



Facilitation Wing **BUSINESS STARTER PACK**



PUNJAB BOARD OF INVESTMENT & TRADE

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Registration of Sole Proprietor

1. Select a proper name that suits the business to be undertaken.
2. Finalize the mandatory documents required by any business including Letter head of business or visiting cards if required.
3. Getting business stamp (you might need it at a later stage).
4. Opening a bank Account in the name of sole proprietor (it is part of application filed for sole proprietor registration).
5. Bank statement of the account in the name of sole proprietor.
6. File an application on Federal Board of Revenue portal with all the required particulars and collection of certificate from Income tax office. (National Tax Number in the name of business owner).

Documents Required:

- I. CNIC
- II. Business Name
- III. Business Address
- IV. Letter Head
- V. Electricity Bill of the Address
- VI. Bank Account Number, Bank Name and Branch



Registration for Partnership

For registration of partnership, minimum 2 and maximum 20 partners can register their partnership firm legally. Following are the types of partnerships.

1. Ordinary/General/Simple Partnership Agreement: This form of partnership agreement partners are equally involved in all the activities of business.
2. Limited Partnership: Partners are limited in their liabilities and duties. The profit and loss is also limited as per the investment and liabilities.
3. At-Will Partnership: It contains both the aforementioned types of partnerships. The profit is divided according to his/her investment and work.

To register/form a Partnership Firm in Pakistan:

The Partners of the firm can apply for the registration of partnership under the law of "The Partnership Act, 1932".

Documents Required:

- I. Original Partnership Deed duly signed by all partners with firm's stamp on the stamp paper and attested with notary public/oath Commissioner
- II. Copy of Partnership Deed duly attested with notary public/oath Commissioner
- III. Attested Photocopy of CNIC of all Partners
- IV. Statement in prescribed form (Form A)
- V. Challan of Rs.110/- deposited in National Bank of Pakistan
- VI. Blank Stamp Paper of Rs.50/-
- VII. Authority letter in favor of legal representative

*Documents shall be submitted before the Registrar of Firm of the area in which any place of business of the firm is situated or proposed to be situated.

Partnership Deed:

Following are the main areas that should be covered in a Partnership Deed:

1. Name of the Partners along with fresh residential addresses and designation
2. Name of the partnership
3. The place or principle place of business of the firm
4. The date when each partners joined the firm
5. Business Objectives is one of the main area that requires proper attention. You have to clearly set out the primary business of the partnership together with any restrictions on the type of business
6. Responsibilities of partnership should be clearly incorporated in the Partnership Deed
7. Ratio of profit and loss
8. Management of the Partnership
9. Capital contribution
10. Meeting of the Partners
11. Financial Management and Taxation
12. Partners Interest
13. Termination of Partnership
14. Resignations of Partners
15. Resolving disputes





Registration of a Business/Company

- 1. Seek Approval of Company's Name from the Concerned Registrar of Companies**
- 2. Pay Fee's Associated with Incorporation and Registration of the Company**

Post payment of the fee, SECP then requires the applicant to submit the following documents:

- Declaration of compliance
- Identification of office's location
- Particulars of directors, secretary, chief accountant, auditors and others
- Copies of the Memorandum and Articles of Association with each member's signature

* Foreign subscribers/directors/shareholders are required to submit the undertaking for company incorporation and subsequent filing of returns. Undertaking is on the website of SECP.

- 3. Obtain a Digital Signature & Create a Company Seal**
- 4. Register for Income, Sales & Professional Taxes**

The company will have to apply for a National Tax Number (NTN) at the tax facilitation of the Regional Tax Office (RTO) of the Federal Board of Revenue (FBR). The requirements for this application include:

- NTN form
- Proof of registration
- Memorandum and Articles of Association
- Bank account number
- Copies of National Identity Cards (NICs) of companies' directors
- An attestation of business address

Sales tax, like the income tax can be registered for, by applying for a Sales Tax Number (STN) at the tax facilitation center of the Regional Tax Office (RTO) of the Federal Board of Revenue (FBR). For the professional tax, provided it applies, the company will have to register with Excise and Taxation (ET) Department of the District.

5. Register with PESSI & EOBI

Depending on the location of the business, the company will need to register with:

- Punjab Employees Social Security Institutions (PESSI)

Under the Employees Old Age Benefits Institution (EOBI), insured employees are entitled to a pension, upon retirement, invalidity in the case of disability, old-age grant and survivor's pension. Every industry or a commercial establishment, with five or more employees, has to be registered with the Federal Employees Old age Benefits Institution (EOBI). *EOBI is minimal to the level of 1% of the basic pay and is uniform across the hierarchy.

6. Register with the Labor Department of the District

To safeguard the labor standard of the workers, all companies are required to register with the District Chief Inspector of the labor department in each district. For registration, employer must submit the application Form A accompanied with the relevant bank form.

