

October - December 2010  
Issue 2

# MOKHAFI

The official Newsletter of the Lesotho Revenue Authority

*The Taxpayer*



**LRA staff reaches out to the needy**

**LRA Represented at the 2010  
WCO Council Sessions**

**LRA Implements Reengineered  
Business**

**OBE... (The one eyed Monster)**

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## Editorial comment

Editor: Pheello Mphana



Once again it's a pleasure for me to unveil the 2<sup>nd</sup> edition of Mokhafi, a publication that is intended to educate, entertain and provide necessary information that can help improve cooperation and collaboration between the Authority and its various stakeholder groups. Due to the ever changing environment in which we operate, it is quite important for organizations such as the LRA to keep up with latest changes and trends in order to stay relevant. It is only those organisations that are incessantly evolving that are to survive.

You will notice as you flip through the pages that a lot has been happening within the LRA. The organization is currently focusing its energy on renewing/re-engineering its business processes in ensuring that our procedures and systems are efficient and effective; taxpayer information is easily accessible and that our processes are indeed taxpayer friendly. Change by default comes with new ways of doing things hence the importance of embarking on training. We present to you a number of articles that are specifically focusing

on training undertaken throughout the last quarter. There is a need for organizations to join forces in order to succeed. We therefore present articles on cooperation and collaboration initiatives entered into between the LRA and other strategic partners.

The LRA as a corporate citizen has embarked on a number of social responsibility projects and we have reported on some of these initiatives. This publication also carries an article on international and regional customs development projects that are aimed at improving services rendered to taxpayers. Zero tolerance to corruption in all its forms is not just a catchy phrase but a total commitment and a way of life within the LRA circles. We present an article that touches on efforts embarked upon to root out corruption within the Authority. There are plenty more that will provide you with necessary tax related information and we hope you will enjoy reading this publication as you did with our 1<sup>st</sup> edition.

*We wish you blessed  
festive season and a  
Happy New Year*

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# From the Commissioner General's Desk

We are once again delighted to welcome you and we truly appreciate this great opportunity of communicating to you through this corporate publication that is intended to narrow communication gaps and improve cooperation and collaboration between the Authority and all our cherished stakeholders.

We have now past half year mark and surely there must be some indicators showing whether we are still in the right direction in as far as meeting some of the objectives we have set at the beginning of the year. We knew from the outset that it was not going to be an easy ride; there will be challenges and few hurdles to jump here and there hence we had to put in place strategies intended to respond to such challenges.

There is so much happening within the LRA as a result of changes taking place within the environment in which we operate. Things are changing thick and fast around us and we cannot just sit back and hope for a miracle. We subscribe to an idea that “you either progress or regress” hence we have committed to a journey of continuous improvement and renewal in order for our operation to stay relevant. The LRA of today is not going to be the same few years to come since the expectations and demands are also not going to remain as they are today. Change is inevitable, it is therefore important to adapt fast and search for opportunities that emerge. There are great challenges lying ahead but every challenge comes with a new opportunity.

We are currently implementing nine re-engineered business processes under a project called Serumula. The implementation started in July this year and is expected to be completed in March next year. We are not going to stop there, but

we shall continue to improve our processes and procedures in an effort to modernize our systems with the ultimate goal of improving general services we provide to the taxpayers.

Our mandate as an organization is to collect revenue on behalf of the Government of Lesotho. We are therefore duty bound to ensure that we perform this mammoth task to the expectations. As I said before, we need to sustain and improve our performance in revenue collection, as we know that beyond the infrastructure and support to all public services provided, there are many people whose livelihoods depend entirely on what we do. This is what gives our work a bigger purpose beyond just collection of revenue.

As we embark on this journey that is characterized by uncertainty and unpredictability we have no option but to re-organize ourselves. The changes in the environment compel us to retrospect and re-focus. Clearly, what we envisage as a future organization that can better serve the ever-changing needs and demands of the dynamic clientele that we serve; is a revenue administration that is characterized by integrity, innovation and service excellence. In that way we are optimistic that we would be in a better space to fulfill our promise to the nation; of serving them diligently. The Basotho nation deserves to be served with dignity, respect and compassion. We have committed resources in developing human capital. We can only realize our vision if we have a capable and motivated workforce as well as efficient and effective business processes.

Over the past years we performed well in revenue collection. There are many factors that could be attributed to it. However, the most outstanding one is the level of cooperation we have had with majority of taxpayers



and other relevant stakeholders and partners. During this quarter alone, we have entered into a number of partnerships with some key stakeholders. We shall continue to sustain and build new relationships because we believe in strong and sustainable relationships with our stakeholders. Such efforts we believe, shall ultimately lead to voluntary compliance from all our taxpayers.

We have now started to see some positive signs of economic recovery. However, the economic situation is still shaky, which makes it even more challenging for the LRA to fulfill its mandate for the betterment of all hence the need for all to comply with tax obligations. We shall continue to intensify our taxpayer education in our endeavour to ensure that our taxpayers are aware of their obligations. We shall also continue to intensify our enforcement on non-compliance and ensure that no-one is ever disadvantaged for complying with tax laws. It is our primary responsibility to ensure that all taxpayers pay their fair share of taxes.

*I wish you the best of luck in whatever initiative you are engaged in and hope that in working together we will be able to raise enough revenue that can be used to fund public goods and services.*

**Thabo Letjama**  
**Commissioner General**



# LRA

# staff reaches out to the needy

By Staff Reporter

Reaching out is a virtue that a gifted person may possess. It is an art of voluntarily rendering your help to others even in your own simple way. September 18 2010 could be well viewed by the LRA community and the entire Basotho nation especially a community of Ha- Makhoathi as a turning point in many aspects. Since its establishment in 2003 the LRA was for the first time involved in a meaningful charity work intended to change lives of the needy for the better. Just to add cherry on top; this gracious and selfless initiative was initiated by members of staff. This is in line with the Authority's Corporate Social Investment Policy that has recently been adopted by the LRA and the Public Relations Unit was merely playing a leading role.

Offering aid and charity to the poor, orphans and the needy, is one of the ways in which the LRA seeks to contribute towards improving quality of life and building a better future for all. There is an old saying that "the more you give, the more you receive". This is really a true perspective, which became part of many people's principles. This may be interpreted inappropriately as an act that is waiting for an exchange. But, the appropriate notion would be that giving is a voluntary act that should not aim to be reciprocated. The real importance is the mere fact that you want to give willingly, with no thoughts of asking something in return. This concept implies that if you willingly give something out of love you are destined to receive God's blessings.

The move by the LRA staff to eventually extend a helping hand to St. Leo Primary School at Ha Makhoathi followed an application for assistance by the latter which very fortunately coincided with staff resolution to embark on charity work as a way of celebrating the annual LRA Day celebrations. Donations started to tickle in as early as August 2010 and gathered a momentum from the 15<sup>th</sup> September 2010 following a serious

campaign by organizers. The campaign entailed that members of staff would come to work dressing in particular way and mostly clownish, and would then assemble at a designated place where donations will be collected.

The three days (15<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup> of September) leading up to official handing over of donations to beneficiaries saw an influx of variety of donations that came from all angles within the LRA. They included variety of groceries and clothes. Without doubt the campaign was extremely successful and the organizers themselves were puzzled by the response. All the donations came straight from employee's pockets which was indeed a remarkable endeavour.

