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WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

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Needs Assessment Mission Report, Lesotho 19-21 February 2002

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WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

**Richardt Vork
Project Manager**

Needs Assessment Mission Report Lesotho 19-21 February 2002

Summary

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Lesotho during 19-21 February 2002, in Maseru. The Lesotho Customs authorities and the representatives of the licensed customs clearing agents in Lesotho appreciated the offer of technical assistance and strongly confirmed their interest in the correct implementation of the WTO Agreement on Valuation.

The Lesotho Customs authorities provided the Project Manager with a copy of the Customs and Excise Act 1982 and the Customs and Excise Regulations, 1984. The later updates were available only in the form of GATT documents¹. No documents were available regarding the implementation of the WTO Agreement 1994. The authorities arranged for visits to three Customs Offices in Maseru as well as a brief visit to the South African Customs Office at the border near Maseru. The authorities described Lesotho's legislation, policies and procedures, and explained their needs for technical assistance. Lesotho does not use Pre-Shipment Inspection companies.

Representatives of the Lesotho Customs Service and the Project Manager had meetings with representatives of the licensed customs clearing agents, and with the Deputy Chief of Mission of the U.S. Embassy to Lesotho. Customs and Excise had invited the Lesotho Chamber of Commerce and Industry to the meeting with the licensed customs clearing agents but the CCI did not attend the meeting.

The needs assessment talks with the Lesotho Customs Service and the business community resulted in agreement on a draft programme and a draft calendar for the technical assistance actions to be delivered in Lesotho. This will serve as the basis for the establishment of the detailed work plan.

¹ VAL/1/Add. 21 of 28 November 1986 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho;
VAL/2/Rev.2/Add. 2 of 2 December 1986 Information on implementation and administration of the Agreement – checklist of issues – addendum - Lesotho;
VAL/1/Add. 21/Suppl.1 of 17 June 1987 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho - supplement.

WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries

Report

Needs Assessment Mission
Maseru
Lesotho

Member Administration

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Coordinator:

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Location of Mission

Training and Research Centre of Customs and Excise, Maseru, Lesotho.
Headquarters of Customs and Excise, Maseru, Lesotho.
Field visits to three Customs Offices in Maseru and, briefly, to the South African Customs Office at the border near Maseru.

Date of Mission

The mission was conducted from 19 to 21 February 2002.

Type of Assistance

Needs assessment in order to determine the technical assistance actions to Lesotho and the calendar of the WCO/USAID Valuation Technical Assistance Programme to SubSaharan countries. Meetings with representatives of Lesotho Customs and Excise, the licensed customs clearing agents, and the Embassy of the United States.

Implementation date of the Valuation Agreement

In 1983/1984 Lesotho amended its Customs and Excise Act 1982 (Act No 10 of 1982) in order to implement the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade. In 1984, Lesotho adopted the Customs and Excise Regulations 1984². Until the entry into force of these changes, Lesotho determined "the value for fiscal and customs purposes of any imported goods" as "the normal price thereof" (Chapter IX, Section 67 of the C&E Act 1982). Lesotho notified its new legislation to GATT, cf. the documents mentioned in footnote 1. According to WTO doc. G/VAL/M/14 of 22 June 2000 Lesotho had not yet notified the WTO of the status of that notification. However, WTO doc. G/VAL/W/24/Rev. 1 of 12 March 1999 contains the following summary of Lesotho's response to a request for information made by the WTO Committee on Customs Valuation:

Quote

- Lesotho is now implementing the Agreement on Customs Valuation.
- WCO programme for the implementation is in place.
- We need technical assistance in training and computer software/hardware.
- A computer expert would be more preferable.

Unquote

Due to their unavailability, the Project Manager did not obtain documents regarding the implementation of the WTO Agreement 1994.

