



# LESOTHO

# Government Gazette

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## ACT NO. 1 OF 2023

**Tobacco and Alcoholic Products Levy Act, 2023**

An Act to make provision for imposition and payment of levy on tobacco products and alcoholic products, and for related matters.

Enacted by the Parliament of Lesotho.

**Short title and commencement**

1. This Act may be cited as the Tobacco and Alcoholic Products Levy Act, 2023 and shall come into operation on the date to be appointed by the Minister by notice published in the Gazette.

**Interpretation**

2. In this Act unless the context otherwise requires -

“alcoholic products” means intoxicating spirits or alcoholic beverages excluding home-made brews or traditional beer;

“Commissioner General” means the Commissioner General appointed in terms of section 17 of the Lesotho Revenue Authority Act, 2001<sup>1</sup>;

“levy” means either a levy in respect of alcoholic products or tobacco products imposed in terms of section 3;

“Minister” means the Minister responsible for finance;

“taxable import” means the import of tobacco products or alcoholic products subject to levy under this Act;

“taxable supply” means tobacco or alcoholic products subject to levy under this Act;

“taxable value” means taxable supply or import in terms of section 7 and 8 of this Act;

“tobacco products” means tobacco, cigars, cigarettes and any other

preparation or substitute; and

“vendor” means a person who is registered for value added tax under the Value Added Tax Act, 2001<sup>2</sup>.

### **Imposition and payment of levy**

3. (1) The Minister shall impose levy on taxable supply or import of -
  - (a) tobacco products; and
  - (b) alcoholic products.
- (2) The rate of a levy application in subsection (1) shall be as set out in the Schedule.

### **Levy as a debt to the Lesotho Government**

4. The levy due and payable under this Act is a debt due to the Government of Lesotho and is payable to the Commissioner General.

### **Taxable value of a taxable supply**

5. A vendor who sells tobacco or alcoholic products or both shall charge a levy on the products -
- (a) at the rate set out in the Schedule ; and
  - (b) exclusive of value added tax.

### **Taxable import**

6. A person who imports tobacco or alcoholic products or both shall pay a levy set out in the Schedule.

### **Taxable value of a taxable import**

7. (1) The leviable value of -
  - (a) import of tobacco or alcoholic products for which there

- is no consideration; or
- (b) if consideration is less than a fair market value shall be a fair market value at the time of the importation.
- (2) Subject to subsection (1), the taxable value of a taxable import of tobacco or alcoholic products shall be the sum of -
- (a) the value of the tobacco or alcoholic products ascertained for purposes of customs or excise under the Customs and Excise Act, 1982<sup>3</sup> whether or not any other duty is payable on those products;
  - (b) the amount of customs or excise duty or any other fiscal charge other than value added tax payable on these products; and
  - (c) the value of any service incidental to import of tobacco or alcoholic products including any service giving rise to commission, packaging, transportation insurance or warranty expenses payable on, or by reason of the import.

### **Application of Value Added Tax Act**

8. The provisions of the Value Added Tax Act 2001 shall apply in relation to procedure and an administration of a levy under this Act.

### **Regulations**

9. The Minister may make regulations to -
- (a) give effect to the provisions of this Act; and
  - (b) amend a Schedule to this Act.

**NOTE**

1. Act No. 1 of 2001
2. Act No. 9 of 2001
3. Act No. 9 of 2001

**SCHEDULE****Rates of levy**

<b>Item</b>	<b>Description</b>	<b>Rates of levy</b>
1	alcoholic products	15%
2	tobacco products	30%

GOVERNMENT NOTICE NO. 1 OF 2023

**The Parliament of Lesotho**

**Statement of Objects and Reasons of the Tobacco and Alcoholic Products  
Levy Act, 2023**

**(Circulated by the Authority of the Minister responsible for Finance  
Honourable Dr. Retšelisitsoe Matlanyane)**

The main object of the Bill is to introduce levy on tobacco and alcoholic products.

The Government of Lesotho intends to use this legislation as an instrument to influence acceptable or normal consumption of tobacco and alcoholic products.

Further, the Bill is expected to increase revenue gain in order to provide for developmental programmes.

## ACT NO. 2 OF 2023

**Financial Institutions (Amendment) Act, 2023**

An Act to amend the Financial Institutions Act, 2012<sup>1</sup>.

Enacted by the Parliament of Lesotho.

**Short title and commencement**

1. This Act may be cited as the Financial Institutions (Amendment) Act, 2023 and shall come into operation on the date of its publication in the Gazette.

**Amendment of Section 4**

2. Section 4(2) of the Financial Institutions Act (herein referred to as the Principal Law) is amended by deleting and substituting the following:

“4(2) This Act shall not apply to -

- (a) an association, a small financial cooperative, a society and an informal self-help organization as the Commissioner may determine by notice published in the Gazette.

**Amendment of section 77**

3. Section 77 of the Principal law is amended by inserting the following new sub-section-

“(5) All persons registered and licensed under the Money Lenders Act<sup>2</sup>, shall be deemed to be registered and licensed under this Act and shall comply with the provisions of this Act within one (1) month of its coming into operation.”.

**Amendment of section 78**

4. Section 78 of the Principal law is amended by deleting and substituting the following:

“78. The Financial Institutions Act, 1993<sup>3</sup> and the Money Lenders Act,



1989 are repealed.”.

**NOTE**

1. Act No. 3 of 2012
2. Act No. 25 of 1989
3. Act No. 6 of 1999

## GOVERNMENT NOTICE NO. 2 OF 2023

**The Parliament of Lesotho****Statement of Objects and Reasons of the Financial Institutions  
(Amendment) Act, 2023**

**(Circulated by the Authority of the Minister responsible for Finance,  
Honourable Dr. Retšelisitsoe Matlanyane)**

The object of this Bill is to repeal the Money Lenders Order, 1989<sup>1</sup> in order to provide for administration, supervision and regulation of traditional money lenders under the purview of the Financial Institutions Act, 2012<sup>2</sup> and the Financial Institutions (Credit Only and Deposit Taking Micro Finance Institutions) Regulations of 2014<sup>3</sup>.

The Bill is driven by changes in the scope of operations by the money lenders and the growth of the economy of Lesotho. Thus, the Money Lenders Act was found to be outdated, as it no longer addresses the prevailing development and challenges, particularly relating to microfinance market.

The proposed Bill further provides for the repeal of section 4(2) (a) of the Financial Institutions Act as it states that the Financial Institutions Act does not apply to institutions licensed under the Money Lenders Act. Additional provision has been developed in the Bill to provide for transitional arrangements under section 77(5), to allow for a smooth transition and regulation of traditional money lenders under the Financial Institutions Act.

**NOTE**

1. Act No. 25 of 1989 as amended by Act No. 6 of 1993
2. Act No. 3 of 2012
3. L.N. No. 40 of 2014 as amended by L.N. No. 40 of 2018