On the 17<sup>th</sup> September 2010, a day that preceded the handing over, members of staff also took some time out to go to Ha Makhoathi to help revamp the old classrooms of the aforementioned school. The refurbishment work included wall painting, replacing broken windows, changing door locks, fitting new doors, partitioning and creating new offices and a store room, filling up cracks on the floor and on the wall, fitting floor tiles and erecting a canopy for a cooking area.

While some were busy shaping things up in the classrooms, others were hard at work cultivating crops for the children, so it was indeed an eventful week for the entire staff of LRA. Their objective was simple they wanted to leave behind a positive contribution that will change the lives of the beneficiaries for the better.

The main goal was to ensure that the beneficiaries can at least live in a happy place, where the emptiness they felt inside themselves can be fulfilled, although not wholly but the important thing is they can feel that they are important too, and that they deserve to live a happy life. The LRA provided full uniform to 35 orphans while other destitute children benefited from variety of clothing provided by staff.

This kind of contribution may look like a drop in the ocean given the huge number of orphans and destitute children in the country which is largely exacerbated by the scourge of HIV/AIDS pandemic. All over the world, there are millions of poor children and orphans whose survival is made possible through the generosity of others. Thousands of children in Lesotho continue to live as orphans; and cases of extreme poverty





abound. Under all these circumstances, charity and donations become invaluable.

Fortunately, there are some good Samaritans who commit their time, energy and resources to look after children that are in need. In this particular case Mrs. Theresia Tlhabeli volunteered to look after the orphans and other impoverished children attending school at St. Leo Primary school. As a guardian she has dedicated her precious time and scarce resources to improve their lives and continues to seek assistance from organizations and individuals. She has a strong support in Mrs. Nelly Sophonia who is a principal of the school.

Due to the magnitude of the problem 'Me Theresia cannot manage on her own, she needs support of other people who are willing to render their help hence the involvement of the LRA staff. She does all she possibly can to provide the

basic needs of the children such as food, clothing as well as love and belongingness. Some of them are still confused about themselves because they cannot figure out the reasons why they have no family at all, and why they are different from the majority of children who are living with their families.

However, as a result of increasing poverty which has resulted in difficult living conditions for thousands of destitute children, there has been a growing need for charity organizations. The situation has also culminated in the proliferation of fake organizations. These are usually support groups or organizations who claim to solicit aid on behalf of the poor, orphans and the needy and that has led to some kind of reluctance on number companies and individuals to come on board.





# Obe....

## (The one eyed monster)

By Moneuoa Kopo

***“It is like a pig, it is one eyed and that eye looks like that of a cow...take spears and let's go kill it”***

These are the words of a song by Dr. Joshua Pulumo Mohapeloa, *Obe!!!* The younger generation may know it as a Sankomota song. From whichever generation one may come from, one thing is clear, Obe is a monster that has to be killed. This song talks of a one eyed monster which is neither a pig nor a cow but has features of both these animals. The song then goes on to invite the community to take up arms and go kill this monster. In the Sankomota version of the song, Obe is crime but mostly violent crime. In his hoarse voice, the lead singer Tšepo Tšola refers to violent crimes of robbery and murder. Obe can still be corruption which may even have far more reaching consequences than violent crime. It may be committed by those in white collar shirts and Black ties (and even skirts and slacks) and its consequences are huge.

We know how Obe looks like (thanks to the innovative skills of Dr. J. P. Mohapeloa). We can even say these days we even know how *Koalepe* looks like (thanks to the urban folklore or legend). However, do we know how corruption looks like? Can we immediately identify corruption when we see it? What is corruption? When one looks

at the Prevention of Corruption and Economic Offences Act<sup>1</sup>, there is no doubt that corruption encompasses almost all the economic offence under the common law or what can be termed offences of a dishonest nature. Fraud is corruption, forgery is corruption etc. However, to avoid turning this article into a law essay it is best to show the face of corruption through the cases that have passed through the courts of law emanating from the Lesotho Revenue Authority. These cases will be biased towards the incidences that have been perpetrated by the employees to also show the zero tolerance stance the Authority has taken.

A former employee of the Authority, appeared before the Magistrate court, charged with two counts of contravening section 85 (1) of the Customs and Excise Act<sup>2</sup> and Fraud. The facts of this case stood thus;

The accused presented to the Authority for customs purposes (declarations and payment of duties and taxes) an invoice showing that a Hyundai Trajet was bought from a Auto Dealer in Durban for R 19,802.00 and the invoice was issued out to a Motor Dealer in Maputsoe Lesotho. This was actually false

as the said Motor dealer in Maputsoe had never had such a vehicle in stock.

To be able to secure a loan with a Financial Institution in the country, accused further concocted an invoice to the effect that a Motor dealer in South Africa sold her the Hyundai Trajet vehicle of the same particulars for M 51, 900.00.

Accused pleaded guilty to the charges. She was later sentenced to pay a fine of M 1 000.00 or 10 months imprisonment in both counts half the sentence was suspended.

In the second case, one South African citizen together with a former Authority employee appeared before the court charged with contravention of section 82 of the Customs and Excise Act as amended and section 81 of the same Act respectively. The facts of this case stand thus;

He then did not declare his luggage. The Authority employee, as the Customs officer, entered into an agreement to remove the bag without any declarations being made in exchange for some payment.

**A South African Citizen, landed at Moshoeshoe 1 International Airport carrying a bag full of drugs categorised as follows by the health department;**

Product name	Strength	Unit Pack	Quantity
Azithromycin	500mg	3	102 x 3
Esomeprazole	10g	10	49 x 10
Clopidogrel	75mg	10	34 x 10
Tadalafil	100mg	4	4804 x 4
sildenafil	20mg	4	105 x 4
Senegra (sildenafil)	100mg		1192 x50

On the 02<sup>nd</sup> day of August 2010, the case was heard by the magistrate who returned a verdict of guilty. The Authority employee was sentenced to pay a fine of M5000.00 or 2 years imprisonment and her co accused to pay a fine of M28 000.00 or 2 years imprisonment.

It is worth noting that the officer assisted in letting the bag pass and removed it in contravention of the Act without even knowing what the contents of the bag were.

These ladies and gentlemen are the face of corruption

What could be the impact of both these cases?

- Some drugs, potentially harmful, could have found their way into the hands of the minors, the future of this country.
- The revenue that was to go to the government was lost and only ever recovered through much more expensive means.
- Loss of confidence by the taxpayers who may have been witness to this incidence
- Societal moral degeneration
- Wrong information

about the tax affairs of other businesses and therefore more costs in chasing the revenue that is wrongly attributed to another. (A motor dealer in Maputsoe was fraudulently made the importer)

This is just a small list of the effects of corruption. One lady once said “the accomplice to the crime of corruption is usually our own indifference” If corruption is out to get rid of our morality and wellbeing, everyone, men, women and children, should get up and fight it. It is a Monster. We have to take up arms and fight it.

One way to lend a hand is by calling this **toll free number 80022008 if you see any suspicious activity**

# Understanding a process of determining customs value

## -Valuation methods-

It is imperative that a process of determining the customs value is clearly understood by all, as that would help fast track declaration processes at the ports of entry. The Lesotho Revenue Authority (LRA) has published on its website a document, called the **LRA Customs Public Ruling** that clearly explains valuation methods. This document is intended to provide guidance on the valuation of imported goods for customs purposes. The ruling particularly focuses on the determination of the customs value under the transaction value primary method when goods are imported into Lesotho. Customs value is determined through different customs valuation methods namely:

- The Transaction Value method
- The Transaction value of Identical goods
- The Transaction Value of Similar goods
- The deductive value method
- The Computed Value method, or
- The fall back method.

