

Starting a business in Lesotho

Doing Business 2021

Reforms and Procedures - Annexes

May 2020

List of Annexes

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Memo signed by HE. Minister of Trade and Industry Re. Doing Business 2021 - Reforms in Starting a business in Lesotho.

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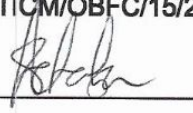
Memo signed by Director OBFC to all OBFC staff Re. 3 reforms in the business creation process, 2nd April 2019.

Annex 6

Online description of Starting a business on eRegulations Lesotho.

Annex 1

Memo signed by HE. Minister of Trade and Industry Re. Doing Business 2021 - Reforms in Starting a business in Lesotho

		G.P.139
SAVINGRAM		
(RECEIVING DATE STAMPS)		
FROM	: PS – MINISTRY OF TRADE AND INDUSTRY	
TO	: PS – MINISTRY OF DEVELOPMENT PLANNING	
REF.NO	: MTICM/OBFC/15/2	
SIGNED (Full signature)		FILE NO..... RECEIVING MIN/DEPT
NAME (Typed)	: S. MOCHABA	
DATE	: 27 TH MAY, 2020	
<u>RE: UPDATE ON STARTING BUSINESS REFORMS</u>		
The Ministry of Trade and Industry set two (2) new reforms from 12th February, 2020 to improve and simplify the business creation process at the One-Stop Business Facilitation Centre (OBFC):		
• Launch of eRegulations Lesotho: this new portal describes all the administrative procedures managed by OBFC, step-by-step and from the client's point of view. It aims at providing full transparency on procedures, forms, requirements and regulations related to business operations. Clients can ask assistance and complain online if OBFC officers do not comply with deadlines and requirements. See www.lesotho.eregulations.org. • Launch of eLicenses Lesotho: eLicenses is an online platform to register with trade and manufacturing licenses. The platform has been extended to allow online applications, online payment and electronic certificates (authenticated by QR code and sent directly to the applicant's mailbox). All		

the licensing process is now fully digitalized. The business licenses are issued in an average of 3 working days. See www.lesotho.elicenses.org.

I wish also to remind that OBFC completed in 2019 the **full digitalization of the company incorporation process** (application, payment and certificates). All companies are invited to register on www.companies.org.ls.

Regards.

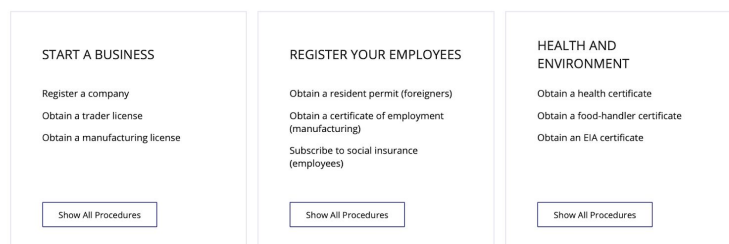
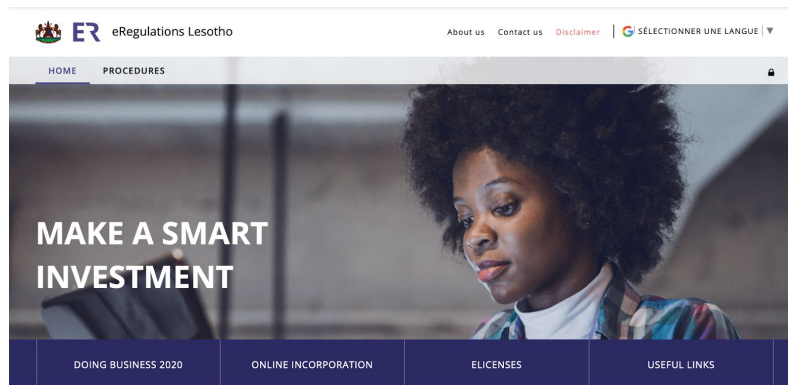
**cc: PS – Ministry of Small Business Development,
Cooperatives and Marketing;
Chairman Investment Climate Reforms Agenda**

