



**Revenue
Services**
Lesotho

LESOTHO TRADE GUIDE: UNDERSTANDING RULES OF ORIGIN (RoO)

“Re Tjena Ka Uena”

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1. Introduction to why Rules of Origin matter

1.1 What are Rules of Origin?

Rules of Origin (RoO) define where a product was made. These rules determine if goods qualify for preferential tariffs under trade agreements when exported.

Why they matter:

- Save costs by reducing or eliminating tariffs
- Ensure compliance with trade terms determined in the trade agreements
- Increase product competitiveness in global markets
- Prevent trade deflection and fraud - as only legitimate and qualifying goods benefit
- Support supply chain and investment planning — once a product qualifies under a trade agreement, businesses can make firm decisions on sourcing, production, and target markets..

2. Lesotho's Trade Agreements

Lesotho participates in both reciprocal and non-reciprocal preferential trade agreements.

Reciprocal preferential trade agreements are negotiated deals where two or more countries agree to provide each other with reduced tariffs or other trade benefits. Each side gets similar concessions, and both parties must meet certain obligations.

Non-reciprocal preferential trade agreements are one-way arrangements, typically offered by developed countries to less developed and developing ones. These allow goods from the beneficiary country (like Lesotho) to enter the donor country with reduced or no tariffs, without requiring the same treatment in return. Examples: AGOA, GSP.

These agreements offer duty-free or reduced-tariff access of Lesotho products to international markets if rules of origin are met.

Agreement	Type	Partner Countries	Key Benefit
SACU	Reciprocal	Botswana, Eswatini, Namibia, South Africa	Customs union with free movement of goods
SADC	Reciprocal	16 Southern African states	Preferential trade in the region
SADC-EU EPA	Reciprocal	EU countries	Duty-free access to EU for qualifying goods
SACU-EFTA FTA	Reciprocal	Iceland, Liechtenstein, Norway, Switzerland	Access to EFTA markets
SACU-Mercosur PTA	Reciprocal	Argentina, Brazil, Paraguay, Uruguay	Reduced tariffs for listed goods
AfCFTA	Reciprocal	African Union members	Continental free trade

SACUM-UK EPA	Reciprocal	UK	Continuation of EU EPA terms post-Brexit
AGOA	Non-reciprocal	USA	Duty-free access for eligible goods
GSP	Non-reciprocal	EU, Japan, others	Preferential access for developing countries

3. Qualifying Your Product Under relevant rules (RoO)

Step 1: Identify the Market

- Determine and define the export destination;
- Check and identify applicable trade agreement and its rules for that product.

Step 2: Know the Product

- Understand the product's materials and manufacturing process;
- Verify it meets market-specific standards or the applicable agreement-specific rules.

Step 3: Classify the Product

- Assign the HS Code to the product using tools like the HS Nomenclature or RSL e-Tariff System
- Classification is based on composition, use, and trade agreement provisions
When classifying, consider the following::
 - Product breakdown (composition, use)
 - Consult HS Code notes
 - Match code with trade agreement provisions

Step 4: Apply the Right Rules of Origin (RoO) Criteria

Criterion	Description	Example
Wholly Obtained	Made entirely in one country	Minerals, live animals, plants
Change in Tariff Heading	Product's HS code changes after processing	Cotton yarn (HS 5205) → Fabric (HS 5208)
Value Addition	Minimum % of value added locally	30% of value must originate in Lesotho or partner country
Specific Process	Defined process required	"Knitting and sewing must occur in the region"

4. Export Documentation Requirements

Always required with export declaration:

- Commercial Invoice: Proof of sale, required for customs
- Bill of Lading: Evidence of transport and ownership
- Packing List: Details of packaged goods
- SAD Form (s): Customs declaration (SAD 500 via ASYCUDA)
- F178 Form: Currency declaration (via local bank)

Agreement-specific:

- Proof of Origin: Certificate of Origin or Supplier Declaration
- Supplier Declaration: For EU exports, materials' origin must be declared

5. How to Get a Certificate of Origin

5.1 For Ministry-Issued Certificates – *(For the following trade agreements, exporters must apply to and collect CoO from the Ministry of Trade, Industry and Business Development);*

