

Central Bank Of Lesotho



Currency and Exchanges Manual for Authorised Dealers with Limited Authority

January 2021

Contents

Legal Context.....	4
Introduction	5
A.1 Definitions	6
A.2 Authorised entities	10
(A) Authorised Dealers in foreign exchange with Limit Authority	10
(B) Authorised Dealers	10
A3. The terms and conditions for submission of an application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority	11
(A) Categories of Authorised Dealers in foreign exchange with limited authority	11
(B) Application Procedure	11
(C) Adjudication process	13
A.4 Duties and responsibilities of Authorised Dealers in foreign exchange with limited authority	16
(A) Introduction	16
(B) Procedures to be followed by Authorised Dealers in foreign exchange with limited authority in administering the Exchange Control Regulations	17
(C) Documentary evidence required by an Authorised Dealers in foreign exchange with limited authority	19
B.1 Business activities of an Authorised Dealer in foreign exchange with limited authority	21
(A) Category One: Bureaux de Change	21
(B) Category Two: Bureaux de Change who can also offer money remittance services in partnership with external money transfer operators	31
(C) Category Three: Independent money transfer operators	35
B.2 Operational conditions applicable to conducting the business of an Authorised Dealer in foreign exchange with limited authority	37
(A) Governance	37
(B) Agent requirements	41

(C) Outlet requirements.....	42
(D) Staffing.....	43
(E) Documentation and records.....	43
(F) Reporting requirements for all Authorised Dealers in foreign exchange with limited authority.....	45
(G) Submission of information to Central Bank of Lesotho	45
(H) Right of inspection.....	46
(I) Compliance	47
C.1 Cross-Border Transaction Reporting System	48
(A) Introduction	48
(B) Business and Technical Specifications document.....	48
(C) Operations Manual	49
(D) Inward payments	49
(E) Balance-of-payments categories applicable to BOPCUS – inward payments	50
(F) Outward payments.....	51
(G) Balance-of-payments categories applicable to BOPCUS – outward payments	53
(H) Reconciliation module	54
Annexure A – Application to conduct the business of an ADLA.....	56
Annexure B – Statement by directors/shareholders holding/proposing to hold office	59
Annexure B- Declaration.....	65

Legal Context

The Exchange Control Order of 1987 repealed the Exchange Control Act of 1975, which formed the legal basis of exchange control in Lesotho. The Exchange Control Regulations, 1989 were promulgated thereunder in terms of section 3(1) of the Exchange Control Order. In terms of these regulations, the control over Lesotho's foreign currency reserves, including accruals thereto and spending thereof is vested in the Minister of Finance, who is authorised to grant permissions or exemptions for certain transactions, subject to certain conditions..

The Minister of Finance has in terms of Regulation 30(1) delegated to the Governor the powers, functions and duties assigned to and imposed on the Minister under the Regulations. The Banking Supervision and Financial Stability Department of the Central Bank of Lesotho, through the Financial Surveillance Division, is responsible for the day-to-day administration of exchange controls in Lesotho.

The Central Bank of Lesotho, as a designated sector supervisory body in terms of Section 18A (2) of the Money Laundering and Proceeds of Crime Act (MLPCA) as amended, is responsible for supervising and enforcing compliance with the MLPCA or any instruction, directive, guideline or rule made pursuant to, or in terms of, the MLPCA by all ADLAs regulated or supervised by it.

Introduction

In terms of Regulation 3(2) of the Exchange Control Regulations, 1989, an Authorised Dealer shall not buy, borrow, receive, sell, lend or deliver any foreign currency or gold except for such purposes or on such conditions as the Minister of Finance, may determine, subject to the delegation referred to above.

This Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority (ADLA Manual) contains the permissions and conditions applicable to transactions in foreign exchange that may be undertaken by Authorised Dealers in foreign exchange with limited authority (ADLAs) and/or on behalf of their clients in terms of Regulation 3(2), details of related administrative responsibilities as well as the Cross-Border Transaction Reporting System (C-BTRS) requirements. This ADLA Manual must be read in conjunction with the Regulations and ADLAs may transact without reference to the Financial Surveillance Division, provided such transactions are permitted in terms of this ADLA Manual.

The arrangements set out in the ADLA Manual should in no manner be construed as absolving ADLAs, their clients and associated entities from their duties and obligations under any other law, including but not limited to the Prevention of Corruption and Economic Offenses Act, 2006, Money Laundering and Proceeds of Crime Act, 2008 and Prevention and Suppression of Terrorism Act, 2018.

The Financial Surveillance Division views contraventions of the Exchange Control Regulations, as well as any actions to circumvent the permissions and conditions contained in the Authorised Dealer Manual, in a very serious light.

The Financial Surveillance Division reserves the right to amend, grant or impose additional permissions or conditions, with new or amended permissions or conditions, which will be communicated by the Financial Surveillance Division.

In instances where an ADLA is not in a position to buy, borrow, sell or lend foreign currency in terms of the permissions and conditions set out in the ADLA Manual, an official application with full details applicable to the request must be submitted to the Financial Surveillance Division.

A.1 Definitions

In the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority, unless the context indicates otherwise:

ADLA means an Authorised Dealer in foreign exchange with limited authority, including Bureaux de Change and Independent Money Transfer Operators Value Transfer Services Providers, who are authorised by the Central Bank of Lesotho to deal in foreign exchange transactions as determined by the Central Bank of Lesotho.

ADLA Manual means the Currency and Exchanges Manual for ADLAs issued by the Central Bank of Lesotho to ADLAs under the powers delegated by the Minister of Finance. The ADLA Manual contains the permissions, conditions and limits applicable to transactions in foreign exchange that may be undertaken by ADLAs and/or on behalf of their clients, as well as details of related administrative responsibilities.

ADLA Money Transfer Operator (MTO) means an ADLA operating as an independent money transfer operator.

Authorised Dealer means, in relation to any transaction in respect of gold, a person authorised by the Central Bank of Lesotho to deal in gold and, in relation to any transaction in respect of foreign exchange, a person authorised by the Central Bank of Lesotho to deal in foreign exchange.

Business and Technical Specifications document means the document containing all the rules and technical specifications pertaining to the electronic reporting of cross-border foreign exchange transactions.

CFC account means a Customer Foreign Currency account conducted by residents in the nostro administration of an Authorised Dealer, in terms of the provisions of the Authorised Dealer Manual or in terms of a specific authority granted by the Central Bank of Lesotho. Such an account is held onshore and represents local assets denominated in foreign currency.

Circulars mean circulars issued by the Central Bank of Lesotho to Authorised Dealers, ADLAs and other role players, setting out the permissions, conditions and limits applicable to foreign exchange transactions that may be undertaken by Authorised

Currency and Exchanges Manual for Authorised Dealers

Dealers, ADLAs and/or on behalf of their clients, as well as amendments to related administrative responsibilities.

CIV means client identification and verification in terms of section 16 of the MLPC Act.

CMA means the Common Monetary Area, which consists of Eswatini, Lesotho, Namibia, and South Africa.

Cross-border foreign exchange transaction means the purchase or sale of foreign exchange with or for Maloti.

Customs means Customs and Excise, a division of the Lesotho Revenue Authority.

Documentary evidence means the documents specified in the ADLA Manual which are required when doing foreign exchange transactions.

EFT means electronic funds transfer, i.e. the transferring of funds from one bank account directly to another without any paper money changing hands.

Emigrant means a Mosotho resident who is leaving or has left Lesotho to take up permanent residence or has been granted permanent residence in any country outside the CMA.

Foreign bank account means a foreign currency bank account conducted by residents with a bank outside the CMA in terms of the provisions of the Authorised Dealer Manual or a specific authority granted by the Central Bank of Lesotho.

Foreign currency means any currency other than currency that is legal tender in Lesotho, but excludes the currencies of Eswatini, Namibia and South Africa. Foreign currency is deemed to include any bill of exchange, letter of credit, money order, postal order, promissory note, Maloti to or from a Non-resident Maloti account, travellers cheque or any other instrument of foreign exchange.

Foreign nationals mean natural persons from countries outside the CMA who are temporarily resident in Lesotho, excluding those on holiday or business visits.

Immigrants mean natural persons who emigrated from countries outside the CMA with the firm intention of taking up or having taken up permanent residence in Lesotho.

Integrated form means the electronic or paper format of a contract between an Authorised Dealer or ADLA and its client resulting in a balance-of-payments reporting obligation. It includes a declaration to the effect that the information provided is true and correct.

LRA means the Lesotho Revenue Authority.

LRA Customs Declaration Form means the form used by Customs to verify importer's and exporter's self-assessment of goods declared for one or other Customs procedure. The customs procedure is defined by the Procedure Category Code (A to L) in conjunction with the Customs Requested Procedure Code (RPC) on the declaration.

MLPCA means Money Laundering and Proceeds of Crime Act, 2008 (Act No. 19 of 2008) as amended.

Non-resident means a person (i.e. a natural person or legal entity) whose normal place of residence, domicile or registration is outside the CMA.

Non-resident area means all countries other than those included in the CMA.

Non-resident Maloti account means the Maloti account of a non-resident conducted in the books of an Authorised Dealer.

Passenger ticket means a ticket issued in respect of travel arrangements, inclusive of electronically issued tickets (e-tickets).

Regulations mean the Exchange Control Regulations, 1989 as promulgated by Government Legal Notice No. 175 of 1989.

Reporting System means the electronic Cross-Border Foreign Exchange Transaction Reporting System used to transmit data to the Central Bank of Lesotho in an agreed format.

Resident means any person (i.e. a natural person or legal entity) who has taken up permanent residence, is domiciled or is registered in Lesotho. For the purpose of the Authorised Dealer Manual, this excludes any approved offshore investments held by Lesotho residents outside the CMA. However, such entities are still subject to exchange control Rules and Regulations.

Resident account means the account of a person resident, domiciled or registered in Lesotho, including that of a CMA resident.

Resident temporarily abroad means any resident who has departed from Lesotho to any country outside the CMA with no intention of taking up permanent residence or who has not been granted permanent residence in another country, excluding those residents who are abroad on holiday or business travel.