Status

Lesotho is an active member of the WCO. Lesotho is a member of the WTO. The United Nations and the WTO recognize Lesotho as a least developed country. Lesotho is a member of the South African Customs Union (SACU) and the South African Development Community (SADC). Lesotho benefits from tariff preferences as the Generalized System of Preferences (GSP), and the Global System of Preferences between developing Countries. Lesotho also benefits from the African Growth and Opportunity Act of the USA, and the ACP/EU Cotonou Partnership Agreement signed in June 2000.

² Legal Notice No. 126 of 1984, published as Supplement No. 3 to Gazette No. 8 of 25th January 1985.

Objective of Mission

1. To assess the needs of Lesotho for technical assistance regarding valuation, ensuring the full picture of customs valuation is taken into consideration, including the infrastructure problems, the cooperation with other departments, and the partnership with the private sector, relating to the implementation of the WTO Valuation Agreement.
2. To lay the basis for a detailed work plan by establishing a draft programme and calendar for the technical assistance to be provided to Lesotho.

Participants

The Director and Deputy Director of Customs and Excise, senior and middle managers at Headquarters, Customs Officers, representatives of the licensed customs clearing agents, and the Deputy Chief of Mission of the Embassy of the United States. Annex 1 contains a list of persons encountered during the mission.

WCO Representative

Mr. Richardt Vork – Project Manager, WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries.

Opening Ceremony

The authorities had convened a group of Customs Officers for meetings with the Project Manager at the Customs Training and Research Centre. Mr. T. L. SELEBALO, Director of Customs and Excise, participated in the opening ceremony. Mr. A. M. LEROTHOLI was Master of Ceremony.

Mr. Eric MOTSOENE KHAKETLA, Deputy Director of Customs and Excise, opened the meeting with a warm welcome to the Project Manager. He expressed his thanks to the WCO and USAID for having decided to provide technical assistance to Lesotho. He underlined that great care was necessary when determining the customs value; correct implementation of the Agreement on Customs Valuation was important for the collection of revenue.

On behalf of the Lesotho Government, Mr. T. L. SELEBALO, Director of Customs and Excise, thanked the WCO and USAID for the technical assistance that would be provided. He warmly welcomed the offer of technical assistance and confirmed his full support to the implementation of the WTO Valuation Agreement. The offer of technical assistance had come at a most opportune time. The Government was in the process of restructuring the fiscal administration and the intention was to establish a Lesotho Revenue Authority, including Customs and Excise, by the end of 2002. The Director asked the participants to identify areas of weakness of the Customs and Excise and to assist the Project Manager in moving the process during the meetings to be held.

On behalf of the WCO, the Project Manager thanked the Director and the Deputy Director for the words of welcome. He explained the content of the draft programme and the draft

calendar for the technical assistance. The Director agreed to the Project Manager's request for copies of the customs legislation and regulations

About the financial arrangements for the training actions, the Project Manager explained that the policy of the WCO is that the WCO will bear all the costs incurred by the trainer (travel and per diem). The beneficiary administrations would be expected to bear the costs of the training room and the costs of the participants, including their travel to the place of training and per diem expenses.

Programme

Annex 2 contains the programme of the mission.

Closing Meeting

Mr. T. L. SELEBALO, Director of Customs and Excise, received the Project Manager. On behalf of the WCO, the Project Manager thanked the Director and the Lesotho Customs and Excise Service for the support and for the excellent cooperation that the staff of the Lesotho Customs and Excise had extended to him.

The Project Manager explained the fruitful discussion that had taken place with the participants in the meetings at the Customs and Excise Training and Research Centre. The Project Manager mentioned the meetings with representatives of the business community and the Embassy of the United States, and the visit to three Customs Offices in Maseru and the South African Customs Office on the border at Maseru Bridge.

