



**Revenue
Services**
Lesotho

**GUIDE ON TRADING
ACROSS BORDERS**

“Re Tjena Ka Uena”



TRADING ACROSS BORDERS – A GUIDE FOR SMALL, MEDIUM AND MICRO ENTERPRISES (SMMEs)

WHAT IS TRADING ACROSS BORDERS?

Trading Across Borders records the time and cost associated with exporting and importing goods, measuring three main areas-**documentary compliance, border compliance and domestic transport**. These areas collectively represent the processes that goods go through to cross borders effectively.

- **Documentary Compliance** involves preparing the necessary paperwork to meet export or import requirements. For SMMEs, understanding what documents are required, such as commercial invoices or certificates of origin, can streamline the process and avoid delays.
- **Domestic transport** refers to the movement of goods within the country before they reach the border or port for export, or after they arrive from international locations and need to be transported within the country. This phase includes the time and costs associated with transporting goods from their origin point (such as a manufacturing facility or warehouse) to a port, border crossing, or final destination.

Why Domestic Transport Matters for SMMEs - For many SMMEs, domestic transport can be a significant part of the logistics process, impacting both time and costs. Efficient and reliable domestic transport is crucial as it ensures goods arrive at borders or ports on time and in good condition, which is essential for meeting trade schedules and maintaining relationships with international buyers.

Tip for SMMEs: Reach out to Lesotho's **One Stop Business Facilitation Centre (OBFC)** <http://www.obfc.org.ls/> and **Lesotho Trade Portal** <http://www.lesotho>

tradeportal for guidance on the necessary paperwork. This can help clarify which documents you need and streamline compliance processes.

WHAT IS TRADE FACILITATION?

Trade Facilitation refers to simplifying and modernizing export and import processes to expedite movement, release and clearance of goods while ensuring safety and security of the supply chain.



WHY TRADE FACILITATION MATTERS FOR SMMEs

Trade facilitation is essential for SMMEs as it reduces the time, cost, and complexity of cross-border trade, enabling them to expand into new markets. Here are some key benefits:

Efficiency in Export and Import - Trade facilitation reduces waiting periods, which is particularly advantageous for SMMEs that rely on quick turnover and cash flow;

Access to New Markets - By simplifying trade processes, SMMEs can engage with new trading partners, increasing the range of export and import options;

Digital Trade Platforms - Platforms like the Lesotho Trade Portal centralize information on trade procedures, making it easier for SMMEs to understand requirements and avoid delays.

HOW TO MAKE TRADE FACILITATION HAPPEN?

Practical steps for SMMEs to start trading across borders

For SMMEs ready to engage in cross-border trade, here is a helpful checklist to consider:

1. **Visit the One Stop Business Facilitation Center:** This center provides support with compliance steps, including guidance on business registration and export/import permits;
2. **Utilize the Lesotho Trade Portal:** This portal offers comprehensive trade information, such as required documents and regulations for different countries;
3. **Consider Authorized Economic Operator (AEO) Certification:** Becoming an AEO can offer benefits like faster customs processing and priority treatment, which is advantageous for SMMEs involved in regular cross-border trade.

Trade facilitation measures require a reform and modernization processes to enable businesses to thrive in a conducive environment. The above tools are interventions implemented by the Government of Lesotho to address the bureaucratic delays and “red tape”, which make our border processes inefficient.



GOVERNMENT REFORMS TO SUPPORT TRADE AND SMMEs

WHAT IS TRADING ACROSS BORDERS?

Revenue Services Lesotho and Other Government Agencies have implemented reforms to make cross-border trade more accessible. Here’s a quick overview and how SMMEs can leverage these reforms:

- **ASYCUDA World** - This automated system for customs processing allows businesses to electronically submit trade documents, saving time and reducing paperwork;

Businesses must use ASYCUDA World to submit documents online, track shipments, and calculate duties, improving efficiency in the trade process.

- **Single Window Project** - Once complete, this project will enable traders to submit all trade-related documents through a single entry point, simplifying interactions with

multiple agencies. Currently, import permits from the Ministry of Trade and from Revenue Services Lesotho can apply for these documents without leaving their workspace;

- **Risk Management and Coordinated Border Management** - These systems streamline inspections and customs clearance for lower-risk goods, which can reduce delays for businesses including SMMEs with a track record of compliance.

