced three businesses which have created 10 employment opportunities. "With the exception of one, I am told that these businesses are doing quite well. However, it would be very premature on our part if we were to seek full assessment on the successfulness of these businesses as they were launched just six months ago."

Mr. Mpho Ramatabooe of Shopa Lesotho, one of the beneficiaries of the phase one project, said the project was not only a platform to the funding but its different aspects adding it was not easy to move from being unemployed to being owner of a business.

"Unemployment rates are very high and to move from being part of those who were unemployed to being an employer is not easy. However, when you know that you have someone to hold your hand through all steps of the way is calming, unlike if we were given money and let to

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swim or sink," Mr. Ramatabooe said.

He added that it was upon the private sector to create jobs and combat the alarming unemployment and poverty rates. "Let us apply and give our business ideas a chance. Maybe they might be the chosen ones and as a result be part of the job creators and help grow our private sector," he said.

BEDCO's Acting Chief Executive Officer Mrs. 'Masechaba Mahlapha said there was need for innovation if the country is to move forward in business. "We need innovation, creative, and authentic proposals with sustainability. Do not try and duplicate someone's work," she said.

The SLB Chief Executive Officer, Mr. Mpho Vumbukani, has however cautioned that putting money first without thinking of the risks and challenges of running business could lead to failure. He urged the youths who will apply for the mentorship and funding to concentrate on business education as that will determine how well their businesses will perform. – The Post



LRA completes nCEN project



The Lesotho Revenue Authority (LRA) signed-off acceptance and completion of National Customs Enforcement Network (nCEN) project with the assistance of the World Customs Organization (WCO) in January 2016.

The nCEN is a system developed by WCO to assist Customs administrators in the collection, storage, and exchange of enforcement related information at the national level.

The nCEN system caught the LRA's attention when the former Commissioner General, Mr. Thabo Letjama and Commissioner Customs; Mrs. 'Makali Lephollisa attended the WCO Revenue Package National Workshop hosted by the LRA from the 6th to the 10th July 2015 in Maseru.

The project, though was delivered by the WCO under "Building Trade Capacity through Customs Modernization in the East and Southern Africa (ESA) Region", is fully

sponsored by the Finnish government.

The sponsorship, to the tune of USD 10, 000.00, covers acquisition of nCEN hardware and software as well as training.

Fourteen LRA employees from Customs and Enforcement Divisions were trained as trainers by WCO in November 2015 in order to train other LRA employees. The implementation was commended by the nCEN Applications Specialist Iwona Sawicka as being "one of the swiftest and best executed deployments in the region", and thanked the LRA team for their corporation during the project.

The LRA has expressed its gratitude to both the WCO and the Finnish Government for the continued support the organisation has been receiving towards the improved service delivery.



INFORMATION FOR TRADERS (IMPORTERS & EXPORTERS), DECLARANTS AND CLEARING AGENTS:

LRA is extending the new automated Customs procedures to Qacha's Nek Border Post and Van Rooyen's Gate on the 20th February 2016 and Caledonspoort on the 19th March 2016.

1. Who should register?

- 1.1 Clearing Agents
- 1.2 Traders who declare for themselves

2. Why register?

- 2.1 In order to declare you will need to have access to the ASYCUDAWorld Computer System, which can be downloaded free of charge from LRA Website. See the computer & network requirements provided under item 5 below.
- 2.2 To qualify for free ASYCUDA training.

3. How to register?

- 3.1 Download Registration Form (ASY 1 Form) from www.lra.org.ls and www.lesothotradeportal.org.ls
- 3.2 Complete and sign the form
- 3.3 Submit the form to asyregistration@lra.org.ls

For further info, please contact asyregistration@lra.org.ls or 5221 5781 / 62112513.

4. Training Schedule

Training will be held at the LRA Training Centre in Maseru, and the schedule is provided below:

Border Post	First Session	Second Session	Training Venue
Caledonspoort	16 th -17 th March 2016	13 th -14 th April 2016	Maseru - LRA Training Centre

Note: Training on the new procedures and use of the system will be provided only to those who have registered as per training schedule provided above.



