



Serving You – Serving the Nation

Re Sebeletsa Uena – Re Sebeletsa Sechaba

30th November 2017

For immediate release

Changes in Customs Procedures and Payment of VAT at the Ports of Entry

Maseru, 30th November 2017: On the customs front, there are number of changes taking place which importers/exporters need to be aware of. The Lesotho Revenue Authority (LRA) shall continuously communicate these changes and the Taxpayers (Importers/exporters) in return are expected to align with the changes made to avoid unnecessary delays or negative implications that may come as a result of non-alignment.

The new changes that need importers/ exporters to align with are as follows:

1. VALID TAX INVOICES TO BE ACCOMPANIED BY PROOF OF PAYMENT

Importers, (Private Shoppers and Traders) wishing to pay import Value Added Tax (VAT) by surrendering valid tax invoices at the ports of entry are advised that with effect from 1st February 2018, tax invoices in excess of M10,000 should have proof of payment attached to the invoice. Proof of payment may include any of the following:

- POS slip;
- Payment slip/receipt;
- Bank deposit slip; and
- EFT payment slip.

Without proof of payment such tax invoices are to be considered insufficient and therefore shall not be accepted. The holder will then be asked to pay for import VAT at the port of entry before their goods can be released.

2. NOMINATION AND REGISTRATION OF AGENTS

Commercial importers and exporters have to register with SARS in order to access customs services. However in line with the Republic of South Africa (RSA) legal requirements, SARS is obliged to deal directly only with entities registered as Taxpayers in South Africa. This means only South African entities, duly registered as Taxpayers may directly access the automated customs services.

Foreign entities such as Lesotho traders have to appoint/nominate these registered entities to represent them in accessing SARS services including import and export. Any South African individual or registered company may make application to become a 'registered agent' to act on behalf of a Lesotho trader.

It is important to note that a 'registered agent' is not the same as the current licensed 'clearing agent' but a licensed clearing agent may also become a 'registered agent' upon approval of the application.

The procedure to register is as follows:

1. Obtain form DA 185 and DA 185D from SARS, LRA Website or LRA Offices at any of the major border posts (Maseru Bridge, Maputsoe Bridge, Caledonspoort, Van Rooyen's Gate and Qacha's Nek Gate);
2. Agree with a South African entity (registered) to act as your Registered Agent (The registered agent must accept the nomination made by the foreign principal and indicating which functions "importer, exporter" are to be fulfilled on behalf of the foreign principal);
3. Complete the form DA 185 and DA 185D;
4. Submit the completed forms to SARS offices and wait for the response;
5. The registration validity period is indefinite and no cost required;
6. The turnaround time is approximately 10 working days.

CHANGE	AFFECTED	ACTION	EFFECTIVE DATE
Invoices worth more than M 10,000 to be accompanied with a proof of payment.	Private Shoppers and Traders	Attach a proof of payment to an invoice.	1st February 2018
Goods bought on credit shall not be cleared under VAT Refunds Administrator's process (VRA); an invoice can only be accepted at the port of entry if payment for VAT has been made to the South African supplier	Private shoppers and Traders	VAT to be paid at the port of entry if goods were bought on credit.	1st February 2018
Only registered agents who are Taxpayers in RSA are to access SARS customs services	Traders/commercial	Nominate South African agent for representation (with SARS) on Customs matters	30th November 2017

-Ends-