

New Era in Trade Compliance: RSL Launches Agents of Foreign Firms (AFF) Declaration Process

Maseru, Lesotho – 27 June 2025 – Effective 1 July 2025, Revenue Services Lesotho (RSL) will officially roll out the Agents of Foreign Firms (AFF) declaration process, a transformative step toward fair trade and tax compliance in Lesotho.

In partnership with the Agents of Foreign Firms Association of Lesotho (AFFAL), RSL has unveiled a landmark reform aimed at strengthening transparency, regulation, and economic empowerment in cross-border trade. The AFF declaration process will be integrated across both the ASYCUDA World System and the Public Sector Revenue Management System (PSRM), ensuring comprehensive coverage and monitoring.

Why the AFF Initiative Matters

For years, Lesotho's open market has been vulnerable to informal, unregulated operations by foreign companies using unregistered sales agents. This practice has led to:

- Tax evasion through the circumvention of local tax laws

- Capital flight, as earnings and commissions were funneled out of the country
- Labor exploitation, leaving Basotho workers unpaid, unprotected, and excluded from formal job structures

This structural reform will not only improve revenue collection but also empower local professionals and enforce labor protections.



Legal Backing and Exclusive Rights

The initiative is underpinned by Code 8294, reserved in Schedule 34 of the Business Licensing and Registration Regulations by the Ministry of Trade, Industry, and Business Development. This regulation grants exclusive rights to indigenous Basotho to act as agents for foreign exporters.

These licensed agents are now:

- Authorized to solicit orders on behalf of international suppliers
- Empowered to act as exclusive local representatives
- Legally recognized in all customs and import declarations

Systemic Improvements and Enforcement

RSL, supported by legal and technical experts, has built a robust system that ensures:

- Only registered Basotho agents (or formally approved exceptions) may be listed in customs declarations
- Non-compliant actors are systematically excluded from formal trade channels
- Lesotho positions itself as a regional leader in tax enforcement and trade governance

A Memorandum of Understanding (MoU) between RSL and AFFAL, signed in June 2024, marks the formal collaboration between the two organizations and lays the groundwork for ongoing implementation and enforcement.

The AFF project is more than just an administrative change—it's a bold stride toward a smarter, fairer, and more locally empowered economy. By closing loopholes, securing tax



revenues, and elevating the role of Basotho in international trade, this initiative promises to set a new standard for transparency and compliance in the country.

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For clarification, please contact RSL's PR Desk: 62112502/58839868