



COVID-19 PANDEMIC

TAX RELIEF MEASURES

Following an announcement by the Government of Lesotho to assist businesses with relief measures to mitigate the impact of COVID – 19 induced nationwide lockdown, there are a number of tax relief measures that have been introduced. The Tax Compliant Businesses will receive two forms of relief; namely, tax related relief measures and administrative relief measures.

THE TAX RELIEF MEASURES

These tax relief measures are largely underpinned by deferment; meaning that payments of specified taxes will be paid at a later date and spread out through 6 months and 8 months. The taxes covered under this relief measures are: Company Income Tax (CIT) Individuals Income Tax (IIT), Simplified Business Tax (SBT), Pay As You Earn (PAYE), and Value Added Tax (VAT). These tax relief measures will ease cash flow problems faced by businesses during the trying times.

COMPANY INCOME TAX (CIT)

Income Tax filing season will be extended to the end of September 2020

CIT Relief Measures extended to Large Clients/Taxpayers (Big Businesses)

- For the first quarter instalment, 40% will be deferred and 60% paid at the end of June 2020,
- For the second quarter instalment, 20% will be deferred and 80% paid at the end of September 2020, and
- Deferred Amounts will be paid from the end of October 2020 and be spread out into 6 equal monthly instalments to the end of March 2021.

CIT Relief Measures extended to Medium and Small Clients/Taxpayers

- Through the extension of the filing season to the end of September, 100% of year end filing season payment will be deferred;
- For the second quarter instalment, 20% will be deferred and 80% paid at the end of September 2020, and
- Deferred Amounts will be paid from the end of October 2020 and be spread out into 6 equal monthly instalments to the end of March 2021.

SIMPLIFIED BUSINESS TAXATION (SBT)

Non-essential businesses (public transport)

- The SBT payable during the nationwide lockdown will be waived, no SBT payment will be made.

Essential services (small retail businesses)

- No relief measures will be extended to this sector, the sector continued to operate during the nationwide lockdown. All SBT payments due for this sector should be made as per normal stipulated payment periods.

PAY AS YOU EARN (PAYE) AND VALUE ADDED TAX (VAT)

Non-essential businesses (closed businesses during the lockdown as per the Government Gazette)

- April, May and June PAYE and VAT payments will be deferred,
- Deferred Amounts will be paid from the end of July 2020 and be spread out into 8 equal monthly instalments to the end of March 2021.

Essential businesses

- No relief measures for the businesses which were operating during the lockdown, filing and payment on PAYE and VAT should happen as per normal stipulated filing and payment periods.

ADMINISTRATIVE RELIEF MEASURES

Further to the tax relief measures, the Authority will facilitate measures which will assist Clients to meet their obligations with ease while promoting social distancing.

ENQUIRIES

All Advice/Service Centres will be closed during the national lockdown, however Clients will be able to make enquires through online platforms:

- Online Chat on the LRA website;
- Call Centre during normal working hours from Monday to Friday on the following numbers: **(+266) 5221 5555 and (+266) 2221 5555.**
- Email: **info@lra.org.ls**

REGISTRATION

Clients intending to supply essential supplies during COVID-19 crisis will be required to register online through the OBFC website; **www.obfc.org.ls.**

ISSUANCE OF TAX CLEARANCE CERTIFICATES

Tax Clearance Certificates will continue to be issued online through this link; **https://eservices.lra.org.ls/etcc/public/**

EXEMPTIONS AND REBATES

Goods imported for relief of COVID-19 disaster will be exempted from import VAT and import duties in terms of Section 6 (3)(a) & 1 (f)(i) of Schedule II of VAT Act No. 9 of 2001 and, Rebate Item 412.11 of Customs & Excise Act No.10 of 1982. The condition with this relief is that such goods should not be sold or disposed of to the parties not entitled to the relief, or removed from SACU member state without prior consultation or approval by the Commissioner General. Clients who will be importing from extra SACU will therefore be required to fill CE/MISC/3 and application for exemptions VAT forms, both available from LRA website on the following link; **http://www.lra.org.ls/forms.** The latter form will suffice for goods imported from intra SACU.

REFUNDS

Applications for refunds will be made through use of the following email; **info@lra.org.ls.** Refund payments will be expedited to enable the business community to get quick access to cash inflows while verifications by LRA will be made at a later date.

APPEALS

All internal processes relating to Objections and Appeals will be worked on by the Authority once the lockdown is lifted.

ADDITIONAL TAXES, PENALTY FEES AND STORAGE FEES WAIVER

Additional Taxes, Penalty fees and Storage fees accrued as a consequence of unavoidable effects of the lockdown will be waived.

EXPEDITED CLEARANCE OF GOODS

Clearance of all imported essential goods and goods imported for relief of COVID – 19 will be expedited.