5. ASYCUDAWorld: Minimum Computer & Network Requirements

To access this new system, your computer, printer, scanner and network must meet the following minimum specifications:

Hardware	Software	Connectivity
PC/Laptop: RAM: 2GB Hard Disk Space: 500GB Processor Speed: 2.5 GHz	Is available for download on the ASYCUDA Website	Approximate bandwidth requirement <ul style="list-style-type: none"> - 512 Kbps (256 kbps up/ 256 kbps down) for individuals - 1 Mbps (512 Kbps up/ 512 Kbps down) = 8 users - 2 Mbps (1 Mbps up / 1 Mbps down) = 15 users - 4 Mbps (2 Mbps up / 2 Mbps down) = 25 users - 8 Mbps (4 Mbps up / 4 Mbps down) = 50 users
Printer: LaserJet, A4 paper	Java (jre) 1.6.x.x	Any web browser but Mozilla Firefox is more preferred
Scanner: High quality resolution	Acrobat /PDF reader	Stable internet connectivity

6. System Support

For system related enquiries, please contact LRA Service Desk on ecustoms@lra.org.ls or +266 5221 5111 / 5221 5112.

LRA celebrates International Customs Day



Customs Officer Ms. Palesa Malataliana talks to traders visiting the stall

The Lesotho Revenue Authority (LRA) commemorated the International Customs Day on 26th January 2016 through sharing information on latest developments in Customs Modernisation in line with the World Customs Organization celebration's theme – Digital Customs: Progressive Engagement.

LRA erected stalls at three commercial border posts namely; Maseru Bridge, Maputsoe Bridge and Van Rooyen's Gate to distribute information materials on International Customs Day and developments under the Customs Procedures and Automation Project (CPA) currently underway.

The pamphlets were also distributed to other commercial borders such as Qacha's Nek and Caledonspoort. The LRA officials also held interviews on Lesotho Television and local radio stations to share digital customs news.

Information sharing sessions with business and other relevant stakeholders were also held in Maseru and Leribe during the month of January to share information and to solicit feedback on experiences, expectations and aspirations regarding the LRA modernisation agenda.

In her message to staff, the Commissioner Customs, Mrs. Makali Lepholisa, emphasized the importance of digital customs which she said under the WCO is defined as any automated or electronic activity that contributes to

the effectiveness, efficiency and coordination of customs activities. She highlighted that the 2016 theme could not have come at the right time since LRA is currently rolling out the CPA to all commercial ports of entry.

"This year's celebration will focus mainly on communication regarding what the automation means to Customs and our operations, especially CPA national rollout which commenced in 2014 including the upcoming activities to Qacha's Nek and Van Rooyen's Gate on the 20th February 2016, and Caledonspoort on the 19th March 2016.

The CPA rollout to Moshoeshoe I International Airport and Parcel Post will take place in the next Financial Year," she said. In his statement the WCO Secretary General, Mr. Kunio Mikuriya said this year's International Customs Day heralds the launch of the WCO Year of Digital Customs.

He added that the Customs administrators were encouraged to actively showcase and promote their use of Information and Communication Technologies (ICT) in order to collect and safeguard Customs duties, to control the flow of goods, people, conveyances, and money, and to secure cross-border trade from crime, including international terrorism which continues to rear its ugly head across the globe.

He said under the theme, "Digital Customs: Progressive
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Digital Customs: The LRA Clearance Hub was put in place following the introduction of the ASYCUDA World System at border posts

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Engagement”, they were signaling their aspiration to further develop digital solutions and services, making life easier for the trading community, other border agencies and Customs officers. He further expressed the need for Customs to adopt enabling technologies, such as the use of big data, telematics and the cloud, to help increase operational performance, and to facilitate the reinvention of the way they do business. To support WCO Members in their efforts to further adopt Digital Customs, Mr. Kunio Mikuriya said the WCO has developed an extensive portfolio of instruments and applications. “The WCO recently undertook a mapping exercise to gain an appreciation of these ICT-related tools and their intended purpose. This mapping exercise goes hand-in-hand with ongoing work being undertaken



The LRA Clearance Hub staff pose for a photo

by the WCO on the IT Guide for Executives that has been developed as a short handbook which succinctly addresses key aspects of ICT solution development and deployment for senior-level Customs administration officials, as well as officials with direct responsibility for managing ICT projects,” he said.

He concluded by announcing that in coming months the WCO will be monitoring and communicating best practices in diverse topics such as change management, human resource policies and information management.

LRA, HMRC sign MOU



Commissioner Domestic Taxes Mr. Thabo Moleko (right) and Mr. Peter Finnigan from Her Majesty's Revenue and Customs of the United Kingdom of Great Britain and Northern Ireland

The Lesotho Revenue Authority (LRA) has signed a Memorandum of Understanding (MOU) with Her Majesty's Revenue and Customs of the United Kingdom of Great Britain and Northern Ireland ("HMRC") in December 2015 in Maseru.

