

## Lesotho

### ***Status of List of Reservations and Notifications at the Time of Signature***

This document contains a provisional list of expected reservations and notifications to be made by Lesotho pursuant to Articles 28(7) and 29(4) of the Convention.

## Article 2 – Interpretation of Terms

### ***Notification - Agreements Covered by the Convention***

Pursuant to Article 2(1)(a)(ii) of the Convention, Lesotho wishes the following agreements to be covered by the Convention:

No	Title	Other Contracting Jurisdiction	Original/Amending Instrument	Date of Signature	Date of Entry into Force
1	AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF LESOTHO AND THE GOVERNMENT OF THE REPUBLIC OF BOTSWANA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL	Botswana	Original	21-04-2010	30-01-2020
2	AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF LESOTHO AND THE GOVERNMENT OF THE KINGDOM OF ESWATINI FOR THE ELIMINATION OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND THE PREVENTION OF TAX AVOIDANCE AND EVASION	Eswatini	Original	03-09-2019	02-10-2020
3	AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS AND THE GOVERNMENT OF THE KINGDOM OF LESOTHO FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME	Mauritius	Original	29-08-1997	09-09-2004
4	AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF LESOTHO AND THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS FOR THE ELIMINATION OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL AND THE PREVENTION OF TAX EVASION AND AVOIDANCE	Mauritius (new)	Original	02-03-2021	07-06-2021
5	AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SEYCHELLES AND THE GOVERNMENT OF THE KINGDOM OF LESOTHO FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME	Seychelles	Original	05-09-2011	N/A

6	AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA AND THE GOVERNMENT OF THE KINGDOM OF LESOTHO FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME	South Africa	Original	18-09-2014	27-05-2016
7	AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE KINGDOM OF LESOTHO FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL GAINS	United Kingdom	Original	03-11-2016	18-09-2018

### **Article 3 – Transparent Entities**

#### ***Reservation***

Pursuant to Article 3(5)(a) of the Convention, Lesotho reserves the right for the entirety of Article 3 not to apply to its Covered Tax Agreements.

## Article 4 – Dual Resident Entities

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 4(4) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 4(2) that is not subject to a reservation under Article 4(3)(b) through (d). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 4(3)
2	Eswatini	Article 4(3)
3	Mauritius	Article 4(3)
4	Mauritius (new)	Article 4(3)
5	Seychelles	Article 4(3)
6	South Africa	Article 4(3)
7	United Kingdom	Article 4(3)

**Article 5 – Application of Methods for Elimination of Double Taxation**

## Article 6 – Purpose of a Covered Tax Agreement

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 6(6) of the Convention, Lesotho hereby chooses to apply Article 6(3).

### ***Notification of Existing Preamble Language in Listed Agreements***

Pursuant to Article 6(5) of the Convention, Lesotho considers that the following agreements are not within the scope of a reservation under Article 6(4) and contain preamble language described in Article 6(2). The text of the relevant preambular paragraph is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Preamble Text
1	Botswana	desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital,
2	Eswatini	Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States),
3	Mauritius	<i>&lt;Affirming their desire to promote and strengthen trade investment and private sector cooperation between the two countries and&gt;</i> to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,
4	Mauritius (new)	Intending to conclude an Agreement for the elimination of double taxation with respect to taxes on income and on capital without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States),
5	Seychelles	Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,
6	South Africa	desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,
7	United Kingdom	Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains;

***Notification of Listed Agreements Not Containing Existing Preamble Language***

Pursuant to Article 6(6) of the Convention, Lesotho considers that the following agreements do not contain preamble language referring to a desire to develop an economic relationship or to enhance co-operation in tax matters.

Listed Agreement Number	Other Contracting Jurisdiction
1	Botswana
3	Mauritius
5	Seychelles
6	South Africa
7	United Kingdom

## **Article 7 – Prevention of Treaty Abuse**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 7(17)(b) of the Convention, Lesotho hereby chooses to apply Article 7(4).

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 7(17)(a) of the Convention, Lesotho considers that the following agreements are not subject to a reservation described in Article 7(15)(b) and contain a provision described in Article 7(2). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Articles 10(7), 11(8) and 12(7)
2	Eswatini	Article 24(1)
4	Mauritius (new)	Article 23(1)
7	United Kingdom	Articles 10(8), 11(8), 12(7) and 20(5)

## Article 8 – Dividend Transfer Transactions

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 8(4) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 8(1) that is not subject to a reservation described in Article 8(3)(b). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 10(2)(a)
2	Eswatini	Article 10(2)(a)
6	South Africa	Article 10(2)(a)
7	United Kingdom	Article 10(2)(a)

**Article 9 – Capital Gains from Alienation of Shares or Interests of Entities Deriving their Value Principally from Immovable Property**

***Notification of Choice of Optional Provisions***

Pursuant to Article 9(8) of the Convention, Lesotho hereby chooses to apply Article 9(4).