The Project Manager informed Mr. SELEBALO of the results obtained during the mission. The group of Customs Officers had agreed the following draft programme and draft calendar:

<u>Technical Assistance Action</u>	<u>Time period</u> <u>Days</u>	<u>Number of</u> <u>participants</u>
1. Valuation workshop for customs officials in Maseru combined with a 1 day Valuation seminar for the business community (importers and licensed customs agents) in Maseru	01.07. – 12.07.2002 01.07.2002	25 25
2. Valuation workshop "Train the trainers"	02.09. – 06.09.2002	15
3. Valuation workshop on post clearance audit	18.11. – 22.11.2002	25
4. Valuation workshop on risk management methodology, including targeting and profiling and risk assessment	20.01. – 24.01.2003	25
5 ³ . Valuation workshop for customs officials in Maseru	07.04. – 11.04.2003	25

³ Budget permitting.

Technical assistance material requested for the Training and Research Centre: Power Point programme and presentations, laptop, projector, screen, personal computer with Internet access, fax machine, WCO manuals.

The Director agreed with these proposals. He suggested that it would be desirable if one Customs Officer from Lesotho could participate in the WCO Fellowship Programme in the framework of the WCO/USAID technical assistance programme. Lesotho Customs and Excise would pay the Customs Officer's salary and, if necessary, the airfare.

The Director mentioned that Lesotho Customs and Excise was interested in computerizing the customs clearance process. In 2000, COMESA had established a project document for the introduction of ASYCUDA in Lesotho. However, Lesotho Customs and Excise only had meager resources and would need to obtain donor funding before deciding to introduce the ASYCUDA system.

Based on the information obtained during the mission, the Project Manager would establish a detailed work plan as soon as possible.

The Project Manager confirmed that the mission report would be made available to the Director as soon as possible.

The Director expressed his gratitude to the WCO and the USAID for having included Lesotho in the programme. The Director requested the Project Manager to convey greetings to Mr. Danet, Secretary General of the WCO, and to Mr. Kappler, WCO Director of Tariff and Trade.

Evaluation

The first phase of the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries foresees a needs assessment mission to each of the five countries that have been selected as beneficiaries (Kenya, Lesotho, Nigeria, Senegal, and Tanzania). The Project Manager conducted the needs assessment mission to Lesotho during 19-21 February 2002, in Maseru. The Lesotho Customs authorities and the business community appreciated the offer of technical assistance and strongly confirmed their interest in the correct implementation of the WTO Agreement on Valuation.

The Lesotho Customs Authorities provided the Project Manager with a copy of the Customs and Excise Act 1982 and the Customs and Excise Regulations, 1984, and a host of information regarding the current customs clearance procedures, with particular emphasis on information regarding customs valuation. At the end of the talks, a draft programme and draft calendar were agreed.

The publication of Customs and Excise Act 1982 that the authorities provided to the Project Manager is prior to the implementation of the GATT Agreement on implementation of Article VII. On the last day of the mission, Mrs. Jaase informed the Project Manager that the later amendments to the Act and to the Regulations were unavailable. These

amendments exist in the form of GATT documents⁴ issued at the time when Lesotho notified that it had implemented the GATT Agreement. Lesotho has not formally notified the WTO of the status of the notification that it made with regard to the implementation of the GATT Agreement. The Project Manager has been unable to obtain the legal texts relating to the implementation of the WTO Agreement on Customs Valuation.

Meetings with a group of Customs Officers

The Project Manager presented the draft programme and the draft calendar.

The group provided the following information:

Lesotho does not have recourse to Pre-Shipment Inspection (PSI).

Lesotho Customs and Excise operates a fully paper-based system, without any automation except for typewriters and calculators. The Lesotho Government wants to develop and modernize the service in order to reduce delays linked to customs clearance, increase the efficiency of revenue collection, and obtain more timely and accurate information. In order to achieve this development, the Lesotho Government intends to establish a Lesotho Revenue Authority before the end of the year 2000. The Lesotho Customs and Excise would want to introduce the ASYCUDA++ system if donor funding could be made available. In this context, it would be important to strengthen Customs and Excise's ability concerning risk management and post clearance audit.