The MOU was signed by the Commissioner Domestic Taxes, Mr. Thabo Moleko on behalf of the LRA and Mr. Peter Finnigan for the HMRC. According to the Deputy Commissioner Large Taxpayer Department, Mr. Paul Khanare, the plan to formalize this relationship dates as far back as 2013 when the Organisation for Economic and Cooperation Development (OECD) Global Forum announced the Tax Inspectors Without Borders (TIWB) initiative.

He said the TIWB initiative enables the transfer of tax audit knowledge and skills to tax administrations in developing countries through a real time, "learning by doing" approach. He added that the tax experts currently serving or recently retired tax officials are deployed to work directly with local tax officials on current audits and audit-related issues concerning international tax matters, and to share general audit practices.

"We made follow ups with the OECD Secretariat to find out how Lesotho could benefit from the programme and we were guided on how we could make our proposals. They sent a representative to Lesotho to engage us and later on, a confirmation was made that the HMRC would assist us in capacitating our auditors," he said.

He said the partnership would benefit the LRA through enhancing the auditors' skills and knowledge in their work. He further said the improved work in the area of audit would also go a long way in helping to enhance the compliance of the multi-national companies thereby helping Lesotho to get its fair share of taxes. On the other hand, Mr. Khanare said the HMRC would benefit in the partnership through appreciating the taxation system in Africa and its challenges.

HMRC representative, Mr. Peter Finnigan said they were happy the MOU between the two organisations has been signed, which will promote the capability and capacity of the LRA in international audit work. "We are looking forward to the development of this partnership in the next years. We are glad of the cooperation from the LRA team in making this initiative a success," he said.

LRA improves its capacity in project management



The Programme Management Office (PMO) under the Planning and Modernization Division held a refresher course for Lesotho Revenue Authority (LRA) employees on project management fundamentals and how to use Microsoft Project Server 2013 to plan and manage enterprise projects. The course ran from the 25th to 29th January 2016. The course targeted project managers and project stream leads.

The course participants were introduced to different roles and responsibilities played by each project team member and how projects are generally managed. The overall course objectives were the following;

- To describe the key stages in the LRA Program and Project Management Methodology
- To explain the five stages of the project lifecycle (and relate these to all types of engagements they manage)
- To identify the roles and responsibilities in managing projects
- To know how to execute the Project Manager's role and responsibility through all stages of a project lifecycle
- Explaining and comparing the different Project Management Methodologies used
- To provide Project Managers and their Stream Leads with knowledge and skills necessary to effectively create, update and maintain projects using Microsoft Project Professional 2013 in a Project Server 2013

Environment

- To guide Project Managers and Stream Leads on how to create project plans and publish plans to the server environment enabling them to collaborate with Team Members using Project Web App (PWA) and maintain project documents, issues, risks and track key deliverables within Project Server.

The meaning of project vis-à-vis project management was put forward where the project was explained to mean "A temporary endeavour undertaken to create a unique product or service" while Project Management can be defined as "the application of knowledge, skills, tools and techniques to project activities to meet project requirements". (Source: Project Management Institute). "Nothing limits achievement like small thinking; nothing expands possibilities like unleashed thinking."—William Ward