SADC means the Southern African Development Community consisting of Angola, Botswana, Democratic Republic of the Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mocambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe.

Single discretionary allowance means the M1 million allowance available to residents (natural persons) 18 years and older per calendar year.

A.2 Authorised entities

(A) Authorised Dealers in foreign exchange with Limit Authority

The offices in Lesotho of the under-mentioned entities are authorised to act, for the purposes of the Regulations, as ADLAs;

Name of entity- Authorised Dealer in foreign exchange with limited authority	Category of appointment
Interchange Lesotho	Two
Mukuru Bureau de Change	Two

(B) Authorised Dealers

The offices in Lesotho of the under-mentioned banks are authorised to act, for the purposes of the Regulations, as Authorised Dealers:

Name of entity- Authorised Dealer
First National Bank Lesotho
Nedbank Lesotho Limited
Standard Lesotho Bank
Lesotho PostBank

A3. The terms and conditions for submission of an application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority

(A) Categories of Authorised Dealers in foreign exchange with limited authority

ADLAs are classified into the following three categories:

i. Category One

An ADLA who is authorised to operate as a Bureau de Change.

ii. Category Two

An ADLA who is authorised to operate as a Bureau de Change, provide specific transactions under the single discretionary allowance limit of M1 million per applicant within calendar year and offer money remittance services in partnership with External Money Transfer Operations.

iii. Category Three

An ADLA who is authorised to operate as an Independent Money Transfer Operator or Value Transfer Provider.

(B) Application Procedure

- i. An application for authorisation to conduct the business of an ADLA must be submitted to the Central Bank of Lesotho.
- ii. The completed prescribed “Application for Authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority”, a copy of which is attached hereto as Annexure “A”, must be accompanied by the following information:
 - i. a certified copy of the Certificate of Incorporation issued by the Registrar of Companies, as proof of the registration of the limited

liability company in Lesotho under the Companies Act, 2011 (Act No. 18 of 2011);

- iii. details of the proposed place of business which must fully comply with the conditions listed in subsection E.(iii)(a), (b) and (c);
- iv. a detailed business plan which must include full details of the following key aspects:
 - (aa) Equity structure, which requires full ownership of the company must be disclosed, including who are the ultimate beneficial owners.
 - (bb) Shareholders and ultimate beneficial owner(s) must declare that they hold the shares in their personal capacity and not as agents/nominees for disclosed or undisclosed principals. The declaration should state that there are no silent partners having control over the shareholders of the company and that approval from the Central Bank of Lesotho will be obtained in respect of any subsequent changes in the ultimate beneficial ownership of the ADLA);
 - (cc) financial planning;
 - (dd) operational planning;
 - (ee) foreign exchange personnel to be employed; and
 - (ff) proposed organisational structure.
 - (gg) The “Statement by individuals who are holding, or are proposing to hold, the Office of a Director of, or shareholding in an Authorised Dealer with limited authority (ADLA)”, a copy of which is attached hereto as Annexure “B”, together with the required documentation, duly completed and signed by each director and shareholder of the company; and
 - (hh) full details of the proposed planning and implementation of the Cross-Border Foreign Exchange Transaction Reporting System (hereinafter referred to as “the Reporting System”).

(C) Adjudication process

- (i) The application to conduct the business of an ADLA will be considered on the receipt thereof by the Central Bank of Lesotho taking into account, inter alia, factors pertaining to the overall national and economic interest of Lesotho.
- (ii) Should the Central Bank of Lesotho be satisfied that all the requirements have been met, an in-principle written approval will be granted to the applicant to conduct the business of an ADLA.
- (iii) The ADLA will only be permitted to commence with the approved business once the following conditions have been met:
 - (a) The shareholders and/ or directors are deemed as 'fit and proper' by the Central Bank of Lesotho;
 - (b) Successful testing and certification of the Reporting system;
 - (c) Written confirmation from a registered bank is provided that the minimum unimpaired capital requirement of M100 000 is in place for a category one ADLA, M150 000 for category two ADLA and M250 000 for a category three ADLA;
 - (d) Written confirmation from a registered bank is provided that the minimum unimpaired capital will remain unimpaired in the business of the ADLA during the lifetime of its operations (See section B.2(A)(i) of the ADLA Manual for conditions applicable to unimpaired capital);
 - (e) License fee of M5000 renewable on annual basis for each branch operating;
 - (f) Finalisation and approval of the proposed place of business;
 - (g) Finalisation of the internal rules for compliance in accordance with MLPC Act 2008, Legal No. 19 of 2008.

- (h) Finalisation of the appointment of a senior exchange control officer and anti-money laundering compliance officer. Detailed curricula vitae of the proposed candidates must be forwarded to the Central Bank of Lesotho, who reserves the right to veto the appointment of parties deemed not suitable for the respective positions.

- (iv) It should be noted that the above-mentioned conditions must be met within a period of twelve months from the date of the in-principle approval issued by the Central Bank of Lesotho, failing which such approval may be withdrawn.

- (v) Should the Central Bank of Lesotho be satisfied that all the conditions mentioned in (iv) above have been met, it will arrange for the publication of the name of the entity.

- (vi) Once the details mentioned in (v) above have been published in the Government Gazette, the Central Bank of Lesotho shall issue the ADLA concerned a formal letter of appointment.

- (vii) The letter of appointment to conduct the business of an ADLA is neither tradable nor transferable.

- (viii) A Circular will then be issued by the Central Bank of Lesotho to notify all the Authorised Dealers, ADLAs and other role players of the appointment of the new ADLA.

- (ix) Section A.2(A) of the AD Manual will be updated with the inclusion of the name of the new ADLA.

- (x) It should be noted that Regulation 22 of the Exchange Controls Regulations, 1989, inter alia, provides that any person who makes an incorrect statement or declaration made or return rendered for the purposes of these Regulations or refuses or neglects to furnish any information which he is required to furnish under these Regulations, shall be guilty of an offence and liable upon conviction to a fine or to imprisonment or to both such fine and imprisonment. This may also result in the authorisation granted being withdrawn.

- (xi) It should be noted that this section only contains terms and conditions for the submission of an application for authorisation to conduct the business of an ADLA and that compliance therewith should not be construed as an indication that the application will necessarily be approved.
- (xii) Should the Central Bank of Lesotho decline an application for authorisation to conduct the business of an ADLA, a written notice of decision will be provided to the applicant concerned.

A.4 Duties and responsibilities of Authorised Dealers in foreign exchange with limited authority

(A) Introduction

- (i) ADLAs should note that when approving requests in terms of the ADLA Manual, they are in terms of the Regulations, not allowed to grant permission to clients and must refrain from using wording that approval/permission is granted in correspondence with their clients. Instead reference should be made to the specific section of the ADLA Manual in terms of which the clients is permitted to transact.
- (ii) In carrying out the important duties entrusted to them, ADLAs should appreciate that uniformity of policy is essential, and that it is necessary that the requirements contained in the Regulations, ADLA Manual, circulars, the MLPCA and its implementing Regulations are applied strictly and impartially by all concerned.
- (iii) Any deviation from or non-compliance with the directives contained in the above-mentioned documents must be reported to the Financial Surveillance Division and is regarded in a serious light. ADLAs are urged to adhere strictly to these directives.
- (iv) In the interest of all parties concerned, action may be taken in the event of transgressions of the Regulations, the MLPCA and non-compliance with the requirements outlined in the ADLA Manual. The circulars, other directives and authorities need to be emphasised and adhered to by both the ADLA and its clients.
- (v) ADLAs must ensure that foreign currency is made available for legitimate purposes only.
- (vi) Care must be exercised by ADLAs to ensure that no payments to third parties abroad are effected. Transactions of this nature must

be referred to the Financial Surveillance Division for prior written approval.

(B) Procedures to be followed by Authorised Dealers in foreign exchange with limited authority in administering the Exchange Control Regulations

- i. In cases where an ADLA is uncertain and/or cannot approve the purchase or sale of foreign currency or any other transaction in terms of the permissions, conditions and limits set out in this ADLA Manual or the MLPCA, an application should be submitted to the Central Bank of Lesotho through the head office of the ADLA concerned.
- ii. Should an ADLA have any doubt as to whether or not it may approve a request, an application must be submitted to the Central Bank of Lesotho. ADLAs must, as a general rule, refrain from their own interpretation of the ADLA Manual.
- iii. An ADLA must, at the time of applying to register a new branch with the Central Bank of Lesotho, supply a branch code number not exceeding eight digits. ADLAs are also required to ensure that when submitting applications to the Central Bank of Lesotho the branch code number is reflected on the top of the application. The branch code number may replace the name of the branch or may be reflected together with the name of the branch.
- iv. When submitting applications for consideration, ADLAs should ensure that the surname and full first names (in the case of an individual) and/or the correct registered name (in the case of a legal entity or juristic person, e.g. companies and partnerships) are furnished. Identification numbers for private individuals and registration numbers in respect of legal entities or juristic persons must also be furnished. The same names must be used in subsequent applications, unless specific attention is drawn to a name change.
- v. The Central Bank of Lesotho is required to be in possession of full information regarding the transaction, its nature and purpose (clearly specifying the motive and intent), before exercising the powers, functions and/or duties delegated to it by the Minister of Finance. Any previous application that has any bearing (directly or indirectly) on the

current application must be referred to as previous related correspondence.

- vi. ADLAs must state, whether or not, they recommend the application and their reasons for making or withholding their recommendation.
- vii. Any authority granted by the Central Bank of Lesotho to an ADLA is not transferable to another ADLA or Authorised Dealer and should be regarded as cancelled if the applicants concerned do not avail themselves thereof within a period of six months from the date of such authority. The six-month validity period will not apply to those authorities that were granted for periods longer than six months. The Central Bank of Lesotho, however, reserves the right to cancel any authority with immediate effect.
- viii. It is essential that all transactions must be concluded on the particular basis as formally sanctioned. Accordingly, any deviation from the arrangements originally approved should be referred to the Central Bank of Lesotho.
- ix. ADLAs are required to report all cross-border foreign exchange transactions to the Central Bank of Lesotho according to the rules and in the format prescribed in the Business and Technical Specifications document.
- x. ADLAs are reminded that the reporting of cross-border foreign exchange transactions, as indicated in (ix), does not exempt them in any way from complying with the requirements contained in the ADLA Manual and the provisions of the Regulations.
- xi. The arrangements set out in the ADLA Manual should in no manner be construed as absolving ADLAs, their clients and associated entities from their duties and obligations under any other law, including but not limited to the Prevention and Suppression of Terrorism Act, 2017, the Penal Code Act, 2001 and Money Laundering and Proceeds of Crime Act, 2008 as amended.

