

Regulatory Procedure

Registration for a Single Member Company (SMC) for a Foreign National



**PREPARED BY:
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2020**

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Ministry of Industries and Production (MoI&P)
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1 Disclaimer

This information memorandum is to introduce the subject matter and 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 as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to changes in law and procedures at various times. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from the use of this memorandum. The prospective user of this memorandum is encouraged to carry out due diligence and gather any information which is necessary for making an informed decision, including taking professional advice in addition to relying upon the memorandum.

For more information on services offered by SMEDA, please contact our website: www.smeda.org.pk

2 Introduction of SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist 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", SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

3 Role of Legal Services Cell, SMEDA

The Legal Services Cell (LSC) as part of Business & Sector Development Services (B&SDS) Division of SMEDA plays a key role in providing guidance an overall facilitation and support to SMEs on legal matters.

LSC believes that information dissemination to SMEs on the existing regulatory environment is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate SMEs LSC has developed user-friendly systems, which provide them detail description of the laws and regulations including processes and steps required for compliance.

The purpose of this document is to provide SMEs either individuals or companies with information pertaining on the subject that a business entity may have to comply with. Entrepreneurs interested in enhancing their understanding about the procedures and their related rights can also use the document. For the convenience of the readers, sample of various forms, instructions on how fill up the forms and important addresses are also included.

4 Process of Registration of a Single Member Company for a Foreign National

The process of registration for a single member company in Pakistan is governed by the Companies Registration Act, 2017 and the Company Incorporation Regulations 2017.

The process of registration for a single member company in Pakistan is fairly simple and is the same for a foreigner or a national with the foreigner's passport substituting for local identification requirements.

Additionally the applicant shall be required to submit their bio data in hard form (9 sets) and an undertaking in the attached format (Please refer to Annexure 1)

The process can be followed either online via the SECP's website or manually by presenting the requisite documents at the SECP office.

Following is the procedure for incorporation of a single member company:

5 Application for availability of name

1. Firstly the applicant needs to submit an 'Application for availability of name' for the reservation of the company's name and incorporation of the company. Please refer to Annexure 2.
2. Along with the application a challan form for Rs.200 needs to be filled either online with the SECP website or in person with the relevant SECP officer.
3. The challan fee may be paid at the nearest bank and the paid challan copy along with the application for availability of name shall then be submitted at the SECP counter 3 if the applicant is following the manual procedure.

6 NOC by the SECP

1. Following the above, the SECP issues an NOC within a day whether the name is available or not. If the name is not available, the Registrar issues further instructions to applicant as he sees fit. If the name is not in compliance with the provisions of Companies Act, 2017, then the Registrar shall either refuse the application or direct the applicant to rectify or submit a new application.
2. The applicant is required to bring the applicant copy of challan fee filed for the application for reservation of name when collecting the NOC from the SECP office.
3. In the event the name is available the applicant shall within 60 days file the documents mentioned below.

7 Incorporation documents

The applicant shall file the following incorporation documents which are all available on the SECP website:

- Application for company incorporation i.e. the Incorporation Form 2 Please refer to Annexure 3
- Memorandum of association (9 sets in original).
- Articles of association (9 sets in original)
- Letter of Authority on a Rs. 500 stamp paper and duly notarized. Please refer to Annexure 4.
- Passport copy.(9 sets)
- NOC issued by the SECP following the application for reservation of name.

The applicant is required to pay a challan fee for the abovementioned incorporation documents. The challan fee is determined in accordance with the authorized share capital of the company. The fee can be calculated via the Fee Calculator available on the SECP website or by referring to the challan fee detail in Schedule 7 of the Companies Act 2017.

8 Incorporation of the Company

Following the submission of the above documents the company is registered within 24 hours by the SECP if the submitted documents are accurate and complete. However, if there exists a discrepancy in the documents the SECP shall inform the applicant of the same. Upon the rectification of the documents the SECP shall issue the Certificate of Incorporation within a day, which the applicant can collect from the SECP office by showing the applicant copy of the paid challan fee for incorporation documents.