Organization of Lesotho Customs and Excise

Lesotho Customs and Excise is composed of Headquarters in Maseru with 50 staff headed by the Director who is assisted by two Deputy Directors. In Headquarters, Customs Valuation is the responsibility of the Deputy Director/TECH. Valuation is in particular dealt with by Mrs. M. MOHALE, Principal Customs Officer and Mrs. K. JAASE, Senior Customs Officer. Mrs. K. JAASE is the Valuation Officer of Lesotho Customs and Excise. There are no Valuation Experts in the Customs Offices. An organizational chart can be found in Annex 3.

Headquarters comprise the following Divisions:

Clearance Division	Investigation Division	Tariff and Valuation Division
Excise Division	Legal Division	Border Division.
Statistical Division	Personnel Division	Training Division
Accounts Division	Inter/Affairs Division	Import/Export Division

The staff of the Customs Offices amounts to 230 persons. Working hours are 8:00 H to 16:30 H.

⁴ VAL/1/Add. 21 of 28 November 1986 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho;
VAL/2/Rev.2/Add. 2 of 2 December 1986 Information on implementation and administration of the Agreement – checklist of issues – addendum - Lesotho;
VAL/1/Add. 21/Suppl.1 of 17 June 1987 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho - supplement.

The Customs Offices are the following:

Maseru Bridge	Maseru Station	State Warehouse
Parcel Post	Moshoeshoe I Int. Airport	Peka Bridge
Maputsoe Bridge	Caledonspoort	Monont'sa
Sani Top	Ramas Gate	Qacha's Nek
Tele Bridge	Dilli-Dilli	Makhaleng Bridge
Sephapho's Gate	Van Rooyen's Gate	T'supane's Gate

Customs duty is only collected on goods coming from outside the area of the South African Customs Union. The most important Customs Offices for the clearance of goods coming from outside the area of the South African Customs Union are:

Customs Office	Year 2000		Year 2001	
	Bills of Entry	Revenue	Bills of Entry	Revenue
State Warehouse	1860	M36016219	2132	M55596805
Maseru Station	1836	M6222025	2592	M3323167
Parcel Post		M67652		M48109
Moshoeshoe I Airport		M3404		M1720

Note: Revenue figures not supplied for Moshoeshoe I Airport for July-September 2000. Revenue figures not supplied for Parcel Post and Moshoeshoe I Airport for July-December 2001.

Customs clearance procedure

Goods from inside the area of the South African Customs Union are not liable to payment of duty. Such goods are entered using a form CCAI.

A simplified procedure (flat rate of duty on the declared value) exists for the clearance of accompanied baggage from outside the area of the South African Customs Union.

In all other cases, in order to clear goods through customs, the recourse to a licensed customs clearing agent is obligatory. There are 11 such agents in Lesotho. The agents must pass a test before they obtain the license, but there is no formal training provided to them. There are fewer than 200 companies or persons that import from outside the area of the South African Customs Union. Four companies import much larger volumes than the other importers (textile fabrics, electronics). Lesotho envisages introducing Value Added Tax in 2003. On that occasion, identification numbers will be allocated to all importers.

Lesotho relies on self-assessment. The importer and the licensed agent are both responsible for the correctness of the declarations in the Bill of Entry (B/E) and for the payment of the import duties. The burden of proof is on the importer and his agent.

The bill of entry (B/E, form DA500) is lodged together with all supporting documents. A junior Customs Officer examines the B/E and decides whether a physical examination is necessary. The decision on whether to examine the goods is based on the Customs Officers knowledge of the importer's track record of compliance and the type of goods. 10 % of containers are selected for examination on a random basis.

Customs and Excise Regulations, 1984, provide in Section 52 that “Any importer who is (a) related to the supplier of the goods shall so indicate, in the field “Valuation Code” on the bill of entry, by inserting the letter “R”; and (b) not related to the supplier of the goods shall so indicate, in the field “Valuation Code” on the bill of entry, by inserting the letter “N”.

