

Customs Guidelines for Clearance of Goods

In accordance with the provisions of the Customs and Excise Act No. 10 of 1982, as amended, all goods and services imported into or exported from Lesotho are subject to Customs control.

Upon entry into and exit out of Lesotho, an importer/exporter is required to make a written declaration of goods and services regardless of their value. All goods are subject to examination by the LRA Customs. The declaration is made using official a declaration form that is used and accepted in whole of the Southern African Customs Union (SACU)¹ region. This form is known as a Single Administrative Document, commonly referred to as “SAD form”. All goods entering and leaving Lesotho should be declared fully, unreservedly and all documentation relating thereto should also be submitted with the SAD form as per section 14 of Customs and Excise Act No. 10 of 1982.

1 Importation into Lesotho

Imports coming into Lesotho arrive in two categories, that is, goods from within SACU (Intra-SACU goods) and goods from outside SACU (Extra-SACU goods). Extra-SACU goods are goods which originate from any country other than SACU member states. These goods are subject to Customs duties according to the Tariff Book (Harmonised System Code) and VAT at the rate of 14%, or 15% in the case of alcoholic beverages.

To facilitate quick passage through Customs, importers should, upon entry into Lesotho, attach all original tax invoices to the SAD form, that is the declaration form, for goods and services that have been purchased outside Lesotho.

It is important to note that the SAD form must be filled in respect of importation of both Intra-SACU goods and Extra-SACU goods.

1.1 Clearance of goods originating from outside SACU

1.1.1 Clearance Process

As outlined above, all goods originating outside SACU are subject to Customs duties which must be paid the LRA Customs at the border/port of entry upon arrival. When goods are being imported into Lesotho, the following have to be considered:

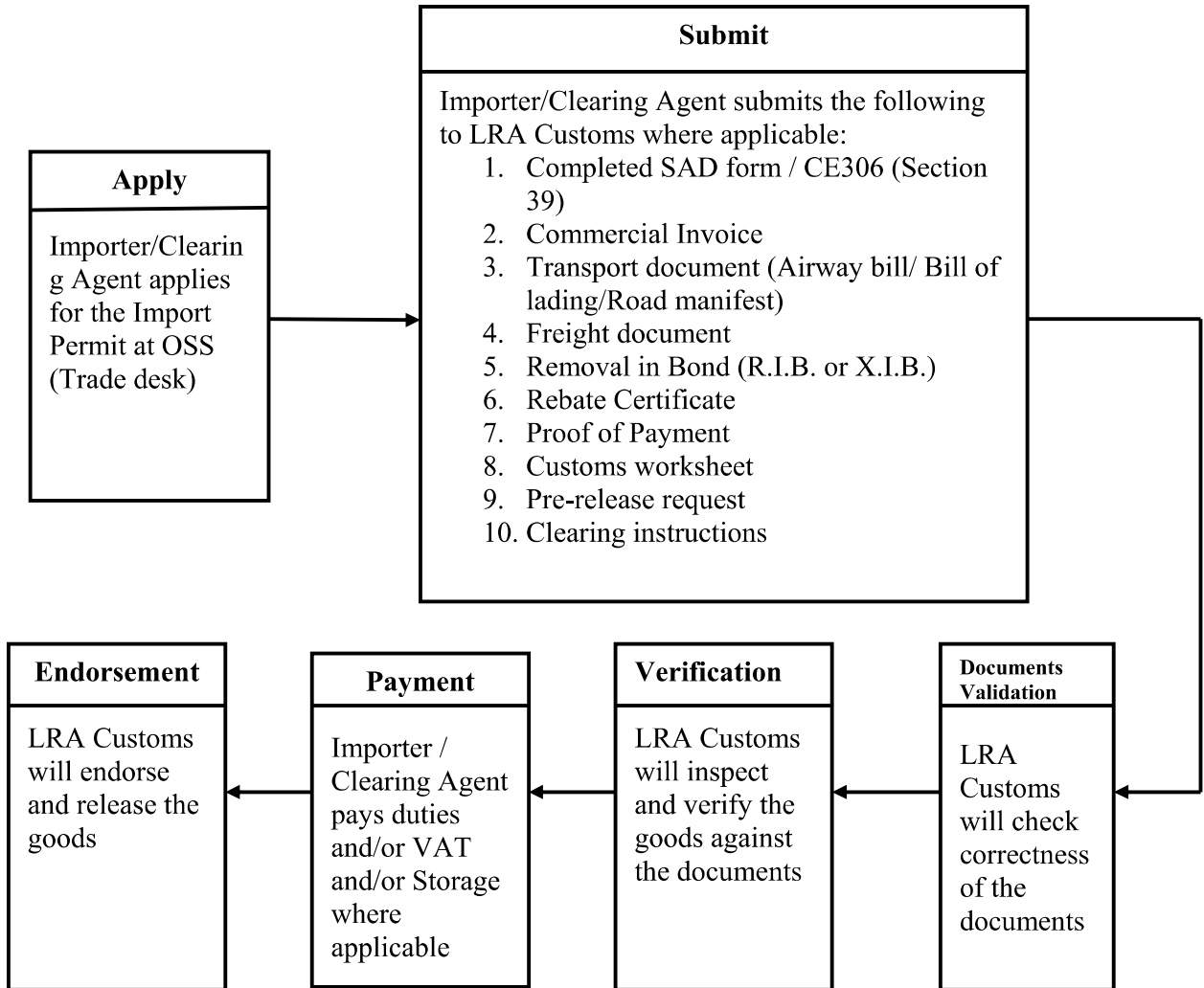
- Application of an Import Permit at OSS² (Trade desk).