The process of valuation is undertaken in a transparent, consistent and efficient manner within the confines of the Customs and Excise Act no 10 of 1982. The Act provides for the general administration on the cross border movement of goods, including value determination for collection of duties and trade statistics on goods imported into Lesotho.

For more information on valuation methods please visit our website on [www.lra.org.ls](http://www.lra.org.ls)



## *Lesotho Revenue Authority*

### *Vision*

To collect all taxes and duties due under the Laws of Lesotho, in order to provide funding for the delivery of public goods and services.

### *Mission*

To provide a tax and duty environment characterized by integrity, efficiency and effectiveness, which treats all taxpayers equally, and offers rewarding career and growth opportunities to our Staff.

*Serving You  
Serving the Nation*

*Re Sebeletsa Uena  
Re Sebetsa Sechaba*





## Frequently Asked Tax Questions

### **Q. why do we pay tax?**

**A.** Taxes are paid in order to provide Government with revenue needed to finance expenditure or spending on social services. These services include health, education, Build infrastructure such as public roads, bridges etc

### **Q. What is the difference between VAT number and TIN? Can a person who TIN only charge VAT?**

**A.** The difference between VAT number and TIN (Taxpayer Identification Number) is that TIN is allocated to every taxpayer who has registered with LRA in general. As in the name, it is a number unique to each taxpayer and holds all the information regarding all the tax types that a taxpayer is registered for (including VAT). VAT number however is only allocated to a taxpayer who is registered for VAT. Only a person who has a VAT number can charge and collect VAT from customers.

### **Q. How come terminal benefits are charged PAYE yet they don't form part of pay salary?**

**A.** Terminal benefits although not part of the monthly salary form part of an individual's income or earnings. PAYE stands for Pay As You Earn; therefore PAYE is still applicable on terminal benefits.

### **Q. People who have worked overtime are paid that separately as overtime is not salary and no PAYE is to be charged on it.**

**A.** Overtime payment also forms part of an individual's monthly income or earnings, therefore PAYE is applicable. This is the case if an individual's monthly salary together with the

overtime is above threshold or fall under what is known as chargeable income.

### **Q. Is LRA staff paying tax? If so are they taxed with the same tax rates? Where does that money go?**

**A.** LRA staff like all employees pay taxes. All taxes are collected for the Government of Lesotho; LRA is just collecting on behalf of the government.

### **Q. Why doesn't LRA delegate collection of tax on terminal benefits/ pension funds like it does with PAYE on monthly salaries?**

**A.** This is not the case at the moment but LRA plans to implement this method of collection in future.

### **Q. If I have IVCF, does it mean that I don't have to pay VAT?**

**A.** No, having IVCF only means that goods can be imported without having to pay VAT upfront. Payments for IVCF are expected on or before the 20th day of the month the goods were imported on credit. The taxpayer still has to pay VAT collected from customers as usual by the 20th day of the month following the month of collection.

### **Q. What is company tax, how is it calculated, how does it differ from PAYE?**

**A.** Company tax is tax on company profits. It is calculated by taking into account all income generated by a company and deducting expenses that the company has incurred. PAYE is tax on an individual's salary / earnings it is not related to the company's profits.

**Q. What is the importance of P16?**

**A.** P16 is a tax certificate which provides a summary of an individual's gross income and the tax calculated and remitted by the employer. It also provides information on the allowable deduction (e.g. pension and provident funds) which can be claimed back from LRA at the end of each financial year.

**Q. If I am given tax clearance certificate, does it mean that the outstanding debt is cancelled?**

**A.** A tax clearance certificate does not mean cancellation of an existing debt. If a taxpayer has some debt with LRA arrangements are made to settle the debt in installments, then a tax clearance can be issued. But what it means is that the taxpayer has to honour his side of the agreement to pay the debt due.

**Q. What is the procedure and how long does it take to process tax refunds?**

**A.** There is a clear procedure for tax refunds; a taxpayer has to apply for such refund before it can be processed; as the office has to abide by tax laws. Upon application a refund is verified to ensure that there is no other tax liability the taxpayer has; if there is any an offset is made and the balance refunded to taxpayer.

Submission of VAT returns at banks also strives to expedite the refund process. The taxpayer is allowed to offset what he thinks is the refund due to him; while LRA only confirms the existence of such refund; through a verification process.

VAT returns now accommodate the refund with a tick box, in place of writing a letter which takes much longer.

**Q. Is the submission of VAT at bank not just a method/measure of linking personal bank accounts to LRA?**

**A.** Submission of VAT returns at banks is only introduced as a way of saving taxpayers a multiple trips to LRA after VAT and Income Tax Divisions were combined; not to link personal accounts to LRA. It works just like the normal bank deposit slip, but the other part (form) is a normal VAT return form. This is in simple terms paying through bank and making easy tax return submissions. Actually all tax types can be paid through bank.

The process is a result of a diagnostic survey study undertaken by LRA to improve administration

of VAT and reducing costs of its administration on taxpayers.

**Q. When there is a wrong entry into the Ledger Card/ taxpayer's account how long does it take to reverse or correct such entry?**

**A.** It depends on the type of entry made. If it is an estimation resulting from non submission of a return; once the return is submitted such entry is immediately reversed. We try hard to ensure that reversals are done on time.

If it is as a result of a query it is revised upon provision of substantiation and necessary explanations, therefore it might take longer.

**Q. How long does it take to update Ledger cards from manual to automated systems? In some cases there is no information to update such accounts and is requested from a taxpayer – Where will he get it from; if not available at the office; why does LRA blame the taxpayer?**

(An example given; was a ledger card updated up to 2004)

**A.** LRA has both manual and automated systems. It is now working on a more improved automated system, EA.

It was concluded that the problem is specific and therefore the tax agent should come to the office for its settlement; as we will have to refer to the account and the taxpayer file contents.

**Q. If a taxpayer has a liability in one tax type and has a refund on the other, do you offset the two?**

**A.** Yes we do offset the two, and balances due to taxpayers are refunded. If a liability exceeds refunds LRA asks for a top-up.

**Q. Is there a list of benefits/gifts that should not be given to LRA staff? In Sesotho we give and accept gifts for whatever reason e.g. good service received, for birthdays etc. So can a birthday lunch be provided to LRA staff member?**

**A.** There is no list or a casting stone of what is acceptable and not acceptable, but a gift of very minimal value can be given (i.e. promotional gifts such as calendars, diaries pens etc), but if an officer feels the gift given to him/her may be valuable he/she can declare such gift to his/her supervisor for clearance.



# Customs Economic Development programme



**I**n its efforts for the benefit of a better trade, the Southern Africa Customs Union (SACU) has committed towards a common implementation of a regional Economic Development Programme. This is to contribute to the development of a sustainable and improved economy in SACU with regard to trade and to assist members to comply with customs instruments and to modernize their respective customs administration.

This programme is specifically aimed at assisting the Customs administrations in the SACU region to design and implement a comprehensive regional reform programme with a focus on the areas of:

- Regional Customs Policy; Customs Legislation;
- Risk Management;
- Trade Partnerships;
- Standard operating Procedures in common areas; and,
- Information Technology (IT) Connectivity.

The Customs Development Programme is supported by an overarching Human Resource (HR) and Strategic Management Programme, with emphasis on Integrity Systems, HR development and Change Management.