If the importer is related to the supplier of the goods, he must declare whether the relationship influenced the price, and provide the necessary details. A decision is taken in accordance with Article 15 of the WTO Valuation Agreement. A Valuation Declaration Form is not used.

A copy of the bill of entry form DA500 is attached (Annex 3).

When the junior Customs Officer has finished checking the B/E and examining the goods, the B/E is transmitted to one or two other (Senior) Customs Officer for final verification. In this way, two or three Customs Officers check each B/E.

The conversion rate for foreign currency is determined weekly by the Central Bank.

Lesotho does not apply minimum values. Customs duty is calculated on the F.O.B. value, whereas sales duty is calculated based on the customs value augmented by 15% and with the addition of the duty paid (Section 70 (1) of the Customs and Excise Act 1982, as amended in 1983/1984). The importer must also declare the C.I.F. price (Customs and Excise Regulations, 1984, Section 39 (4 (c))).

The import duties must be paid before the goods can be released. In cases where the B/E cannot be processed immediately, or if the bill of entry concerns perishable goods, it is possible to obtain release against provisional payment of a deposit covering the amount determined by customs. Excess payment will be reimbursed when the case is closed. Pre-release is also possible in case that the duty is rebated.

The Customs Officers do not have access to a valuation database and they do not have Internet access. Except for South Africa, there is normally no international cooperation concerning information on valuation.

If the Customs Officer cannot accept the declared transaction value, he will search for cases of previously imported goods that are identical or similar. The absence of automation renders this exercise cumbersome. The search is not facilitated by the fact that the actual bills of entry remain in the Customs Office where they were lodged. The Customs Offices do not report the weight or quantity of the goods, nor the name of the importer. From the import statistics reports of the Customs Offices, it is, therefore, not possible to determine the unit value of goods.

The Customs Offices when reporting their import statistics show only the following information:

- Tariff classification code;
- Registration number of bill of entry;
- Total value of the goods;
- Amount of duty collected.

Reporting of statistical information is done manually, to the Statistical Division in Customs and Excise Headquarters. Headquarters has a monthlong backlog in processing the information.

If the Customs Officer does not succeed in determining a customs value, he may decide to send the B/E to the Investigation Division in Headquarters.

Uplift of the declared value occurs in about 10 % of the B/E. Uplifts occur notably concerning imports of second-hand cars.

The average customs clearance time was said to be 2 days.

Risk management methodology

A limited number of staff, mostly highlevel, has received some training on risk management methodology. However, risk management remains a new concept for the majority of the Customs Officers.

Post clearance audit

It is legally possible to conduct post clearance audit. It results from Section 5 of the C&E Act 1982 that Customs and Excise does not need a warrant in order to gain access to the importer's or the agent's premises. If necessary, the police may be called for assistance. Customs and Excise may take samples (C&E Act 1982 Section 106) and may audit the accounts of the importer and the agent who must keep their records (Section 102) for five years according to the group (Section 73 (2) of C&E Regulations 1984 stipulates two years). There is good compliance with the record-keeping requirement. However, there is no systematic or efficient application of post clearance audit, and Lesotho Customs and Excise does not have a unit that has been especially set up for carrying out post clearance audit. Cases of suspected fraud are referred to the Investigation Division in Headquarters. Companies do not like valuation audit too much, but they accept it.

The most common types of valuation fraud are under-invoicing, under-valuation, concealment, and under-declaration of quantity.

Appeal procedure

Valuation decisions are made locally. The importer may appeal to Headquarters and may further appeal to the normal courts. Lesotho does not have an administrative tribunal for customs valuation appeal cases. The time limit for lodging an appeal is 30 days.