Tip: Contact RSL or local business support centers to learn how these initiatives can simplify your trade activities.

MAKING TRADE TERMS ACCESSIBLE FOR SMMEs

Understanding the terminology used in trade facilitation is essential for effective engagement. Here are a few key terms:

- **ASYCUDA World** - A digital system to manage customs declarations and shipments electronically.
- **Single Window**: A streamlined platform allowing all required import/export information to be submitted at once.
- **Coordinated Border Management (CBM)**: A system ensuring that all border agencies collaborate for smoother trade processes.

DIGITAL SKILLS FOR MODERN TRADE

As trade becomes more digitized, SMMEs need to build relevant skills. The following recommendations will assist in navigating trade in this digital environment:

- **Electronic Document Management**: Efficient electronic document management is essential for businesses involved in cross-border trade. By submitting digital documents and maintaining organized electronic records, businesses can streamline trade processes, minimize errors, and ensure compliance with international requirements.
- **Submitting Digital Documents**: Many trade and customs documents, such as invoices, certificates of origin, and customs declarations, can now be submitted electronically. This digital submission not only reduces processing times but also minimizes paperwork, which can reduce both costs and environmental impact.

•Best Practices in Electronic Document Management

- o **Use Secure Platforms**: Choose reliable and secure platforms, like the Lesotho Trade Portal, to submit and store your documents, ensuring data privacy and compliance with security standards.
- o **Automate and Backup Regularly**: Automating document management processes and regularly backing up files reduces the risk of data loss and enhances operational resilience.
- o **Stay Updated on Requirements**: Different countries may have unique digital documentation requirements. Stay informed through resources like trade

portals or customs websites to ensure all necessary documents meet specific requirements.

Tip for SMMEs: Invest in a basic electronic document management system or cloud storage solution to keep trade-related files organized, secure, and accessible. This will not only streamline your trade processes but also improve your business's readiness for growth and compliance.

- **Online Trade Tools** - Leveraging online trade tools is essential for businesses to efficiently manage cross-border trade operations. Tools such as the Lesotho Trade Portal and other digital resources offer valuable information, streamline processes, and help businesses stay up-to-date with regulatory requirements.

Other Essential Online Trade Tools for SMMEs

1. Customs Management Systems:

- o **ASYCUDA World:** This system, used by many countries, including Lesotho, automates customs procedures and allows businesses to submit and track customs declarations electronically. ASYCUDA World helps reduce paperwork, improves processing times, and enhances compliance with customs requirements.
- o **Single Window Systems:** These are integrated platforms that allow businesses to submit all required trade-related documents (e.g., permits, licenses, certificates) to multiple agencies through a single online portal, reducing the complexity and time needed for cross-border trade.

2. Trade and Export Databases:

- o **Trade Map (ITC):** The International Trade Centre's Trade Map provides data on international trade flows, tariffs, market demand, and potential competitors. SMMEs can use it to analyse market trends, identify new export destinations, and evaluate competitive positioning.
- o **Market Access Map (ITC):** This tool offers detailed information on tariffs, regulatory requirements, and preferential trade agreements for different markets, helping SMMEs understand market-specific requirements and cost implications for their products.

3. Harmonized System (HS) Code Finder:

- o **Electronic Tariff (HS Code Lookup Tools):** RSL website and other sites like the World Customs Organization (WCO) offer HS code lookup services.

HS codes are used worldwide to classify traded products and determine tariffs. Accurately identifying HS codes is crucial for accurate customs clearance and calculating import/export duties.

- o **Tariff Finder Tools:** Tools like the EU Tariff Database or the U.S. International Trade Commission's Tariff Database allow SMMEs to check tariffs and duties associated with HS codes, helping to estimate costs for specific markets.

4. **Digital Document Management and Storage:**

- o **Google Workspace / Microsoft 365:** These platforms offer cloud-based storage, collaborative document editing, and secure backup options, allowing SMMEs to maintain organized digital records of trade documents, invoices, and contracts. This streamlines compliance and ensures easy access to records during audits or inspections.
- o **Dropbox / Box:** These cloud storage solutions are user-friendly and secure making it easier for SMMEs to store, share, and retrieve trade-related documents.

