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Company formation in Lesotho

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Company formation in Lesotho



Flag



Coat of arms

Common form	Private company (Companies Act 2011)
Registry	Registrar General through the One Stop Business Facilitation Centre (OBFC)
Minimum capital	No statutory minimum
Directors	1 director
Local director	Some activities are reserved for Basotho citizens
Corporate tax	25% (10% for manufacturing)
VAT / sales tax	15%
Typical timeline	Often within a week
Tax treaties	Domestic rates and treaty list [2]
Currency	Lesotho loti (LSL), at par with the South African rand

In short: To set up a company in Lesotho, most founders form a private company, registered with the Registrar General through the One Stop Business Facilitation Centre (OBFC). Minimum capital: no statutory minimum. Corporate tax: 25% (10% for manufacturing). Registration: often within a week (as of November 2026).

Short guide. Tax figures come from the sources listed under References; company-law details summarise official guidance and can change. Confirm requirements with the Registrar General through the One Stop Business Facilitation Centre (OBFC) before filing.

Companies in **Lesotho** are registered online through the **One Stop Business Facilitation Centre**. Manufacturing profits are taxed at a reduced 10% rate, which has attracted textile exporters.

Business structures

Most founders in Lesotho form a private company, registered with the Registrar General through the One Stop Business Facilitation Centre (OBFC). Other forms are listed below.

- **Private company** – the usual company form for private businesses

Requirements

Minimum share capital in Lesotho (2026): no statutory minimum. Directors required: 1 director. Local resident director: some activities are reserved for Basotho citizens.

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum.
- Directors: 1 director.
- Local residency: some activities are reserved for Basotho citizens.
- A registered office address in Lesotho.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Lesotho (2026): often within a week. The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.

3. File the registration with the Registrar General through the One Stop Business Facilitation Centre (OBFC).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Revenue Services Lesotho (RSL).

Taxation

The corporate tax rate in Lesotho in 2026 is 25% (10% for manufacturing). Standard VAT or sales tax: 15%.

Tax	Rate and notes
Corporate income tax	25% (10% for manufacturing)
VAT / indirect tax	15%
Withholding tax on dividends to non-resident companies	Depends on the payer and recipient; see the Double tax treaties section

Ongoing compliance

Annual compliance in Lesotho: Companies file annual financial statements and tax returns with the Revenue Services Lesotho (RSL), and keep their details up to date with the Registrar General through the One Stop Business Facilitation Centre.

Double tax treaties

Lesotho has few comprehensive double tax treaties, so domestic withholding rates usually apply; check whether a treaty covers the other country before relying on a reduced rate.

Domestic withholding tax on payments to non-resident companies

Domestic withholding rates on dividends, interest and royalties could not be confirmed from a current source for this short guide; confirm them with the Revenue Services Lesotho.

The reduced rate for each partner country is set by the treaty concerned; confirm it with the tax authority.

Domestic rates from the sources listed under References. Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Lesotho?

Typical registration time in Lesotho: often within a week (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Lesotho?

Minimum share capital in Lesotho: no statutory minimum (as of November 2026).

What is the corporate tax rate in Lesotho in 2026?

The corporate tax rate in Lesotho in 2026 is 25% (10% for manufacturing). See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Lesotho?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Lesotho: some activities are reserved for Basotho citizens.

Official registries and resources

The official websites of the Registrar General through the One Stop Business Facilitation Centre (OBFC) and the Revenue Services Lesotho (RSL) have not yet been verified by our editors, so they are not linked here. Use the names above to find them, and beware of unofficial look-alike sites.

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in South Africa
- Company formation in Mauritius
- Company formation in Angola
- Company formation in Botswana
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Country tax rates (January 2026 update, compiled from PwC and KPMG) . Damodaran Online, NYU Stern. Accessed November 2026.
2. VAT, GST and sales tax rates by country . VATCalc. Accessed November 2026.

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