Penalty regime

C&E Act 1982 Chapter XI lays down the penalty regime. Penalties are a fine, imprisonment up to two years, or both. Goods that have not been declared, and goods in respect of which false declaration or false document was used shall be liable to forfeiture. If the offence was not committed knowingly or recklessly, the penalty shall be a fine.

In practice, most offences result in the imposition of a fine, it is seldom that imprisonment is applied.

Training

There is a separate Division in Headquarters responsible for training activities.

Lesotho Customs and Excise has a Training and Research Centre in Maseru. Mrs.

'Makabelo 'MATLI is Head of Customs Training. The Centre comprises:

One lecture room for 25 persons, with a fan but no air-conditioning, with a screen and a blackboard.

One seminar room with air-conditioning, which can be subdivided into two rooms, for 25 persons.

One large room. The room is currently being used as a storage room for old furniture, but it could become a large lecture room for more than 30 persons.

One library with a TV, an overhead projector, SADC Customs Training Manuals (basic, intermediate, and advanced), CCC manuals on customs valuation relating to the GATT Agreement.

1 tea room, 1 kitchenette, 2 toilet rooms,

Four staff offices for the Head of the Centre, two Instructors, and three Secretaries.

The technical equipment of the Centre includes 2 photocopiers, 1 TV, 3 personal computers, 2 printers, 1 binder, 2 video cameras (VHS and 8 mm) with one stand, 1 video recorder, 1 fax machine that is out of order. The Centre possesses a number of videocassettes containing material relating to the WCO and enforcement.

The Training and Research Centre does not possess WCO training modules on customs valuation, the new WCO manuals regarding valuation, laptop, projector, or Power Point programme. The Centre does not have overnight accommodation facilities.

Almost all Customs Officers have had introductory training relating to valuation. None of the field officers was Valuation Experts. The group felt that there was a clear need for more training on valuation.

Field visits

Customs and Excise arranged field visits for the Project Manager to the Customs Offices of State Warehouse, Maseru Station, and Maseru Bridge.

State Warehouse is for goods coming from outside of the area of SACU. State Warehouse is an important generator of revenue. In the financial year 2000/2001, State Warehouse collected M55,980,028.16 in the form of duty and excise, and processed 1727 bills of entry.

The Customs Officer on duty carried out his work on the basis of Customs and Excise Regulations, 1984 (Legal Notice No. 126 of 1984). At the request of the Customs Officers from Headquarters who promised to supply a new copy to him, he provided his copy of the C&E Regulations, 1984 to the Project Manager.

Three Customs Officers check each B/E form DA500. The Customs Officers have one personal computer at their disposal. The PC is used for classification purposes (WCO Commodity database) and for printing forms. The PC is not connected to a network or to the Internet.

The Project Manager witnessed the physical examination of a truck carrying goods for three importers. All goods were pre-released because there was no duty liability.

Maseru Station is also an important generator of revenue. In the financial year 2001/2002 to date, Maseru Station collected M1,853,959 in the form of duty and excise, and processed 2490 bills of entry. In the financial year 2000/2001 Maseru Station processed 1951 bills of entry. The duty is rebated on the major part of the goods cleared at Maseru Station. Two large textile manufacturers, CGM Industrial and Lesotho Precious Garments, clear their textile raw materials at Maseru Station. Their production is reexported. Another large importer is Kiota Electronics (TVs, computers).

There is no computer at Maseru Station. The Customs Officers verify the declared value by examining the invoice, the bill of lading, and the origin certificate, if any. In case of doubt, they compare the declared value with the value of previous imports of similar goods. If necessary, the Customs Officers refer the matter to the Investigation Division at Headquarters. If undeclared quantities of goods are discovered, they will be taken to State Warehouse for clearance.

Payments cannot be done at Maseru Station, but must be done at Head Office.

Maseru Bridge is situated at the land border to South Africa. The Customs Office clears goods from inside the SACU area. A special form, CCAI is used. The value of the goods imported in the previous week was M21,801,724. Many of the goods are perishable.