¹ SACU members state are Botswana, Lesotho, Namibia South Africa and Swaziland

² One Stop Shop (OSS) is a joint office that comprises of the Ministry of Labour, Ministry of Home Affairs – Immigration, Lesotho Revenue Authority (LRA) – Export Clearance and Ministry of Trade, Industry, Cooperatives and Marketing (MTICM). It is located at the MTICM, LNDC along the Kingsway road in Maseru. The mandate of OSS is to facilitate trade, by providing services related to doing business in Lesotho at one point. LRA – Export Clearance specifically deals with export

- Customs duties are levied as per the rates in the tariff book.
- VAT is calculated at the standard rate on Cost, Insurance, Freight and Customs duty (CIF + Duty).

The following are guidelines for clearance process of goods bought from extra-SACU:



documents such as Movement Certificates for the good originating in Lesotho and also issues rebate certificates for the goods imported from Extra-SACU.

1.1.2 Pre arrival processing

It is also possible to submit importation documentation to the LRA Customs office at the State Warehouse or Maseru Railway Station before goods arrive. This process is referred to as the Pre Arrival –processing. In this case the documents are submitted and processed before the goods arrive. The examination / inspection will occur later on arrival of the goods.

1.2 Rebate of duty

Goods may be imported into the country under a rebate of duty. This means that such goods are not liable to customs duties. The rebate certificate is applied for before the importation and it is obtained from the OSS (Trade Desk).

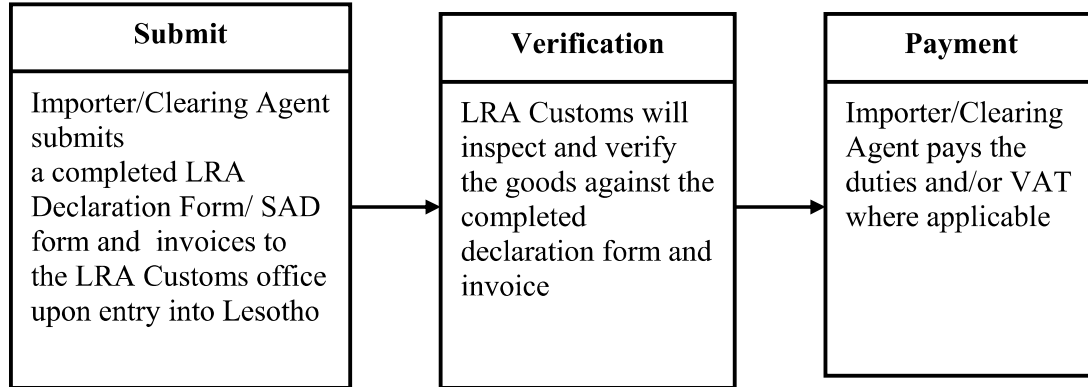
1.2.1 General exemption for goods of Extra SACU origin (for private use)

Passengers arriving by aircraft from Extra-SACU are granted full rebate of duties (except where specified otherwise) under rebate item 407.02 of Customs and Excise Act no. 10 of 1982 as follows:

DESCRIPTION	DUTY ALLOWANCE
1. Wine not exceeding 2 litres	Full duty
2. Spirituous and other alcoholic beverages not exceeding 1 litre (except beer)	Full duty
3. Manufactured tobacco not exceeding 200 cigarettes and 20 cigars 250 of cigarettes and pipe tobacco	Full duty
4. Perfumery not exceeding 50ml, toiletry water not exceeding 250 ml.	Full duty
5. New or used goods to a total value not exceeding M 3, 000.00	Full duty
6. Additions goods, new used, of a total value not exceeding M 12, 000.00	Full duty less 20%

NOTE: The above concessions apply to goods imported by immigrants, tourists, returning residents, and other passengers for their personal use. Specifically, they must be imported as accompanied passenger’s baggage. Anything exceeding the mentioned allowances is dutiable and taxable.

