

# Guidelines for Import VAT payment through tax invoices



**Lesotho Revenue Authority**

# 1. INTRODUCTION

## 1.1 Purpose

The purpose of this guide is to assist and advise Private Shoppers and Hawkers on:

- a) Use of VAT Invoice(s) as a method of Payment for Import VAT;
- b) Marks / conditions of a valid VAT invoice

## 1.2 Background

### 1.2.1 What is a VAT invoice?

**VAT invoice** is an invoice issued by a registered dealer / vendor to the purchaser, showing the amount of **Tax** payable on the supply.

### 1.3 Scope

The guideline provides information of valid VAT invoice that is approved as proof of VAT payment for imported goods.

## VAT Invoice sample

1 <b>Tax Invoice</b>				
2 Vendor Name	Invoice Number _____ 4			
3 Vendor VAT Registration #	Invoice Date _____ 5			
6 Vendor Postal Address	Customer Name	Customer Physical Address _____ 8		
7 Vendor Physical Address	_____ 6			
Item	Description	Quantity	Unit Price	Total Price
		Total Gross		
		VAT 15% _____		
		<b>Invoice Total</b>		10

### **1.3.1 Marks of a valid VAT invoice**

A valid Tax Invoice bears the following marks:

1. From VAT registered South African Vendor; i.e. bears a South African VAT Registration number which has 10 digits starting with 4 **only**
2. An **original** not a copy or scan
3. Bears the words "**Tax/VAT Invoice**"
4. Has a unique Invoice **Number**
5. Bears the Tax Invoice **Date**
6. Valid for **90 days** from the date of purchase to the import date
7. Indicates standard rate of **VAT charged** at 15% or the VAT amount equivalent to 15%;  
For values greater than M5,000;
8. The name of the Importer
9. Physical address of the Importer
10. Proof of export from SARS (SARS date Stamp/ CN1 &CN2)

## **2 CUSTOMS DECLARATIONS FOR PRIVATE SHOPPERS**

2.1 The value of individual imports subjected to the declaration process through ASYCUDA World System is M20, 000.

Customs officials from SARS reserve the right to refer hawkers / private shoppers to clearing agents should they consider the goods to be commercial (refer. For purposes of using tax invoice as a method of payment, hawkers/private shoppers are to make sure that such invoices bear SARS stamp as proof that the goods have exited South Africa.

## **3 REQUIREMENTS FOR GOODS WORTH M10, 000 AND ABOVE**

**Valid tax invoices should be accompanied by proof of payment made to the Supplier**

Importers, (Private Shoppers and or hawkers) wishing to pay import Value Added Tax (VAT) by surrendering valid tax invoices at the ports of entry are advised that, 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:

- Point of sale (POS) slip;
- Cash Payment slip / receipt/ stamped letter from the supplier
- Bank deposit slip; and
- EFT proof of payment.

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

#### **4 SHOPPERS IMPORTING GOODS INTO LESOTHO**

##### **4.1 If the value of goods is less than M20,000.00 but above M5,000.00 and the Tax invoice is correct:**

1. Complete the South African declaration process & obtain proof of export
2. Ensure that the SAD Form used at SARS complies with the indirect supplies standards (box 2 & box 8 should bear details of the importer or the nominated exporter agent)
3. To conform with bullet 2 above, the importer is supposed to first register for an exporter code from SARS using form DA185 and form DA185D to nominate the exporter agent
4. Complete the VAT Refund Form
5. Attach a valid Tax Invoice
6. Submit the package to the Customs Inspector at the border

##### **4.2 If the value of goods or services is M20, 000.00 and above:**

1. Complete the South African declaration process & obtain proof of export
2. Ensure that the SAD Form used at SARS complies with indirect supplies standards ( box 2 & box 8 should be the importer or the nominated exporter agent)
3. To conform with bullet 2 above, the importer is supposed to first register for an exporter code from SARS using form DA185 and form DA185D to nominate the exporter agent
4. Lodge the declaration through the ASYCUDA World System
5. Make payment based on the Assessment Notice
  - 5.1 Pay cash in the event of imported Service
  - 5.2 Submit the valid invoice in the event of imported goods
6. Submit the Road Manifest to Customs Inspector

Upon arrival on the Lesotho side:

- Importer **reports arrival** of goods at Customs Lesotho
- Customs may **conduct inspection** of goods
- Customs issues **Exit Note**
- Goods exit Customs controlled area