There is no computer at Maseru Bridge. Common problems concern under-declaration of quantities and of value. The Customs Officers have a good cooperation with the Customs Officers at the South African Border Customs Office, and often compare the CCAI declarations with what was declared on export from South Africa. The Customs Officers sometimes verify declarations at the importer's premises. The typical fine for duty evasion is 200 % of the evaded amount.

The determination of the value of second-hand cars imported from SACU constitutes a particular problem for the collection of sales tax. The Customs does not maintain a list of car values, but relies on the auto association's catalogues showing used car values.

South African Customs Office Maseru Bridge is situated a few hundred meters away from the Lesotho Maseru Bridge Customs Office. The Project Manager met the Manager of the Customs Office and the Manager of the Anti-smuggling Unit. They confirmed their good two-way cooperation with the Lesotho Customs Officers. The South African office was equipped with three personal computers connected to a network.

Meeting with the licensed customs clearing agents in Lesotho

The Project Manager explained the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries. The representatives of the licensed customs clearing agents in Lesotho expressed satisfaction that Lesotho had been included in the programme. They said that they fully supported the WTO Valuation Agreement and underlined the importance of transparency, trade facilitation and the right of appeal. They underlined the importance of the fact that Lesotho Customs and Excise administers policies on behalf of several other State Administrations, and well-trained Customs Officers were required.

The licensed customs clearing agents wanted training in relation to the Valuation Agreement. They would welcome a short seminar in the framework of the WCO/USAID programme, for licensed customs clearing agents, importers and manufacturers. However, they expected that the main training effort would come from Lesotho Customs and Excise; it should encompass the whole logistical system, not only customs formalities, and include shipping procedures, freight forwarding, port operations, and documentation used in international trade. They expressed the wish that Customs and Excise would arrange regular meetings for examining any difficulties.

One of the participants was a former Director of Lesotho Customs and Excise. He felt that it would be preferable if the same value would be used for the calculation of duty and excise.

Meeting with the Deputy Chief of Mission of the U.S. Embassy to Lesotho

The Project Manager explained the WCO/USAID Valuation Technical Assistance Programme to Sub-Saharan countries, and provided the Deputy Chief of Mission with a copy of the WCO Brief Guide to Valuation. The Deputy Chief of Mission was interested in the programme and asked to receive a copy of the work plan when it had been approved. The USAID Office in Lesotho had been moved to Botswana.

The Program Manager mentioned that the Director of Customs and Excise had expressed the wish to introduce the ASYCUDA++ system. The Deputy Chief of Mission recommended a local company, Quadrant⁵, which had installed information technology in the U.S. Embassy and might be able to assist Customs and Excise with the installation of ASYCUDA++. The Embassy had been satisfied with Quadrant's work.

⁵ Quadrant's website is: www.quadrant.co.ls. The Director is Mr. Graham Jennings, tel. +266 31 4707, fax +266 32 2320, cell +266 851318; E-mail: consulting@quadrant.co.ls.

The Deputy Chief of Mission referred to the inclusion of Lesotho as a beneficiary under the African Growth and Opportunity Act (AGOA). Lesotho Customs and Excise was required to transmit to U.S. Customs a monthly report on any AGOA abuses. The Embassy received a copy of these reports.

Recommendation

1. That this report be noted.

Forwarded.

28 February 2002

Richardt Vork
Project Manager

Annexes:

Annex

1. List of persons encountered during the needs assessment mission.
2. Programme of mission.
3. Information on LESOTHO:
 - extract of WCO country database;
 - Lesotho Ministry of Finance (*source Lesotho Government website*);
 - Lesotho (*source: "The World Factbook"*);
 - Lesotho (*source: U.S. Department of State, background notes*);
 - Lesotho (*source: The World Bank*);Organizational chart of Lesotho Customs and Excise;
Bill of entry form DA500;
Customs and Excise Act 1982 (Act No. 10 of 1982);
Customs and Excise Regulations, 1984 (Legal Notice No. 126 of 1984);
VAL/1/Add. 21 of 28 November 1986 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho;
VAL/2/Rev.2/Add. 2 of 2 December 1986 Information on implementation and administration of the Agreement – checklist of issues – addendum- Lesotho;
VAL/1/Add. 21/Suppl.1 of 17 June 1987 Information on implementation and administration of the Agreement – addendum – legislation of Lesotho - supplement.