Agreement	Certificate Type
SACU (intra-SACU trade)	Lesotho Movement Certificate
SADC	SADC Certificate of Origin (currently being automated)
SACU-EFTA FTA	EFTA Certificate of Origin
SACU-Mercosur PTA	Mercosur Certificate of Origin
AfCFTA	AfCFTA Certificate of Origin (to be automated)
SACUM-UK EPA	SACUM-UK Certificate of Origin

The process for obtaining the certificate is as follows;

1. Confirm if the product qualifies under RoO;
2. Prepare all required documents (invoice, production records, etc.);
3. Apply at the Ministry of Trade and Industry;
4. Complete the certificate form and submit to RSL for verification;
 - RSL may inspect goods or request additional info.
5. Once verified, the certificate is issued for customs clearance.

5.2 For EU Self-Certification - Process under the Registered Exporter System (REX) *(For exporters shipping to the EU under SADC-EU EPA) or EU GSP*

Step 1: Register as an Exporter

- Go to the RSL website: www.rsl.org.ls;
- Scroll to the bottom right under “Useful Links” and click on EU Certificate of Origin;
- Complete the online registration form for the REX system;

- Upload required documents (business license, VAT certificate, proof of manufacturing or sourcing); and
- Wait for approval and issuance of your REX registration number (a unique exporter ID).

Step 2: Prepare Your Shipment

- Confirm the product meets the Rules of Origin under the SADC-EU EPA/EU GSP;
- Gather production records and any necessary supplier declarations if raw materials are used; and
- Ensure the product is classified correctly with its HS Code.

Step 3: Make the Self-Declaration of Origin

- On the commercial invoice, insert the standard origin declaration text required by the EU;
- Include your REX registration number in the declaration;
- There is no need for a separate paper Certificate of Origin - the invoice serves as the proof (referred as Supplier Declaration).

Step 4: Submit Documentation with Export

- Include the commercial invoice with the self-declaration in your export documentation pack;
- Other documents: Packing List, Bill of Lading, SAD 500 form, F178 form, etc.
- Declare your shipment using the ASYCUDA system.

Step 5: Retain Records for Verification

- Keep all records (inputs, production process, origin declarations) for at least five years;
- RSL or EU customs may request documents for post-export verification or audit.

6. Sample Forms (Annex)

- SAD500 (South African & Lesotho customs)
- SADC Certificate of Origin

7. Resources & Support

- Lesotho Trade Information Portal: www.lesothotradeportal.com
- Revenue Services Lesotho: www.rsl.org.ls
- Ministry of Trade and Industry: Visit One-Stop Business Facilitation Centre

Anex 1 Sample SADC Certificate of Origin

SADC CERTIFICATE OF ORIGIN					
Registration No. (Optional)		3. Country Ref. No. LS 001087			
1. Exporter (Name and Office Address)		SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) CERTIFICATE OF ORIGIN			
2. Consignee (Name and Office Address)					
		4. Particulars of transport:			
		5. For official use only			
6. Marks and numbers; number and kind of package, description of goods:		7. Customs Tariff No.	8. Origin Criterion (See overleaf)	9. Gross weight or other quantity	10. Invoice No. and date (Optional)
(i) Marks and Nos.	(ii) Description of goods				
11. DECLARATION BY EXPORTER/SUPPLIER		12. CERTIFICATION OF ORIGIN		13. FOR CUSTOMS PURPOSES (optional)	
<p>I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate, and are originating</p> <p>in _____</p> <p>(Country)</p> <p>Place and date _____</p> <p>Signature _____</p>		<p>Declaration certified:</p> <div style="border: 1px solid black; width: 50px; height: 50px; margin: 10px auto;"></div> <p>(Origin Stamp and Signature)</p> <p>Certificate of Customs or Other Designated Authority</p>		<p>Export Document No. _____</p> <p>Date _____</p> <p>Customs Office _____</p> <p>Country _____</p> <p>Date _____</p> <p>Signature _____</p> <div style="border: 1px solid black; width: 50px; height: 30px; margin: 10px auto; text-align: center;">Stamp</div>	

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