



Information Booklet

Business Startup

5

BUSINESS STARTUP FOR OVERSEAS

for SMEs



Introduction

Small and Medium Enterprises Development Authority (SMEDA) works under the Ministry of Industries and Production, Government of Pakistan and was established in 1998 with the objective to propel economic growth through development of SMEs. SMEDA serves as an SME strategy-advisory body for the Government of Pakistan and facilitates partners in meeting their SME development agendas.

SMEDA envisions growth of a globally competitive SME sector (in Pakistan), through creating an enabling environment and support services for increase in the national economy. SMEDA strives to achieve this vision by providing assistance in employment generation and value addition to the national income, through development of the SME Sector, by helping increase the number, scale and competitiveness of SMEs.

National Business Development Program for SMEs (NBDP) is a project of SMEDA which intends to provide hands-on support services to SMEs. The aim of this business development support provided by NBDP is to advance new businesses and improve efficiencies in existing SME value chains to empower them to contend in global market. NBDP expects to facilitate around 314,000 SME beneficiaries over the period of five years.

Disclaimer

This information memorandum has been compiled to introduce the subject matter and to provide a general idea and information on the said matter. The information has been provided on as is where is basis without any warranties or assertions. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors. NBDP/SMEDA, its employees or agents do not assume any liability for any financial or any other loss resulting from the information, as contained in this memorandum. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision, including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information. For more information on services offered by NBDP/SMEDA, please visit <http://www.nbdp.org.pk/> and www.smeda.org.pk

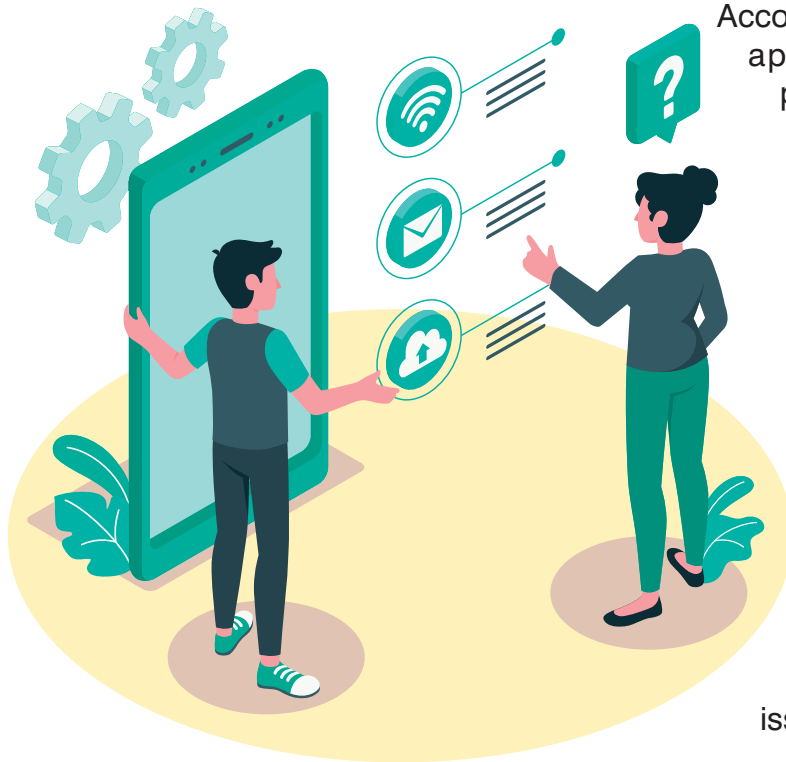


Objectives

- To explain the procedure, a foreigner or overseas Pakistani needs to follow for starting a business in Pakistan.
- To provide knowledge about available sources of information and institutional support mechanism for starting an overseas business.

Table of Contents

a	Business in Pakistan – an Overview, Potential, Opportunities and Framework	1
b	Legal Framework for Starting a Business in Pakistan	4
c	Process for Starting a Business in Pakistan	7
d	Market Intelligence	11
e	Process of Getting Business Visa	11
f	Visa Application Form – Annexure	13
g	Starting and Running a Business in Pakistan	17



According to UN data, Pakistan is a country of approximately 220 million people and its population is equivalent to 2.83% of the total world population and a sizeable economy.

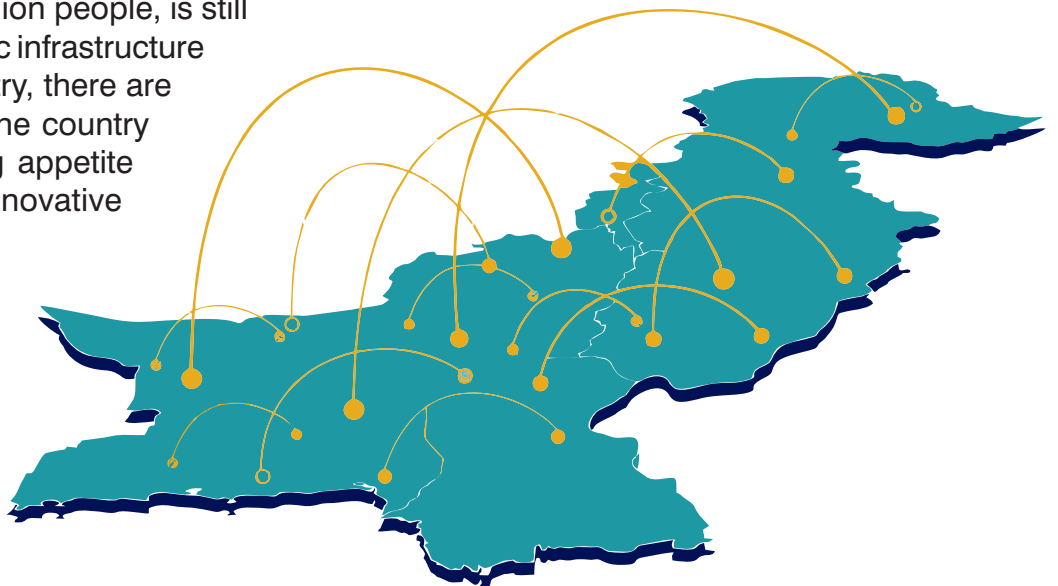
In Pakistan, small and medium businesses play a vital role in the economy of the country by contributing an estimated 40% to the gross domestic product (GDP) and 25% to exports, as per the Economic Survey of Pakistan 2018. SMEs can prove to be the true backbone of an economy, as some countries of South East Asia like Taiwan, Korea, Malaysia have recently experienced. While SMEs have the potential to contribute substantially to economic growth, they can also be instrumental in addressing a number of social issues.

Infrastructure

Pakistan with its nearly 220 million people, is still grappling with some of the basic infrastructure requirements. Within the country, there are small areas of opulence and the country demonstrates an ever-growing appetite for trade, technology and innovative services.

The mass market is relatively low-tech and there are tremendous opportunities for development activities in most of the capital and consumer goods and service sectors.