(C) Documentary evidence required by an Authorised Dealers in foreign exchange with limited authority

- (i) As far as documentary evidence as called for in the various sections of the ADLA Manual is concerned, ADLAs must endorse such documentation 'original sighted' or alternatively where such documentation is stored digitally and an audit trail exists, no endorsement is required.
- (ii) The copies of documents must be retained for a period of five years for inspection purposes and ADLAs must point out to their clients that the original documents must be retained for a period of five years for inspection purposes.
- (iii) Whenever documentary evidence is called for in any section of the ADLA Manual, ADLAs shall be obliged to ensure that such documentary evidence, which shall be obtained and scrutinised in connection with all transactions involving the purchase or sale of foreign currency in the spot market, shall in terms of accepted trade usage, or established accounting, commercial or legal practice, be the best evidence for purposes of:
 - a. identifying and verifying the nature, category or class of the relevant transaction;
 - b. proving and verifying the obligation(s) of each resident who is a party to the relevant transaction to make payment(s) of foreign currency or to place such foreign currency to the credit of any non-resident who is a party to the relevant transaction and/or proving and verifying the right(s) of each resident who is a party to the relevant transaction to receive payment(s) of foreign currency from or have such foreign currency placed to its credit by any non-resident who is a party to the relevant transaction; and

- c. proving and verifying the amount(s) and timing of each foreign currency payment or credit referred to in (b) above.
- (iv) Where the original set of documents are not obtainable, ADLAs may accept those produced by photocopying, faxing or printed copies of electronic documents.

B.1 Business activities of an Authorised Dealer in foreign exchange with limited authority

(A) Category One: Bureaux de Change

i. Business activities

The business activities of a Category One ADLA are restricted to:

- a. buying of foreign currency, including travellers cheques, on a spot transaction basis for Loti from travellers, Authorised Dealers and businesses directly related to the tourist industry (see subsection (ii)(g) below for further details); and
- b. selling of foreign currency, in any approved format, on a spot transaction basis for Loti to travellers and Authorised Dealers.

ii. Permissible transactions

The following transactions may be entered into by a Category One ADLA:

- a. Resident individuals
 - aa. A travel allowance within the single discretionary allowance limit of M1 million per calendar year may be availed to residents (natural persons) who are 18 years and older.
 - bb. Residents (natural persons) who are under the age of 18 years may be availed travel allowance not exceeding an amount of M200 000 per calendar year.
 - cc. The ADLA should at the time of processing the transaction view the client's valid passport, proof of the client's residential address and if travelling by air, the client's passenger ticket. A travel itinerary may not be accepted.
 - dd. Any traveller who, on departure is not availed of the full travel allowance may be accorded the unused portion while abroad, provided that the overall limit is not exceeded and the allowance is availed in the same calendar year.

- ee. A resident whose visit extends from the current year into the following year may be accorded foreign currency in respect of the next year's facilities without returning to Lesotho.
- b. Immigrants
 - aa. Prospective immigrants and immigrants who have applied for, but who have not been granted permanent residence in Lesotho may be granted a travel allowance within the single discretionary allowance limit of M1 million per calendar year.
 - bb. The ADLA should view documentary evidence to ensure that the funds tendered in payment represent either savings from local earnings or the proceeds of foreign currency introduced to and exchanged in Lesotho.
 - cc. The ADLA should at the time of processing the transaction also view the client's valid passport, proof of the client's residential address and if travelling by air, the client's passenger ticket. A travel itinerary may not be accepted.
- c. Foreign nationals temporarily resident in Lesotho
 - aa. Foreign nationals may be granted a travel allowance within the single discretionary allowance limit of M1 million per calendar year.
 - bb. The ADLA should view documentary evidence to ensure that funds tendered in payment represent either savings from local earnings or the proceeds of foreign currency introduced to and exchanged in Lesotho.
 - cc. The ADLA should at the time of processing the transaction also view the client's valid passport, proof of the client's residential address and if travelling by air, the client's passenger ticket. A travel itinerary may not be accepted.
- d. CMA residents
 - aa. Residents of Eswatini, Namibia and South Africa do not qualify to be accorded a travel allowance in Lesotho except for the following:
 - i. CMA residents who travel overland to and from Namibia through Botswana qualify to be accorded the Botswana Pula equivalent of an

amount not exceeding M25 000 per calendar year. This allocation does not form part of the permissible travel allowance for residents.

- ii. Foreign currency may be sold to foreign diplomats, accredited foreign diplomatic staff as well as students with a valid student card from other CMA member countries while in Lesotho.
 - iii. Residents of the other CMA countries, in South Africa, may be accorded foreign currency at local international airports to cover unforeseen incidental costs while in transit abroad, subject to viewing a passenger ticket confirming a destination outside the CMA.
- e. Emigrants
- aa. A travel allowance may not be granted to emigrants by ADLAs.
- f. Residents proceeding temporarily abroad
- aa. Residents proceeding abroad temporarily for reasons other than business or holiday travel may be granted a travel allowance within the single discretionary allowance limit of M1 million per calendar year.
 - bb. The ADLA should at the time of processing the transaction view the client's valid passport, proof of the client's residential address and if travelling by air, the client's passenger ticket. A travel itinerary may not be accepted.
 - cc. The temporary export of any household and personal effects, jewellery, motor vehicles, caravans, trailers and motorcycles within a limit of M1 million (based on the insurance value) is permitted for individuals travelling temporarily abroad. Clients must be made aware that the prescribed LRA Customs Declaration form should be completed on departure and the onus is on the traveller to ensure that the goods exported or the sale proceeds thereof are returned to Lesotho upon their permanent return.

dd. Where the goods exported or the sale proceeds thereof are not to be returned to Lesotho, a suitable application must be submitted to CBL.

ee. In the case of any jewellery to be exported, travellers should note that:

- i. the articles to be exported must be fully manufactured and not crudely produced; and
- ii. the value of jewellery to be carried by travellers must be reasonable in relation to their financial means and standing.

g. Foreign visitors (tourists)

aa. Foreign visitors (tourists) to Lesotho may only be granted foreign currency on departure from Lesotho if the ADLA has the tourist on record as having sold foreign currency earlier to the ADLA or view documentary proof that the amount being applied for is the unspent portion of the proceeds of foreign currency introduced to and exchanged in Lesotho.

bb. Foreign visitors (tourists) persons may export any foreign banknotes imported to Lesotho on their arrival. No more than M25 000 may on departure be exported in Maloti notes.

cc. ADLAs may apply to CBL for an exemption for their branches at local international airports and border posts to exchange Maloti notes to foreign currency (without proof of foreign currency introduced) for amounts up to M10 000 per transaction against presentation to the ADLA of the traveller's valid passport and boarding pass. A boarding pass is not required at border posts.

h. Omnibus travel facilities

aa. ADLAs may approve, in writing, applications by entities for omnibus travel facilities up to M20 million per calendar year for allocation to the entities' representatives for business travel purposes only, at the discretion of the relevant entity.

bb. At the beginning of each calendar year, the entity should apply in writing, on the entity's letterhead, to the ADLA for permission to avail

of an omnibus travel facility. The following should be included in the letter:

- i. the total amount that is applied for in the calendar year;
- ii. that the amount applied for is reasonable in relation to the business activities of the entity concerned;
- iii. the purpose that the travel omnibus facility will be used for;
- iv. the envisaged number of trips during the calendar year;
- v. the names, surnames and identity numbers of the administrative employees that are authorised by the entity to deal with the ADLA;
- vi. the CIV documentation of the administrative employees that are authorised by the entity to deal with the ADLA; and
- vii. the CIV documentation of the entity.

cc. If the ADLA is satisfied that the entity has not applied for an omnibus travel facility with any other Authorised Dealer and the application letter and CIV documentation meet with the minimum requirements, a formal letter must be issued authorising the entity an omnibus travel facility of up to M20 million (for business travel, land arrangements and subsistence allowances only) during the calendar year.

dd. On each occasion during the calendar year that the representatives of the entity have to travel, the ADLA must view an official letter from the entity concerned authorising the proposed business visit to be undertaken and explaining the purpose of the proposed business trip. The ADLA must also view the passenger ticket and passport of the prospective traveller(s).

ee. The ADLA must maintain a schedule of the visits undertaken by the representative(s), the amount of foreign currency accorded and subsequently resold on each occasion.

ff. The above-mentioned documentation must be retained by the ADLA for a period of five years for inspection purposes.

gg. The omnibus travel facility may only be used for business travel purposes and may not be deposited into any foreign bank account or be used to acquire goods and/or services abroad.

hh. Applications for facilities in excess of M20 million must be submitted to CBL for consideration.

ii. Representatives of entities availing of an omnibus travel facility also qualify in their personal capacity for a travel allowance within the single discretionary allowance limit of M1 million per calendar year.

i. Maloti notes dispensation to travellers

In addition to the travel allowance, M25 000 in Maloti notes per person may be taken when proceeding on visits outside the CMA, to meet travellers' immediate needs on return to Lesotho.

j. Acceptance of foreign banknotes

aa. ADLAs may buy foreign currency banknotes from travel agents, hotels, restaurants, shops and other persons, whose business is directly related to the tourist industry.

bb. The origin of the foreign currency must be from foreign notes used as payment for goods and/or services by foreign tourists. The aforementioned parties may not exchange currency offered by foreign tourists for Maloti without an underlying sale of goods and/or services rendered.

cc. The foreign currency obtained from visitors must be sold to an ADLA or Authorised Dealer not later than the following business day after acquisition thereof.

dd. Prior to purchasing such foreign currency, the ADLA must view documentary evidence that the party offering the notes for sale has been authorised by an Authorised Dealer or CBL to accept foreign banknotes and foreign currency travellers cheques from visitors to Lesotho in payment of

goods supplied and services rendered. An Authorised Dealer endorsed authorisation letter to this effect must be produced to and retained by the ADLA when buying the foreign currency.

ee. ADLAs may also purchase reasonable amounts of foreign currency banknotes from residents who received the foreign currency banknotes from visitors to Lesotho as payment for services rendered (e.g. gratuities, tips or gifts).

k. Conditions applicable to providing a travel allowance

aa. Individuals travelling to countries outside Lesotho must present to an ADLA a valid passport, proof of residence and a passenger ticket (travel itinerary may not be accepted) for a journey commencing from Lesotho. Overland travellers to neighbouring countries need only present a valid passport and proof of residence. Copies of the passport, proof of residence and passenger ticket must be retained by the ADLA for five years.

bb. Foreign currency may be availed of in any authorised form within the limit mentioned in subsections (a)(aa) and (bb) above.