Draft policies covering all core areas of the programme have already been developed. These draft policies are undergoing

internal scrutiny within member countries Customs Administrations. After this stage there will be further consultations with the trading community and other relevant stakeholders. The purpose of these consultations is to ensure that these policies are appreciated by all stakeholders in order to ease their roll out. The consultations phase is taking place until end of October 2010.

## **The benefits of the programme**

The programme will amongst others deliver on the following core values of trading community within SACU member states:

- Reduced cost to the trading community and reduced clearance times through streamlined and harmonized customs procedures and processes
- Increased competitiveness of business in the region through the implementation of a regional authorized economic operator scheme that provides for mutual recognition of trader within the union.
- Improved playing field for businesses through predictable and transparent customs procedures and customs legislation that recognizes the significance and support of the use of modern customs techniques such as risk management and post clearance audit
- Attractive investment climate and stable revenue collection through the application of modern customs procedures and strengthening the capacity of Customs administrations regionally.

## **Relationship with other national and regional initiatives**

The programme takes advantage of other modernization and reform programs that are taking place in the region. Business forum initiative that is currently underway will become a greater catalyst in ensuring that there is a platform

for collaboration with all stakeholders.

The longer run benefits of the programme include increase in competitiveness among local businesses and improve compliance while recognizing those that have proved to be compliant. Trade facilitation of the legitimate trade which will contribute meaningfully to economic development of Lesotho and of the SACU region is another important derivative of this reform programme.

## **Development partners**

The programme is supported financially by Swedish International Development Cooperation Agency (SIDA) and technically by World Customs Organization in collaboration with SACU Customs Administrations. Each SACU member Customs Administration has dedicated one person to oversee the overall implementation of the programme nationally.

(SACU) was established in 1910 and it is consolidating itself through the establishment of appropriate institutions, development of common policies, and the implementation of the trade facilitation programme. This is leading to greater macroeconomic convergence and therefore there is a need for a clear recognition of the achievements made by SACU in the area of regional integration and that it has an important role to play at a continental level.

Regional integration brings both opportunities and challenges. As Southern Africa pursues greater integration within the context of a very dynamic world economy, SACU aims to play a catalytic role in ensuring that its member states improve their trade competitiveness and enhance economic development. SACU has faced in revitalising itself but still remains an important player in the economic integration process in Southern Africa.



# LRA strengthens ties with key stakeholders

By Staff Reporter

One of the key strategies of the Lesotho Revenue Authority (LRA) is to develop strong and sustainable stakeholder relationships. The LRA has recently signed a Memorandum of Cooperation (MoC) with one of its key stakeholders, the Lesotho Clearing Agents and Freight Forwarders Association (LCAFFA) at a signing ceremony that took place in front of a large media contingent on 5<sup>th</sup> October 2010.

Speaking at the signing ceremony, the Commissioner of Customs and Excise, Mr. Thabo Moleko said that the signing marks one of the most important milestones of this year's theme endorsed by the Customs Governing Body, the World Customs Organization (WCO) which is *Customs to Business 'Building Performance through Partnerships.'* He said this theme was launched earlier this year in celebration of the World Customs Day with the cleaning of the major taxi ranks in Maseru and a signing of a Statement of Intent to partner with the Maseru Star Taxi Association. He further stated that the signing of the MoC with LCAFFA is a noble gesture of the LRA's intention to have formal relationships with different associations and the business community at large.



Mr. Moleko also noted that the MoC provides a basis for the two parties to work together towards improving the credibility of the declaration



Mr. Hillary Woelk of LCAFFA and Commissioner Customs and Excise Mr. Thabo Moleko

process at the border posts and ports of clearance which has been tarnished by fly-by-nights Clearing Agents who have not gone through the LRA's certification processes. The ultimate goal of partnerships of this nature according to Mr. Moleko is to enhance trade facilitation which is a vehicle that allows business to thrive.

He concluded by disclosing that towards the end of 2010 there will be an official launch of a Business Forum, which is a joint initiative by the public and private enterprises whose spirit is to ensure that the LRA is accessible for dialogue with Taxpayers and business at large. On the other hand Mr. Hillary Woelk, speaking on behalf of LCAFFA expressed his gratefulness in a manner in which the two parties handled the negotiations that led to the signing of the MoC. He said it is only through partnerships and cooperation that the two

are likely to achieve the desired goal; which is legitimate trade. The signing ceremony took place at the LRA Head Office, Finance House in Maseru.



# ***Lesotho Revenue Authority***

## **TAXPAYER CHARTER**

**We commit to providing our Customers with:**

- ♦ Efficient, effective and timely professional advice and service
- ♦ Courteous treatment, rendered in the spirit of mutual respect
- ♦ Clear and concise information and educational materials, so that Taxpayers are aware of and understand their legal obligations
- ♦ Fair and impartial treatment, delivered to all without preference or favour
- ♦ Confidentiality and integrity in ensuring that Taxpayer information is used only for the purposes allowed by Law.

**In exchange, LRA expects the following from all Taxpayers:**

- ♦ Full compliance with all legal tax obligations
- ♦ Honesty and integrity in providing accurate and complete information
- ♦ Timely filing of returns and payment of all taxes due.

**In the interests of transparency and good governance, you have the right to:**

- ♦ Request an explanation of any tax decision
- ♦ Object to and appeal any tax decision
- ♦ Request that we advise you of the procedures to be followed in lodging an objection or appeal
- ♦ Insist on knowing the name and identification number of the person serving you.

Board Chairperson

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Commissioner General

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# TAX FRAUD IS A CRIME



# BEWARE

Fraud is Stealing  
Tax Fraud Penalties  
are Severe

TO REPORT FRAUD CONTACT LRA AT: -Lesotho Revenue Authority, Investigations and Intelligence, P.O. Box 1085, Maseru, 100, Lesotho

-1st Floor Room 1001/1008/1010, Finance House, Government Complex

-Toll-Free Fraud Hotline: 800-22008

-Website: [www.lra.org.ls](http://www.lra.org.ls) (and click Fraud Icon to display Fraud Referral Form)

-Email: [intelligence@lra.org.ls](mailto:intelligence@lra.org.ls)



# Revenue Performance

The first quarter has not been an easy ride for the taxman and the taxpayers especially with regard to the company taxes following the heavy storm of the global financial crisis and economic recession.

Total remittances for the quarter amounted to M657.1 million which makes up 21 percent of the overall target for the financial year as shown in **Figure 1** below. Compared with the first quarter of last financial year, the total remittances for the quarter are M100,000.00 lower suggesting that the current collection rate is slower. .

## Performance

**Figure 2** illustrates cumulative performance of Income Tax in terms of remittances to Government. The graphs depict parallel lines situation that may never cross clearly suggesting that the tax type is struggling to meet its target. The underperformance mainly results from the poor performance by the Company Tax component that has not met a single monthly target during the period under review.

VAT on the other hand has had smooth sailing throughout the quarter, surpassing all monthly targets by an average of 27 percent. **Figure 3**, displays the strong trend for VAT remittances that stood above the monthly targets throughout the reference period.. This good performance results from employed enforcement strategies and initiatives, as well as the economic recovery since VAT responds instantaneously to any movement in the economy.

## Challenges Ahead

There are a number of challenges that lie ahead for the LRA to overcome. Non-compliance practices such as false declaration and smuggling are still rife amongst taxpayers as evidenced by the number of identified fraudsters. Secondly, Company Tax collection has plunged tremendously during the quarter and preliminary analysis points to non-payment by large companies. Auditors and collectors are up to the task to ensure that every liable entity complies with the tax law.

