



**Revenue
Services**
Lesotho

**GUIDE ON RETURNING
RESIDENTS**

“Re Tjena Ka Uena”

Information Guide on Goods Imported by Returning Residents in accordance with Customs and Excise Act No. 10 of 1982 as amended.

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1. Abbreviations

ASYCUDA: Automated System for Customs Data

EFT: Electronic Funds Transfer

RSL: Revenue Services Lesotho

VAT: Value Added Tax

SAD: Single Administrative Document

SACU: South African Customs Union

VISA: Visitors International Stay Admission

2. Interpretations

“accompanied baggage” means all goods which a person has on or physically with him when processed through customs at the place of entry or exit through which the person enters or leaves Lesotho;

“bona fide” means in good faith;

“disembark” means when a person leaves a ship, aircraft or train;

“duty free shop” means a retail outlet whose goods are exempt from the payment of certain taxes and duties;

“non-resident” means a person or business that earns income in Lesotho but does not meet the requirements to be considered a resident for tax purposes, and therefore may be taxed differently;

“pro rata” means proportional distribution based on specific share or ratio;

“returning resident” means is a citizen or permanent resident of Lesotho who has spent a significant time living/working/studying abroad (typically 6 months to a year or longer) and is now returning to live in Lesotho permanently;

“tax free shop” means premises from where goods are sold in accordance with the tax free shop procedure, and includes any storage facilities on the premises; and

“unaccompanied baggage” means any items in the baggage of a person entering or leaving Lesotho that because of a delay in the travelling process, separate travelling arrangements or for any other reason were not or could not physically be with the person when the person is processed through customs at the place of entry through which the person enters or at the place of exit through which the person leaves Lesotho;

3. Introduction

3.1 Who is a returning resident?

A returning resident is a citizen or permanent resident of Lesotho who has spent a significant time living, working or studying abroad (typically 6 months to a year or longer) and is now returning to live in Lesotho permanently. In terms of the law, returning residents shall be eligible for customs duty exemptions on personal items provided they meet specific criteria, including proof of overseas residency and completion of employment or studies.

3.2 Problem statement

Returning residents, particularly those affiliated with embassies, high commissions, and consulates, often misunderstand the regulations governing rebated goods. Many assume that all their belongings, including excess baggage, are automatically exempt from customs duties and VAT, failing to recognize the legal limitations on which goods qualify for rebates. Additionally, there is a common misconception that the government is responsible for covering the costs associated with their excess goods, including any storage fees incurred due to detainment for non-payment. This misunderstanding leads to unnecessary disputes and financial liabilities.

3.3 Purpose

The purpose of this guide is to provide clearer guidance and education on customs regulations for returning residents. A returning resident's guide further provides clear and practical solutions that minimise confusion, save time and money, and help residents comply with requirements under Customs and Excise Act (1982 as amended), ensuring a smooth and hassle-free transition back home.

In terms of customs tariff, rebates are categorized based on the class of people and the type of goods. This guide will therefore focus exclusively on rebate item 407.00 and detention process in case of non-compliance and ultimately release upon payment of customs duties and taxes.

The following table details goods that are rebated from customs duties and import VAT:

407.01 Personal effects, sporting and recreational equipment, new or used

These items must be exported by residents of Lesotho for their own use while abroad and subsequently re-imported either as accompanied or unaccompanied passengers' baggage by such residents. This rebate shall only be permitted provided:

- The goods can be identified as being the same goods which were exported from Lesotho.
- And in the case of unaccompanied baggage, it is re-imported up to 30 days before the arrival or within 90 days from the date of arrival, of a resident of Lesotho.

407.02 Goods imported as accompanied passengers' baggage, including goods obtained at a licensed duty and tax free shop either by non-residents or residents of the Lesotho and cleared at the place where such persons disembark or enter Lesotho.

New or used goods, of a total value not exceeding M5, 000.00 per person is rebated full duty. Additional goods, new or used, of a total value not exceeding M20 000.00 per person will be charged at 20% while normal rate will apply in excess of M20,000.00 per person.

The following shall be permitted at full duty rebate:

- Wine not exceeding 2 litres per person.
- Spirituous and other alcoholic beverages, a total quantity not exceeding 1 litre per person.
- Cigarettes not exceeding 200 and cigars not exceeding 20 per person.
- 250g cigarette or pipe tobacco per person.
- Perfumery not exceeding 50 ml and toilet water not exceeding 250 ml per person.