List of persons encountered during the needs assessment mission.

Lesotho Customs and Excise

T. L. SELEBALO, Director of Customs and Excise.
Eric MOTS'OENE KHAKETLA, Chief Customs Officer.
Nteboheng BLESS, Legal Officer.
M. MOHALE, Principal Customs Officer.
Molise MOLAPO, Principal Customs Officer.
Peete THAMAE, Principal Customs Officer.
Lineo NTAI, Senior Customs Officer.
Mosa RANTS'ELI, Senior Customs Officer⁶.
Morai MOTS'OARI, Customs Officer.
'Makhosi RAMOELETSI, Customs Officer.
Moroeroe LEBEKO, Customs Officer.
Lebitsa NTLAI, Customs Officer.
'Mats'epo THOTANYANA, Customs Officer⁷.
Nguee Lesitsi MAHAMO, Customs Officer.
Mantja MOTLATSI, Customs Officer.
A. M. LEROTHOLI, Customs Officer.

Training and Research Centre

'Makabelo 'MATLI, Head, Customs Training (telephone 315 756).

State Warehouse Customs Office

Sechaba TSOANAMATSIE, Customs Officer.
Mantja MOTIATS, Customs Officer.

Maseru Station Customs Office

Dipoleno MOKOAI, Senior Customs Officer.

Maseru Bridge Customs Office

Daniel Tsita MOFOKA, Principal Customs Officer.

South African Maseru Bridge Customs Office

ISAAC JAN, Manager Customs Maseru Bridge, (telephone 082 956 6274).
J. P. PAUL, Manager Anti-Smuggling Unit (telephone 082 4557 325).

Licensed Customs Clearing Agents

Trevor PILLAY, Clearing Agent, Freight Controller, Lesotho Express Delivery Service.
Mpho MOHALEROE, Secretary, Shinning Century Limited.
T. SEGOETE, Clearing Agent, Interfreight.
N. MWANGI, Clearing Agent, Elliot International.
O. T. MAPHASA, Clearing Agent, Elliot International.

⁶ Ms. MOSA RANTS'ELI expressed her interest in participating in the WCO Fellowship Programme.

⁷ Ms. 'Mats'epo THOTANYANA expressed her interest in participating in the WCO Fellowship Programme.

S. E. THIBELI, Clearing Agent, Triangle Freight.
Palesa MAHASE, Clearing Agent, P & Peter Freight.
Mathetsi MOFELEHETSI, Clearing Agent, Sea-Line Freight.
Vicky GOKOOL, Clearing Agent, PC Freight.
Thando RAMOROKI, Clearing Agent, PC Freight.

Embassy of the United States of America, Maseru, Lesotho
Daniel P. BELLEGARDE, Deputy Chief of Mission.

**Programme of mission of Project Manager Richardt Vork
WCO/USAID Valuation Technical Assistance Programme
to Sub-Saharan countries**

18 February 2002	Arrival of Project Manager.
19 February 2002	Meeting with the Director of Lesotho Customs and Excise and a group of Customs Officers.
20 February 2002	Visits to Customs Offices. Meeting with a group of Customs Officers.
21 February 2002	Meeting with the Deputy Chief of Mission, U.S. Embassy. Meeting with licensed customs clearing agents. Closing meeting with the Director of Lesotho Customs and Excise
22 February 2002	Departure of Project Manager.

Annex 3

This annex is composed of voluminous books and documents. This annex is attached only to the original of the needs assessment report.