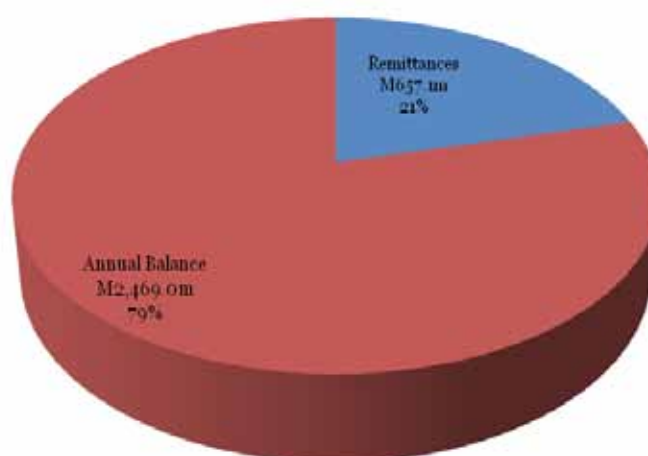


Figure 1: Total Remittances for the Quarter

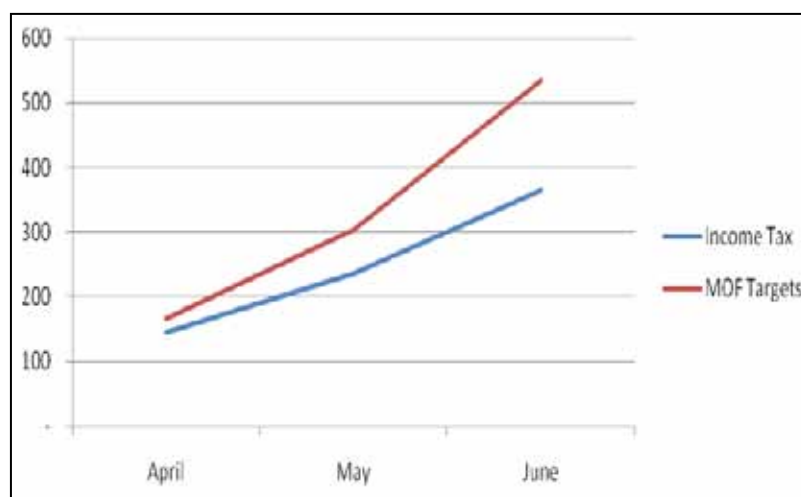


Figure 2: Quarter One Income Tax Cumulative Remittances

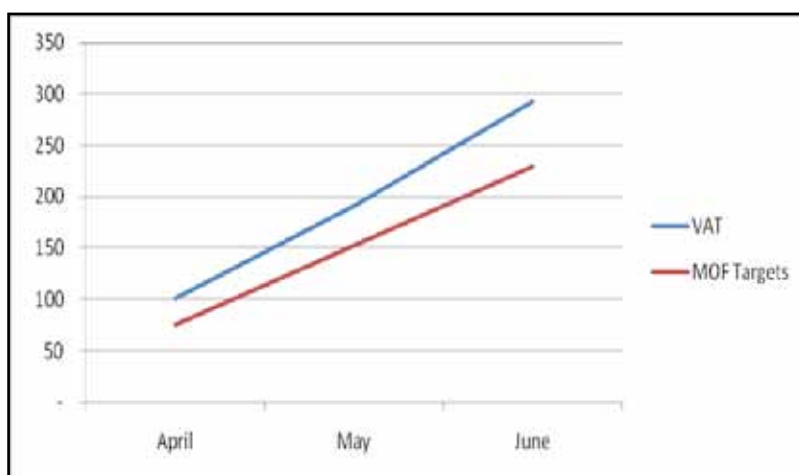


Figure 3: Quarter One VAT Cumulative Remittances

# LRA implements reengineered business Processes

By Ntsatsi Putsoa



The Commissioner General, Members of Senior Management and Front line Advice and Assistance Staff

The Lesotho Revenue Authority (LRA) has embarked on a strategic initiative that seeks to enhance its business processes in order to make it more effective and efficient in delivering services to its Taxpayers.

To achieve this, a project was launched on the 1<sup>st</sup> of July 2010 and is scheduled to run over nine months until March 2011.

A name symbolising a beacon of light, “**Serumula**” was selected as part of a staff competition. Project Serumula aims to take the LRA into a

brighter future, for its Taxpayers, its staff and for the Nation as a whole.

Project Serumula aims to improve nine core processes within the LRA namely:

1. Frontline Advice and Assistance
2. Revenue Collection
3. Returns Processing
4. Clearance of Goods
5. Tax registration

6. Audit
7. Debt Management
8. Refunds Processing
9. Records Management

It aims to achieve:

- More effective resource utilisation,
- Faster, safer and better access of taxpayer records, and
- More standardised processes



As Project Serumula unfolds, it is the hope of the LRA that its Taxpayers will experience better and more enhanced service delivery as well as a reduced burden of compliance, made possible through more streamlined business processes.

To date, the Frontline Advice and Assistance process has been implemented. The Maseru Advice Centre is now more taxpayer friendly with adequate signage now assisting the taxpayer to be able to effectively and easily carry out their tax obligations. Taxpayer queries are now logged and taxpayers given a reference number in order to be able to track the status of their query even as it crosses through different LRA divisions. This same capability will soon be available at the regional advice centres as well. Other activities which are aimed at improving the efficiency with which returns are processed and the effectiveness with which taxpayer

records are managed within the LRA are also being undertaken.

More news on **Project Serumula** will be communicated through different communication channels that include; Tax Clinics; Mokhafisi (Radio Lesotho programme) and Mokhafi Newsletter. Taxpayers are urged to visit LRA Advice Centres at the Finance House, Maseru; Leribe and Mohale's Hoek. In addition to all of these touch points taxpayers are further encouraged to visit the LRA website at [www.lra.org.ls](http://www.lra.org.ls)

As the LRA continues on this Journey, it will bank on Taxpayers continuous support in its endeavour of becoming a leading performance oriented Revenue Administration characterized by integrity, innovation and service excellence.



## REQUIREMENTS OF A VALID TAX INVOICE

A valid tax invoice should bear a VAT number of RSA registered vendor. The VAT number is a ten digit number commencing with "4"

TAX INVOICE					
<b>Sam's Computer Store (PTY) LTD</b>					
Vat Registration No: 4000000000 Telephone: (+27) 51-444 3434 Business Fax: (+27) 51-444 3433 Physical Address: 15 Piet Relief Street, Ladybrand, RSA Email: sam@samelectric.com					
				Invoice No: 112 Date: 27/01/2010	
Description	Qty	Price per Unit	Total	Gross	
1 IBM Desktop Computers	2	2,000.00	4,000.00	4,000.00	
2 HP Multimutifunction printer	6	1,000.00	6,000.00	6,000.00	
Net Amount				10,000.00	
VAT@14%				1,400.00	
Grand Total				11,400.00	

A valid tax invoice should bear/have an invoice number

A valid tax invoice must reflect an invoice date.

The Invoice should be an original. It should not be a copy

A valid tax invoice should show a rate at which VAT has been charged and the amount of VAT charged. Alternatively if VAT is inclusive in the total amount, then the rate at which VAT has been charged should be clearly indicated.