Annex 2

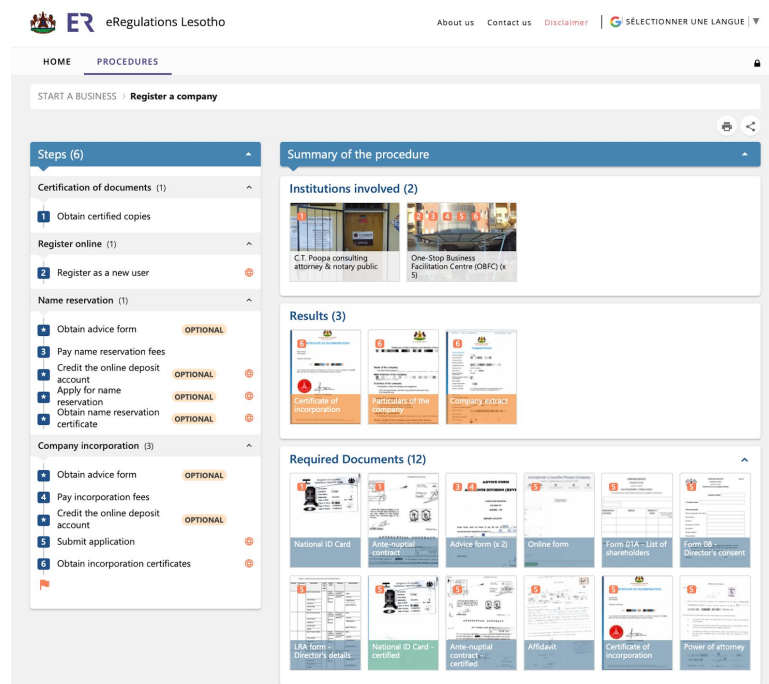
eRegulations Lesotho

Full transparency on administrative procedures operated by OBFC

www.lesotho.eregulations.org



eRegulations Lesotho is an information portal where all procedures operated by OBFC are described online.



Each procedure is described step by step, from OBFC client's perspective, with all the requirements and regulations.

 **Who certified this information ?**
Monaheng MONAHENG, 17/10/2018

 Report incorrect information  Suggest a simplification

Recourse: One-Stop Business Facilitation Centre (OBFC)





Entity in charge ONE-STOP BUSINESS FACILITATION CENTRE (OBFC) Kingsway Road LNDC Phase II 1st floor, Maseru 100 Tel: +266 22324667 Website: www.obfc.org.ls	Unit in charge DEPUTY REGISTRAR OF COMPANIES Mon: 08:00 - 12:45, 14:00 - 16:30 Tue: 08:00 - 12:45, 14:00 - 16:30 Wed: 08:00 - 12:45, 14:00 - 16:30 Thu: 08:00 - 12:45, 14:00 - 16:30 Fri: 08:00 - 12:45, 14:00 - 16:30	Person in charge FLORENCE MOTOA Deputy Registrar of Companies Email: florence.motoa@obfc.org.ls
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Each step have been certified. Complains can be sent online if the information does not match the current practice.



eRegulations Lesotho was launched on Feb., 12th 2020 and introduced to a community of 200 business operators.



A media campaign spread the news on eRegulations Lesotho and the online complain's mechanism (more than 3'000 visitors).

Annex 3

eLicenses Lesotho

A new platform to register online with trading and manufacturing licenses

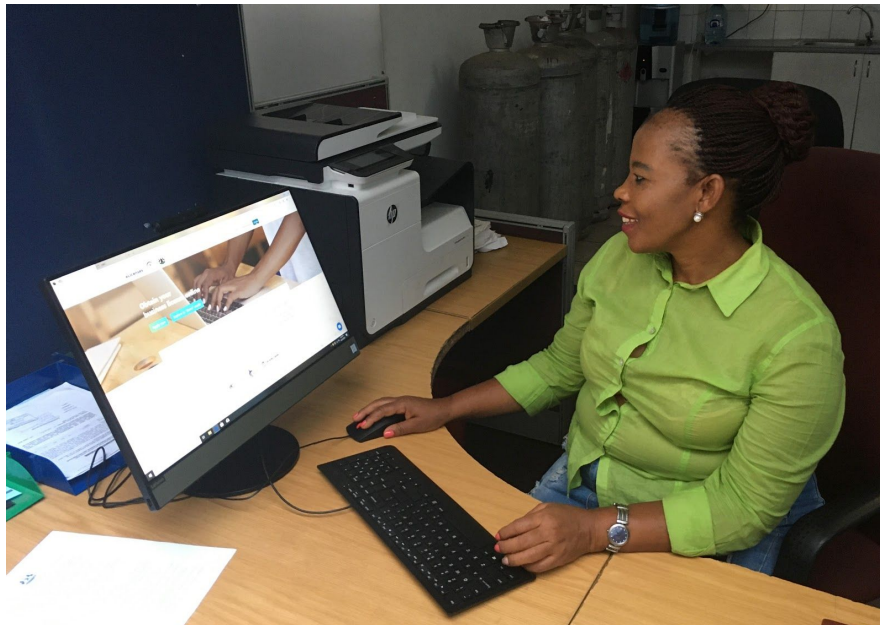
www.lesotho.elicenses.org



eLicenses Lesotho is a platform to apply online for a business license, pays the fees and receive an electronic certificate.