While large Infrastructure projects including motor ways, power plants and hydel dams etc. are being built by the government. with multilateral funding, there are medium-sized road, health and construction projects etc. that can be developed by public/private partnerships (PPP).



Retail Sector

Wholesale and retail trade forms the 3rd largest sector in Pakistan after agriculture and manufacturing and the second largest employer, employing around 16%. Total volume of retail sector estimated at 150 billion dollars is growing by 8% per annum.

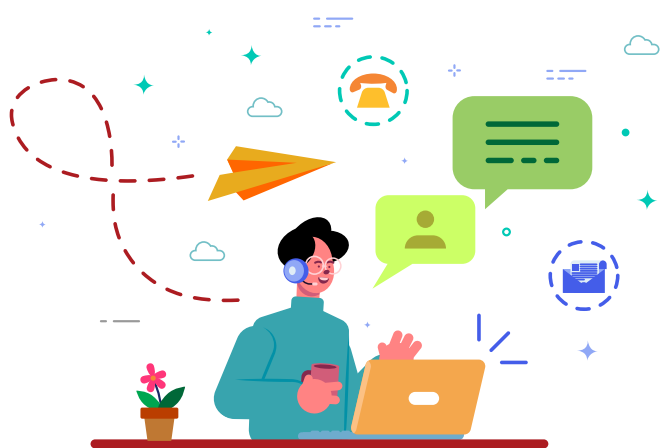
Pakistan's high-volume retail landscape is changing. The growing middle-class wants access to modern products and goods. Our markets are flushed with imported goods from Europe, USA, China and number of other destinations. A number of western high street brands (e.g. Debenhams, Next, Monsoon, and Accessorize) have successfully established operations here, similar to KFC, McDonald's and Pizza Hut etc. through franchises.

Big retail networks are also entering the market. Metro and Carrefour are already operating number of stores. Hardware retails another area that stands to gain market share in the face of competition from mainly single-shop wholesale setups.

There are significant opportunities for investment in retail sector in a very broad spectrum of activities including boutique shops, Super markets and chain stores.



Services Sector



Service sector opportunities include activities in banking, hotels, real estate, education, health, social work, computer services, recreation, media and communications etc.

Even after taking out health and communications as separate sectors, there is significant demand of services particularly in education where currently, Pakistan has the world's second-highest number of out-of-school children (OOSC) with an estimated 22.8 million children aged 5-16 not attending school, representing 44 per cent of the total population in this age group, where not only teaching aides but teacher-training programmes, technical education and school

linkages/affiliations are in high demand. Similarly, Pakistan has a big tourism potential but comparatively fewer good hotels and recreational facilities. Government of Pakistan is encouraging investment in tourism sector to attract tourism potential in the country.

These are areas of latent demand which have a huge potential for foreign investment. Like any large city in the developing world tourism is an increasing potential with each passing day.

Media is a stable segment where a large number of projects have already established in the market in the last few years. However, there are still opportunities to engage on number of projects.

Similarly, computer services and engineering consultancy etc. have a very strong demand and lot of investment can be made in this area as well.

Healthcare

The Government of Pakistan spends between 2-3% of GDP on health with the result that there are 0.6 beds/1000 people (2010 EST.). Government spending in this sector has been abysmally low and due to persistent negligence, there is a big gap in demand and supply of the health facilities.

Health as a sector offers huge opportunities, from setting up diagnostic laboratories and hospitals to educational/research linkages with local medical schools. Although this is a thriving sector in big cities there is a large scope to provide health facilities in the smaller cities and towns owing to the large population size.



Information and Communication Technology



The Telecom sector is another area where there has been a huge amount of FDI, and 2003-2008 saw rapid growth. This is a prime example of a situation where the infrastructure (landlines) was not meeting demand. Mobile companies saw it as an opportunity, entered the market and now every strata of society carries a mobile phone.

Pakistan now ranks amongst the top ten countries in the world in terms of mobile connections. Opportunities exist for value-added services, billing software, and data services etc.

Energy

Energy is another area where there are many opportunities, manifested in various ways such as through PPP for small and medium sized hydel, alternative energy scalable platforms, biogas, lead-acid batteries (which can be exported to regional markets as well), and energy conservation aids, e.g. energy saver lights, PVC windows, door frames, rubbers etc. While solar and wind energy options are also there for wholesale solutions, Household energy solutions based upon solar PVCs are picking up very fast.

Mining also holds potential as current mining operations are basically dependent on outdated techniques. Pakistan has large reserves of coal, copper, salt, gold, other precious metals and minerals etc. which require foreign expertise and investment.



Defense and Security



Defense procurement is a huge area of opportunity. As per estimation provided by the International Institute for Strategic Studies (IISS) in 2017 Pakistan has the 6th largest standing army, and supplying provisions and emergency supplies is a huge potential market for companies with relevant products.

Similarly, Pakistan's security landscape is full of opportunities in terms of "Safe City" technology, detection equipment, security training and safety equipment etc.

b Legal Framework for Starting a Business in Pakistan

Business registration is essential to provide any business a legal cover and to ensure smooth working. Business registration is an important tool to formalize a business in terms of providing an identity to that business. Registration of a business assists an entrepreneur in multiple ways including; documenting legal aspects of the business and owners, assigning identity, facilitating access to formal financing, offering tools and techniques to control legal consequences in case of breach of contract. It also provides opportunities to participate in projects sponsored by the government, large private companies and to meet international trade requirements.



Types of Business Registrations in Pakistan

The most commonly used types of business formation or registration options in Pakistan are:

01

Sole Proprietorship

02

Partnership Firm

03

Company

Sole Proprietorship	Partnership Firm	Private Limited Company
■ Single Ownership	■ Usually Dual or More Owners	■ Multiple Owners
■ Self-Managed	■ Usually Managing Partners	■ Management is Separate
■ No Separate Legal Persona	■ Unlimited Liability	■ Limited Liability
■ Taxation as Individual	■ Taxed as Individual	■ Separate Taxation

Selecting Business Registration Type in Pakistan

A new business setup in Pakistan can choose the type of business registration based upon the nature, size and objectives of business. During the decision-making process, the entrepreneur may consider the following:

- 1 Nature and size of business
- 2 Flexibility of operation
- 3 Costs of registration
- 4 Compliance requirements
- 5 Tax benefits
- 6 Reporting requirements

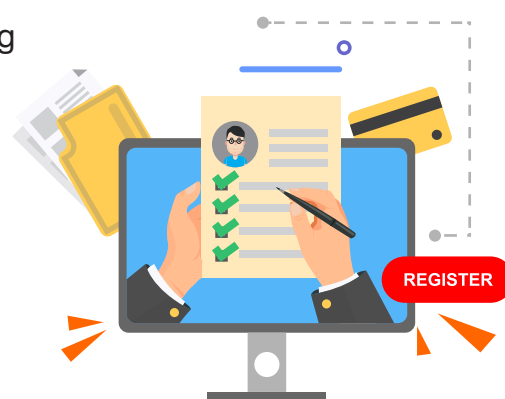
In Pakistan, most of the small businesses prefer to register as a sole proprietorship under Income Tax Ordinance, 2001 or under Partnership Act 1932, whereas, for medium to large sized business, Private Limited Companies are the preferred category to be registered under the Companies Act, 2017. It is also important to know that a business registered as sole proprietor or firm, may also be converted into a Private Limited Company as the business moves towards expansion and maturity.