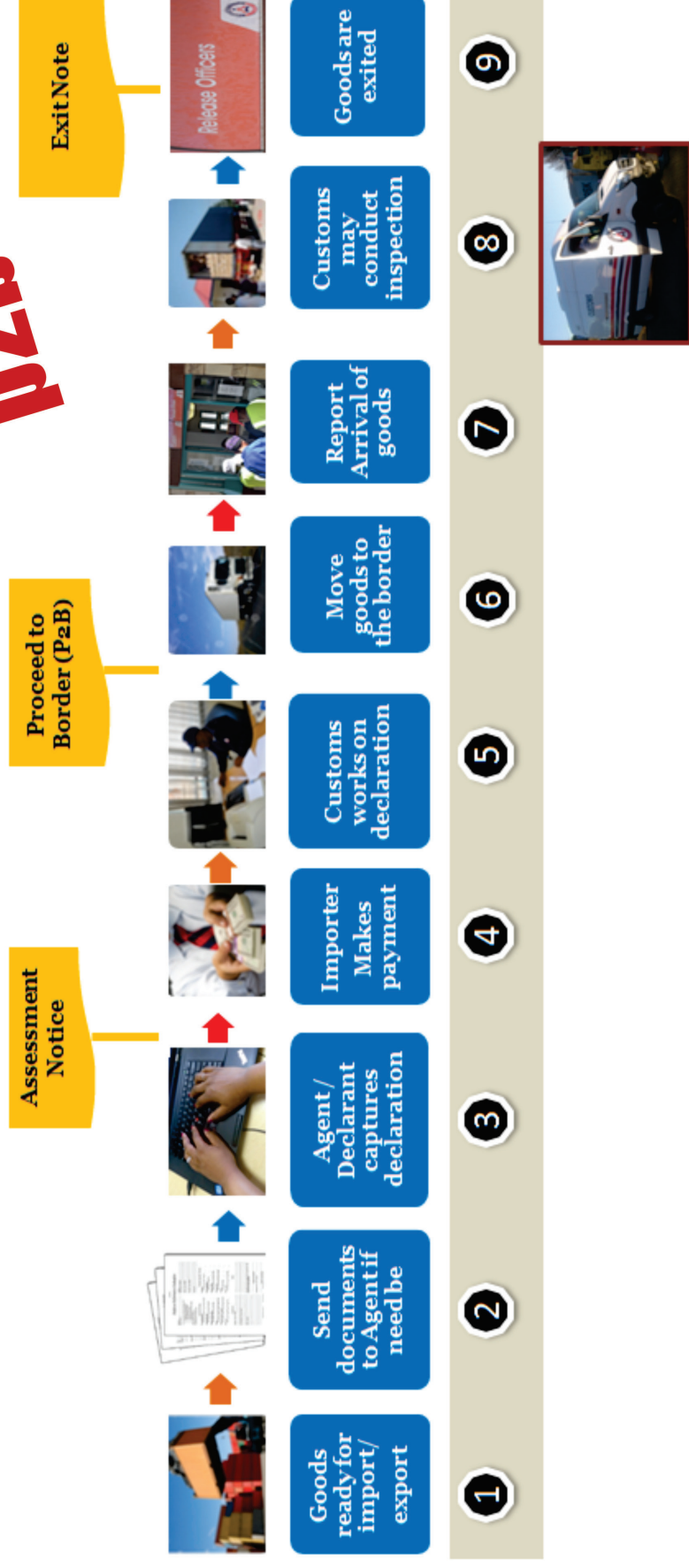
Project Management is a very broad profession as it cuts across most if not all of the other professions. One can be a Project Manager for different disciplines in a year. It is also a very interesting discipline as one keeps on learning new things daily. The training will continue again in the next financial year to other members in the project office and to the executive management as sponsors of most of the projects.




New Customs Procedure For Commercial Traders and Clearing Agents

Proceed to Border

p2b



- P2B is an automated notification that allows a consignment to Proceed To Border for possible inspection & release
- Declare and pay in advance and if **P2B** notification is not issued within 24 hours after declaration, make an enquiry on ecustoms@lra.org.ls / 5221 5111 / 5221 5112
- No consignment should come to the border without ASYCUDAWorld P2B
- P2B is now accessible from the System anytime when it is due, just click this icon 

ETPM implements PAYE and FBT modules

The Enterprise Taxation and Policy Management (ETPM) project team has achieved another milestone through the implementation of Pay As You Earn (PAYE) and Fringe Benefit Tax (FBT) as the first two deliverables from the Income Tax Module.

PAYE and FBT were circulated to the system users in December 2015. The team endured challenges in their quest to deliver the first half of the Income Tax module leading to the roll out plan to ensure that PAYE and FBT were delivered in December.

Aside from the tight schedule, the team also worked tirelessly to achieve some of the project's deliverables. The project also managed to obtain a "thumbs up" from the LRA Management to implement the remaining Debt Collection module in ETPM.

The Modernize Tax Programme and ETPM Project Manager, Mr. Mokhethi Mabea, expressed his gratitude to the team after the switch in December 2015, applauding the team for making it possible for PAYE and FBT modules to run.

He urged them to continue working as a unit to achieve the remaining milestones. "Thank you for your support and involvement in driving the modernization agenda," Mr. Mabea said.



Manager Enterprise Taxation and Policy Management (ETPM) Mr. Mokhethi Mabea

What is New?