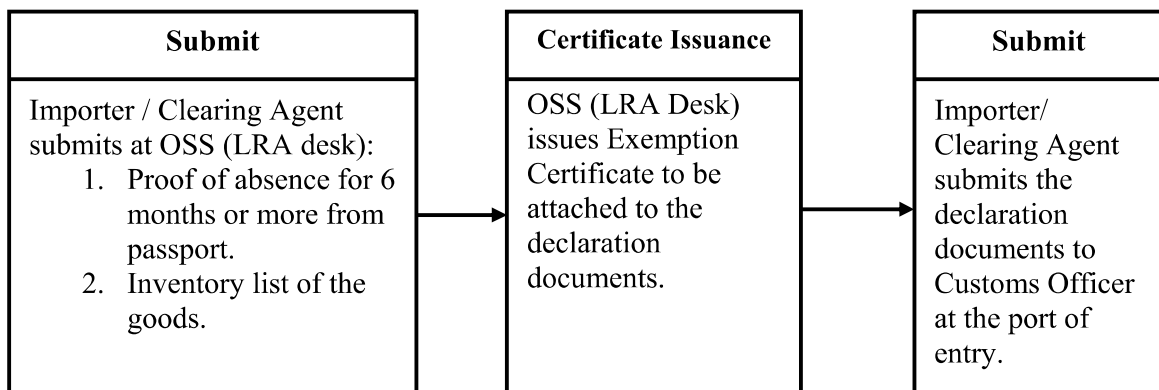
The following is the declaration process guidelines for accompanied passenger baggage:



1.2.2 Returning Residents

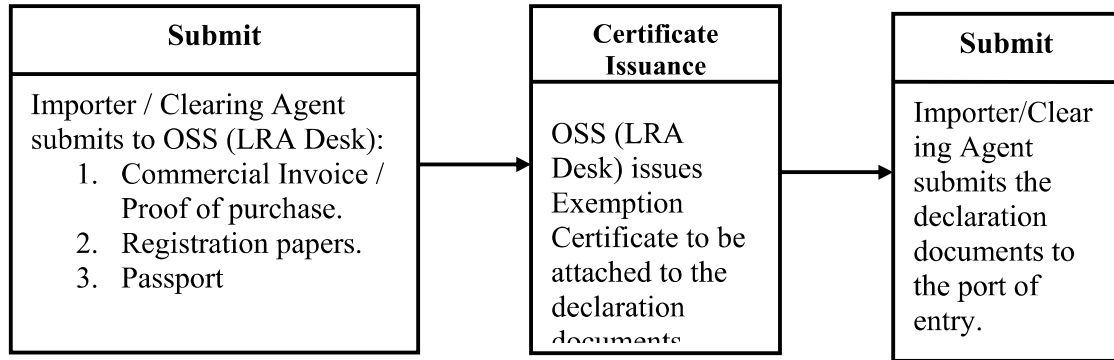
Residents returning to the Kingdom of Lesotho who have spent 6 months or more abroad (Extra SACU) qualify for rebate on household effects and other removable articles, including one motor vehicle per household, provided they were purchased and used for at least a period of 6 months prior to importation into Lesotho. This rebate or exemption is not applicable for returning residents who come from Intra SACU because customs duties do not in any case apply within Intra SACU. A similar rebate or exemption does, however, apply to returning residents coming from Intra-SACU under the VAT law.

The customs duties exemption referred to above includes equipment necessary for profession of a person **other** than industrial or commercial. After importation, this equipment (i.e. household effects) must be used by the importer for 6 months before it could be disposed off. The relevant declaration process is as follows:



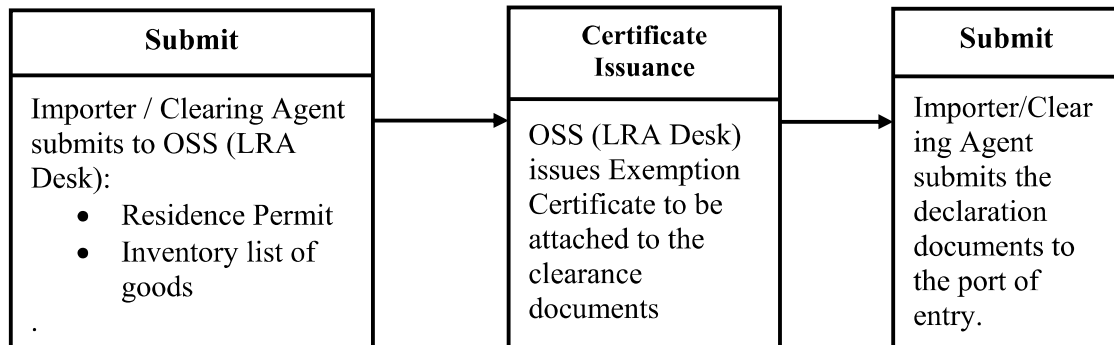
1.2.3 Returning Residents / Immigrants with Imported Motor Vehicle