1. Sole Proprietorship Business Registration in Pakistan

Sole proprietorship is not considered to be a formal way of doing business in Pakistan and has no stated business registration procedure. A sole proprietor is defined as;

A type of business that is owned and run by one person and in which there is no legal distinction between the owner and the business entity. The owner is in direct control of all elements and is legally accountable for the finances of such business and this may include debts, loans, loss, etc. The sole trader receives all profits (subject to taxation specific to the business) and has unlimited responsibility for all losses and debts.

In Pakistan, Income Tax Ordinance 2001 handles taxation related issues for sole proprietorship. A person can request for stating his/her business name in the NTN certificate. By doing so, the person will be liable for personal and business tax under the same NTN and the entrepreneur's status will be as individual.



Governing Body & Fee of Sole Proprietorship Registration

The governing body & registering authority for sole proprietor business is the Federal Board of Revenue (FBR).

Cost of Registration

Other than lawyer's fee, no cost is associated for applying NTN for sole proprietorship.

Time of Registration

The estimated time of sole proprietorship registration is 7-10 days.

Benefits

Easy to register, less time consuming and there is flexibility to take a decision by the owner as the owner is solely liable to the business.

2. Partnership Firm Business Registration in Pakistan



Two or more partners can register themselves as a firm under Partnership Act 1932. Application forms can be acquired from the Registration Section of Registrar of Firms of District Government. Partnership deed shall be made on judicial papers worth Rs.1,000 on behalf of the firm, which shall be signed by all partners and witnesses accordingly, mentioning their complete particulars there in. A challan form of Rs.100 submitted in National Bank of Pakistan shall be attached with the application form.

Governing Body & Fee of Partnership Firm Registration

The governing body and registering authority for partnership firm business is the Registrar of Firms under District Government.

Cost of Registration

Other than lawyer's fee a challan of Rs. 100 needs to be deposited with National Bank of Pakistan and stamp paper of Rs. 1,000 is required for applying firm registration.

Time of Registration

The estimated time of partnership form registration is 10-15 days.

Benefits

Easy to register, less time consuming and provides flexibility to take a decision.

Time of Registration

- Drafting of partnership deed on a stamp paper of Rs. 1,000 duly signed and stamped by Oath Commissioner and Notary Public.
- Payment of challan of Rs. 100 to National Bank of Pakistan (NBP).
- Preparation of Form – 1: Declaration of name of firm, office address, particulars of partners and 2 witnesses.
- Submission of Form-1 along with a copy of partnership deed and original receipt of challan to the office of District Registrar of firms.
- Issuance of Certificate of Registration of firm.



3. Company Registration in Pakistan

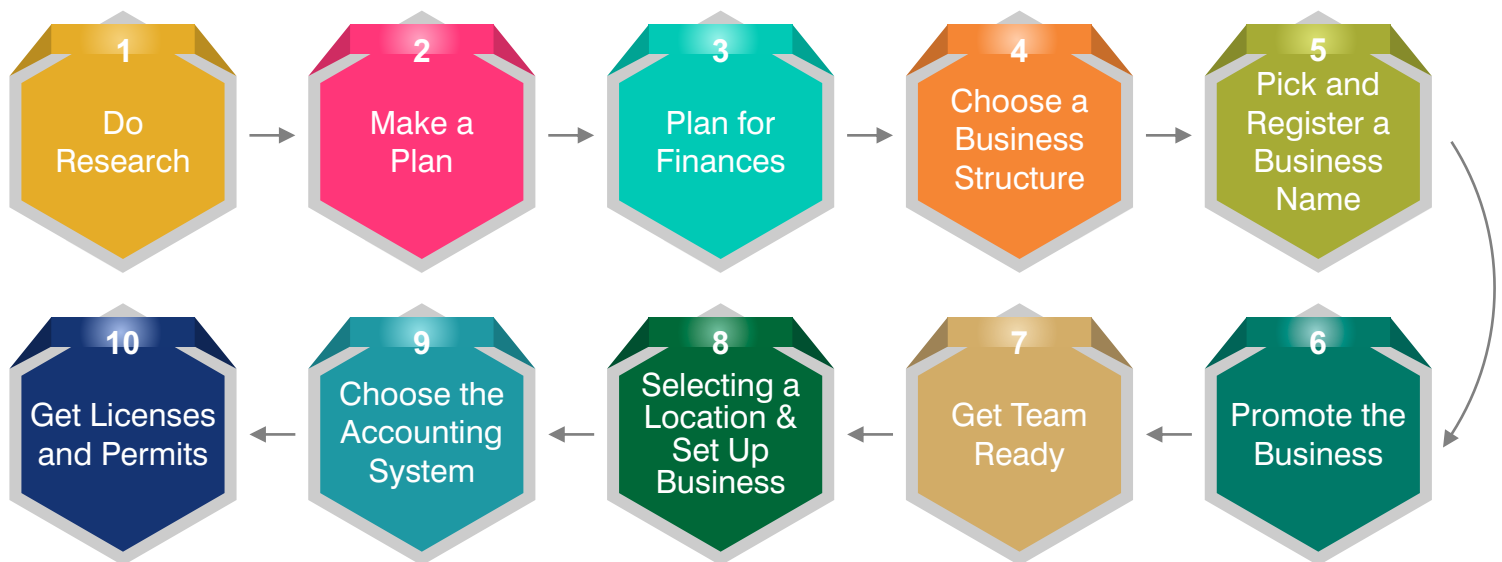
Securities and Exchange Commission of Pakistan (SECP) is the only authority that provides services for registration of companies in Pakistan under Companies Act 2017. Company registration office charges fees for registration in Pakistan. A company may be registered online or manually, and the fee structure is subject to differ. For example, fees of Rs. 1,000 is charged for online registration of a company with nominal share capital not exceeding Rs. 100,000 and Rs. 2,000 registration charges are levied in case of physical submission of documents.



C

Process for Starting a Business in Pakistan

Following steps are required to start a business successfully. Take one step at a time to be successful for small business ownership.



Step 1: Do Research



In order for a small business to be successful, it must solve a problem, fulfill a need or offer something the market wants. There are a number of ways one can identify this need, including research, focus groups, and even trial and error. As the market is explored, some of the questions one should be able to answer include:

- Is there a need for the anticipated products/services?
- Who needs it?
- Are there other companies offering similar products/services now?
- What is the competition like?
- How will this business fit into the market?

Step 2: Make a Plan



In order to make business idea a reality, a business plan can help from the start-up phase through establishment and eventually business growth, and it is a must-have for all new businesses. There are different types of business plans for different types of businesses.