5. **E-commerce and Marketplaces:**

- o **Alibaba.com:** A global e-commerce platform connecting buyers and suppliers, Alibaba can be used by SMMEs to expand into international markets and reach wholesale buyers. It offers tools for online sales, payment processing, and logistics support, making it easier to manage global trade.
- o **Amazon Global Selling:** For SMMEs producing consumer goods, Amazon Global Selling allows them to sell directly to customers in multiple countries.

This platform provides resources for product listings, fulfilment, and customs support, simplifying the process of reaching international customers.

6. **Freight and Logistics Management Tools:**

- o **DHL Express Easy Shipping:** DHL's online tool allows SMMEs to calculate shipping rates, print labels, and track international shipments. This is particularly useful for small businesses that need a reliable, streamlined solution for sending goods abroad.

7. **International Trade Finance and Payment Solutions:**

- o **PayPal for Business:** PayPal offers secure, flexible payment solutions for SMMEs engaged in international trade. It enables businesses to invoice, receive payments in multiple currencies, and manage currency exchange, helping to simplify international transactions.
- o **Trade Finance Tools (e.g., Standard Lesotho Bank, FNB EaZY tool):** Some banks and trade finance platforms offer tools to manage letters of credit, export financing, and other trade finance services that protect both buyer and seller in international transactions. These services can help SMMEs reduce the risk of payment issues and improve cash flow.

8. **Compliance and Risk Management Tools:**

- o **AEO Programs:** Authorized Economic Operator (AEO) programme, available in many countries, offer compliance certification for businesses that

meet specific security and compliance standards. Being AEO certified can lead to faster customs processing, lower inspection rates, and overall cost savings.

9. **Currency Exchange and Forex Management:**

- o **eTariff Currency Converter or XE Currency Converter:** Currency Converter in most of the eTariff platforms or open sources like XE provides real-time currency exchange rates and tools for monitoring currency trends, helping SMMEs manage currency risks and price products accurately for different markets.

Tip for SMMEs: Utilize a combination of these online tools to manage different aspects of your trade operations—from logistics to payment and compliance. Integrating these tools into your workflow can improve efficiency, reduce costs, and support growth in cross-border markets.

FUTURE OPPORTUNITIES IN CROSS-BORDER TRADE FOR SMMEs

The evolving trade landscape presents new growth opportunities for SMMEs:

- **New Markets with SADC and AfCFTA Agreements:** Regional trade agreements open up markets with lower tariffs and simpler trade requirements, giving SMMEs more opportunities to expand.
- **Sustainable Products:** There is increasing demand for eco-friendly products. SMMEs producing sustainable goods can explore exporting these to meet international demand. Lesotho's membership in regional trade agreements, such as the Southern African Customs Union (SACU) and the African Continental Free Trade Area (AfCFTA), provides advantageous access to regional markets where demand for sustainable goods is growing.

Furthermore, Lesotho benefits from preferential trade agreements with the U.S. (AGOA) and the EU Generalised System of Preferences (Everything But Arms), which can help SMMEs export sustainable products with reduced tariffs, making these products more competitive in international markets.

- **Digital Transformation in Trade:** As digital platforms evolve, SMMEs can leverage e-commerce and online marketing to reach a global customer base.

This guide therefore outlines the critical steps, tools, and resources available to businesses including SMMEs engaging in cross-border trade. By taking advantage of these initiatives and government reforms, SMMEs can navigate the international trade landscape, expand their markets, and drive business growth.

Disclaimer

This Guide is for general information only, and has no binding legal authority. For any queries, you may contact RSL toll free number on 8002 2009/WhatsApp line: 6221 0090 or email us: info@rsl.org.ls or visit the nearest RSL digital service centre for further assistance and guidance. Please take note that it is your obligation to verify independently any matters dealt with in this Guide from primary sources of information and by taking specific professional advice, should it be necessary. The RSL excludes any liability for any costs, losses, claims, damages, expenses or proceedings (including special, incidental or consequential loss or damage, loss of profits and wasted management time) incurred or suffered by you arising directly or indirectly in connection with this Guide.