For assistance contact: m.motloli@lra.org.ls or MA.Molise@lra.org.ls and l.lefielo@lra.org.ls.

NON – CONDUCT SERVICE CHANNELS

To promote social distancing to the extent possible, the Authority will make provisions for remote access service channels which will be used by Clients to access services.

PAYMENTS

Payment of import VAT and Customs Duties will be made at the banks and no cash will be accepted. Furthermore, Clients under the deferment facility will declare as such, provided their accounts were not in arrears at the time of national lockdown. Essential services Clients whose credit facility will have expired during the lockdown will be allowed to use the same facility until after lockdown for issuance of new facility letters.



SECTOR/INDUSTRY SPECIFIC MEASURES

Operational

Sector	Tax Type	Relief Measure/s
Hospitality	CIT & IIT	<ul style="list-style-type: none">Quarter 1 instalment is deferred by 40% and 60% payable at the end of June 2020,Quarter 2 instalment is deferred by 20% and 80% payable at the end of September 2020.Q1 & Q2 deferred payments will be paid from end of October 2020 in 6 equal instalments until March 2021
Electricity and Gas (Large Taxpayers)	CIT & IIT	
Financial and insurance activities (Large Taxpayers)	CIT & IIT	
Human health and social work activates (Large Taxpayers)	CIT & IIT	
Road Freight and logistics (Large Taxpayers)	CIT & IIT	
Wholesaler, Supermarket, Mini-supermarket, General Café, Greengrocer, Pharmaceutical and Medical Goods (Large Taxpayers)	CIT & IIT	
Administrative and support service activities (Private Security Services)	CIT & IIT	<ul style="list-style-type: none">Filing season extended to end of September 2020Quarter 2 instalment deferred by 20% and 80% payable at the end of October 2020.Q1 & Q2 deferred payments will paid from October 2020 in 6 equal instalments up to the end of March 2021
Agriculture and fishing	CIT & IIT	
Gas (Small and Medium)	CIT & IIT	
Human health and social work activates (Small and Medium)	CIT & IIT	
Information and Communication	CIT & IIT	
Manufacturing of Food	CIT & IIT	
Road Freight and logistics (Small and Medium)	CIT & IIT	
Water supply; sewerage, waste management	CIT & IIT	
Wholesaler, Supermarket, Mini-supermarket, General Café, Greengrocer, Pharmaceutical and Medical Goods (Small and Medium)	CIT & IIT	
Public administration and defense; compulsory social security	VAT & Customs Duties	<ul style="list-style-type: none">Exemptions on goods imported for relief of COVID-19

Non Operational

Hospitality (Small, Medium and Large)	VAT & PAYE	<ul style="list-style-type: none">Deferral of April, May, & June PAYE & VAT payments,Deferred payments will paid from end of July, andApril, May & June arrears will be paid from July in 9 equal instalments to end of March 2021.
Arts, entertainment and recreation	VAT & PAYE	
Construction (Small, Medium and Large)	VAT & PAYE	
Education	VAT & PAYE	
Other Manufacturing (Small, Medium and Large)	VAT & PAYE	
Mining and quarrying (Small, Medium and Large)	VAT & PAYE	
Other sub-sectors in wholesale and retail trade not listed above (Small, Medium and Large)	VAT & PAYE	
Hospitality (Small and Medium)	CIT & IIT	<ul style="list-style-type: none">Filing season extended to end of September 2020Quarter 2 instalment deferred by 20% and 80% payable at the end of October 2020.Q1 & Q2 deferred payments will paid from October 2020 in 6 equal instalments up to the end of March 2021
Arts, entertainment and recreation	CIT & IIT	
Construction (Small and Medium)	CIT & IIT	
Education	CIT & IIT	
Other Manufacturing (Small and Medium)	CIT & IIT	
Mining and quarrying (Small and Medium)	CIT & IIT	
Other sub-sectors in wholesale and retail trade not listed above (Small and Medium)	CIT & IIT	
Hospitality (Large Taxpayers)	CIT & IIT	<ul style="list-style-type: none">Quarter 1 instalment is deferred by 40% and 60% payable at the end of June 2020,Quarter 2 instalment is deferred by 20% and 80% payable at the end of September 2020.Q1 & Q2 deferred payments will be paid from end of October 2020 in 6 equal instalments until March 2021
Construction (Large Taxpayers)	CIT & IIT	
Other Manufacturing (Large Taxpayers)	CIT & IIT	
Mining and quarrying (Large Taxpayers)	CIT & IIT	
Other sub-sectors in wholesale and retail trade not listed above (Large Taxpayers)	CIT & IIT	
Passenger Public Transport	SBT	<ul style="list-style-type: none">Remission of SBT payable during lockdown

Partly Operational

International Organisations and Non-Profit Organisations	SBT	<ul style="list-style-type: none">Exemptions on goods imported for relief of COVID-19
--	-----	---