Exceptions:

The rebate shall not apply to the following:

- Returning residents entering the country by road and those that are within SACU. Returning residents entering the country by road will be liable to pay customs duties and import VAT if such duties were not paid upon arrival in South African airports. In a case where duties were paid on such goods returning residents will be required to pay only VAT upon arrival at Lesotho borders.
- The rebate duty specified in this item may, with the exception of tobacco and alcoholic products, be claimed by children under 18 years of age, whether or

not they are accompanied by their parents or guardians, provided the goods are for use by the children themselves.

- Fire-arms acquired abroad or at any duty-free shop and imported by residents of Lesotho returning after an absence of less than 6 months.

407.04 Motor vehicles imported by natural persons on change of permanent residence

The rebate of duty specified in rebate item 407.04 shall only be allowed once per family during a period of 3 years.

The vehicle in question shall not be deemed to be personally owned and used personally by the returning resident unless such returning resident was, at all reasonable times, personally present at the place where the vehicle was used by him.

The returning resident shall be deemed to have used that vehicle from the date on which he took physical delivery of the vehicle until the date on which the vehicle was delivered by him to the shipper or the agent for the purpose of shipment or dispatch.

Where a vehicle is imported on its own wheels the date of shipment or dispatch shall be the date the vehicle leaves the country where it was so owned and used en route to Lesotho.

One motor vehicle per family should be imported by a natural person for his/her own possession on the following conditions:

- The motor vehicle to be imported has been on his/her possession for a period of not less than 12 months prior to his/her departure to Lesotho.
- If a motor vehicle imported is less than a period of 12 months in his/her possession before departure to Lesotho duties will be calculated on pro rata basis.
- The motor vehicle should not be leased, hired, advertised, lent, exchanged, sold or otherwise disposed of within a period of 20 months from the date of entry.
- The returning resident shall, if absent for a continuous period of longer than 3 months from the place where the vehicle is usually used in Lesotho, not be deemed to have imported the vehicle for his personal or own use, and the duty as determined by the Commissioner General shall be payable from the date of such absence.

407.06 Household effects and other articles for own use

This rebate item covers household furniture, other household effects and other removable articles, including equipment necessary for the exercise of the calling, trade or profession of the person, other than industrial, commercial or agricultural plant.

Exclusions include motor vehicles, alcoholic beverages and tobacco goods, the *bona fide* property of a natural person (including a returning resident of the Lesotho after an absence of 6 months or more) and members of his or her family, imported for own use on change of his or her residence to the Lesotho: Provided these goods are not disposed of within a period of 6 months from the date of entry.

4. Required Documents

Returning residents to **Lesotho** need to provide specific documents to facilitate a smooth entry and process their belongings, especially for customs purposes. The documents generally required include:

4.1 Passport

- A valid passport that proves the returning resident's citizenship and identity.

4.2 Residence Permit or Proof of Residency Abroad

- Documentation proving that returning residents were residing abroad, such as a residency permit, Visitors International Stay Admission (VISA), work permit or study permit. This helps establish their status as returning residents.

4.3 Packing List/Inventory of Goods

- A detailed list (inventory) of personal belongings and goods returning residents are bringing back. This includes all household items, vehicles, and other personal effects.
- **NB:** The inventory should be clear and match the items returning residents declare to RSL.

4.4 Customs Declaration Form

- A completed **customs declaration form (Single Administrative Document-SAD)** listing all goods subject to customs duties or tax rebates.
- This form is available in the Automated System for Customs Data (ASYCUDA) and returning residents must unreservedly, declare all goods brought into Lesotho.

4.5 Proof of Employment or Termination, studying or living/visiting (if applicable)

- If returning after diplomatic service, provide proof of termination of employment or official posting abroad, such as a **letter of employment** or termination notice from the employer (embassy, international organization, etc.). if studying, a study permit shall apply and if visiting VISA shall apply.

4.6 Bill of Lading or Shipping Documents

- If returning residents are shipping goods back to Lesotho, returning residents will need a **bill of lading** or **road manifest** to prove the ownership and content of the goods being imported.

4.7 Import Permits for Specific Goods (if applicable)

- Some goods may require additional permits to import into Lesotho, such as firearms, vehicles, or restricted items.
- For vehicles, returning residents should ensure they have documents proving ownership abroad, such as the vehicle registration certificate or title document.

4.8 Tax Clearance Certificate (if applicable)

- Depending on the value of goods or business dealings abroad, a **tax clearance certificate** may be required to confirm that returning residents do not owe taxes or duties.

