

# **Step-wise procedure for establishing a place of business in Pakistan by a Foreign Company**

## **INTRODUCTION**

### **What is a foreign company:**

Foreign Company means any company or body corporate incorporated outside Pakistan, which—

- (a) has a place of business or liaison office in Pakistan whether by itself or through an agent, physically or through electronic mode; or
- (b) conducts any business activity in Pakistan in any other manner as may be specified.

### **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 undertake any commercial/trading activities.

### **Liaison Office:**

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

### **Provisions of Law:**

Section 435 of the Companies Act, 2017 (the “Act”) and Foreign Companies Incorporation Regulations, 2018 (the “Regulations”) are the relevant provisions for foreign companies.

## **STEP-WISE PROCEDURE**

### **Step-I:**

The foreign company is required to obtain permission from Board of Investment (BOI) to establish branch/liaison office in Pakistan. For further information, please visit at <https://invest.gov.pk/>

### **Step-II:**

#### **Availability of Name:**

After obtaining permission from BOI, the foreign company is required to seek the availability of the proposed company name from the registrar. For this purpose, an application can be submitted online or through physical mode.

#### **Manual submission**

For manual submission, following procedure is required:

1. Download application form (Fnc.Form-I) as prescribed in the Regulations form SECP website at <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms-for-foreign-companies/>
2. Submit the duly filled application at Business Centre, SECP, NICL building, Jinnah Avenue, Blue Area, Islamabad along with:
  - a. Copy of permission letter from BOI
  - b. Certificate of incorporation of the foreign company and,
  - c. Original paid challan amounting to Rs.500/- (the fee can be paid at designated branches of MCB and UBL). Challan form can be downloaded at <https://challan.secp.gov.pk/manualChalnGennrator/main.faces>

#### **Online submission:**

For online submission, following procedure is required:

1. Creation of User ID by clicking eServices at <https://eservices.secp.gov.pk/eServices/>
2. Filing of application form for name reservation
3. Attachment of permission letter of BOI and certificate of incorporation of the foreign company
4. Submission of process and payment of fee amounting to Rs. 200/- either through credit card, debit card or ADC payment through 1-Link member banks.

### **Step III:**

#### **Registration of Branch/Liaison Office:**

##### **Offline Submission:**

1. Download application form (Fnc.Form-II) as prescribed in the Regulations form SECP website at <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms-for-foreign-companies/>
2. Submit the duly filled application at Business Centre, SECP, NICL building, Jinnah Avenue, Blue Area, Islamabad along with following documents, duly certified by public officer/notary public of country of origin and authenticated by Pakistan diplomatic consular/consulate officer posted in respective country.
  - a. Copy of the statute/charter/memorandum & articles of association or other instrument constituting or defining the constitution of the foreign company (translated in English if the same is in other language)
  - b. Certificate of incorporation/business license of the foreign company
  - c. BOD resolution of the foreign company specifying its intention to open a branch/liaison office in Pakistan and nominating a person as principal officer and authorized person to perform all matters related to registration of branch/liaison office in Pakistan
  - d. Latest Annual Return of the foreign company showing the details of its current directorship

**Other documents (Attestation not required)**

  - e. Copies of passport /CNIC of principal officer & authorized person
  - f. Copies of passport of directors of foreign company
  - g. Power of Attorney by the company in favor of applicant, if other than principal officer
3. Original paid challan amounting to Rs.11,000+660 (registration & filing fee)/- (the fee can be paid at designated branches of MCB and UBL). Challan form can be downloaded from following the link <https://challan.secp.gov.pk/manualChalnGenrator/main.faces>

##### **Online Submission:**

1. Login to eServices at <https://eservices.secp.gov.pk/eServices/>
2. Filling of application form for company registration

3. Attachment of scanned copies of following documents, duly certified by public officer/notary public of country of origin and authenticated by Pakistan diplomatic consular/consulate officer posted in respective country:
  - a. Copy of the statute/charter/memorandum & articles of association or other instrument constituting or defining the constitution of the foreign company (translated in English if the same is in other language)
  - b. Certificate of incorporation/registration/business license of the foreign company
  - c. BOD resolution of the foreign company specifying its intention to open a branch/liaison office in Pakistan and nominating a person as principal officer and authorized person to perform all matters related to registration of branch/liaison office in Pakistan
  - d. Latest Annual Return of the foreign company showing the details of its current directorship

**Other documents (Attestation not required)**

- e. Copies of passport of directors of foreign company
  - f. Copies of passport /CNIC of principal officer & authorized person
4. Submission of process and payment of fee amounting to Rs.11,000 (registration fee) + 660 (filing fee) either through credit card, debit card or ADC payment through 1-Link member banks.

**Disclaimer:**

The procedure/guide has been published with the intention to create an awareness of the concept of the matter. However, it does not tell everything and the procedure, contained in the guide is circumstantial and may vary under different situations. If the reader is in doubt while dealing with any specific condition, it is recommended to refer to the Companies Act, 2017 and allied laws and consult an adviser for seeking professional advice.