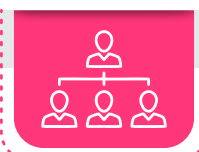
Step 3: Plan for Finances



Starting a small business will not require a lot of money, but it will involve some initial investment as well as the ability to cover ongoing expenses before turning a profit. There are financial consultants to prepare business plan but one can try it on their own also. Put together a spreadsheet that estimates the one-time startup costs of business (licenses and permits, equipment, legal fees, insurance, branding, market research, inventory, trademarking, grand opening events, property leases, etc.), as well as what the business need to keep the business running for at least 12 months (rent, utilities, marketing and advertising, production, supplies, travel expenses, employee salaries, owner's own salary, etc.).

It is strongly recommended that one should engage an accountant or business consultant to prepare a financial plan.

Step 4: Choose a Business Structure



Small business can be a sole proprietorship, a partnership, a limited liability company (LLC) or a corporation. The selection of business entity will impact many factors from business name, to liability, to file of taxes. As this is an important decision, one should seek advice by the Accounting and Business consultants.

Step 5: Pick and Register a Business Name



Business name plays a role in almost every aspect of a business, so it should be a good one. Make sure to think through all of the potential implications to explore options and choose business name. There is also need to check if it is trademarked or currently in use. Then, the business name needs to be registered. it. SECP and FBR both have databases to check the business name.

Step 6: Get Licenses and Permits



Paperwork is a part of the process to start a business. There are a variety of licenses and permits that may apply according to the situation, depending on the type of business. Enquiries in this record can be made from SMEDA and business consultants. However, as most businesses are regulated by the SECP and FBR, therefore, required regulatory requirements can be enquired from these authorities as well.

Step 7: Choose the Accounting System



Small businesses run most effectively when there are effective systems in place. One of the most important systems for a small business is an accounting system. Accounting system is necessary in order to create and manage budget, set the rates and prices, conduct business with others, and file taxes. Before starting operations, one should consult an accountant for the necessary record keeping, as with an adequate accounting system, it will bring peace of mind.

Step 8: Selecting a Location & Set Up Business



Setting up place of business is important for the operation of the business, whether there is a home office, a shared or private office space, or a retail location. Always think about the location, equipment, and overall setup, and make sure that business location works for the type of business. There is also need to consider if it makes more sense to buy or lease a commercial space. Apart from selecting the location, there are other considerations like procurement of equipment and materials etc. Suppliers of these things need to be identified and prices along with mode of payment are to be negotiated before the acquisition. All the necessary equipment and supplies have to be on hand before a startup operation could be commenced.

Step 8: Selecting a Location & Set Up Business



Setting up place of business is important for the operation of the business, whether there is a home office, a shared or private office space, or a retail location. Always think about the location, equipment, and overall setup, and make sure that business location works for the type of business. There is also need to consider if it makes more sense to buy or lease a commercial space. Apart from selecting the location, there are other considerations like procurement of equipment and materials etc. Suppliers of these things need to be identified and prices along with mode of payment are to be negotiated before the acquisition. All the necessary equipment and supplies have to be on hand before a startup operation could be commenced.

Step 9: Get Team Ready



Hiring employees is the time to start the process of a business. Make sure to take the time to outline the positions business need to fill, and the job responsibilities that are part of each position. This is a very critical juncture as the selection of human resource is the most critical element in success or failure of any business.

Step 10: Promote the Business



Once the business is up and running, there is need to start attracting clients and customers. Start with the basics by writing a unique selling proposition (USP) and creating a marketing plan. Then, explore as many small business marketing ideas as possible to decide how to promote the business most effectively.

i. Local Business Authorities



Local Business authorities are the Chamber of Commerce and Industry of Businesses or government institutions focused on providing an enabling environment and business development services to small and medium businesses like SMEDA. Sometime these authorities also support businesses in terms of access to finance and business development services in addition to providing policy advise so they can grow and contribute to the economy of the country.

ii. Special Incentives and Protection

The following illustrates economic development incentives made available to small businesses or other recipients like foreign investors in different Small Industrial Estates and Special Economic Zones (SEZs):

- Exempting industrial development financing, from federal or state income taxes, for designated capital expenditures in SEZs.
- Federal income tax credits for qualified capital investment.
- Federal or local taxable financing used to effect ad valorem property tax exemptions.
- Tax deductions, allocating all or a portion of new taxes (i.e., ad valorem property taxes, sales taxes) generated by projects or capital investment business.
- Federal job training grants funded to local governments or private businesses for the training of new employees or the re-training of existing employees.
- Refundable or non-refundable state income tax credits for job creation or retention, or capital investment, by private businesses.
- Business in special economic zones (SEZs), exempting all or a portion of certain taxes otherwise imposed on business activity within the zone from state or local taxes.
- Government grants or subsidies by public bodies to private businesses for new project development.
- Local property transfers to private businesses at below market or nominal consideration, in SEZs.
- State and local grants for the rehabilitation of environmentally impacted sites funded to local governments or private businesses.
- Utility incentives provided by utilities or non-profits for capital investment.



iii. Business Advisors

A Business Advisor with industry management experience can guide a business owner about setting up and registering a business with local authorities and guide the business about tax and finance related terms and conditions, as well as, help in planning for growth strategy, make sound marketing decisions, and recommend software. A business coach can be a great mentor and help in achieving business goals.

Here are three ways to find a business coach:





Market intelligence is the information relevant to the market of a business; trends, competitor and customer (existing, lost and targeted) monitoring, gathered and analyzed specifically for the purpose of accurate and confident decision-making in determining strategy in areas such as market opportunity, market penetration strategy, and market development.

Market intelligence includes the process of gathering data from the business's external environment like online sources - news websites, company websites, secondary data sources, social media, RSS feeds, etc., whereas the business intelligence process is based primarily on internal recorded events – such as sales, shipments, and purchases.

Gathering Market Intelligence Data

Market intelligence needs accurate market information that is gathered with curated Market and Competitive Intelligence tools and methods. To gather information companies can conduct surveys, interviews, visit and monitor competitors' outlets or gather and buy data from different sources.

Traditional interviews and surveys can be done either in-house or by using specialist agencies. There are tools such as Google Consumer Survey that enable companies to ask web users a question through Google network of online publishers. There are also specialist sites companies can buy market intelligence information and market intelligence software like Countify that companies can use to collect and monitor data from the internet.



To promote investment in the country, the Government of Pakistan is granting 5-year Multiple Entry Business Visas to the businessmen of the countries listed under the following categories:

- Business Visa List Countries
- Non-Business Visa List Countries

Application Type

Two types of visas can be applied for online:

First Time (New)

01

For a new visa if one does not possess a valid Pakistan visa.

Extension

02

For a visa extension if one possesses a valid Pakistan visa and is residing in Pakistan.

