Starting a business in Lesotho
Doing Business 2021
Reforms and Procedures - Annexes
May 2020

List of Annexes

Annex 1
Memo signed by HE. Minister of Trade and Industry Re. Doing Business 2021 - Reforms in Starting a business in Lesotho.

Annex 2
eRegulations Lesotho, full transparency on administrative procedures operated by OBFC.

Annex 3
eLicenses Lesotho, a new platform to register online with trading and manufacturing licenses.

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.

Annex 5
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

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SAVINGRAM

(RECEIVING DATE STAMPS)

FROM : PS – MINISTRY OF TRADE AND INDUSTRY
TO : PS – MINISTRY OF DEVELOPMENT PLANNING

REF.NO : MTICM/OBFC/15/2

SIGNED : [Signature]

FULL SIGNATURE

NAME : S. MOCHABA

(Typed)

DATE : 27TH MAY, 2020

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RE: UPDATE ON STARTING BUSINESS REFORMS

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](http://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.
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 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.

After online payment, the business owner receives an electronic certificate in his/her mailbox (authenticated by QR code).
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
## Total Duration 2d - 6d

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## Laws (6)

- **Companies Act 2011** on application for incorporation; on articles of incorporation; on time to register documents (Articles 5, 6, 7, 87, 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 Apr 2012** on special activities which may require a certificate of inspection (Article 1)

- **Trading Enterprises (Amendment) Regulations Dec 2011** 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)