- As it was with Full VAT roll out, PAYE and FBT in ETPM started at zero balances, awaiting reconciliation.
- All the PAYE returns for the month of November 2015 due on or before the 15th December 2015 were processed in ETPM together with their corresponding payments. The same happened with all other PAYE returns for the coming periods
- PAYE returns for the periods older than November 2015 were processed in the legacy system together with their payments until reconciliation of such Taxpayers were completed and the balances migrated into ETPM.
- The FBT returns that made the first entry into ETPM
- were for the quarter ending 31st December 2015, accompanied by their payments. These returns were due on or before 14th January 2016.
- Like PAYE, FBT returns for quarters prior to the cutoff date were together with their payments captured in the legacy systems until reconciliation of such Taxpayers was complete.

Re Sebeletsa Uena, Re Sebeletsa Sechaba



Serving You, Serving the Nation

Senior managers hone skills in leadership management



The Senior Management Team members are set to improve their leadership skills when they complete a two-week Leadership and Management Development Programme (LMDP) next week.

The Lesotho Revenue Authority (LRA) hosted the World Customs Organization Senior Management Leadership and Management Development Programme from 1st - 12th February 2016. The workshop concept was based on the WCO Leadership and Management Development (LMD) content which ensures congruence in terms of management language, strategic prioritization and ultimately organizational culture.

In his closing remarks, Acting Commissioner General, Advocate Realeboha Mathaba, said the participants should implement what they learnt from the course to become better leaders. He said the LRA management was to blame for slow progress as employees who attend trainings fail to implement skills learned.

“My message to you is that you do not become a better leader by attending leadership workshops or neither a good facilitator by just facilitating in one session but it’s a matter of repeatedly doing what you have learned. Yes I agree that with WCO that there are a lot of exercises involved in the process. I do not even want to shift the blame to other facilitators that we have met before, we are solely to blame for going wrong in the past because every time we have learned something or we are from workshops, there is no deliberate effort to implement what we have learned,” he said.

He told the participants that good leadership was principally a matter of being able to influence their colleagues and making sure that they were able to emotionally connect with them. “You do not influence assets, machinery or anything but people. As a leader yours is not necessarily to be technical but to ensure that work is done through

other people, and your principal objective should always be to influence other people and to make sure that you are emotionally able to connect with them. “I do not know if it has happened to you in this difficult leadership journey to feel that it is now difficult to connect emotionally with your colleagues, sometimes it becomes very frustrating. We should try to not only buy their minds but even their hearts to be successful leaders,” he said.

He also warned the participants that there would be challenges in their way to implement skills learned from the course adding that they should not be afraid to make mistakes in the process because the Executive Management was committed in supporting them.

On behalf of the participants, the Deputy Commissioner Small and Medium Taxpayers Department, Mrs. Malehlohonolo Halahala encouraged her colleagues to go and start a dialogue that would ensure the performance of all managers was measured through their abilities in people management. “We should advocate for a change in performance management system to ensure that we move away from being transactional and are measured through people’s management,” she said.

She also alluded to the fact that the course was different from those held in the past because they did up to 55 practical exercises of the theories they learned. “We have even established a forum which one of its first assignments will be to influence all managers to focus on empowering their subordinates,” she said.

The course was facilitated by the WCO experts Mr. Poutiainen Mika and Ms. Ashina Naidoo.

Tax Calendar

Income Tax

31st December (3rd Installment)
31st March (Last Installment)
30th June (Return & Last Installment)

Corporate Tax

30th September (1st Installment)
31st December (2nd Installment)
31st March (3rd Installment)
30th June (Return & Last payment)

Fringe Benefits Tax

30th June (1st Quarter)
30th September (2nd Quarter)
31st December (3rd Quarter)
31st March (4th Quarter)

PAYE

15th every month
Valued Added Tax (VAT)
VAT returns for VAT vendors
20th every month (Return & Payment)

Import VAT Credit Facility

20th every month (Return & Payment)

Van Rooyens gate Rollout in Pictures



Qacha's Nek Rollout in Pictures



MIA Rollout in Pictures



Caledonspoort Rollout in Pictures





National Roll Out – New Automated Customs Procedures in 2016



Van Rooyen's Gate : February 2016
Qacha's Nek : February 2016
Caledonspoort : March 2016

Lesotho Revenue Authority

Government Complex Building

Maseru, Lesotho

P.O. Box 1085, Maseru 100, Lesotho

Tel: (+266) 52215531

Email: t.mncina@lra.org.ls

Website: www.lra.org.ls