9 Security Clearance

For matters related to security clearance, foreign nationals may be required to submit such additional documents that the SECP may so require. Moreover the SECP shall obtain security clearance from the Ministry of Interior for foreign nationals that are subscribers/officers in the company. In case the security clearance is not granted, the subscriber/officer shall take immediate steps for replacement of such subscriber/officer and take such additional steps as specified by the SECP.

10 List of Annexures

1. Undertaking by the foreign subscriber
2. Application for Availability of Name
3. Incorporation Form 2
4. Letter of Authority

Annexure 1

UNDERTAKING

I, _____ S/o/D/o/W/o _____ having Passport # _____ subscriber/director/shareholder of <name of company> do hereby solemnly declare that I have subscribed as shareholder/subscriber or elected/appointed as director/officer and have submitted necessary documents with the Companies Registration Office (CRO), **<name of city in which relevant registration office is located>** for its registration. In case my name is not security cleared by the Ministry of Interior (MOI), I shall take immediate steps for replacement as director/shareholder/subscriber/officer and/or shall transfer my shares to other person(s) and shall file revised documents accordingly with the CRO forthwith.

Deponent: _____

(Subscriber/Director/Shareholder/officer)

Name: _____

Dated: _____

Witness: _____

Name: _____

Father's Name: _____

CNIC #: _____

Address: _____

NOTE: In case Undertaking is signed outside Pakistan the same shall be notarized in the country where company is incorporated and the certificate of the Notary Public shall be authenticated by a Pakistan diplomatic consular or consulate officer.

Annexure 2

ANNEXURE-1

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
(mandatory in case of combined application otherwise single name may be provided)

Option 1
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

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6.	If any company or entity exists with identical or similar name, please mention your relationship 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 <i>(Passport No. in case of foreign national)</i>	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>																				
		<div style="display: flex; justify-content: space-around; font-size: small;"> Day Month Year </div>																				
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Enclosures:

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

Annexure 3

ANNEXURE-IV

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

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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	<input type="text"/>
CNIC of Nominee	<input type="text"/>
Residential address of Nominee	<input type="text"/>
Telephone number of Nominee	<input type="text"/>
Email address of Nominee	<input type="text"/>
Relationship of Nominee with subscriber	<input type="text"/>
Signature of Nominee	<input type="text"/>

Section – E- If the company limited by shares intends to adopt tables contained in First Schedule to the Act, tick the relevant table.

- ☐ 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 of association contained in First Schedule to the Act , company limited by guarantee and unlimited company shall attached the articles of association.

PART-III

Declaration under section 16

3.1 Declarant Name	<input type="text"/>
3.2 Declarant Profession / Designation (Please check)	<input type="checkbox"/> Authorized Intermediary

relevant box)

- ☐ 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

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3.5 Registration No of authorized intermediary, if applicable

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3.6 Date

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Enclosures:

- (i) Original paid bank challan evidencing payment of fee;
- (ii) Memorandum of Association;
- (iii) Articles of Association, where applicable;
- (iv) Copies of CNIC/NICOP of the subscribers/directors/chief executive officer or copy of Passport in case of a foreigner;
- (v) Copy of CNIC/NICOP of Nominee only in case of single member company or copy of Passport in case of a foreigner;
- (vi) Copy of CNIC of witness in case of physical filing;
- (vii) NOC/Letter of Intent/ License (if any) of the relevant regulatory authority in case of specialized business;
- (viii) Authority letter for filing of documents for the proposed company on behalf of the subscribers
- (ix) 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;
- (x) In case the subscriber is a foreign company, the profile of the company, detail of its directors, their nationality and country of origin, certified copy of its charter, statute or memorandum and articles etc.

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	

Annexure 4

ANNEXURE-V

(ON STAMP PAPER OF REQUISITE VALUE)

LETTER OF AUTHORITY

We, the undersigned subscribers to the Memorandum and Article of Association of proposed company M/S <.....>, do hereby authorize <.....> one of subscriber / director of the proposed Company; or <.....> a registered intermediary whose specimen signature is appended herein below to file the documents for incorporation of the proposed company and to correct or amend the Memorandum and Article of Association and other documents and to collect certificate of incorporation of the company from Company Registration Office.

Name and signature of subscriber-1

Name and signature of subscriber-2

Name and signature of subscriber-3

Name and signature

Seal and
signature of
Notary Public

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