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Dear Customs client

**CALCULATION OF VAT ON GOODS IMPORTED FROM BLNS COUNTRIES**

On 1 February 2020, SARS will implement technical system enhancements. The system change relates to the calculation of VAT on goods imported for home use from Botswana, Lesotho, Namibia and Swaziland (BLNS countries), specifically the legal provisions of section 13(2) of the Value-Added Tax Act, of 1991 and rule 120A.02(a) of the Rules to the Customs and Excise Act 91 of 1964.

Section 13(2)(a) states that where the origin of such goods is from **non-BLNS countries**, the goods are subject to an upliftment of the VAT value by a factor of 10%, in the calculation of VAT payable at the time of clearance into the Republic of South Africa. In essence, this implies a mark-up of the Customs value by 10%, upon which VAT of 15% is calculated.

The following is an example of how VAT is calculated:

Value of the goods imported from BLNS (non-BLNS origin)		Value of the goods imported from BLNS (BLNS origin)	
Customs Value	R 1 000.00	Customs Value	R 1 000.00
Upliftment of 10 %: section 13(2)(a)	R 100.00	No upliftment of 10 %: section 13(2)(b)	R 0.00
SubTotal	R 1 100.00	SubTotal	R 1 000.00
Added Tax Value (ATV) VAT @ 15%	<b>R 165.00</b>	Added Tax Value (ATV) VAT @ 15%	<b>R 150.00</b>

Kindly note that no mark-up is applied on the importation of goods originating in BLNS countries and cleared for home consumption. Only VAT of 15% is calculated on the customs value.

Importers, registered agents and clearing agents are reminded of their obligation to comply with the above-mentioned legal provisions.

Yours sincerely



**OLEBOGENG RAMATLHODI**  
**EXECUTIVE: CUSTOMS & EXCISE CENTRE OF EXCELLENCE**  
**(ACTING)**