## LRA ,DCEO and LMPS sign Tripartite MOU on Cooperation

By Staff Reporter

The three law enforcement agencies namely the Lesotho Revenue Authority (LRA), the Lesotho Mounted Police Service (LMPS) and the Directorate on Corruption and Economic Offences (DCEO) signed a joint Memorandum of Understanding (MOU). The MOU is intended to foster greater cooperation, coordination and harmonization of their enforcement strategies and programmes aimed at preventing and combating corruption, tax evasion and fraud, cheating of public revenue, money laundering and economic crime in general. The ceremonial signing of this important milestone took place at the Police Headquarters in Maseru on Friday the 6th

August 2010.

Mindful of their statutory obligations, the three institutions made a decision to formalize the good working relationship they have enjoyed over the years by signing the MOU to intensify their efficiency and effectiveness in the administration and enforcement of the laws that they have been established to administer and enforce. The cooperation is expected to maximize mutual assistance in investigations and enforcement operations. The agencies will further benefit from exchange of information and expertise for capacity building.

The Commissioner of Police Mrs. 'Malejaka Letooane signed

on behalf of the LMPS; the Director General Mr. Leshele Thoahlane on behalf of DCEO, while the Commissioner General Mr. Thabo Letjama signed on behalf of the LRA.

With the same spirit of building strong and sustainable stakeholder relationships, the LRA signed a Memorandum of Cooperation (MoC) with the Lesotho Clearing Agents and Freight Forwarders Association (LCAFFA) on the 5<sup>th</sup> October 2010. The MoC seeks to improve cooperation between the two parties in their endeavour to work together in improving the credibility of the declaration process at the border posts and ports of clearance which has been tarnished by fly-by-nights Clearing Agents who

have not gone through the LRA's certification processes. The ultimate goal of the MoC is to enhance trade facilitation which is a vehicle that allows business to thrive.

The Commissioner of Customs Mr. Thabo Moleko signed on behalf of the LRA while Mr. Hillary Woelk signed on behalf of LCAFFA.



Director General of DCEO Mr. Leshoele Thoahlane, Commissioner of Police Mrs. Malejaka Letoane and Commissioner General of LRA Mr. Thabo Letjama

# LRA represented at the 2010 WCO Council Sessions

By Staff Reporter



South Africa, WCO and Lesotho Officials Sign Tripartite Agreement

The Commissioner of Customs and Excise Mr. Thabo Moleko attended the 115<sup>th</sup>/116<sup>th</sup> Annual Session of the World Customs Organisation's Council (WCO) – the Organisation highest decision making body, which took place in Brussels from the 24<sup>th</sup> – 26<sup>th</sup> June 2010.

Customs chiefs discussed a number of policy and technical issues dealing with Customs in the 21<sup>st</sup> century including globally networked customs,

trade facilitation, security, revenue –related matters, intellectual property rights and capacity building. They also spent considerable time discussing risk management; a strategic policy that is increasingly being applied by Customs administrations to more efficiently manage global trade both from a security and a facilitation perspective.

The WCO's regional network was expanded with the signing of Memorandum

of Understanding (MOUs) between member organizations. The trade in fake medicines also took centre stage when former French President Jacques Chirac applauded Customs' efforts to combat this heinous trade during his address to the Council. His speech was followed by a ceremony during which the WCO Secretary General signed the Cotonou Declaration as a symbolic gesture of the Customs community's commitment to stopping the trade in fake medicines as part of a united front. The Declaration forms the basis of the Chirac Foundation's initiative to ensure access to safe medicine in Africa. This special event was attended by Didier Reynders, Belgium's Vice Prime Minister and Minister of Finance, who echoed President Chirac's sentiments.

MOU's were also signed between the WCO and the African Union Commission to strengthen cooperation with a view to promoting international trade and with the International Federation of Red Cross



and Red Crescent Societies to ensure enhanced cooperation and coordination in managing disaster relief.

Amongst those signed in the margins of the sessions included tripartite agreements between WCO, Lesotho and Republic of South Africa. These agreements are geared to promote implementation of WCO standards whilst encouraging members to share their knowledge and skills with one another in the spirit of building capacity within Customs.

Lesotho has for the past years enjoyed massive technical support from WCO through its Capacity Building Directorate. Among the many recent include Customs Risk Management, the Post Clearance Audits (PCA) and Anti-smuggling trainings that were facilitated by Experts provided under funding engineered through WCO Capacity Building



Commissioner Customs and Excise Mr. Thabo Moleko (Right) With Colleagues from South Africa and WCO

Directorate. These trainings were held in Maseru.

Being the WCO's Year of the Customs-Business Partnership, the Organization took time to acknowledge the contribution of the private sector to the work of Customs by signing renewed Memoranda of Understanding (MOU) with the International Federation of Freight Forwarders Associations, the Global Express Association, the International Federation

of Customs Brokers Associations and The International Air Cargo Association.

At the end of the sessions, the council elected two new Directors who will join the Secretariat in January 2011 for a five year term: Zhu Gaozhang from China will head the Compliance and Facilitation Directorate and Erich Kieck from South Africa will head the Capacity Building Directorate.

# Thank you for making it possible by contributing your fair share

## We can do more!!



Serving You, Serving the Nation— *Re Sebeletsa Uena, Re Sebeletsa Sechaba*



# CAWG – CB submitted its report

By Staff Reporter

As part of the Southern African Development Community (SADC) Customs Modernization project, a human resource diagnostic study was carried out in member countries from 30 May to 2 July 2010. The aim of the study was to examine the prevailing HR practices of each Administration against standards set in a SADC blue print. The blue print defines the minimum requirements for a Customs Administration

HR function in order to be considered efficient and effective to enable SADC achieve its objective to move towards a Customs Union.

LRA's Technical Trainer Ms Limpho Debeshe was part of the team that conducted the study and chairs the Customs Advisory Working Group on Capacity Building (CAWG – CB). The team visited five revenue administrations in the region that include: Zimbabwe Revenue

Authority (ZIMRA); Zambia Revenue Authority (ZRA); Tanzania Revenue Authority (TRA), Seychelles Revenue Commission (SRC) and the Mozambique Revenue Authority (MRA).

A report on the findings was presented by the team to heads of Human Resource from member countries at a ceremony that was held in Botswana on July 21<sup>st</sup> to 23<sup>rd</sup> 2010.

Fill in your Tax Identification Number

Fill in the legal entity name of your business and the current postal address

Fill in the total value of supplies for the month excluding VAT.

Fill in the total value of goods and services bought for the month excluding VAT.

Write your Taxpayer Identification Number

Write the name of an entity drawing the cheque and the total amount payable to LRA

Write your name in full and your signature.

