

FOREIGN COMPANY REGISTRATION IN PAKISTAN

A company incorporated or formed outside Pakistan, wishing to establish its place of business in Pakistan needs to comply with following procedures:

A. OBTAIN PERMISSION FROM BOARD OF INVESTMENT (BOI)

A foreign company is first required to obtain a permission letter from the BOI, Government of Pakistan with a specific validity period for opening and maintaining of place of business in Pakistan. Copy of such permission letter is required to be furnished with the documents meant for registration.

Approval of the ministries (which regulate their respective functions) noted against each category of the following specified nature of companies is required before incorporation of such companies.

(1) Banking Company	Ministry of Finance/State Bank of Pakistan.
(2) Insurance Company	Ministry of Commerce.
(3) Investment Finance Company (Investment-Bank)	(i) Ministry of Finance. (ii) State Bank of Pakistan.
(4) Leasing Company	Securities and Exchange Commission of Pakistan
(5) Venture Capital Company	Securities and Exchange Commission of Pakistan.
(6) Asset Management Company	Securities and Exchange Commission of Pakistan.
A company which invests in any of the following industries	
(i) Arms and Ammunition	Ministry of Industries/Board of Investment.
(ii) Security Printing, Currency and Mint.	Ministry of Industries/Board of Investment.
(iii) High Explosives.	Ministry of Industries/Board of Investment.
(iv) Radio Active Substances	Ministry of Industries/Board of Investment.

Procedure

Step 1: Send application in prescribed form and send along with six sets of following documents:

1. Application Form (duly filled in and signed with stamp)
2. Copy of registration of the foreign company duly attested by respective Pakistani Embassy;
3. Copy of Articles and Memorandum of Association duly attested by Respective Pakistan Mission;
4. Copy of Resolution / Authority letter of the company to establish Branch / Liaison Office in Pakistan;
5. Copy of contract / agreement (in case of Branch Office Only)
6. Company Profile; and
7. Designated person authorized to act on behalf of the company

Opening of Branch Office processing fee is as follows:

<u>Opening of Branch Office</u>	<u>Charges</u>
1. Regular Permission (initial registration for a period of one year.	US \$ 3000
2. Renewal Charges for each year	US \$ 1000

Step 2:

On receipt of complete documents, BOI examines the documents and circulate the request to all concerned quarters for their views / comments.

Step-3:

Having received clearances from all concerned quarters / agencies, BOI grants permission to foreign company to open their Branch / Liaison office in Pakistan.

B. SEEK AVAILABILITY OF COMPANY NAME

A foreign company is required to seek “Availability of Name” of proposed company from Securities and Exchange Commission of Pakistan (SECP). The proposed name should not be:

- Inappropriate
- Deceptive.
- Designed to exploit or offend the religious susceptibilities of the people.
- Identical or having close resemblance with already existing company.
- Suggesting connection with any Government or its organization or any international organization.

C. DOCUMENTATION

After seeking company name availability, next step is documentation. A foreign company is required to file the following documents, within thirty days of establishing a place of business in Pakistan, to the registrar concerned:

I. Forms (38-43) as prescribed under the Rules

- Form 38: Certified copy of the charter, statute or Memorandum and Articles of the company.
- Form 39: Address of registered office or principal office of the company.
- Form 40: Particulars of directors, Chief Executive and Secretary, if any, of the company.
- Form 41: Particulars of principal officer of the company in Pakistan.
- Form 42: Particulars of person(s) resident in Pakistan authorized to accept service on behalf of the foreign company along with the certified copy of the appointment order, authority letter of board of directors’ resolution and consent of the principle officer.
- Form 43: Address of principal place(s) of business in Pakistan of the foreign company.

II. Authority letter in the name of authorized representative of the foreign company.

III. Fee Challan to be filed to SECP

ESTABLISHMENT OF BRANCH OFFICE AND LIAISON OFFICE BY FOREIGN COMPANIES IN PAKISTAN

Board of Investment (BOI) grants permission to foreign companies to open their Branch Office and Liaison Office in Pakistan.

BOI (Islamabad & Karachi Offices) have issued 551 permissions during 2007-2010 in respect of opening/extension of Branch and Liaison Offices in Pakistan.

Branch Office:

Branch Office is established by a foreign company to fulfill its contractual obligations with the public or private sector in Pakistan. Their activity will be restricted to the work mentioned in the agreement / contract signed. However they cannot indulge in commercial / trading activities.

Liaison Office:

Liaison Office is established by a foreign company for promotion of products(s), provision of technical advice & assistance, exploring the possibility of Joint Collaboration and export promotion. However, they cannot undertake any commercial / trading activities.

The request for opening of Branch office or Liaison Office is processed and finalized within 6-8 weeks time, provided that the company fulfills all requirements and concerned quarters have no objection. The permission is issued for a period of 3-5 years, further renewable on submission of performance report with regard to Liaison Office and up to the completion of valid contract/agreement period in case of Branch Office.