ADLAs may, therefore, accord individuals with foreign currency banknotes and travellers cheques for travel purposes.

Credit and/or debit cards may be used to avail up to 100 per cent of the authorised prescribed or remaining travel allowance.

The travel allowance may also be transferred abroad to the traveller's own foreign bank account or that of their spouse, but not to the account of a third party.

Minors travelling with parents may have their travel allowances transferred to their parents' bank account abroad.

cc. The single discretionary allowance limit mentioned in subsections (a)(aa) and (bb) above may not be exceeded.

dd. When providing foreign currency, ADLAs must inform their clients that in terms of the provisions of Regulation 3(5), the foreign currency provided may only be used for the purpose for which it was made available.

ee. ADLAs must inform their clients that in terms of the provisions of Regulation 3(6), any unused foreign currency must be resold within 30 days to an Authorised Dealer or ADLA on their return to Lesotho. Exemption from Regulation 3(6) is, however, granted to business travellers going abroad on recurring business trips. Where the next business trip is to commence within 90 days after returning from a previous business trip, any unutilised foreign currency may be retained by the traveller for use during subsequent business trips.

ff. ADLAs may effect advance payments in respect of tours, hotel accommodation and vehicle rental at the request of resident travel agents and/or tour operators. In this regard, a facsimile copy of an overseas invoice or e-mail message, plus a covering invoice from the local travel agent, may be accepted. The invoice issued by the local travel agent must contain the name and residential address of the resident traveller, as well as the foreign currency and/or Maloti amount.

gg. Residents, immigrants and foreign nationals who are not utilising the services of a travel agent or tour operator may, however, prior to the purchase of a passenger ticket, be allowed to make advance payments or payments in full in respect of tours, hotel accommodation, vehicle rental and to cover the cost of admission to drama, music, religious and other similar festivals and sports events, provided that documentary evidence from the foreign beneficiary is submitted in support of the request.

hh. The advance payments mentioned in (ff) and (gg) above must be deducted from the permissible travel allowance.

ii. Except as provided for in (ff) and (gg) above, a prospective traveller may not be furnished with foreign currency more than 60 days prior to the date of departure.

jj. Prior to making such foreign currency available, ADLAs must record on their integrated forms the following information:

- i. the mode of transport, the reference number issued, the date of departure, and destination, where a passenger ticket is issued; and
- ii. the mode of transport, the date of departure, the destination and the name of the border post from where the traveller will exit Lesotho, where a passenger ticket is not issued.

kk. ADLAs must also obtain a written undertaking from the prospective traveller that the prospective traveller:

- i. will indeed travel within 60 days from the date of the request to be accorded foreign currency;
- ii. will not purchase foreign currency from an Authorised Dealer and/or another ADLA in excess of the applicable limits;
- iii. will offer for resale all foreign currency accorded in the event of the trip being cancelled, to an Authorised Dealer and/or an ADLA within 30 days of cancellation; and
- iv. will offer for resale to an Authorised Dealer or ADLA any unused foreign currency within 30 days of their return to Lesotho. Also see (ee) above.

ll. ADLAs, on the integrated form, must with all transactions, record the clients' names, nationalities, residential addresses and telephone numbers to facilitate communication.

mm. Travel allowances cover a calendar year. Any traveller not availing of the maximum allowance during a first journey may utilise the unused portion of the annual allowance for a subsequent journey at any time during the same calendar year.

nn. While advance payments in terms of (ff) and (gg) above may, if needed, be made in a preceding calendar year in respect of a journey commencing in the next calendar year, the amounts involved must be deducted from the travel allowance applicable to the individual concerned in the calendar year in which the journey commences.

oo. A person who has not utilised any part of the travel allowance for a particular calendar year and who leaves on a journey that will extend into the next calendar year may be granted the full travel allowance facilities

applicable to the calendar year in which the journey commences. The fact that the journey extends into the subsequent calendar year will not prohibit the granting of further travel allowance facilities for a separate subsequent journey in such calendar year.

pp. To the extent that foreign currency previously granted have been repurchased, ADLAs may subsequently furnish the equivalent Maloti amount in foreign currency to that person for further travel in the same calendar year, together with any balance that may not have been previously availed of up to the single discretionary allowance limit of M1 million per calendar year.

1. Cross-border foreign exchange transaction reporting categories

The table below summarises the cross-border foreign exchange transaction reporting categories applicable to a Category One ADLA:

Category One	
Category code (applicable to inward and outward flows unless indicated otherwise)	Description
200 00	Adjustments, reversals and refunds
250 00	Travel services for non-residents- business travel
251 00	Travel services for non-residents- holiday travel
252 00 (inward)	Foreign exchange accepted by residents from non-residents
255 00	Travel services for residents- business travel
256 00	Travel services for residents- holiday travel
260 00	Proceeds from travel services in respect of third parties- business travel
261 00	Proceeds from travel services in respect of third parties- holiday travel
270 01	Payment for passenger services- road
270 02	Payment for passenger services- rail
270 03	Payment for passenger services- sea
270 04	Payment for passenger services- air

(B) Category Two: Bureaux de Change who can also offer money remittance services in partnership with external money transfer operators

i. Business activities

- a. The business activities are broadened from the services provided by Category One ADLAs to also include transactions under the single discretionary allowance limit of M1 million per calendar year and the offering of money remittance services via external money transfer operators.
- b. For remittance transfers up to M2 500 per transaction with a limit of M7 500 per calendar month, only the applicant's proof of identity has to be viewed by the ADLA concerned.

ii. Permissible transaction

The following transactions may be entered into by a Category Two ADLA, in addition to the transactions outlined in subsection (A)(ii) above:

a. Monetary gifts

aa. ADLAs may allow resident individuals and foreign nationals that qualify to transfer monetary gifts within the single discretionary allowance limit of M1 million per applicant during a calendar year to non-resident individuals and to resident individuals who are overseas temporarily, excluding those residents who are abroad on holiday or business travel.

bb. In addition to the normal CIV requirements, ADLAs are advised that the resident individual must produce a valid national identity document or passport for identification purposes and the identity number will be mandatory when reporting the transaction in terms of the Reporting System.

b. Migrant labourers returning to neighbouring countries

aa. Migrant workers are permitted to send reasonable amounts representing earnings to their home countries.

bb. ADLAs must view a passport, asylum seeker permit, refugee identity document or any other acceptable form of identification and proof of residence prior to effecting transfers in this regard.

c. Study allowance

aa. Residents who are 18 years and older and proceeding abroad for study purposes qualify for an allowance within the single discretionary allowance limit of M1 million per calendar year.

bb. Should a spouse accompany a student, an allowance within the single discretionary allowance limit of M1 million per calendar year may also be accorded to the spouse.

cc. Residents who are under the age of 18 years and proceeding abroad for study purposes qualify for an allowance of M200 000 per calendar year.

dd. ADLAs may also authorise the export of any household and personal effects, including jewellery (but excluding motor vehicles), up to a value of M200 000 per student under cover of the prescribed LRA Customs Declaration form.

ee. In addition to the afore going, ADLAs may transfer directly to the institution concerned the relative tuition and academic fees for the academic year, against documentary evidence confirming the amount involved.

ff. Any additional foreign exchange requirements must be referred to CBL.

gg. Prior to effecting the payment ADLAs must view the following:

- i. documentary evidence from the institutions concerned confirming that the student has been enrolled for a course for the period claimed;
- ii. evidence of the tuition and academic fees in the form of a letter or prospectus from the institution to be attended; and
- iii. in addition to the normal CIV requirements, ADLAs are advised that the resident individual must produce a valid National Identity document or passport for identification purposes.

hh. The ADLA must retain copies of the documents mentioned in (gg) above for a period of five years for inspection purposes.

ii. Should a student require a continuation of the abovementioned transfers during a period following the initial academic year, new documentary evidence complying with the requirements of (gg) above must be submitted and further transfers may thereafter be permitted on the basis outlined in (aa) to (cc) above.