Required Documents

- Photograph
- Passport
- Proof of registration of company which is extending invitation (SECP/ Chamber of Commerce Certificate)
 - Any of the following:
 - Recommendation letter from CC&I of respective foreign country
 - Invitation letter from business organization duly recommended by concerned trade organization in Pakistan
 - Recommendation letter by the honorary investment counselor of BOI/ Commercial Attaché
- One is required to upload **Proof of Legal Residence**, in case he/she is not present in the home country and is applying for visa from a third country, it's a mandatory requirement! The document can be uploaded in the supporting document type: **Other**
- **In Case of Extension** – Please upload **Proof of Valid Pakistani Visa** for which one is seeking Extension and **Entry Stamp on the Passport** in the supporting document type: **Other**



Duration and Validity

01

A Business Visa may be granted for up to 5 years.

02

A Business Visa is valid for multiple entries into Pakistan.

Processing Time



- Entry for Business Visa List countries: **24 Hours (Working Hours)**
- Entry for Non-Business Visa List countries: **4 Weeks (Working Days)**
- Extension: **4 Weeks (Working Days)**

(Please read these instructions carefully before filling in the application form)

1. No column should be left blank. Incomplete forms with vague entries shall not be accepted. Where applicable copies of supportive documents should be submitted along with the application form.
2. Applicants may use extra sheets, in case of insufficient space in the columns of the visa form.
3. Two (02) passport size photographs should be attached with the visa form.
4. Normal processing time for visa is 4-6 weeks.
5. Applicants could be asked to appear for interview if required.
6. On arrival, immigration formalities are mandatory. (Police registration is applicable in certain cases).
7. Attach blank statement for business visit.
8. Applicant's family" includes spouse, son, daughter, father, mother,.

Your photograph must be:

- Passport Size (45mm high x 35mm wide)
- A recent and true likeness, showing full face, with no hat, helmet or sunglasses, although you can wear everyday glasses.

PART - I**1. Type of visa applied for:**

Diplomatic ☐ Official ☐ Military ☐ Business ☐ Tourist ☐
 Family ☐ Transit ☐ Journalist ☐ Others ☐ (Specify _____)

2. Purpose of Visit:

3. Duration of Stay: _____**4. Visa required for: Less than 01 Month ☐ 06 Months ☐ 01 Year ☐ 02 Years ☐ 05 Years ☐****5. Type of Visa: Single Entry ☐ Double Entry ☐ Multiple Entry ☐**

i. Port of Entry _____ ii. Port of Departure _____

iii. Places to be visited in Pakistan:

a. _____ b. _____ c. _____ d. _____

6. SECTION I (APPLICANT'S DETAILS)

i. Name as in Passport: _____

First

Middle

Last

ii. Date of Birth:

dd/mm/yy

iii. Place of Birth: City: _____ Country: _____

iv. Sex: Male ☐ Female ☐ V. Blood Group: _____

- vi. Marital Status: Single ☐ Married ☐
- viii. Identification Mark: _____ viii. Native Language: _____
- ix. Nationality : (a) Present _____ (b) Previous _____ (c) Dual _____
- x. Religion: _____

xi. **PASSPORT DETAILS:**

Type of passport:: Diplomatic ☐ Official / Service ☐ Ordinary ☐

UN Travel Documents ☐

Passport Number: _____ Place of Issue: _____

Date of Issue: _____ Date of Expiry: _____

Issuing Authority: _____

xii. **ADDRESS & EMAIL:**

- a. Abroad / Country of Origin. _____
- Telephone: (i) Home : _____ (ii) Work: _____ (III) Cell _____
- b. In Pakistan. _____
- Telephone: (i) Home : _____ (ii) Work: _____ (III) Cell _____
- Email: _____

- xiii. Is your visit sponsored? Yes ☐ No ☐

If yes, give details.

Name of Sponsor	Address	Contact number
_____	_____	Home: _____
_____	_____	Work: _____
_____	_____	Cell: _____

xiv. **DETAILS OF PROFESSION**

- a. Profession (Please specify Rank / Service, in case of Armed Forces / Uniform Personnel):

Note: In case of military services, Please fill in the attached Performa.

- b. Employer's / Sponsor's details (in Pakistan / Abroad (if Applicable)

Name	Address	Telephone No.			Email Address
		Home	Office	Cellular	

xv. **DETAILS OF JOBS HELD IN THE PAST:**

- a. Designation: _____ b. Department: _____
c. Duration (from – to) _____ d. Duties: _____
e. Address & Phone No. _____
f. Name, address and contract numbers of immediate boss/head and any other colleague:
(use extra sheet if required)

- xvi. Are you applying visa from a third country? Yes ☐ No ☐

If yes, please provide copy of residence / work permit of that country.

7. SECTION II (FAMILY DETAILS)

- i. Name of Mother _____ ii. Nationality of Mother _____
iii. Name of Father. _____ iv. Nationality of Father _____

- v. Spouse details:

Name _____ Nationality _____

Date and place of birth _____

Profession _____

Name, Address and contact number of employer of spouse (if any) _____

- vi. Do you have any children? Yes ☐ No ☐

If yes, please provide details for each of your child.

Name	Date of Birth

- vii. Please list any of accompanying person / family member (including children) traveling with you to Pakistan.

Full Name,	Date of Birth,	Passport Number (if any)	Address

- vii. Do you have any bank account in Pakistan? Yes ☐ No ☐

Bank Name	Branch	A/C Number	Address	Verifier details

8. **TRAVEL HISTORY:**

- i. Have you ever visited Pakistan during last five years? Yes ☐ No ☐ if yes, please Provide details.

<i>Date</i>	<i>Destination / Address</i>	<i>Purpose</i>	<i>Duration</i>
1.			
2.			
3.			
4.			
5.			

- ii. Details of other countries visited, during last two years.

<i>Date</i>	<i>Destination / Address</i>	<i>Purpose</i>	<i>Duration</i>
1.			
2.			
3.			
4.			
5.			

- iii. Have you ever been refused a visa for any country, including Pakistan? Yes ☐ No ☐

- iv. Have you ever been refused entry on arrival to Pakistan? Yes ☐ No ☐

If yes, please provide details of refusal.

--

- v. Have you ever been deported, removed or otherwise required to leave any country, including Pakistan? Yes ☐ No ☐ If yes, please provide details.

<i>Date</i>	<i>Country</i>	<i>Reason</i>	<i>Reference Number (for Pakistan)</i>

- vi. Do you have any criminal convictions or charged in any country? Yes ☐ No ☐

<i>Date</i>	<i>Country</i>	<i>Offence</i>	<i>Sentence</i>

DECLARATION:

I declare that the information given in this form is correct to the best of my knowledge and belief and if any of the particulars furnished above are found to be incorrect or withheld the visa is liable to be rejected / cancelled at any time

Dated: _____

(Signature of Applicant)

PROCESSING CERTIFICATION**(FOR OFFICIAL USE – NOT TO BE FILLED BY APPLICANT)**

1. Date of receipt of Visa Application: _____
2. Registration Number: _____
3. Visa fee received: _____
4. Additional Documents received:
 - a. _____ b. _____
 - c. _____ d. _____
5. Particulars of official who checked the visa form for its correctness and supporting documents.
 - a. Name _____ b. Designation _____
 - b. Date _____ c. Signature _____
6. Details of clearance received from Ministry of Interior.