The screenshot displays the 'First Trade License' application form. The top navigation bar includes 'My Account' and 'First Trade License'. Below this, a progress bar shows four steps: '1. GUIDE', '2. FORM', '3. DOCUMENTS', and '4. SEND'. The '1. GUIDE' section is active and contains three main areas: 'Questions', 'Registrations', and 'Fees'. The 'Questions' section has three dropdown menus for 'District *' (Maseru), 'Activity *' (Advertising Agent), and 'Type of enterprise *' (Private Co or (PTY) LTD). Below these is a 'Rented premises? *' section with radio buttons for 'Yes' and 'No'. The 'Registrations' section shows a checked box for 'Trade License'. The 'Fees' section displays 'LSL 300.00'. To the right of the 'Fees' section is a 'Documents' list with five items: 'ID Document of the CEO or General manager', 'Company extract', 'Certificate of incorporation', 'Certified copy of the lease', and 'Certified copy of the sublease'. At the bottom right, there are two buttons: 'PRINT A REMINDER' and 'VALIDATE'.

The business owner registers an account, answers preliminary questions and send online all the information and documents.



The OBFC officers review immediately the application and liaise with the Licensing Board for approval.



GOVERNMENT OF LESOTHO
MINISTRY OF TRADE AND INDUSTRY,
COOPERATIVES AND MARKETING

License to Manufacture / Trade

n° 52326

Issued under the Industrial Licensing Act 1969
and Trading Enterprises Act 1993

License is hereby granted to

RAMAN CONSTRUCTION

Owned by

Operating from

Hillsview
Maseru
Maseru

In the category

Trading Enterprise
Builder And Contractor

Date of first license 28/03/2019	Should be renewed by 28/03/2020	
License Fee Paid 300.00 LSL	Receipt Number 12345	

After online payment, the business owner receives an electronic certificate in his/her mailbox (authenticated by QR code).



MINISTRY OF TRADE
& INDUSTRY
Enhancing Trade For All

Get your
Business licence and
Business regulations online

"Business *simplicity* & *transparency*
are now a click away."

www.lesotho.elicences.org

www.lesotho.eregulations.org

Like eRegulations, eLicenses has been introduced to a wide community of business owners (public launch, media campaign).

Annex 4

Memo signed by Director of Legal Department at Ministry of Trade and Industry
Re. legal requirements to start a business (LLC) in Lesotho

MEMO

TO : DIRECTOR - OBFC
FROM : CHIEF LEGAL OFFICER
SIGNED : _____
NAME : L. LEBONE
(Typed)
DATE : 05TH MAY, 2020

Re. Legal Requirements to Start a Business/Limited Liability Company (LLC) in Lesotho

All the legal requirements for starting a business in Lesotho, including a Private Limited Liability Company (LLC), are described in the Acts and Regulations below:

Company incorporation

- Companies Act, 2011
- Companies Regulations, 2012

Trading License registration

- Trading Enterprises Order, 1993 (as amended);
- Trading Enterprises Regulations, 1999;
- Trading Enterprises Regulations (Amendment), 2011

Industrial (Manufacturing) License registration

- Industrial Licensing Act, 2014
- Industrial Licensing Regulations, 2014

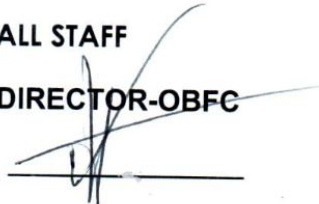
The above laws are administered by the Ministry of Trade and Industry through the One-Stop Business Facilitation Centre (OBFC). These laws do not provide for registered sub-lease agreement and filing with insurance company for workmen's compensation before starting a business in Lesotho as described in Doing Business 2020.

Regards.