- d. Foreign nationals temporarily in Lesotho
 - aa. ADLAs may permit foreign nationals who are employed in Lesotho on a contract basis to transfer abroad funds that have been earned in Lesotho provided that:
 - i. the foreign nationals can substantiate the source from which they have acquired such funds;
 - ii. the value of such funds is reasonable in relation to their earnings in Lesotho; and
 - iii. the applicant has a valid passport, temporary residence permit and proof of the client's residential address.
- iii. External money transfer operators
 - a. On application to CBL, consideration will be given to allow Category Two ADLAs to also offer money remittance services via external money transfer operators to facilitate cross-border transfers.
 - b. The following principles must be complied with when a Category Two ADLA offers money remittance services via external money transfer operators to facilitate formal cross-border transfers:
 - aa. the offering institution must take full responsibility and accountability for its compliance with the requirements of the MLPCA in relation to the money remittance service which it will be offering;
 - bb. the offering institution must have adequate resources and systems in place to meet its obligations under the MLPCA in respect of money remittance services it will be offering. More specifically, the offering institution's systems that will facilitate compliance with its obligations in terms of the MLPCA, in relation to the remittance service it will be offering must be integrated with the rest of its systems for compliance with these obligations;
 - cc. both the offering institution and any external money transfer operator with which the institution may enter into an agreement must guarantee that all information captured in relation to the use of the service provider's products and services in Lesotho will be held and maintained in Lesotho; and
 - dd. both the external money transfer operator and the offering institution must have adequate client interface procedures as well as capturing and

messaging systems in place to include the originator's identification information in the transfer message through which a sending transaction from Lesotho is executed, in line with the MLPCA.

iv. Cross-border foreign exchange transaction reporting categories

The table below summarises the cross-border foreign exchange transaction reporting categories applicable to a Category Two ADLA:

Category Two	
Category code (applicable to inward and outward flows unless indicated otherwise)	Description
200 00	Adjustments, reversals and refunds
250 00	Travel services for non-residents- business travel
251 00	Travel services for non-residents- holiday travel
252 00 (inward)	Foreign exchange accepted by residents from non-residents
255 00	Travel services for residents- business travel
256 00	Travel services for residents- holiday travel
260 00	Proceeds from travel services in respect of third parties- business travel
261 00	Proceeds from travel services in respect of third parties- holiday travel
270 01 270 02 270 03 270 04	Payment for passenger services- road Payment for passenger services- rail Payment for passenger services- sea Payment for passenger services- air
285 00 (outward)	Tuition fees
300 00	Adjustment, reversals and refunds
303 00 (inward)	Compensation paid by a non-resident to a resident employee temporarily abroad (excluding remittances)
305 00 (inward)	Compensation paid by a non-resident to a migrant worker (excluding remittances)

305 00 (outward)	Compensation paid by a resident to a migrant worker (excluding remittances)
306 00 (inward)	Compensation paid by a non-resident to a foreign national contract worker employee (excluding remittances)
306 00 (outward)	Compensation paid by a resident to a foreign national contract worker employee (excluding remittances)
401 00	Gifts
416 00	Migrant worker remittances (for amounts up to M5 000, excluding compensation)
417 00	Foreign national contract worker remittances (for amounts up to M5 000, excluding compensation)

(C) Category Three: Independent money transfer operators

i. Business activities

The business activities of a Category Three ADLA (MTO) are restricted to:

- a. Money remittance services, i.e. cross-border person-to-person payments of relatively low value.
- b. Transactions are limited to M5 000 per transaction per day within a limit of M25 000 per applicant per calendar month. The ADLA must in terms of section 16 of the MLPCA, complete the relevant CIV requirements.
- c. For remittance transfers up to M2 500 per transaction with a limit of M7 500 per calendar month, only the applicant’s proof of identity has to be viewed by the ADLA concerned.

ii. Permissible transactions

The following transactions may be entered into by a Category Three ADLA:

- a. Monetary gifts
 - aa. ADLAs may allow resident individuals and foreign nationals that qualify to transfer monetary gifts within the limits specified under subsections (i)(b) and (c) above to non-resident individuals.

- bb. For transfers in terms of (aa) above by resident individuals and foreign nationals that qualify, ADLAs are advised that the applicant must produce a valid national identity or passport for identification purposes in addition to the normal CIV requirements.
 - cc. For the documentation applicable to migrant workers and foreign nationals transferring funds in terms of subsection (i)(b) above, see (b) and (c) below.
- b. Migrant labourers returning to neighbouring countries
- aa. Funds earned in Lesotho by migrant workers are eligible for transfer abroad within the limit specified under subsections (i)(b) and (c) above.(bb) For transfers in terms of subsection (i)(b) above, ADLAs should view either a passport, asylum seeker permit, maroon refugee identity document or any other acceptable form of identification and proof of residence prior to effecting transfers in this regard.
- c. Foreign nationals temporarily in Lesotho
- aa. Funds earned in Lesotho by foreign national contract workers are eligible for transfer abroad within the limit specified under subsections (i)(b) and (c) above.
 - bb. For transfers in terms of subsection (i)(b) above, ADLAs should view a passport or any other acceptable form of identification, proof of residence as well as proof of the applicant's earnings prior to effecting transfers in this regard.

iii. Cross-border foreign exchange transaction reporting categories

The table below summarises the cross-border foreign exchange transaction reporting categories applicable to a Category Three ADLA:

Category Three	
Category code (applicable to inward and outward flows unless indicated otherwise)	Description
400 00	Adjustments, reversals and refunds
401 00	Gifts
416 00	Migrant worker remittances (excluding compensation)
417 00	Foreign national contract worker remittances (excluding compensation)

B.2 Operational conditions applicable to conducting the business of an Authorised Dealer in foreign exchange with limited authority

(A) Governance

The following operational conditions must be adhered to by an ADLA:

- i. Capital requirements
 - a. An ADLA shall during the lifetime of its operations maintain a minimum unimpaired capital fund in a Loti denominated savings and/or investment type banking account segregated from the ADLAs business and clients' funds as follows:
 - aa. Category One: M100, 000
 - bb. Category Two: M150, 000
 - cc. Category Three: M250, 000
 - b. The funds in the savings/investment bank account may not be withdrawn or be transferred to another bank account without the prior written approval of CBL.

- c. The unimpaired capital must remain unencumbered and may not be ceded, pledged or used as collateral by the ADLA or any of its stakeholders.
 - d. The ADLA must on a six-monthly basis (during January and July) furnish CBL with a copy of the savings/investment bank account statements for the preceding six month period together with written confirmation from the Managing Director/Chief Executive Officer of the ADLA confirming that the unimpaired capital of the ADLA has remained unencumbered and was not ceded, pledged or used as collateral by the entity or any of its stakeholders. Also see subsection (G)(iv) below.
-
- ii. An ADLA shall not change its name or use as its business name any name that has not been agreed to by CBL.
 - iii. The registered business address of the ADLA may not be changed without prior consultation with CBL.
 - iv. Any changes in the location of the head office and/or the opening of any of the branches must receive the prior written approval of CBL. See subsection (C)(v) below.
 - v. Only a natural or legal person who is deemed 'fit and proper' by CBL, may, directly or indirectly, have or take up a shareholding or an equity stake in an ADLA. In this regard, see section A.3(B)(iii)(e)(cc) of the ADLA Manual and Annexure B, respectively.
 - vi. Any person who is taking up a directorship in the ADLA will have to be deemed 'fit and proper' by CBL. In this regard see section A.3(B)(iii)(e)(cc) of the ADLA Manual and Annexure B, respectively.
 - vii. Any changes to the beneficial ownership, equity structure or directors of the ADLA must have the prior written approval of CBL.
 - viii. An ADLA shall not offer for sale to its clients any new or enhanced foreign exchange products such as mobile, web-based money and card-based services without the specific prior approval of CBL.
 - ix. ADLAs are not permitted to enter into foreign exchange transactions with residents of other CMA countries. If such requests are received, the clients should be referred back to their bankers in the CMA country concerned.

Currency and Exchanges Manual for Authorised Dealers

- x. As an exception to (ix) above, ADLAs may accord foreign currency to foreign diplomats, accredited foreign diplomatic staff as well as students with a valid student card from other CMA member countries whilst in Lesotho. Also see section B.1(A)(ii)(d)(aa)(2) and (3) of the ADLA Manual.
- xi. ADLAs who want to deal with local referral agents and travel agents acting on behalf of individual and corporate clients who wish to buy and sell foreign currency from/to the ADLA concerned, must apply to CBL for prior approval to enter into a business relationship with the agent(s). Also see subsection (B)(ii) below.
- xii. It is the responsibility of the ADLA buying or selling the foreign currency to ensure that the laid down exchange control requirements and requirements in terms of the MLPCA are complied with.
- xiii. An ADLA may not provide foreign currency to transport companies to pay drivers salaries, buy fuel, do maintenance and purchase spare parts for trucks travelling to other African destinations outside of the CMA. Such business should be referred to an Authorised Dealer.
- xiv. An ADLA shall not buy or sell foreign currency which it knows or reasonably ought to have known to be:
 - a. counterfeit; or
 - b. not legal tender in the country of issue.
- xv. With the exception of transactions permissible in terms of section B.1(A)(ii)(k)(ff) of the ADLA Manual, an ADLA shall not be involved in transferring funds, whether directly or indirectly, in or out of Lesotho in whatever manner, on behalf of entities.
- xvi. An ADLA may not accept cash notes or amounts deposited directly into its bank account in settlement of any transaction for residents, immigrants, migrant workers and foreign nationals who apply to enter into transactions in excess of M50 000 abroad, and must ensure that:
 - a. the funds to be transferred are remitted from the applicant's own local bank account (not the account of a third party) by way of an EFT to the ADLA's client bank account;

- b. a bank endorsed statement must be provided to the ADLA verifying that the funds were transferred to the ADLA's client bank account from the applicant's own bank account where after the ADLA may continue to process the transaction;
 - c. client account statements from other financial institutions (not registered as a bank) may not be accepted by an ADLA as proof of payment made by its clients;
 - d. payment in respect of settlement of a transaction may also be made by using the applicant's own credit and/or debit card. In instances where a non-personalised card, i.e. where the name of the applicant does not appear on the card, is used, suitable documentary evidence must be provided to the ADLA verifying that the applicant is the owner of the card. ADLAs must ensure that the client's signature on the debit and/or credit card used correspond with the signature of the client on the client's application form; and
 - e. where direct family members such as the husband, wife and a child each apply for foreign currency within the limit of M50 000 per transaction, but the total amount for the family exceeds the M50 000 limit and the source of the funds is from one person, cash not exceeding M50 000 may be accepted as payment by the ADLA and the balance must be transferred via EFT from the funder's own bank account to the ADLA's client bank account.
 - f. The documentary evidence referred to in (b) and (c) above must be retained for a period of five years for inspection purposes.
- xvii. Purchases and sales of foreign currency shall be done at the displayed rates.
- xviii. An ADLA shall only buy from and sell foreign currency to Authorised Dealers to fund its needs directly related to its approved business. No speculative trading is permissible nor may any hedging or derivative products with foreign exposure be entered into by the ADLA.
- xix. An ADLA may open CFC accounts with an Authorised Dealer for operational purposes, but such CFC accounts may not be overdrawn without the specific prior approval of CBL. Credit balances in ADLA CFC accounts must be converted to Maloti within 30 days of such funds having being credited to the CFC account. Any abuse of these accounts may result in the withdrawal of this dispensation.