No. _____ Dated _____
7. Decision by officer in-charge.
 - a. Accepted ☐ b. Regretted ☐
 - c. Type of Visa issued. _____
 - d. Duration _____
 - e. Single Entry ☐ f. Multiple Entry ☐

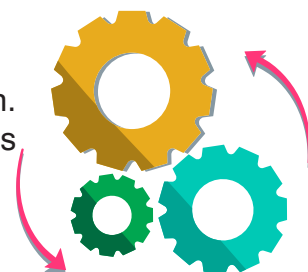
Dated: _____

(Signature of Visa Issuing Authority)

9

Starting and Running a Business in Pakistan**i. Business Registration Process**

Small and Medium Businesses can be registered with the Government of Pakistan. The governing body & registering authority for partnership firm business is Securities and Exchange Commission of Pakistan (SECP).



Cost of Registration

Other than lawyer's fee, a challan of Rs. 500 in case of offline or Rs. 200 in case of online is required to be deposited with Muslim Commercial Bank (MCB) for availability of name application with SECP and if it is accepted Rs. 1,000 for online registration of a company whose nominal share capital (amount of capital funded by a company's shareholders) does not exceed Rs. 100,000 and Rs. 2,000 in case of physical submission of documents.



Time of Registration

The estimated time of partnership form registration is 20-30 days.

Benefits

Owner of the business enjoys limited liability for the business debts i.e. the owner is liable for debts only to the extent of the owner's shares. Company is an individual & a separate legal entity from its owner.

Steps of Company Registration in Pakistan

01

Filing of application on plain paper for availability of name to the registrar of companies of SECP. Receipt of challan of Rs. 500 deposited in MCB or Rs. 200 in case of online submission of application for each name.

02

Upon receiving the certificate of availability of name, 4 copies of Memorandum of Association and 4 copies of Article of Association to be submitted to SECP within 90 days from the date of issuance of Certificate of Availability of Name along with filled application forms.

03

Submission of Forms – Form – 1 (Declaration of applicant for compliance), Form – 21 (Notice of situation of registered office of the company) & Form – 29 (Particulars of first directors of the company – CNIC or passport in case of foreigner etc.)

04

Original receipt of challan of Rs. 2,000 (in case of online submission Rs. 1,000) deposited in MCB must be attached. The above-mentioned documents need to be submitted with the registrar of Companies of SECP within 90 days from the date of issuance of certificate of availability of name.

05

Issuance of Certificate of Incorporation by the registrar of Companies.

Online Registration Process

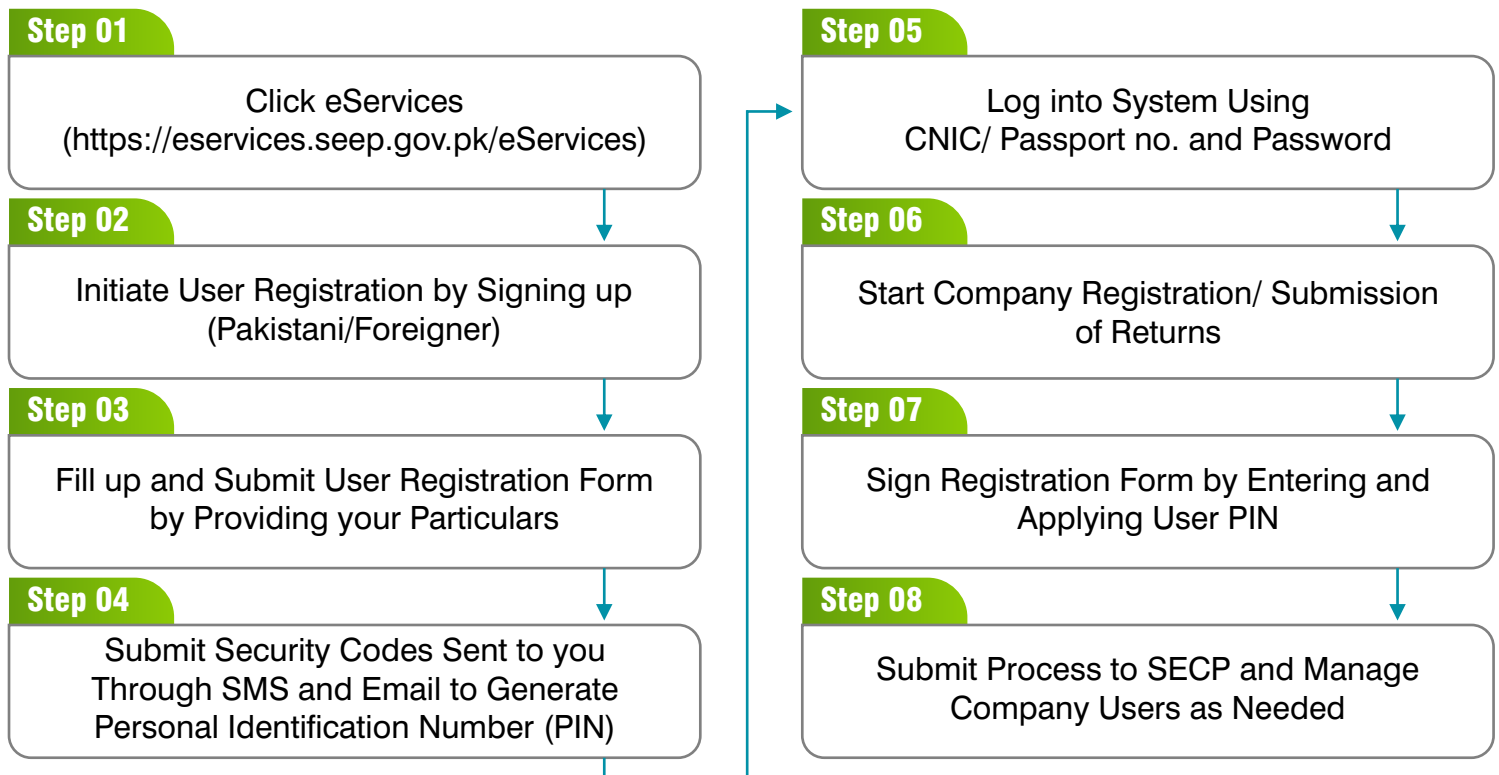
Business registration process can be adopted through online applications by following the link: <https://www.secp.gov.pk/company-formation/registration-of-company/>

Following is the guidelines for the process of online registration:

STEP WISE PROCEDURE FOR USER REGISTRATION IN E-SERVICES

Whether you are a new or existing user of eServices for company registration and post incorporation activities, you will be able to get yourself registered as a user (whether as a Pakistani or Foreign national) by just visiting the SECP website.