Once these requirements are met and vetted by SECP, the company is then ready to become an independent operating body in Pakistan and will be treated as such.

Opening a Branch/Liaison office of Foreign Company Companies

Registration with Board of Investment

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

STEP 1

Required Documents (one original and five copies along with a soft copy):
Application form (duly filled in and signed with stamp).

- Copy of registration of company duly attested by respective Pak Embassy
- Copy of Article of Memorandum of Association duly attested by Pak Embassy
- Copy of Resolution/Authority letter of the company to establish Branch/Liaison Office in Pakistan
- Company Profile
- CV of Designated person authorized to act on behalf of the company + Passport copy/CNIC

Fees and period of permission:

BRANCH OFFICE	LIAISON OFFICE
Regular Permission (initial registration for a period of one year). @ US \$ 3000	Regular Permission (initial registration for a period of one year). @ US \$ 2000
1500 US \$ for Sub-Office of Branch Office	and 1000 US\$ for Sub-Office of Liaison Office

- o The amount shall be deposited in National Bank of Pakistan, Main Branch and Civic Centre, Islamabad. Details of Account are:-
 - a) Title of Account: Board of Investment
 - b) PLS Account No. 44991-2 c) Branch Code - 0341
 - d) Swift Code- NBPAPKKA02I
 - e) IBAN – PK07NBPA0341003035205436

STEP 2

Evaluation

- On receipt of above documents BOI examines the documents and circulates the same to all concerned quarters for their comments, views/NOC.

STEP 3

Issuance of Permission

- Permission will be granted after completion of 7 to 8 weeks' time period. The said permission shall be liable to be cancelled, if adverse remarks are reported or NOC is not supported by any concerned quarter at later stage.

Further details:

SCOPE OF ACTIVITIES	<p>A branch office is set up by a foreign firm to execute the contracts awarded to it.</p> <p>Activity will be restricted to the work mentioned in the agreement/contract signed</p> <p>Cannot indulge in commercial/trading activities</p>	<p>Activity is restricted to promotion of product(s), provision of technical advice and assistance, exploring the possibility of joint collaboration and export promotion (these activities are to be mentioned in the application).</p> <p>Cannot undertake any commercial/trading activities</p>
MEETING EXPENSES	<p>All expenses will be met out of funds transferred from abroad through normal banking channel and converted to local currency account or from the amounts received through execution of the agreement / contract</p>	<p>All expenses will be met out of funds transferred from abroad through normal banking channel and converted to local currency account</p>

REMITTANCE FACILITY	Remittance of profits etc. is allowed subject to submission of information / documents as required in terms of Para 13 Chapter XIV of the Foreign Exchange Manual of SBP.	No remittance facility allowed.
HIRING OF FOREIGN NATIONALS	Employment of foreign nationals shall be made subject to the prior approval of the Government as per policy and in accordance with the policy of localization.	Employment of foreign nationals shall be made subject to the prior approval of the Government as per policy and in accordance with the policy of localization.
IMPORT AND EXPORT OF MACHINERY	Import/Export of machinery and equipment and its re-export shall be governed by the Import/Export policies of the Government.	Nil
TAXATION	31% corporate tax on the taxable income.	Nil
CHANGE OF ADDRESS / TELE ETC.	Has to be intimated to the Board of Investment and other concerned quarters.	Has to be intimated to the Board of Investment and other concerned quarters.

• **DOCUMENTS FOR THE RENEWAL:**

<p>Branch Office</p> <p>Following documents are required:</p> <ol style="list-style-type: none"> 1. Copies of valid agreements/ contracts along with their duration 2. Income tax returns (for the last 03 years) 3. Copy of latest Audited Accounts 4. Proceeds Realization Certificates 5. Renewal Charges for each year @ US \$ 1000 per year. (1-5 years renewal based on the request of the company). 	<p>Following documents are required:</p> <ol style="list-style-type: none"> 1. Performance/Activity report 2. Receipt and Payment Statement 3. Proceeds Realization Certificates 4. Renewal Charges for each year @ US \$ 500 per year. (1-5 years renewal based on the request of the company).
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• Documents Required for Closure

<p>Branch Office</p> <p>The following documents are required:</p> <ol style="list-style-type: none">1. Request letter for closure2. Activity Report, Proceeds Realization Certificates, and Audited Accounts for the last permitted period3. Copies of press clippings regarding closure published in two national dailies.4. Confirmation from tax authorities that all assessments and dues are clear.	<p>Liaison Office</p> <p>The following documents are required:</p> <ol style="list-style-type: none">1. Request letter for closure2. Activity Report, Proceeds Realization Certificates, and Receipt and Payment Statement for the last permitted period3. Copies of press clippings regarding closure published in two national dailies.4. Confirmation from tax authorities that all dues are clear.
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Source: Board of Investment (BOI). For further detail, go on BOI website

Requirements for National Tax Number or NTN

STEP 1

In Pakistan Government has authorized Federal Board of Revenue the authority to issue National Tax Number of NTN.

