REPORT OF THE PORTFOLIO COMMITTEE ON THE ECONOMIC AND DEVELOPMENT CLUSTER

ON

BUSINESS LICENSING AND REGISTRATION (AMENDMENT) REGULATIONS, 2024

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1. INTRODUCTION

On the 9th February 2024, the Hon. Minister of Trade, Industry and Business Development tabled the Business Licensing and Registration (Amendment) Regulations, 2024. The Regulations were referred to the Portfolio Committee on the Economic and Development Cluster for consideration in terms of Standing Order No. 100 (3). The Committee invited the Hon. Minister of Trade, Industry and Business Development to a briefing session in accordance with Standing Order No. 101 (2).

The Committee, therefore, presents this report to the House for consideration.

2. MINISTERIAL BRIEF

The Ministry stated that the Business Licensing and Registration (Amendment) Regulations, 2024 are made pursuant to Section 44 of the Business Licensing and Registration Act, 2019.

Schedule 4 of the Business Licensing and Registration Regulations, 2020 provide for a business condition and prescribes certain business activities to fully describe this condition. However, this business condition does not restrict distribution of foreign products into the country by foreign firms.

The Regulations therefore amend the Schedule by inserting Regulation 43 after Regulation 42 of the Business Licensing and Regulations, 2020. This means that local people will now be agents of foreign firms instead of the existing situation where the foreign distributors bring their own products into the country through their own agents.

The establishment of agents of foreign firms will create jobs for Basotho and will contribute to revenue collection as Basotho agents will be spending money in the country as against foreign agents who spend money in their respective countries.

The Regulations further intend to add a new item **"(48) Agents of foreign firms or commission agents' services**" after item (47) of the Business Licensing and Registration Regulations, 2020. This item adds to the list of business activities reserved for Basotho, as stipulated in Schedule 16 of the Business Licensing and Registrations, 2020.

3. RECOMMENDATIONS

The Committee recommends to the Honourable House as follows:

- There should be a very close monitoring of the agents so that the agents do not lower but improve the already existing standard; and
- To approve of these Regulations and the adoption of this report by the House.