An imported motor vehicle will also be privileged if imported by a person on change of permanent residence, provided it was owned for 12 months or more. This allows for one motor vehicle per family who permanently changes residence. After importation, the importer must own the vehicle for 24 months before it could be disposed off. The relevant declaration process is as follows:



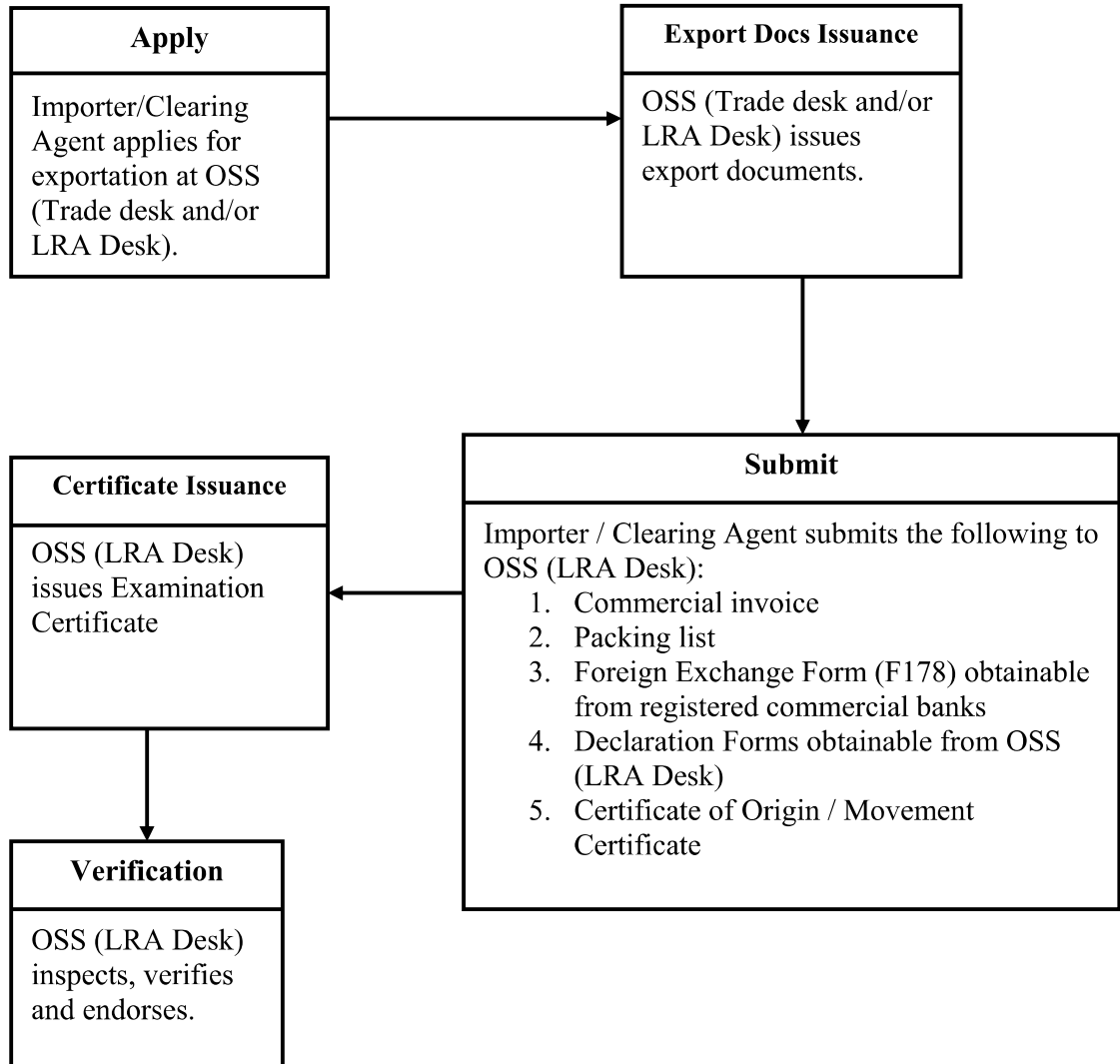
1.2.4 Immigrants

This refers to people who come into the Kingdom of Lesotho for various reasons such as work, study, etc. Such people qualify for rebates on household effects and other removable articles. This includes equipment necessary for profession of a person **other** than industrial or commercial. After importation, this equipment (i.e. household effects) must be used by the importer for the duration of his/her stay in the Kingdom of Lesotho. Should the equipment be disposed off, then customs duties and VAT must be brought to account. The relevant declaration process is as follows:



2 Exportation

The exportation from Lesotho requires certain procedures to be followed. The guidelines are as follows:



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.