***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 9(7) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 9(1). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 14(4)
2	Eswatini	Article 14(4)
3	Mauritius	Article 13(4)
4	Mauritius (new)	Article 14(4)
5	Seychelles	Article 14(4)
6	South Africa	Article 14(4)
7	United Kingdom	Article 13(2)

## **Article 10 – Anti-abuse Rule for Permanent Establishments Situated in Third Jurisdictions**

### ***Reservation***

Pursuant to Article 10(5)(a) of the Convention, Lesotho reserves the right for the entirety of Article 10 not to apply to its Covered Tax Agreements.

## **Article 11 – Application of Tax Agreements to Restrict a Party’s Right to Tax its Own Residents**

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 11(4) of the Convention, Lesotho considers that the following agreement contains a provision described in Article 11(2). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
2	Eswatini	Article 1(3)

**Article 12 – Artificial Avoidance of Permanent Establishment Status through Commissionnaire Arrangements and Similar Strategies**

***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 12(5) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 12(3)(a). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 5(5)(a)
2	Eswatini	Article 5(5)
3	Mauritius	Article 5(5)(a)
4	Mauritius (new)	Article 5(5)
5	Seychelles	Article 5(4)
6	South Africa	Article 5(5)
7	United Kingdom	Article 5(5)

Pursuant to Article 12(6) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 12(3)(b). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 5(6)
2	Eswatini	Article 5(6)(a)
3	Mauritius	Article 5(6)
4	Mauritius (new)	Article 5(6)
5	Seychelles	Article 5(5)
6	South Africa	Article 5(6)
7	United Kingdom	Article 5(6)

## **Article 13 – Artificial Avoidance of Permanent Establishment Status through the Specific Activity Exemptions**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 13(7) of the Convention, Lesotho hereby chooses to apply Option A under Article 13(1).

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 13(7) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 13(5)(a). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 5(4)
2	Eswatini	Article 5(4)
3	Mauritius	Article 5(4)
4	Mauritius (new)	Article 5(4)
5	Seychelles	Article 5(3)
6	South Africa	Article 5(4)
7	United Kingdom	Article 5(4)

**Article 14 – Splitting-up of Contracts**

**Article 15 – Definition of a Person Closely Related to an Enterprise**

## Article 16 – Mutual Agreement Procedure

### *Reservation*

Pursuant to Article 16(5)(a) of the Convention, Lesotho reserves the right for the first sentence of Article 16(1) not to apply to its Covered Tax Agreements on the basis that it intends to meet the minimum standard for improving dispute resolution under the OECD/G20 BEPS Package by ensuring that under each of its Covered Tax Agreements (other than a Covered Tax Agreement that permits a person to present a case to the competent authority of either Contracting Jurisdiction), where a person considers that the actions of one or both of the Contracting Jurisdictions result or will result for that person in taxation not in accordance with the provisions of the Covered Tax Agreement, irrespective of the remedies provided by the domestic law of those Contracting Jurisdictions, that person may present the case to the competent authority of the Contracting Jurisdiction of which the person is a resident or, if the case presented by that person comes under a provision of a Covered Tax Agreement relating to non-discrimination based on nationality, to that of the Contracting Jurisdiction of which that person is a national; and the competent authority of that Contracting Jurisdiction will implement a bilateral notification or consultation process with the competent authority of the other Contracting Jurisdiction for cases in which the competent authority to which the mutual agreement procedure case was presented does not consider the taxpayer's objection to be justified.

### *Notification of Existing Provisions in Listed Agreements*

Pursuant to Article 16(6)(b)(i) of the Convention, Lesotho considers that the following agreement contains a provision that provides that a case referred to in the first sentence of Article 16(1) must be presented within a specific time period that is shorter than three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Covered Tax Agreement. The article and paragraph number of the provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
5	Seychelles	Article 25(1), second sentence

Pursuant to Article 16(6)(b)(ii) of the Convention, Lesotho considers that the following agreements contain a provision that provides that a case referred to in the first sentence of Article 16(1) must be presented within a specific time period that is at least three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Covered Tax Agreement. The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Botswana	Article 27(1), second sentence
2	Eswatini	Article 28(1), second sentence
3	Mauritius	Article 24(1), second sentence
4	Mauritius (new)	Article 26(1), second sentence
6	South Africa	Article 25(1), second sentence
7	United Kingdom	Article 24(1), second sentence

## Article 17 – Corresponding Adjustments

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 17(4) of the Convention, Lesotho considers that the following agreements contain a provision described in Article 17(2). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
2	Eswatini	Article 9(2)
3	Mauritius	Article 9(2)
4	Mauritius (new)	Article 9(2)
6	South Africa	Article 9(2)
7	United Kingdom	Article 9(2)

## **Article 18 – Choice to Apply Part VI**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 18 of the Convention, Lesotho hereby chooses to apply Part VI.

## **Article 23 – Type of Arbitration Process**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 23(4) of the Convention, Lesotho hereby chooses to apply Article 23(5).

## **Article 24 – Agreement on a Different Resolution**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 24(1) of the Convention, Lesotho hereby chooses to apply Article 24(2).

## **Article 26 – Compatibility**

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 26(1) of the Convention, Lesotho considers that the following agreement(s) is(are) not within the scope of a reservation under Article 26(4) and contain(s) a provision that provide for arbitration of unresolved issues arising from a mutual agreement procedure case. The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
4	Mauritius (new)	Article 26(5)
7	United Kingdom	Article 24(5) and (6)