Currency and Exchanges Manual for Authorised Dealers

- xx. An ADLA may not maintain a foreign currency float in excess of USD50 000 per branch without prior approval of CBL, inclusive of any stockpiled notes held directly or indirectly, as at the close of any business day. Any foreign currency balances in excess of this limit must be sold to an Authorised Dealer the following business day.
- xxi. An ADLA should conduct at least two Maloti-denominated bank accounts with an Authorised Dealer in order to ensure that client funds are segregated from the ADLA's business funds.
- xxii. An ADLA must at all times be able to demonstrate that it can reconcile the deposits in its client bank account with a specific client transaction executed.
- xxiii. All client transactions must be completed within a period of two working days.
- xxiv. An ADLA shall be required to inform CBL in writing of any subsequent changes to its internal rules (in terms of the MLPCA) supported by a copy of the amended internal rules, prior to implementation.
- xxv. An ADLA shall at least once per calendar year provide exchange control training and training in terms of the MLPCA to all staff members and agents dealing with ADLA foreign exchange clients and/or foreign exchange client documentation and keeping record thereof.

(B) Agent requirements

- i. When money remittance services are to be provided through an agent, or third party remittance platform, the ADLA must apply in writing to the CBL and provide, inter alia, the following information:
 - a. the name and address of the agent/remittance platform;
 - b. the identity of directors and persons responsible for the management of the agent/remittance platform and evidence that they are deemed as 'fit and proper'; and
 - c. a description of the internal control mechanisms that will be used by the agent/remittance platform in order to comply with the obligations under the MLPCA.
- ii. ADLAs who want to deal with local referral agents and travel agents acting on behalf of individual and corporate clients who want to buy and sell foreign

currency from/to the ADLA concerned, must apply to CBL for prior approval to enter into a business relationship with the referral/travel agent(s).

An application must be submitted whenever a new agent is added or the relationship with an agent is terminated.

The application submitted should include the following information:

- a. full name(s) of the agent(s) concerned;
- b. copies of the CIV documents of the agent(s);
- c. the draft agreement entered into between the agent and the ADLA;
- d. the CIV documentation of the agent's representatives concerned;
- e. details of the type of business activities that the agent will provide; and
- f. details of the exchange control training and training in terms of the MLPCA provided by the ADLA to the agent.

(C) Outlet requirements

- i. An ADLA shall ensure that its head office and approved branches, where applicable, are accessible to the public during business hours.
- ii. An ADLA shall ensure that a certified copy of its letter of appointment is displayed at all of its outlets.
- iii. An ADLA shall always display, in a conspicuous place at the premises at which it conducts its business, the following:
 - a. applicable signage indicating the wording 'Bureau de Change' or 'independent money transfer operator';
 - b. its foreign currency buying and selling rates;
 - c. all commissions and charges associated with these transactions; and
 - d. a notice informing its clients that they are entitled to be issued with a receipt for any purchase or sale of foreign currency made by them.
- iv. An ADLA shall ensure that its head office and all its branches, where applicable, are able to store its foreign currency, including travellers cheques, in a safe that is deemed suitable by CBL.
- v. An ADLA shall timeously obtain the prior written approval of CBL before opening new branches or relocating the head office and/or existing branches, which request should include, as a minimum, the following details:

- a. branch code number not exceeding eight digits;
 - b. postal and physical addresses;
 - c. telephone and fax numbers;
 - d. e-mail address; and
 - e. suitable curricula vitae of the head of the proposed branch.
- vi. Any subsequent changes in (v) above, must receive the prior written approval of CBL. All new branches are subject to the conditions as outlined in (i), (ii), (iii) and (iv) above.
- vii. An ADLA appointed in Lesotho may not expand, invest and/or open branches outside the CMA without the prior written approval of CBL. In this regard, also refer to (v) above.
- viii. An ADLA may, on application, open a branch for the sole purpose of providing its approved business to corporate clients, which branch will be referred to as a corporate office. The corporate office must strictly comply with the provisions outlined in the ADLA Manual. The 'corporate office' is, however, not subject to the conditions as outlined in (i) and (iii) above.
- ix. CBL must immediately be notified of the closure of an ADLA branch.

(D) Staffing

- i. An ADLA must have suitably qualified staff at all times who are 'fit and proper' persons.
- ii. ADLA staff must be fully conversant with the relevant requirements contained in the Regulations, the ADLA Manual and the MLPCA.
- iii. Written confirmation to this effect by the most senior official in the ADLA must in January of each year be forwarded to CBL. Also see subsection (G)(v) below.

(E) Documentation and records

- i. An ADLA must maintain proper records of all transactions. The following must be kept:
 - a. The client tax invoices and supporting documentation which shall, inter alia, reflect the following information:

- aa. the serial number of the receipt;
 - bb. the date of the purchase or sale of foreign currency;
 - cc. the foreign currency amount purchased or sold;
 - dd. the rate of exchange;
 - ee. the Maloti amount paid or received from the client;
 - ff. the purpose for the purchase or sale of foreign currency;
 - gg. the full name(s) and surname of the client;
 - hh. the residential address of the client;
 - ii. the identity number of the client;
 - jj. if the client is acting on behalf of another person:
 - a. the identity number of the person on whose behalf the client is acting; and
 - b. the client's written authority to act on behalf of that other person;
 - kk. if another person is acting on behalf of the client:
 - a. the identity number of that other person; and
 - b. that other person's written authority to act on behalf of the client;
 - ll. the manner in which the identity numbers of the persons as outlined in (ii), (jj) and (kk) above was established;
 - mm. the name of the person who obtained the information as outlined in (ii), (jj) and (kk) above on behalf of an ADLA;
 - nn. the nature of that business relationship or transaction;
 - oo. in the case of a transaction:
 - a. the amount involved; and
 - b. the parties to that transaction; and
 - pp. all accounts that are involved in:
 - a. multiple transactions concluded by an ADLA in the course of the business relationship; and
 - b. single transactions concluded by an ADLA.
- b. Any document or certified copy of a document obtained by an ADLA in order to verify the client's identity.
- c. Any document or certified copy of a document obtained by an ADLA in order to verify the client's residential address.

- ii. Records in respect of (a) to (c) above may be kept in electronic format together with the date and time of capture.
- iii. Records received, as outlined in (a) to (c), above must be designated and not used for purposes other than for an actual purchase or sale of foreign currency.
- iv. An ADLA shall issue purchase and sale receipts in respect of all transactions with its clients.
- v. An ADLA must incorporate on its purchase receipts two footnotes to read:
 - (a) “ADLA client: please ensure that you retain this receipt for five years as proof of your currency; and
 - (b) the proceeds of any foreign currency obtained through this transaction may not be placed at the disposal of third parties normally resident in Lesotho.”
- vi. An ADLA must keep records as mentioned above that relate to:
 - (a) the establishment of a business relationship, for at least five years from the date on which the business relationship is terminated; and
 - (b) a transaction that is concluded, for at least five years from the date on which that transaction is concluded.

(F) Reporting requirements for all Authorised Dealers in foreign exchange with limited authority

- i. An ADLA must comply with the ‘same source’ principle for the reporting of all cross-border foreign exchange transactions as outlined in section C.1 of the ADLA Manual, the Business and Technical Specifications document and Operations Manual to be provided to the applicant by CBL.

(G) Submission of information to Central Bank of Lesotho

An ADLA must submit to CBL the following:

- i. Within three months after the close of its financial year, a copy of its signed audited financial statements together with an independent audit report, i.e. a report from either an internal or external audit function depending on the size and complexity of the institution, for the corresponding period.
- ii. On a six-monthly basis (during January and July), a list of the names and the specimen signatures of officials authorised to sign correspondence addressed

to CBL as well as the e-mail addresses of at least two senior officials to whom urgent correspondence, if necessary, could be referred.

- iii. On a six-monthly basis (during January and July) a detailed list of its active branches and corporate offices, which list must include the branch/office name, street address, its branch number, telephone number and the foreign exchange turnover (outflows and inflows) of each branch for the previous six month period.
- iv. On a six-monthly basis (during January and July) a copy of the savings/investment bank account statements for the preceding six month period together with written confirmation from the Managing Director/Chief Executive Officer of the ADLA confirming that the unimpaired capital of the ADLA has remained unencumbered and was not ceded, pledged or used as collateral by the entity or any of its stakeholders.
- v. In January each year confirmation by the most senior official confirming that staff are suitably qualified, 'fit and proper' persons and fully conversant with the relevant requirements contained in the Regulations, the ADLA Manual and the MLPCA.

(H) Right of inspection

- i. An authorised official from CBL may at any time conduct an inspection of an ADLA in the form and manner determined by the CBL. The inspection will be conducted to establish an ADLA's compliance with the Regulations.
- ii. CBL is also a supervisory body which performs regulatory or supervisory functions in respect of ADLAs to supervise compliance and the enforcement thereof in terms of Section 14 of the MLPCA as amended.
- iii. It shall be the duty of every director, official or staff member of an ADLA to produce to CBL official conducting an inspection outlined in (i) and (ii) above all such books, accounts and other documents in the ADLA's custody and to furnish that official with such statements or information relating to the affairs of the ADLA as that official may require. In case of suspected non-compliance, malpractice or fraud, the official has the right of seizure of documents and records.