**Lesotho Revenue Authority** P.O. Box 1085 Maseru 100 Tel. No: (+266) 22 32 5285 Fax No. (+266) 22 31 0357 Website: www.lra.org.ls

**VAT RETURN(Direct Banking)** VAT 13

TIN: 2000000-0  
VAT Number: 2500000  
Name: Chabesele Supermarket  
Postal Address: P.O. Box 000, Maseru, LESOTHO  
Physical Address: Town:

**Supplies of Goods and Services (OUTPUTS)**

1. Total taxable output during period at 14% (excl. VAT)	1500.00	2100.00
2. Total taxable output during period at 15% (excl. VAT)	2000.00	300.00
3. Total taxable output during period at 5% (excl. VAT)	500.00	25.00
4. Zero Rate (Local and Export)		
5. Exempt sales		
6. Total Taxable Output (1+2+3)	17,500.00	2425.00

**Purchase and Expenses (INPUTS)**

7. Total taxable output during period at 14% (excl. VAT)	9000.00	1260.00
8. Total taxable output during period at 15% (excl. VAT)	7000.00	140.00
9. Total Input VAT (7 + 8)		

**TAX CALCULATORS**

10. Deductible Input VAT	1400.00
11. Net VAT Payable (6 - 10)	1025.00
12. Amount of VAT Refundable (10 - 6)	
13. Amount Paid	1025.00

**Bank Payment Advice**  
ACCOUNT HOLDER: LESOTHO REVENUE AUTHORITY VAT CURRENT ACCOUNT  
Address: P.O. Box 1085 - Maseru 100  
Account Number: 01400711150301

Taxpayer's TIN: 2000000-0

Drawers Name	Bank	Town
Chabesele Supermarket		M 1025.00
		M 1025.00

Serial #: \_\_\_\_\_  
Cash Only M L  
M10  
M20  
M50  
M100  
M200  
Coins  
Total Cash M

Checks, etc. handed in for collection will only be available as cash when paid. While in good faith and exercising reasonable care, the Bank will not accept responsibility for ensuring depositors' account holders have lawful title to checks, etc. collected

Name in full: SEFABATHO MOTHO Signature: [Signature] Contact Number: 5221561

Fill in the trading period, the tax period, and the due date for the return.

VAT collected on the supplies at 14%, 15%, 5%

Total output tax collected from the sale of supplies.

The amount of Input tax paid by the vendor on the purchases of supplies.

Total input tax paid on the value of supplies purchased by the Vendor.

Write contact numbers of the person who completed the return.

# Training on Development of Training material & On the Job Training Guides

By Mpho Mpesela



Mr. Joe Meade of the US Treasury Office of Technical Assistance

The LRA through the Human Resources Division hosted Mr. Joe Meade from the US Treasury- Office of Technical Assistance. Joe was invited to provide support and lead the training on development of training materials and on- the-job training (OJT) guides. The Authority had previously worked with the US Treasury to carry out interventions for other divisions.

The training was held at LRA Training Centre from 29<sup>th</sup> July to 12<sup>th</sup> August 2010. Twelve (12) participants attended the training and were drawn from the three operating divisions: Revenue Compliance, Taxpayer Services and Customs and Excise. The training equipped the participants with knowledge and skills to effectively design and develop training materials and on-the-job training guides.

At a strategic level, the technical assistance was aimed at capacitating the Authority

to design and develop own training modules towards realization of the LRA Strategic Objective on **Competent and Productive Workforce**. In the current financial year, the focus is to enhance technical training capacity through the development of basic training modules for the core divisions. As a result, on completion of the training, the Officers are continuing with the development of basic training modules relevant to their respective areas.

Successful achievement of this

initiative will reduce the level of reliance on external support as this is time consuming and costly. It will also increase the level of effectiveness of training within the organization due to the availability and delivery of customized materials aligned to the Authority's processes/ practices.

The Authority acknowledges that the ladies and gentlemen selected for this assignment have a huge responsibility and require everyone's support.





# LRA continues to invest in human capital

By Mpho Mpesela

**T**he Lesotho Revenue Authority Taxpayer Charter commits to provision of professional service to Taxpayers. In order to fulfill this commitment, the Authority recognizes the need to continuously enhance the knowledge and skills of its staff. Further to this, the Authority recognizes one of its Strategic objectives on having a “Competent and Productive workforce”.

Within the past three (3) months, the Authority undertook among others, the following training initiatives:

Two staff members in the Tax Technical Section which is the LRA Unit responsible for ensuring practical application of the Tax Laws (Income Tax and VAT) and Double Taxation Agreements attended training on Business Taxation. The Officers gained knowledge on practical aspects of taxation of small, medium and large businesses. The training was not only intended to benefit the Authority but it will also benefit the Taxpayer through the Officers ability to properly apply the instruments of taxation relevant to respective areas of business.

The Authority makes every effort to ensure that Taxpayers who do not comply with the Tax Laws by engaging in fraudulent practices are taken to task. In order to successfully achieve this, some officers in the Investigation and Intelligence Office attended training on Statement Analysis, Investigative Interviewing and Intelligence Profiling to enhance their skills in carrying out investigations. The Authority continues to lose revenue due to fraudulent practices by some taxpayers whilst these practices are also not fair for compliant taxpayers.

The Head of Internal Audit attended a conference hosted by the IIASA whereby modern

practices in the internal audit field were shared. The Authority’s aim is to ensure effective and efficient revenue environment for the Taxpayer. The Authority realizes that this can only be achieved through proper implementation of procedures, processes and systems. It is thus important for the Internal Audit Unit to be up to speed with developments in the area so that they are able to detect deviations from set practices that may contradict the Authority’s aim in this regard.

Staff in the BPTD have also attended training to equip them with skills and knowledge towards ensuring that the Authority is up to speed with and puts in place the best technology that supports the services provided to the taxpayer. Training attended includes: Oracle, IT service Management Tools, programming etc.

The Authority continuously provides customer service training for its staff in the front line. This year again a large number of front line staff were trained on customer service in order to enhance their customer care skills. The Authority has taken the stance to move from being tax centric to being Taxpayer centric. This was evidenced by the change of the strapline from “Pay Tax and Build Lesotho’s Future” to “Serving you, serving the nation”.

The Change and Project Management Staff attended a conference on Project Management. Participation at the conference was aimed at enhancing the officers’ knowledge in project management. The Authority has a project management frame work which forms the basis for implementation of all projects within the Authority. The framework also emphasizes the involvement of stakeholders as a critical aspect in successful

implementation of projects.

One of the Strategic Objectives of the Authority is to fight corruption. The Authority does not tolerate the involvement of its staff members in corrupt practices that may impact negatively on the reputation and corporate image of the organization. Some Staff members in the Internal Affairs Unit which is responsible for investigation of corruption cases involving LRA staff attended training on forensic investigations to enhance their skills in investigations.

As part of collaboration efforts to enhance staff competency, the LRA in conjunction with the Southern Africa Global Competitiveness Hub commonly known as the Trade Hub, held two training workshops on Excise and Warehousing Management respectively for customs Officials. The implementation of what has been learnt will result in an effective management of excise accounts and also proper management of the warehouse to ensure safekeeping of Taxpayer’s property while awaiting Customs formalities. The Authority further collaborated with SADC secretariat to host Post Clearance Audit training for Customs staff. The information gained will be used among others to profile Taxpayers according to their level of risk so that they can be treated accordingly.

Apart from the short-term training, the Authority also provides for long-term training and attachments with other organizations such as South African Revenue Services (SARS). Recently the Authority had staff members attached to the SADC office in Botswana on Customs & Excise initiatives.

It is the Authority’s intent to ensure that all Training and Development initiatives benefit both the LRA and the Taxpayer.

# Hard work and going extra mile

By Staff Reporter



## They enjoy fruits of hard labour

A total of 39 members of the LRA received their accolades for being nominated by their respective divisions and departments as best candidates for prestigious special awards recently introduced to reward and encourage outstanding performance. The Lesotho Revenue Authority has introduced what is commonly known as EVARS within the LRA community. EVARS is an abbreviation for Employee Value Alignment Recognition

Scheme. This is the LRA's programme that has been engineered to recognise and reward behaviour and achievements that support the Authority's values as contained in the Code of Ethics. It is a vehicle for recognising value loyalty by the employees and teams. The primary purpose is to reward and motivate employees and teams who initiate and carry out activities that exceed normal job requirements.