Annex 5

Memo signed by Director OBFC to all OBFC staff
Re. 3 reforms in the business creation process, 2nd April 2019

MEMO

TO : ALL STAFF
FROM : DIRECTOR-OBFC
SIGNED : 
NAME : M. MONAHENG

(Typed)

DATE : 2ND APRIL, 2019

RE: Information to OBFC officers and users about three important improvements in the business creation process

As you know, three important improvements have taken place in the past months regarding the business creation process in Lesotho:

- **Reduction of the company registration time:** the company registration process is now totally automated; all applications and payments are made online and registrations certificates are issued in average in a **maximum of 3 days** (against 7 previously).
- **Reform of the inspection regime for trade licenses:** a Health Certificate is no longer required to obtain a trade license, for most businesses; a Health Certificate is required only for activities with potential risk for public health or for the environment. As a result, the business creation process is shortened by 14 days (**0 days now**, against 14 previously).
- **Online trade license:** business can apply for and obtain trade licenses online through the OBFC website and the new "Lesotho.licenses.org" system. The average processing time is now **3 days** (against 7 previously).

Annex 6

Online description of Starting a business on eRegulations Lesotho

<https://lesotho.eregulations.org/procedure/107?l=en>

 **ER** eRegulations Lesotho

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HOME | **PROCEDURES** | SYSTEM DASHBOARD | CONSISTENCY REVIEW ▼ | ADMIN SITE | HELLO JULIEN

START A BUSINESS > **Start a company (LLC)**

Steps (4)

Register a company online (2)

- 1 Apply online
- 2 Obtain incorporation certificates

Register with a trade license online (2)

- 3 Apply online
- 4 Obtain a trade license certificate

Summary of the procedure

Institutions involved (2)

 One-Stop Business Facilitation Centre (OBFC) (x 2)

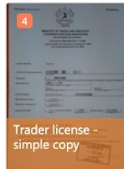
 eLicences (x 2)

Results (4)

 Certificate of incorporation

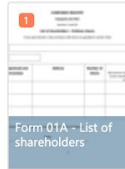
 Particulars of the company

 Company extract

 Trader license - simple copy

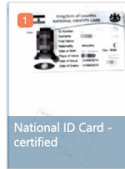
Required Documents (17)

 Online form

 Form 01A - List of shareholders

 Form 08 - Director's consent

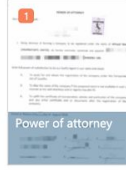
 LRA form - Director's details

 National ID Card - certified

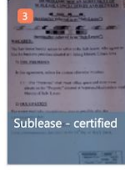
 Ante-nuptial contract - certified

 Affidavit

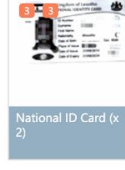
 Certificate of incorporation

 Power of attorney

 Lease - certified

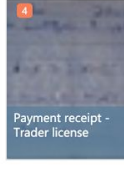
 Sublease - certified

 Certificate of inspection

 National ID Card (x 2)

 Certificate of incorporation

 Company extract

 Payment receipt - Trader license

 Approval form duplicate - signed and stamped by

Estimated cost **LSL 1,100**

LSL 500
for incorporation fees

LSL 600
for a company general dealer

Total Duration 2d - 6d

	Min.	Max.
Total time (sum):	2d	6d
<u>of which:</u>		
Waiting time in queue (sum):	0mn	5mn
Attention at counter:	5mn	25mn
Waiting time until next step (sum):	1d 1/2	5d

Laws (6)

-  Companies Act 2011 on application for incorporation; on articles of incorporation; on time to register documents (Articles 5, 6, 7, 87.2, schedule-form 1, schedule-form 2, schedule-form 8)
-  Companies Regulations 2012 on identification documents; on general requirements for documents; on application for company incorporation; on articles of incorporation; on certified copy of ID documents for directors; on standard articles of incorporation for a private company (developed by the Registrar); on company registration fees (Articles 2, 3, 4, 5, 8, 16, 21, schedule 2, schedule 6A, schedule 7)
-  Memorandum on the implementation of the trading enterprises regulations as amended Apr2012 on special activities which may require a certificate of inspection (Article 1)
-  Trading Enterprises (Amendment) Regulations Dec2011 on public health inspection ("when necessary") and licensing fees. (Articles 1st schedule, 2)
-  Trading Enterprises Order 1993 on the obligation to have a license and payment of license fees (Articles 14, 16, 17, 28)
-  Trading Enterprises Regulations 1999 on information to provide and health certificate, on application form and requirements (enclosures to the form), on application fees (not applied) and license fees (Articles 10, 11, 15, 16 schedule 2.a, schedule 3)