(I) Compliance

- i. An ADLA shall comply with any other requirements or conditions as may be stipulated in writing from time to time by CBL.
- ii. Any deviation or non-compliance with any of the requirements contained in the Regulations, ADLA Manual and the MLPCA at a future date may result in measures being taken by CBL as administrator of the exchange control system and in its capacity as supervisory authority under the MLPCA. These measures may consist of one or more of the following:
 - a. an official warning from the Financial Surveillance Division setting out the nature of the contravention, and seeking the assurance from the ADLA that the required remedial steps have been undertaken to ensure that the requirements under the Regulations and duties under the MLPCA are performed effectively and diligently in the future;
 - b. calling for a complete audit of the ADLA's administration by external auditors, at the ADLA's expense. Such audit would encapsulate:
 - aa. a full audit of the ADLA's administration and control systems in terms of the Regulations and the MLPCA; and
 - bb. a joint recommendation by the external auditors and ADLA's management for the improvement of the systems and control procedures;
 - c. the temporary curtailment of an ADLA's business activities to specific types of transactions;
 - d. the temporary suspension or withdrawal of an ADLA's appointment to conduct the business of an ADLA or suspension of that authority at one or more branches;
 - e. the invoking of Regulation 18 of the Exchange Controls Regulations, 1989, when faced with a major breakdown in the systems and/or control procedures of an ADLA relating to its administration and control systems in terms of the Regulations in order to induce early restoration of an effective administration and to ensure future compliance with the provisions of the Regulations;

- f. the permanent withdrawal of an ADLA's appointment to conduct the business of an ADLA or the withdrawal of that authority at one or more branches; and
 - g. any of the enforcement measures provided in terms of Section 14 of the MLPCA as amended and/or a combination of these measures and those stated hereinbefore.
- iii. CBL would, furthermore, require in writing:
- (a) a commitment by management and the board of directors of the ADLA to implement the recommended systems and procedures; and
 - (b) a commitment by management to co-operate with CBL in monitoring the efficiency of the newly implemented systems and procedures, subject to a periodic external audit.

C.1 Cross-Border Transaction Reporting System

(A) Introduction

- i. The objective of the Reporting System is to ensure accurate and comprehensive reporting of all data by Authorised Dealers and ADLAs on transactions, irrespective of the amount, for compilation of:
 - a. balance-of-payments statistics by the Research Department of CBL;
 - b. foreign debt statistics and repayment profiles to support monetary policy decisions; and
 - c. statistical information relating to the nature, volume and values of the various cross-border flows and to provide the appropriate information for economic and financial management decisions, as well as planning and policy formulation.

(B) Business and Technical Specifications document

- i. The complete Business and Technical Specifications document can be downloaded from the CBL website: www.centralbank.org.ls
- ii. Reporting entities must comply with the rules specified in this document, which must be read in conjunction with the ADLA Manual.

(C) Operations Manual

- i. The complete Operations Manual can be downloaded from CBL website: www.centralbank.org.ls
- ii. Reporting entities must comply with the rules specified in this document, which must be read in conjunction with the ADLA Manual.

(D) Inward payments

- i. General
 - a. ADLAs must ensure the correct reporting of all cross-border foreign exchange transactions irrespective of the amounts and currencies involved.
 - b. Data pertaining to transactions must be submitted to CBL in the various formats outlined in the Business and Technical Specifications document within five business days from the value date of the transaction.
 - c. Rejections by CBL must be corrected and re-submitted in the agreed format within one business day from the date of the rejection.
 - d. Warning messages by CBL must be thoroughly investigated and actioned within one business day from the date of the warning message and, where required, the appropriate remedial actions must be taken.
- ii. Integrated form
 - a. The integrated form is applicable to all transactions reported under the BOPCUS module.
 - b. Transactions reported by ADLAs under the 'NON REPORTABLE' module do not require an integrated form.
 - c. ADLAs must make use of an integrated form in respect of all inward payments either in hard copy or electronic format to obtain data required for the processing and reporting of all BOPCUS cross-border foreign exchange transactions to the Financial Surveillance Division.
 - d. When the client is physically present at the ADLA, the integrated form must be completed and signed by the client in respect of all inward payments.
 - e. When the client is not physically present to complete and sign the integrated form, the ADLA may complete and sign the integrated form either physically or electronically, provided that the ADLA has been authorised or mandated to do so by means of a letter, a facsimile message, an e-mail message or by a recorded telephonic message to act on the client's behalf.

- f. The client's communication must be retained by the ADLA for a period of five years for inspection purposes.

iii. Declaration

The following declaration must be included in the integrated form: "I, the undersigned....., hereby declare that:

- a. I have read this document and know and understand the contents thereof;
- b. the information furnished above is in all respects both true and correct;
- c. the currency applied for will only be used for the specific purpose stated herein;
- d. the documentation presented in support of this application is in all respects authentic;
- e. I have been informed of the limit applicable to the above transaction and confirm that this limit will not be exceeded as a result of the conclusion of this transaction; and

(E) Balance-of-payments categories applicable to BOPCUS – inward payments

A balance-of-payment category consists of a category, while in some cases a category and a sub-category are also applicable.

i. Service related items

Transaction adjustments

200 00 Adjustments / Reversals / Refunds applicable to service related items

Travel services for non-residents

250 00 Travel services for non-residents – business travel

251 00 Travel services for non-residents – holiday travel

252 00 Foreign exchange accepted by residents from non-residents

255 00 Travel services for residents – business travel

260 00 Proceeds from travel services in respect of third party- business travel

261 00 Proceeds from travel services in respect of third party- holiday travel

270 01 Payment for passenger services- road

270 01 Payment for passenger services- rail

270 01 Payment for passenger services- sea

270 01 Payment for passenger services- air

285 00 Tuition fees

- ii. Income transfers
 - Income receipts**
 - 300 00 Adjustments / Reversals / Refunds applicable to service related
 - 303 00 Compensation paid by a non-resident to a resident employee temporarily abroad (excluding remittances)
 - 305 00 Compensation paid by a non-resident to a migrant worker (excluding remittances)
 - 306 00 Compensation paid by a non-resident to a foreign national contract worker employee (excluding remittances)

- iii. Transfers of a current nature
 - Current payments**
 - 401 00 Gifts
 - 416 00 Migrant worker remittances (for amounts up to M5 000, excluding compensation)
 - 417 00 Foreign national contract worker remittances (for amounts up to M5 000, excluding compensation)

(F) Outward payments

- i. General
 - a. ADLAs must ensure correct reporting of all cross-border foreign exchange transactions irrespective of the amounts and currencies involved.
 - b. Data pertaining to transactions must be submitted to CBL in the various formats outlined in the Business and Technical Specifications document within five business days from the value date of the transaction.
 - c. Rejections by CBL must be corrected and re-submitted in the agreed format within one business day from the date of the rejection.

- ii. Integrated form
 - a. The integrated form is applicable to all transactions reported under the BOPCUS module.
 - b. Transactions reported by ADLAs under the 'NON REPORTABLE' module do not require an integrated form.

- c. ADLAs must make use of an integrated form in respect of all outward payments either in hard copy or electronic format to obtain data required for the processing and reporting of all BOPCUS cross-border foreign exchange transactions to CBL.
- d. When the client is physically present at the ADLA, the integrated form must be completed and signed by the client in respect of all outward payments.
- e. When the client is not physically present to complete and sign the integrated form, the ADLA may complete and sign the integrated form, either physically or electronically, provided that the ADLA has been authorised or mandated to do so by means of a letter, a facsimile message, an e-mail message or by a recorded telephonic message to act on the client's behalf. The client's communication must be retained by the ADLA for a period of five years for inspection purposes.
- f. In cases where the client transacts with the ADLA via an electronic interface, the ADLA must ensure that the underlying agreements legally bind the client in terms of the correctness of the information provided via the electronic medium.

iii. Declaration

The following declaration must be included in the integrated form: "I, the undersigned....., hereby declare that:

- a. I have read this document and know and understand the contents thereof;
- b. the information furnished above is in all respects both true and correct;
- c. the currency applied for will only be used for the specific purpose stated herein;
- d. the documentation presented in support of this application is in all respects authentic;
- e. I have been informed of the limit applicable to the above transaction and confirm that this limit will not be exceeded as a result of the conclusion of this transaction; and

(G)Balance-of-payments categories applicable to BOPCUS – outward payments

A Balance-of-Payment category consists of a category and in some cases a category and a sub-category is also applicable.

- i. Service related payments
 - Transaction adjustments**
 - 200 00 Adjustments / Reversals / Refunds applicable to service related items
 - Travel services for non-residents**
 - 250 00 Travel services for non-residents – business travel
 - 251 00 Travel services for non-residents – holiday travel
 - 252 00 Foreign exchange accepted by residents from non-residents
 - 255 00 Travel services for residents – business travel
 - 260 00 Proceeds from travel services in respect of third party- business travel
 - 261 00 Proceeds from travel services in respect of third party- holiday travel
 - 270 01 Payment for passenger services- road
 - 270 01 Payment for passenger services- rail
 - 270 01 Payment for passenger services- sea
 - 270 01 Payment for passenger services- air
 - 285 00 Tuition fees

- ii. Income transfer
 - Income receipts**
 - 300 00 Adjustments / Reversals / Refunds applicable to service related
 - 303 00 Compensation paid by a non-resident to a resident employee temporarily abroad (excluding remittances)
 - 305 00 Compensation paid by a resident to a migrant worker (excluding remittances)
 - 306 00 Compensation paid by a resident to a foreign national contract worker employee (excluding remittances)

- iii. Transfers of a current nature
 - Current payments**
 - 401 00 Gifts
 - 416 00 Migrant worker remittances (for amounts up to M5 000, excluding compensation)

417 00 Foreign national contract worker remittances (for amounts up to M5 000, excluding compensation)

(H)Reconciliation module

- i. ADLAs must make use of a straight-through processing system, in electronic format, which must daily account for all reportable and non-reportable transactions, reconciling all such transactions at the ADLA and also reconciling the transactions submitted to and confirmed by CBL.
- ii. In amplification of the above, the purpose is to ensure that there is reconciliation between the data on the general ledger/accounting system, the system used to submit data to the CBL, as well as confirmation, from the CBL, that the data submitted was successfully received and stored.
- iii. The reconciliation module must be able to perform the following functions:
 - a. compile reportable transactions and non-reportable transactions daily reports from the general ledger/accounting system;
 - b. compile a daily report of all reportable transactions reported to CBL from the system used to transmit data to CBL;
 - c. electronically match the reportable transactions from the daily report referred to in (a) above with the actual transactions reported to the CBL referred to in (b) above;
 - d. compile a daily report of transactions not matched between the general ledger/accounting system of the reporting ADLA and the system used to transmit data to CBL; and
 - e. the reconciliation module must be able to create the daily report referred to in (a), (b) and (d) above in Excel or text format (semicolon delimited), and must be forwarded to CBL upon request.