1. Online Application is filed at Federal Board of Revenue Portal. Instructions for filing of application are mentioned in detail on Federal Board of Revenue website.
2. Just to give little Idea there is an option for New E-Registration. Just click to proceed further.
3. Another way is to file the application on the paper form at Federal Board of Revenue, Taxpayers facilitation center.

STEP 2

- I. From the form you have to select the status – Individual.
- II. Next fill the application with required information.
- III. In the CNIC number of the individual applying for National Tax Number.
- IV. Next Enter Tax Payer Name.
- V. Enter verification Image Character.
- VI. Next Step is click OK.



STEP 3

Once all the information is filled press on save button to save information. Please note that all the information in the form cannot be filled at once therefore you have to press save to continue filling form.

- I. Bank Account information of sole proprietor is mandatory to be filled.
- II. Other details like premises proof, bill reference number etc. also needs to be filled.

STEP 4

Once all the information is filled in the form the next step is to click on the verify button.

STEP 5

Next step is clicking on Submit button. After submit button is clicked a token reference number is issued. You will receive a copy of the reference in the email provided during registration process. The status number is used to check the status of the application at Federal Board of Revenue website.

STEP 6

In normal circumstances after filing of application within 3 days the taxpayer's registration is approved. Taxpayer receive confirmation email.

STEP 7

Once confirmation is received the last process is collection of National Tax Number certificate from Tax Payer Facilitation Center. All the documents of sole proprietor registration including copy of online application, copy of bill and CNIC are to be attached.

Requirements for Opening a Bank Account

a). Sole Proprietorship:

1. Account Opening form duly signed/completed and stamped
2. Copy of CNIC(s) or Passport(s) if CNIC not available
3. Introduction (from an existing Client of BAL)- Subject to Bank rules
4. Sole Proprietorship Declaration (Format Available on Request)
5. Copy of NTN certificate (if Possible)



Note: Please bring a letter head along with rubber stamp and all the documents in original to the bank for verification by the Bank officer.

b). Partnership:

1. Account opening form duly signed/completed and stamped
2. Copy of Partnership Deed (registered) duly verified by notary public and signed by all partners
3. Copy of CNIC(s) or Passport(s) if CNIC not available of all partners
4. If the partnership is registered, attested copy of registration certificates (Form C). If the partnership is unregistered this fact should be mentioned on the AOF along with the signatures of all partners.



5. Copy of NTN certificate
6. Partnership mandate signed by all partners on the letter head
7. License from concern authority

c). In case of Temporary Work Location:

- Sole proprietor needs to give the permanent address to the bank which is written on Company registration form C.
- He can also do correspondence on temporary address with the bank. But he needs to mention before either to do banking correspondence on permanent or temporary address.

- Receiving funds in foreign currency can be converted into PK Rupees as per Bank rates. But they also open foreign currency account.
 - Example: Software Engineers mostly follows the above mentioned steps in Pakistan. They mostly do correspondence with bank on temporary address.
 - Bank may visit to his permanent address/temporary address (if necessary).
- d). Requirements to open bank account for local/foreign companies of different categories:

1. Limited Companies/Corporations

- (i) Certified copies of:
- a) Resolution of Board of Directors for opening of account specifying the person(s) authorized to open and operate the account
 - b) Memorandum and Articles of Association
 - c) Certificate of Incorporation
 - d) Certificate of Commencement of Business, wherever applicable
 - e) List of Directors on 'Form-A/Form-B' issued under Companies Ordinance 2017, as applicable
 - f) Form-29, wherever applicable.
- (ii) Photocopies of identity documents as per Sr. No. 1 above of all the directors and persons authorized to open an account.



2. Branch Office or Liaison Office of Foreign Companies

- I. A copy of permission letter from relevant authority i-e Board of Investment.
- II. Photocopies of valid passports of all the signatories of account.

- III. List of directors on company letter head or prescribed format under relevant laws/regulations.
- IV. A Letter from Principal Office of the entity authorizing the person(s) to open and operate the account.

Note:

- In case the company is in process to complete formalities to register in SECP account can be opened on the basis of acknowledgment of filling on case to case basis.
- In case of foreign individual normal account opening process will be following. However, Form Q.A.22 will be submitted to State Bank of Pakistan on quarterly basis.



3). Foreign Individuals

A photocopy of any one of the following valid identity documents;

- I. Computerized National Identity Card (CNIC) issued by NADRA
- II. National Identity Card for Overseas Pakistani (NICOP) issued by NADRA
- III. Pakistan Origin Card (POC) issued by NADRA
- IV. Alien Registration Card (ARC) issued by National Aliens Registration Authority (NARA), Ministry of Interior (local currency account only)
- V. Passport; having valid visa on it or any other proof of legal stay along with passport (foreign national individuals only)



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