Now, any Pakistani national who want to interact electronically with SECP can do so by generating a and email address. Whereas, in case of foreign national, he/she must have a valid passport, photograph, mobile number and email address. Once the person has the User ID and Password, he can select the process to be submitted, enter the relevant data in a data entry screen, generate the statutory form for the process, sign with his/her unique PIN, and submit it to SECP. ID and Password through the system if he/she has a valid national identity card, mobile number. The following flowchart illustrate the newly launched User Registration Process for eServices.



Please also note the following while proceeding further:

- Your CNIC/NICOP/POC No. will be verified from NADRA.
- CNIC/NICOP Passport number for company users will be the Login ID.
- Password provided at the time of e-user registration will be used as Password for login
- Recovery of PASSWORD option is available. (Forgot Password case).
- Option for change of PIN is available.
- You can sign up for multiple companies with some user ID.
- An amount of Rs. 100% will be charged as user registration fee on first process submission after obtaining the PIN.

If you have any enquiries on user registration, you may watch user registration video OR refer to User Registration Guide both available at SECP's website, Twitter Account or may contact the Helpdesk at (+92)(51)(111-117-327) or email helpdesk@secp.gov.pk.

There might be need to apply for certain licenses at the start of the business subject to the nature of any business one is in. The most common licenses needed to apply for are:

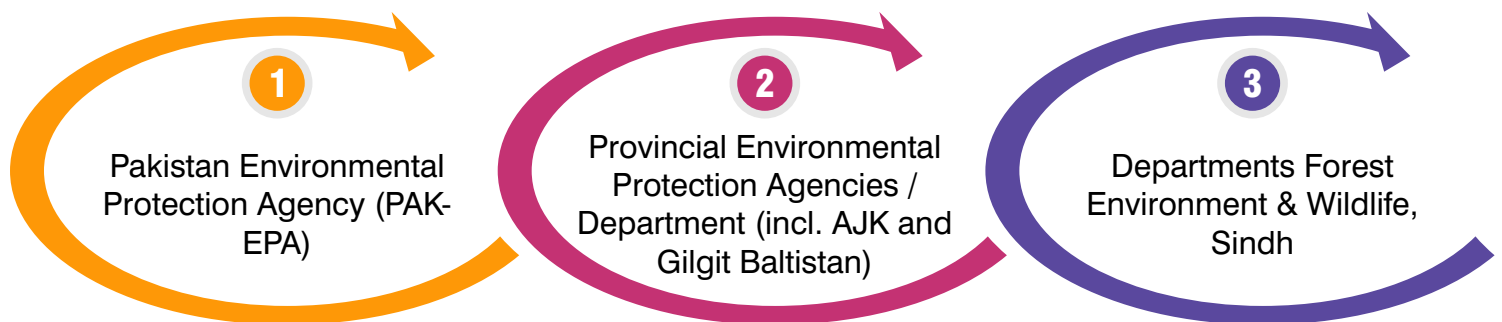
- **National Tax Number (NTN):** Needed for all business types & categories. NTN is issued by FBR.
- **Sales Tax Number (STN):** Needed for all business types which are involved in sales of goods, trading or services. STN is also issued by FBR.
- **Intellectual Property Rights (Trade Mark, copy right, patent etc.):** Needed for any business type that wants to hold the rights for their intellectual property. IPO-Pakistan is the issuing authority.
- **Professional Tax:** Needed for all business types that are providing services. It's a provincial tax & provincial excise and taxation officer (ETO) is the issuing authority.
- **Employees Social Security Institution:** Needed for all manufacturing, trading & services businesses in Pakistan. It's a provincial governing body and provincial commissioner of employees' social security is the issuing authority.
- **Employees Old Age Benefits Institution:** Needed for all businesses in Pakistan. It's a federal governing body & EOBI is the issuing authority.

Specialized Business Licensing Requirements in Pakistan

When a business falls under food, agriculture, entertainment, services (such as pathological medicinal services), etc. additional licensing requirements may need to be fulfilled, some of which are stated as below:

Certificate of Environment Protection

Some manufacturing, trading & services businesses like food, wheat and sugar production and halal food certificate would need to have this certificate from:



Council Permits and Certificates from Concerning Professional Body

Some specialized licenses that can be obtained from:

- Pakistan Medical and Dental Council. (PMDC)
- The Pakistan Council of Architects and Town Planners
- Pakistan Engineering Council (PEC)
- National Council for Tib
- National Council for Homeopathy
- Pakistan Veterinary Medical Council
- Bar Councils

ii. Business Registration Form – Annexure

Following forms are being used for manually registering a company in SECP:

COMPANIES (INCORPORATION) REGULATIONS, 2017

[See Regulation 3]

APPLICATION FOR RESERVATION OF NAME

(To be completed by applicant in block letters.)

1.	Fee Payment Details	1.1	Challan No	
		1.2	Challan Amount (Rs.)	
2.	Propose three options for name reservation			Option 1
	(mandatory in case of combined application otherwise single name may be provided)			Option 2
				Option 3

(Please enter the name without kind of company e.g. (Pvt.) Limited, Limited etc.). (Maximum 70 characters)

3.	Kind of proposed company														
a.	Private Limited Company														
b.	Single Member Company														
c.	Public Limited Company														
d.	Association Not for-profit under section 42 of the Companies Act, 2017														
e.	Other (Please specify)														
4.	Principal line of business for proposed company														
5.	Meaning / Significance of proposed name														
6.	If any company or entity exists with identical or similar name, please mention the relationship you have with such company or entity along with board resolution/ NOC showing no objection on registration of a company with similar name.														
7.	Declaration	I do hereby solemnly and sincerely declare that the information provided in the form is true and correct and nothing is concealed and that the proposed name, if reserved, shall be used only for the purpose of registration of company													
8.	Name of Proposed Subscriber/ Authorized Intermediary														
9.	Signatures														
10.	Registration No of Authorized Intermediary, if applicable														
11.	N.I.C No. where the applicant is proposed subscriber														

(Passport No. in case of foreign national)

12.	Date	Day				Month				Year	

Enclosures

- Original paid bank challan evidencing payment of fee
- Copy of NOC/permission/letter of intent of competent authority (if applicable)
- Any other document deemed necessary.