4.9 Exemption Certificates for diplomatic or returning residents (if applicable)

- If returning residents are entitled to **customs duty exemptions** due to diplomatic service or other legal provisions, they may need to present exemption certificates or relevant documentation that qualifies them for these benefits.

4.10 Proof of Residency in Lesotho (if applicable)

- If returning residents previously held residency in Lesotho before moving abroad, they should provide documentation such as utility bills, lease agreements, or a letter of residency from local authorities.

4.11 Vehicle Documents (if importing a vehicle)

- If returning residents are bringing a vehicle back with them, they will need:
 - Proof of ownership (title or registration)
 - Any customs or import clearance documentation for the vehicle.

5. General Recommendations

- Prepare copies of all essential documents for customs or border control agents.
- Consult RSL beforehand for any updates or changes to documentation requirements.

6. Application for tax exemption

The returning residents are required to engage the services of a licensed customs clearing agent for the processing of exemption and further release of the goods.

7. Detention Process

Goods imported by returning residents and qualify for rebate shall be cleared at a port of entry and released to the owner once all requirements are met;

Where the returning resident is unable to clear goods and pay taxes on excess goods within thirty (30) days from the date the goods are deemed to have been imported, the goods will be detained;

A detention form detailing the goods to which detention relates, the date and reasons for detention shall be processed and signed by RSL officer and the owner of goods;

The goods will then be removed to the State Warehouse;

Upon arrival at State warehouse, RSL officer will check goods against detention form and then allow storage where goods reconcile with documents;

Storage fees will be charged starting from the first day goods enter the state warehouse.;

The owner of goods shall be notified of the expiry of 90 days and decision by the Commissioner General

Detention of goods may however be terminated if:

- (a) the grounds for the detention of the goods is no longer relevant;
- (b) the Commissioner General decides not to seize the goods;
- (c) no action is taken within thirty days (30) from the date the goods are detained;
- (d) the goods are detained in error;
- (e) a court so orders; or
- (f) before a period of thirty days expires.

The goods shall before expiry of thirty (30) days be seized by the Commissioner General,

The owner of goods may however apply to the Commissioner General to terminate seizure.

Where the Commissioner General approves the application to terminate seizure, the owner of goods or the applicant shall pay-

- (a) any outstanding tax, interest on tax and administrative penalty that may be payable on or in respect of the goods; and
- (b) any expenses incurred by the Commissioner General in connection with the seizure, and any initial detention of the goods.

If the goods are not cleared within three months (90 days) after their removal to the State Warehouse, goods be

- (a) destroyed;
- (b) sold by public auction;
- (c) donated to charity organisations; or
- (d) disposed of by any other means as the Commissioner General may determine.

7.1 **How to determine storage fee**

The storage fee is determined by number of days the goods are stored multiplied by M10.00 or M33.00 and gross mass/weight of goods divided by 100.

7.2 **Example**

Taxpayer's good have been stored for 20 days. Storage fee for 1 day to 14 days is calculated by multiplying the number of days stored by M10.00 by gross mass or weight of goods (1000) divided by 100

$$14 \text{ days} \times 10 \times 1000 / 100 = \text{M}1,400.00$$

Excess of 14 days multiplied by M33.00 and by gross mass or weight of goods divided by 100

$$\text{Excess } 6 \text{ days} \times 33 \times 1000 / 100 = \text{M}1,980.00$$

The storage fees should be paid at the state warehouse.

8. **Methods of Payment**

Payments can be made with the Revenue Services Lesotho (RSL) e-Payments platform using mobile money (EcoCash and M-Pesa). The platform is accessible online through the RSL website and by mobile phone. Banks can also be used to make payments.

- 8.1 Online payments can be made through mobile Money (EcoCash & M-Pesa) using e-Payments platform accessible on RSL website: <http://www.org.ls>>E-Services>>e-Payments>.
- 8.2 Payments using mobile phone applicable to M-Pesa only can be made by following these steps: Dial *200# – 1. M-Pesa services – 5. Payments – 9. RSL Payments and follow the rest of the steps to make payments.
- 8.3 Payments can also be made physically and through Electronic Funds Transfer (EFT) Online or electronic payments that are provided by the commercial banks, mainly:
 - Standard Lesotho Bank,
 - Nedbank Lesotho, and
 - First National bank
 - Lesotho Postbank (VAT only)
 - RSL banking hall (available only in Maseru)

Proof of Payment (POP) for tax payments, whether made physically at the bank or through EFT, bank APPS, mobile banking should no longer be sent to receipts@rsl.org.ls, as this email is no longer in use. Instead, POP must be uploaded to the e-Payments platform.

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