Special awards were presented to the IPMS project team and the Serumula project team, while 15 members of staff received their individual awards.

The award ceremony was part of the LRA Day celebrations and was graced by the presence of Honourable Dr. Timothy Thahane, Minister of Finance and Development Planning.



By Itumeleng Mochochoko

For many years a typical tax environment comprised only two entities; The Government as the policy maker, policy administrator and funds administrator, and the Taxpayer, being of course....the taxpayer.

Due to shortfalls that usually occur in such a set up, the world for the most part sought to move towards a 3 Dimensional (3D) one, where the players are the Government, the taxpayer and the third new aspect comes to life in the form of the "autonomous" tax administrator, the much loved Lesotho Revenue Authority.<sup>2</sup>

### **What are the roles of the different players in the 3D system?**

As in the 2D era, Government remains the policy maker. The taxpayer (you and I) remain the cash cows, bummer! The third aspect in 3D comes to life in the form of the tax administrator (Lesotho Revenue Authority), who now becomes the policy administrator and conduit for taxpayer funds.

Stripped to its bare essentials, the government does not have money; its livelihood is for the most part dependent on the taxpayer. Government acts as a parent, to lay the foundation for sound principles and protection of its children

## Taxes in 3D (Taxes from a 3 dimensional point)

and at the end of the policy/principle-administration-collection cycle, it comes in again to facilitate the disbursement and use of the funds.

The tax administrator, the most impoverished in the cycle also does not have any money. It is a mere instrument that collects from the children and delivers to the parent. It collects following the principles laid out by the parent, administers the funds and transfers the hassle of disbursing the funds back to the parent.

The taxpayer, amazingly enough, is the one with pockets to speak of, the backbone of the economy. Isn't it interesting? As individual taxpayers (children) we cannot do much if anything, hence the taxman taking a little from each of us everyday, to give to the parent, who in turn provides for us in future, all the basic infrastructure we need, such as, inter alia; communication, transport, healthcare facilities, things we definitely would not be able to carry out on our own, at least not at the scale the parent can. We should also bear in mind that the parent has other sources of income too by means of its affiliations with other parents. Sources that give it the kind of strength you and I alone cannot provide.

A short while ago I would have ridiculed anyone who would have dared told me that someday, I would be able to give directions to a friend coming through the Maseru border

post by saying, "drive straight up from the border for about a Kilometre, at the second set of robots, with the South African High Commission to your left, drive straight past the Basotho hat, down "Mpilo Boulevard" and underneath Pioneer road. 50 Metres to your left, take the "off ramp", at the end of which at the stop sign, you turn left into Pioneer road. A few Metres down, to your left is "Pioneer shopping centre" (aka mall), you will find me down below at the "food court". Now that is something else.

I see a seasoned traveller aka globe trotter rolling their eyes and sighing, "Much ado about nothing", but we have come a long way as Basotho, from when "Maseru esale motsana ngoanaka" as my dad likes to fondly say; with few cars, a handful of shops, Kingsway as the only route into town, and definitely no roads running above or underneath the other. By the way, the poor man still shudders when he has to come into town; as he always asks me....."where do all these cars come from?" Slowly but surely taxes paid by the living and those long gone before us have found their way onto the streets, maybe not literally but otherwise indeed.

These achievements would not be possible if not for our taxes, yours and mine. The taxes we pay might in the meantime be in someone's safekeeping and administration, which is a bitter pill to swallow I must say, but 3D taxes in a 3D world are all for our benefit and enjoyment .....eventually!



# People on the move



**Mr. Motlalepula Nkhabu** Joins LRA as a Manager Audit



**Mr. Lejone Mpotjoane**, has been promoted to a position of Risk Manager



Mrs Makahlolo Qhobela has been promoted to the position of Manager Internal Operations

**Mr. Retšelisitsoe Mokitimi** Joins LRA as a Manager Anti-Smuggling



**Mrs. , Mathabo Motaung** has been promoted to a position of a Manager Advice Centre Mohale's Hoek

**Mr. Lebohang Nokana** has been promoted to a position of a Manager Freight



**Mr. Abiel Mashale**, has been promoted to a position of Assistant Commissioner Large Taxpayer

**Mrs. Lineo Mathapelo Tšeuoa** joins LRA as a Project Management Consultant



# LRA soccer team scoops best behaved team accolade

By Staff Reporter



They say business is war of strategies and if you are not smart enough you are likely to be pushed out. It is war without bullets. Is inter-company competition just a lose-win game, or does a company has to base its success on the competitors' failure? Your guess is as good as mine. Companies can interact with each other at multiple levels where there are often both competition and cooperation. Some companies only know how to compete instead of cooperating or are only willing to compete rather than cooperating. The Game Theory is one of the best tools to analyze and develop inter-company cooperation and competition strategies.

On a contrary the LRA purely utilizes the power of sport to instill ones within its own ranks and to forge close relationships

with key constituencies with the ultimate goal of advancing and promoting greater cooperation with these groups. In every competition there is a winner and a loser but as far as inter-company tourney is concerned everybody leaves the field a winner, there are no losers. This tournament is the ultimate corporate sports challenge for companies that promote fun at work and health in the workplace.

A three day Inter-Company Soccer Tournament successfully kicked off on 14th - 15th with the finals taking place seven days later on 21st August 2010. The first leg of the tournament was staged at the LDF football grounds Ha Ratjomose while the semi-final and the final took place at the Bambatha Tšita Sports Arena.

A total of ten organizations/companies participated in this year's tournament and were divided into two streams. The LRA was grouped with Lesotho Electricity Corporation, First National bank and Lesotho Funeral Services. The other stream was comprised of Econet-Telecom Lesotho; Lesotho Brewing Company; Lesotho Steel; Maseru Toyota and Vodacom Lesotho. LRA

emerged as a winner from its stream and played in the semi-final against the runners up from the other stream of which they came out tops. The final saw the two giants; the LRA and LEC squaring up to decide this year's champions. At the end of 90 minutes of hard labour, the LEC proved to be a hard nut to crack as they walked away with a winner's trophy leaving LRA solders leaking their wounds. Though the LRA team would have loved to be crowned as champions, they did however receive the most clamorous accolade by being named the most behaved team of the tournament and they also received silver medals for being runners up.

Talking to LRA News about the accolade, the team's public relations officer Mr. Makhobalo Mpititi attributed the achievement to good team spirit as they managed to keep time throughout the tournament and they were a first team that paid the registration fee and the team's behavior in general was satisfactory. other than soccer, there was also a highly popular sport, Tug of war, competition which was also won by the LEC team.





The LRA Soccer Team

Mr. Mpiti Makhobalo further stated that tournaments of this nature help bring employees together and strengthen ones and better understanding of one another. He further expressed his concern with regard to low turn-out by supporters. He however, made mention of his appreciation to those who stood by the team and encouraged them not to look back as it is their

support that keeps the team going. "We are now working hard towards the October 2nd Lets'eng Diamond Tournament where the proceeds of the tournament will be donated to a charity which has been identified in the Mokhotlong district" he said.

Mr. Makhobalo urged the management of the LRA to provide funding for the team so that so that they are able to be part of tournaments

that provide networking opportunities. According to Mr. Makhobalo, last year the team was knocked out at the group stages because they were not as organized as they were this year. He said this year; they started by playing more practice games intended to improve their fitness level and he thanked the management for the support afforded to them as they were given some time to practice during working hours.





