



Lesotho Revenue Authority
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LEGAL NOTICE NO. 194 OF 2003

Value Added Tax (Amendment) Regulations 2003

In exercise of the powers conferred upon me by section 88 of the Value Added Tax Act 2001¹, I,

DR. TIMOTHY T. THAHANE

Minister of Finance and Development Planning make the following Regulations:

Citation

1. These Regulations may be cited as the Value Added Tax (Amendment) Regulations 2003.

Input tax credit

2. The Value Added Tax Regulations 2003² (hereinafter referred to as “the principal Regulations”) are amended in regulation 10(9)(a) by deleting the expression “M500,000” wherever it appears and substituting “M5,000.00”.

Zero rating

3. The principal Regulations are amended by deleting regulation 21 and substituting the following:

- “21. (1) For purposes of section 6A of the Act, the basic food supplies listed in schedule IV are zero rated.
- (2) Maize meal (Tariff Heading 1102.20) is zero rated, where it is graded as super maize meal, special maize meal, sifted maize meal or unsifted maize meal.
 - (3) Maize (Tariff Heading 1005.00) is zero rated, where it is dried unprocessed maize or dried seed of the plants *zea mays indurate* and *zea mays inderata* or any one or

more crossings thereof of a mixture of the dried seed of such plants, but excluding popcorn (*zea mays everta*) or green mealies for human consumption.

- (4) Samp, not further prepared or procesed, is zero rated.
- (5) Beans (Tariff Heading 0713.00) are zero rated, provided they are dried bean, whole split, or crushed or in powder form, but not further prepared or processed, canned or frozen.
- (6) Agricultural input, viz. fertilizers (chapter 31) seeds (chapter 7/10) and pesticides (3808.00) are zero rated where fertilizers constitutes goods consisting of a substance in its final form which is intended or offered for use in order to improve or maintain the growth of plants or the productivity or the soil; where pesticides consist of goods consisting of any chemical substance or biological remedy, or any mixture or combination of any such substance or remedy, intended or offered for use-
 - (a) in the destruction, control, repelling, attraction, disturbance or prevention of any undesired microbe, alga, bacterium, nematode, fungus, insect, plant, vertebrate or invertebrate;
 - (b) as a plant growth regulator, defoliant, desiccant, adjuvant or legume inoculant, and anything else which the Minister of Agriculture has by notice in the Gazette declared to be a pesticide; or
 - (c) where seeds are in the form used for cultivation.
- (7) Paraffin (Tariff Heading 2710.00) intended for cooking, illuminating and heating is zero rated, provided it is not mixed or blended with any other substance for any purpose other than cooking, illuminating or heating.

- (8) Full Cream Milk (Tariff Heading 041.10) intended for domestic consumption is zero rated, being the milk of cattle that has not been concentrated, condensed, evaporated, sweetened, flavoured, cultured or subjected to any other process other than homogenisation or preservation by pasteurisation, ultra-high temperature treatment, sterilization, chilling or freezing.
- (9) Brown and White Bread (Tariff Heading 1905.90) intended for domestic consumption is zero rated, provided that brown bread is only bread made from brown wheaten meal and water that has been fermented by yeast and which has been baked in the standard form; and, white bread for purposes of interpretation, is only white bread made from white flour and water that has been fermented by yeast, enzymes, proteins, and which has been baked in the standard form.
- (10) Peas (Tariff Heading 07.13.00) are zero rated provided they are dried peas, whole, split or crushed or in powder form, but not further prepared or processed, canned, or frozen.
- (11) Animal feeds (Tariff heading 12.14.00) are zero rated provided they are goods which consist of :
- (a) any substance obtained by a process of crushing, gritting or grinding, or by addition to any substance or the removal there from any ingredient;
 - (b) any condimental food, hay and lucern, vitamin or mineral substance which possesses or is alleged to possess nutritive properties;
 - (c) any bone product; or
 - (d) any maize product but excluding pet animal feeds.

- (12) Lentils (Tariff heading 07.13.40) provided they are dried, shelled or not skinned or split, are zero rated.
- (13) Sorghum meal (Tariff heading 1102.90.30) is zero rated.
- (14) Unmalted sorghum grain (Tariff Heading 1007.00) is zero rated, provided it is of those varieties of sorghum which are known as grain and whose grain may be used as cereals for human consumption and includes sorghums such as caffrorum (Kafir), cernuum (white durra), durra (Brown durra) and nervosum (Kaoliang).
- (15) Wheat grain (Tariff heading 10.01) is zero rated.
- (16) Bread flour (Tariff heading 11.01.00) is zero rated. It is white and brown flour or mixture thereof including Eazy-Bake but excluding Self-Raising, Cake flour and Biscuit Flour.”.

DR. TIMOTHY T. THAHANE
MINISTER OF FINANCE AND DEVELOPMENT PLANNING

NOTE

- 1. Act No. 9 of 2001
- 2. L.N. No. 95 of 2003