Currency and Exchanges Manual for Authorised Dealers

- iv. The data required in (e) above, must contain the following information:
 - a. flow (IN or OUT);
 - b. transaction reference number;
 - c. branch code;
 - d. value date;
 - e. Maloti amount;
 - f. foreign amount; and
 - g. foreign currency code.
 - h. In cases where the ADLAs change the status of transactions between 'reportable' and 'non-reportable', the reconciliation module must be updated to ensure that this manual intervention does not distort the reconciliation process.

Annexure A – Application to conduct the business of an ADLA

Application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority

The terms and conditions for regulating the appointment and conduct of an Authorised Dealer in foreign exchange with limited authority are contained in the document titled “Currency and Exchanges Manual for Authorised Dealer in foreign exchange with limited authority”, which can be downloaded from CBL’s official website: www.centralbank.org.ls.

The application to conduct a business of an Authorised Dealer in foreign exchange with limited authority together with the completed Annexures A and B and supporting documentation must be submitted on the applicant’s official letterhead to:

The Governor
Central Bank of Lesotho
P.O. Box 1184
Maseru 100
Lesotho

Hand deliver to:

The Governor
Central Bank of Lesotho
Corner Airport & Moshoeshoe Roads
Maseru 100

Application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority

Declaration to be completed by the applicant:

1. I, the undersigned, director/shareholder* of
duly empowered thereto, hereby apply for authorisation of the abovementioned private company to conduct the business of an Authorised Dealer in foreign exchange with limited authority.
2. The applicable information detailed in 3. below shall accompany the application. Indicate, against each item, in the appropriate column in the table below, whether or not the requested information is attached, and, if not, reason(s) therefore.
3. The table below summarises the information to be submitted as per section A.3(B) of the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority:

Information required	Documents attached Yes/No	If not, reason(s)
(a) Certified copy of the Certificate of Incorporation, Form CM.		
(b) Pro forma Balance Sheet.		
(c) Confirmation from your bankers that the funds are available in the company's bank account.		
(d) Confirmation from an accounting officer/auditors.		

Information required	Documents attached Yes/No	If not, reason(s)
(e) Details of the proposed place of business.		
(f) Business plan.		
(aa) equity structure and declaration by shareholders and ultimate beneficial owners		
(bb) Statement by individuals who are holding, or are proposing to hold, the office of a director of, or shareholding in an Authorised Dealer in foreign exchange with limited authority (ADLA).		
(cc) Measurable forecast of the ADLA		
(dd) Details of funding of the ADLA		
(ee) Governance arrangements and internal control measures		
(ff) Organisational structure		
(g) Declaration stating that there are no silent tails of proposed planning and implementation of the Cross-Border Foreign		

Information required	Documents attached Yes/No	If not, reason(s)
Exchange Transaction Reporting System.		

4. I,
the undersigned, hereby declare all information contained in and with this application to be correct.

.....
Date

.....
Director/shareholder*

Annexure B – Statement by directors/shareholders holding/proposing to hold office

If insufficient space is provided, please attach a separate sheet.

Statement by individuals who are holding, or are proposing to hold, the office of a director of/or shareholding in an Authorised Dealer in foreign exchange with limited authority

(Confidential and not available for inspection by the public)

1. Name of limited liability company in connection with which this questionnaire is being completed (the company):

.....

2. Surname:

.....

3. Full forename(s):

.....



4. Former surname(s) and/or forename(s) by which you may have been known:

.....

5. Please state in which capacity you are completing this questionnaire, that is, as a current or prospective director, a shareholder or combination of these.

.....

6. Please state your full title, and describe the particular duties and responsibilities attached to the position(s) that you hold or will hold. If you are completing this form in the capacity as director, indicate whether, in your position as director, you have or will have executive responsibility for the management of the company's business. In addition, please provide a copy of your curriculum vitae, unless it has already been provided:

.....

7. Residential address:

.....

8. Any previous residential address(es) during the past 10 years:

.....

9. Date and place of your birth (including town or city):

.....

10. Your nationality and how it was acquired (birth, naturalisation or marriage):

.....

11. Name(s) and address(es) of your bankers during the past 10 years:

.....



12. Your occupation and employment now and during the past 10 years, including the name of your employer in each case, the nature of the business, the position held and relevant dates:

.....

13. Of which body corporates (other than the company) are you a director or a shareholder and since when?

.....

14. Do you hold directly or indirectly issued capital of anybody corporate (other than the company) that is now registered, or that has applied for authorisation, to conduct the business of an ADLA? If so, give particulars:

.....

15. Of which body corporates (other than the company) and those listed in reply to question 13 above have you been a director or shareholder at any time during the past 10 years? Give relevant dates:

.....

16. Do any of the body corporates listed in response to questions 13, 14 and 15 above maintain a business relationship with the company? If so, give particulars:

.....

17. Do you hold or have you ever held or applied for a licence or equivalent authorisation to conduct any business activity in Lesotho or elsewhere? If so, give particulars. If any such application was refused or withdrawn after it was made or if any authorisation was revoked, give particulars:

.....

18. Does any institution with which you are, or have been, associated as a director or shareholder hold, or has it ever held or applied for, a licence or equivalent authorisation to conduct any business activity? If so, give particulars. If any such



application was refused or was withdrawn after it was made or if an authorisation was revoked, give particulars:

.....

19. Have you, in Lesotho or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions? If so, give particulars:

.....

20. Have you, or has any body corporate, partnership or unincorporated institution with which you are, or have been, associated as a director or shareholder, been the subject of an investigation, in Lesotho or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body? If so, give particulars:

.....

21. Have you, or has any body corporate, partnership or unincorporated institution in which you are, or have been, associated as a director or shareholder, been involved in money laundering or terrorist activities or subject to a sanction in terms of a Resolution of the United Nations Security Council? If so, give particulars:

.....

22. Have you, in Lesotho or elsewhere, been dismissed from any office or employment, or been subject to disciplinary proceedings or investigation by your employer or been barred from entry to any profession or occupation? If so, give particulars:

.....

23. Have you failed to satisfy any debt adjudged due and payable by you, as a judgement-debtor under an order of a court in Lesotho or elsewhere, or made any

compromise arrangement with your creditors within the past 10 years? If so, give particulars:

.....

24. Have you ever been declared insolvent (either provisionally or finally) by a court in Lesotho or elsewhere, or has a bankruptcy petition ever been served on you? If so, give particulars:

.....

25. Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution, been adjudged by a court in Lesotho or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give particulars:

.....

26. Has any body corporate, partnership or unincorporated institution with which you were associated as a director or shareholder, in Lesotho or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while you were associated therewith or within one year after you ceased to be associated therewith, or has anything analogous to any of these events occurred under the laws of any other jurisdiction? If so, give particulars:

.....

27. Have you been concerned with the management or conduct of the affairs of any institution that, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in Lesotho or elsewhere? If so, give particulars:

.....

28. In carrying out your duties, will you be acting on the directions or instructions of any other individual or institution? If so, give particulars:



.....

29. Do you, or does any related party of whom you are aware, undertake business with this company? If so, give particulars:

.....

30. How many shares in the company are registered in your name or the name of a related party? If applicable, give the name(s) in which such shares are registered and the class of shares:

.....

31. In how many shares in the company (not being registered in your name or that of a related party) are related parties beneficially interested?

.....

32. Are any of the shares in the company mentioned in reply to questions 30 and 31 above equitably or legally charged or pledged to any party? If so, give particulars:

.....

33. Are you currently, or do you, other than in a professional capacity, expect to be engaged in any litigation in Lesotho or elsewhere? If so, give particulars:

.....

34. Do you at all times while acting in your capacity as a director or shareholder of the company undertake to:

- a. act in good faith towards the company and the Central Bank of Lesotho;
- b. avoid conflict between your other interests and the interests of the company and the Central Bank of Lesotho; and
- c. place the interest of the company and the Central Bank of Lesotho above all other interests?



.....

35. Please also attach certified copies of:

- i. A written confirmation from the Lesotho Mounted Police Station or any other foreign law enforcement agency that you have not been convicted of any criminal offences, excluding:
 - a. any offence committed when you were under 18 years, unless the same was committed within the last 10 years;
 - b. any road traffic offence; or
 - c. any political offence.

If applicable, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction.

- ii. A certificate of good standing from the Lesotho Revenue Authority or any other foreign tax authorities or any withdrawal of such certificates.
- iii. A valid national identity or passport.

Annexure B- Declaration

I,, hereby declare the following: This statement consists ofpages, each signed by me. The content of this declaration is true to the best of my knowledge and belief. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution. I am acting in my own personal capacity as a shareholder of the institution and not as a nominee, trustee or beneficiary for an undisclosed person or legal entity.

I undertake that, as long as I continue to be a director or shareholder of the company, I will notify the **Central Bank of Lesotho** of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in items 1 to 33 as soon as possible, but in no event later than 21 days from the day that the changes come to my attention.



Currency and Exchanges Manual for Authorised Dealers

I know and understand the content of this declaration. I *have*/do not have** objections to taking the prescribed oath. I consider the prescribed oath to be *binding*/not binding** on my conscience.

.....
Signature of the Deponent

I certify that the above statement was taken by me and that the deponent has acknowledged that *he*/she** knows and understands the content of this statement, which was *sworn to*/affirmed** and signed by the deponent, in my presence.

Signed at on the day of
..... (mm-yyyy).

.....
Commissioner of Oaths

Full names:

Ex officio:

Area:

Address:

** Delete whichever is not applicable'*

Note: Each page of Annexure B and each additional page attached thereto, shall be initialled by the relevant signatories, that is, the relevant application and the commissioner of oaths.

