



Serving You – Serving the Nation

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Re Sebeletsa Uena – Re Sebeletsa Sechaba

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For immediate release

## **Nomination of South African registered entities to represent Lesotho businesses in their dealings with SARS**

**Maseru, 23<sup>rd</sup> October 2017:** The Republic of South Africa through its revenue administration agency, the South African Revenue Services (SARS), has since 2012 been working on automating its border processes. One of the changes brought about by the automation is that **commercial importers and exporters have to register with SARS** in order to access services which are now automated. However in line with their 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.

All other foreign entities 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 “foreign principal.” This requirement applies to Lesotho businesses as well as all other countries South Africa does business with.

This therefore, means that all Lesotho businesses operating as importers of goods from South Africa to Lesotho should find registered entities or individuals in South Africa that are willing to enter into a contract in which the Lesotho business is the foreign principal while the South African registered entity is the agent. The agents will then request and access SARS services, including registering declarations as the exporter, on behalf on the Lesotho principal.

**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.

***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.***

All businesses not registered will face complications in exporting goods from South Africa. This is especially the case where such export will be indirect export (meaning tax will have been paid in South Africa and goods hauled by or on account of a Lesotho business). **In such instances, a valid tax invoice will no longer be accepted by LRA as a form of payment because incorrect export procedure would have been used and therefore cash will become due and payable immediately at the Lesotho border** before goods are released.

***NB. Nomination and registration of AGENTS should be completed by November 30th 2017.***

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