



**Revenue
Services**
Lesotho

**Guidelines to Business and General Public on Environment (Plastic Levy)
Regulations 2022**

(A) General

In 2022 the Government, through Environment Regulations passed by Parliament, introduced the charging of levy on certain plastic products used in the Country. The regulations indicate which plastic products can be manufactured, imported and ultimately distributed in Lesotho. These Guidelines spell out the responsibilities of one of the key role players and businesses that supply plastic products. The Guidelines also inform the public, which in turn is expected to collaborate and comply for effective and efficient administration of the Plastic Levy Regulations.

(B) Registration and Importation Requirements

(i) Registration with the Director of Department of Environment (DDE)

Every manufacturer, wholesaler, retailer or business that intends to provide plastic shopping bags must register under the Environment (Plastic Levy) Regulations 2022. Registration provides the requisite permit. It is only once registered that the manufacturer, wholesaler, retailer or business can then be able to supply or distribute plastic shopping bags at a charge to customers at the point of sale.

Note that the Commissioner General of Revenue Services Lesotho (RSL) will, by default, register all those who have been issued with a permit by the DDE. The RSL will then use its register to follow up on all levy compliance related issues.

(ii) Importation of Plastic Bags

On importation, the importer or supplier of plastic bags shall produce the permit granted by the DDE, which permit is an authorisation to deal with plastic bags. It must be noted that **NO** plastic levy is payable by the importer or supplier at the point of importation or entry into Lesotho.

(C) Compliance Requirements

(i) Charging the Levy to Customers

In terms of the law, plastic levy of ninety Lisente (90 cents/M0.90) shall be charged to a customer who wishes to be provided with a plastic bag at the point of sale. **Note that plastic levy is a form of tax and therefore there is no VAT charged on the plastic levy. The 90 Lisente is payable on each plastic bag supplied to the customer¹.**

(ii) Filling the Levy Return

On or before the 20th of the month following the month in which the plastic levy was charged and collected from the customer, the supplier shall file a return of plastic levy on the form prescribed by the Commissioner General of RSL.

(iii) Remitting/Paying the Levy to RSL

On the day the plastic levy return is due, as in (ii) above, the supplier will pay to the RSL all the levies collected for the levy return period/month. The following are ways in which the levy will be paid; ***Cash, Electronic funds Transfer (EFT), Point of Sale (POS), Bank Deposit, or M-pesa and Ecocash through RSL e-Payments platform or Standard bank UNAYO.***

RSL website (www.rsl.org.ls) has full guidance and full information on how to utilise these methods of payment.

¹ . It is to be noted that registered suppliers are not charged levy on plastic shopping bags purchased as stock or for resale.

(iv) Keeping Records

For a period of three years, suppliers of plastic shopping bags must maintain accurate records of the plastic shopping bags produced, imported, sold, used for personal use and those that are in stock.

(D) Non-Compliance Penalties

(i) Seizure and Confiscation of Materials

Non-compliance can result in seizure and confiscation of irregular plastic materials and in criminal charges that may result in imposition of fines and/or imprisonment sentence. Specific penalties are outlined in the regulations.

(ii) Failure to file (penalty as in VAT Act)

Failure to file plastic levy return by the due date attracts a penalty of 22% per twelve month or part of twelve months of the value of the levy payable.

(iii) Failure to remit (penalty as in VAT Act)

Failure to pay or remit plastic levy attracts a penalty of 22% per twelve month or part of twelve months of the unpaid or outstanding levy.

(iv) Failure to keep records (penalty as in VAT Act)

A supplier or business that fails to keep proper records is liable to penalty equal to double (200%) of the levy payable.

(v) Obstructing Officials

Compliance is monitored through regular inspections and audits by the RSL officers and Environmental Inspectors. Businesses are expected to cooperate fully during the inspections. A person who obstructs officials while performing their duties may be prosecuted in the courts of law and if convicted, will be fined not less than M5000 or imprisoned or both.

(E) Further Information and Enquiries

(i) *Levy and RSL Related Issues*

RSL provides guidance and support for meeting the requirements. You can contact RSL either on info@rsl.org.ls or through a direct toll-free number on +266 8002 2009/ WhatsApp 6221 0090 for assistance.

(ii) *Plastics and Department of Environment Issues*

You can contact Director of the Department on +266 58849056

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Disclaimer

These Guidelines are for general information only and have no binding legal authority. For any queries, you may contact RSL for further assistance and guidance. Please take note that it is your obligation to verify independently any matters dealt with in these Guidelines from primary sources of information and by taking specific professional advice, should it be necessary. RSL 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 these Guidelines.