COMPANIES (INCORPORATION) REGULATIONS, 2017

[See Regulation 5]

APPLICATION FOR COMPANY INCORPORATION**PART-I***(To be completed by the applicant in block letters)*

1.1	Name of the Company			
1.2	Fee Payment Details	1.2.1	Challan No	
		1.2.2	Challan Amount (Rs.)	

PART-II**Section – A***Company information*

2.1	Correspondence Address				
	City		District		Province
	Telephone Number			Email Address	
	Mobile Number				
2.2	Registered office Address, if any				
	City		District		Province
	Telephone Number			Website (if any)	
	Mobile Number			Email Address	
2.3	Principal line of business				

Section – B*Capital Structure*

		Class/Kind	Face Value	Number of shares	Total Amount
2.4	Authorized Capital				
2.5	Paid Up Capital				

Section – C

Special business information

(Applicable in case of Banking Company, Non-banking Finance Company, Insurance company, Modaraba management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards and any other business restricted under any other law or as may be notified by the Commission)

2.6	Nature of business in case of specialized business requiring license / permission / approval (please specify and also attach NOC / approval of the relevant authority)	
-----	--	--

*(Additional documents will be required by the registrar)

Section – D

Company subscribers, proposed directors, proposed chief executive officer, and nominee

2.7 State Number of directors fixed by subscribers:

[Please note that as per law a company must have minimum director as follows:]

Kind of Company	Minimum number of directors required by law	No. of proposed directors
Single Member Company	01	
Private Limited Company	02	
Public Limited Company	03	

2.8 Details of subscribers, proposed directors and proposed chief executive officer

Name	Father / Husband Name	CNIC (in case of Pakistani national) or Passport No (in case of foreigner)"	Incorporation/ Registration Number	Nationality	Occupation	Residential address/registered office address or principal office (in case of a subscriber other than a natural person)	NTN (in case of director, where applicable)	Designation (Director/ Subscriber/ CEO) Please specify	No of shares subscribed (for subscriber)	Signatures
------	-----------------------	---	------------------------------------	-------------	------------	---	---	--	--	------------

* Add details as applicable

2.9 Details of Nominee (only in case of single member company)

Name of Nominee	
CNIC of Nominee	
Residential address of Nominee	
Telephone number of Nominee	
Email address of Nominee	
Relationship of Nominee with subscriber	
Signature of Nominee	

Section – E

If the company limited by shares intends to adopt tables contained in First

- ☐ Table A- Part I (Articles of association of company limited by shares)
- ☐ Table A- Part-II (Articles of association of single member company limited by shares)

Section – F

The company limited by shares in case it has not adopted articles contained in First Schedule to the Act company limited by guarantee and unlimited company shall attached the articles of association.

PART-III

3.1	Declarant Name											
3.2	Declarant Profession / Designation (Please check relevant box)	<input type="checkbox"/> Authorized Intermediary <input type="checkbox"/> A person named in the articles as Director of the proposed company										
3.3	Declaration	I do hereby solemnly and sincerely declare that: a) I have been authorized as declarant by the subscribers; b) all the requirements of the Companies Act, 2017, and the regulations made there under in respect of matters precedent to the registration of the said Company and incidental thereto have been complied with c) I make this solemn declaration conscientiously believing the same to be true.										
3.4	Declarant Signature											
3.5	Registration No of authorized intermediary, if applicable											
3.6	Date	<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										

Enclosures:

- Original paid bank challan evidencing payment of fee
- Memorandum of Association
- Articles of Association, where applicable
- Copies of CNIC/NICOP of the subscribers/directors/chief executive officer or copy of Passport in case of a foreigner;
- Copy of CNIC/NICOP of Nominee only in case of single member company or copy of Passport in case of a foreigner;

- Copy of CNIC of witness in case of physical filing;
- NOC/Letter of Intent/ License (if any) of the relevant regulatory authority in case of specialized business
- Authority letter for filing of documents for the proposed company on behalf of the subscribers
- Copy of CNIC/Passport of person duly authorized by the Board of directors of a body corporate which is a subscriber. Further, copy of Board resolution along with attendance sheet duly authorizing the representative.
- In case the subscriber is a foreign company, the profile of the company, detail of its directors, the charter, statute or memorandum and articles of the foreign company duly notarized in the country of origin.

Witness to above signatures: *(For the documents submitted in physical form)*

Signatures	
Full Name (in Block Letters)	
Father 's / Husband 's name	
Nationality	
CNIC No.	
Usual residential address	

COMPANIES (INCORPORATION) REGULATIONS, 2017
[See Regulation 16]
REPORTING OF RECEIPT OF SUBSCRIPTION MONEY
PART-I

(Please complete in typescript or in bold block capitals.)

1.1	CUIN (Incorporation Number)							
1.2	Name of the Company							
1.3	Fee Payment Details	1.3.1	Challan No					
		1.3.2	Challan Amount					

PART-II

2.1	Total amount receivable against subscription (Rs.)								
2.2	Total amount received against subscription (Rs.)								
		DD			MM			YYYY	
2.3	Date of receipt								

2.4 Particulars of persons who have not deposited the subscription amount, if any

Name of subscriber	Number of shares	Amount Due

PART-III

3.1	Signature								
3.2	Name of Authorized Officer/Authorized Intermediary								
3.3	Registration Number of Authorized Intermediary, where applicable								
		DD			MM			YYYY	
3.4	Date								

Enclosure:

- Original paid bank challan evidencing payment of fee
- Certificate of receipt of subscription money

COMPANIES (INCORPORATION) REGULATIONS, 2017
[See Regulation 16]
CERTIFICATE OF RECEIPT OF SUBSCRIPTION MONEY

I / We* have examined the bank deposit slip(s) / voucher(s) / receipt(s) of account No. **<Account number of companies>** issued by **<Bank & branch Name>** dated **<deposit date>** being maintained in the name of M/S **<Name of company>**, evidencing the deposit of subscription money.

It is, hereby, certified that an amount of Rs. **<Deposited amount>** has been deposited on account of subscription money into the account of the company as per following details:

Sr.	Name of Subscriber	Numbers of Shares undertaken in MOA	Amount Paid	Payment date

Signature & seal of the Chartered Accountant/

Cost & Management Accountant _____ Date: _____

Conclusion

Before starting any business in Pakistan, good knowledge of the infrastructure and major opportunities in the economy is necessary so that the registration and legal framework becomes easy to deal with. There are a few steps to be followed in order to launch and run the business smoothly. Things like market intelligence and business visa are important as well as making a business plan, finance plan, license and permit, accounting system and a proper location to set up the business.





HEAD OFFICE



Address: 3rd/4th Floor, 3rd Building, Aiwan-e-Iqbal Complex, Egerton Road, Lahore
Tel: (042) 111-111-456, 99204701-12
Fax: (042) 36304926-27
Email: helpdesk@smeda.org.pk

REGIONAL OFFICES

Balochistan

Address: Bungalow No. 15-A, Chaman Housing Scheme, Airport Road, Quetta
Tel: (081)-2831623 - 2831702
Fax: (081)-2831922
Email: helpdesk.balochistan@smeda.org.pk

Punjab

Address: 4th Floor, 3rd Building, Aiwan-e-Iqbal Complex, Egerton Road, Lahore
Tel: (042)-111-111-456
Fax: (042)-36304926, 36304927
Email: helpdesk.punjab@smeda.org.pk

Khyber Pakhtunkhwa

Address: Ground Floor, State life Building, The Mall, Peshawar
Tel: (091)-111-111-456, 091-9213046-7
Fax: (091)- 5286908
Email: helpdesk.KhyberPakhtunkhwa@smeda.org.pk

Sindh

Address: 5th Floor, Bahria Complex II, M.T. Khan Road, Karachi
Tel: (021)-111-111-456
Fax: (021)-35610572
Email: helpdesk.sindh@smeda.org.pk