

A Project Benchmarking the Regulatory Cost of
Doing Business in 145 economies

Doing Business in 2005

Pakistan

Regional Profile

Monitoring, Analysis and Policy Unit
Investment Climate Department
World Bank Group

<http://rru.worldbank.org/doing business>

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Pakistan

Introduction

A vibrant private sector—with firms investing, creating jobs, and improving productivity—promotes growth and expands opportunities for poor people. That is why governments around the world have implemented wide-ranging reforms, including macro-stabilization programs, price liberalization, privatization, and opening to foreign trade. In many countries, however, entrepreneurial activity remains limited, poverty high, and growth stagnant. And other countries have spurned orthodox macro reforms and done well. How so?

Although macro policies are unquestionably important, there is a growing consensus that the quality of government regulation of business and the institutions that enforce this regulation are a major determinant of prosperity. Hong Kong (China)'s economic success, Botswana's stellar growth performance, and Hungary's smooth transition experience have all been stimulated by a good regulatory environment. But there is little work measuring specific aspects of regulation and analyzing their impact on economic outcomes, such as productivity, investment, informality, corruption, unemployment, and poverty. The lack of systematic knowledge prevents policymakers from assessing how good their legal and regulatory systems are and how to design and sequence reforms.

Doing Business in 2005: Removing Obstacles to Growth is the second in a series of annual reports investigating the scope and manner of regulations that enhance business activity and those that constrain it. New quantitative indicators on business regulations and their enforcement can be compared across 145 countries—from Albania to Zimbabwe—and over time. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The indicators presented and analyzed in *Doing Business* emphasize domestic, small and medium sized companies, which comprise the vast majority of firms, investment and employment in developing countries. Two types of indicators are constructed. First, measures of actual regulations—for example the number of procedures to register a business or an index of employment law rigidity. Second, measures of regulatory outcomes, such as the time and cost to register a business, enforce a contract, or go through bankruptcy.

The methodology is based on detailed assessments of laws and regulations, and surveys of in-country government officials, lawyers, legal consultants, and other professionals involved in administering, or advising on, legal and regulatory requirements. This methodology offers several advantages. It is based on factual information. The data collection process is transparent and easily replicable. It allows multiple interactions with the local respondents, ensuring accuracy by clarifying possible misinterpretations of the survey questions. It is relatively inexpensive to administer and as a result the data can be produced for a large sample of countries. And because the same standard assumptions are applied in collection, the data enable valid cross country comparisons and benchmarking.

Most importantly, the analysis has direct relevance for policy reform. Two features facilitate this. First, Doing Business studies the effects of the indicators on economic and social outcomes. This enables policy makers to understand better how particular laws and regulations affect employment, access to credit, the size of the informal economy, entry of new firms, corruption, and poverty.

Second, beyond highlighting the areas for policy reform, the analysis provides guidance on the specific design of reforms. The data provide a wealth of detail on which specific regulations and institutions enhance or hinder business activity, what the biggest bottlenecks causing bureaucratic delay are, and how costly compliance with regulation is. Each indicator set is supported by a library of current laws, and a file specifying what regulatory reforms are underway. After reviewing their country's Doing Business indicators, governments can identify where they lag behind and understand what to reform.

The initial data covered in the database and included in this regional profile are:

- Starting a Business: Entry Regulations
- Hiring and Firing Workers: Employment Regulations
- Registering Property: Regulations of Property Transfers
- Enforcing a Contract: Court Efficiency
- Business Licensing: Construction Regulations

A full set of topics will be built over a period of three years. New topics will include business licensing and inspections, taxation, and trading across borders. Once published, each topic will be updated annually. The data published here are benchmarked to January 2004.

The data set covers 145 economies. The sample includes 22 high-income OECD economies as benchmarks, 33 from Africa, 22 from East Asia and the Pacific region, 26 economies from Europe and Central Asia, 21 from Latin America, 14 from the Middle East and North Africa and 7 from South Asia. The sample covers every economy with a population greater than 1.5 million, except for six economies that are not members of the World Bank or are inactive International Development Association borrowers. It also includes 9 Pacific Islands, Bhutan and the Maldives. Inclusion of other economies with less than 1.5 million population may be considered on a case by case basis upon request by Governments or World Bank departments.

The following pages present the summary Doing Business indicators for Pakistan and selected regions within India. Further information is available in the full report *Doing Business in 2005: Removing Obstacles to Growth*, which presents the indicators, analyses their relationships with economic outcomes and recommends reforms. The data, and information on ordering the report, is also available online at <http://rru.worldbank.org/doingbusiness>.

Summary of Indicators – January 2004

PAKISTAN		REGION: South Asia	
Economic Characteristics		Entry Regulations	
Income per capita	470	Number of procedures	11
Population	148,400,000	Time (days)	24
		Cost (% of income per capita)	36.0
		Minimum capital (% of income per capita)	0.0
Labor Regulations		Credit Markets	
Difficulty of hiring index	78	Cost to create collateral (% of income per capita)	11.5
Rigidity of hours index	40	Legal rights of borrowers and lenders	4
Difficulty of firing index	30	Credit information index	4
Rigidity of employment index	49	Public registry coverage (borrowers/1000 adults)	2
Firing costs (weeks)	90	Private bureau coverage (borrowers/1000 adults)	3
Contract Enforcement		Bankruptcy	
Number of procedures	46	Time of insolvency (years)	2.8
Time (days)	395	Cost of insolvency (% of estate)	4.0
Cost (% of debt)	35.2	Recovery rate (cents on the dollar)	38.1
Registering property		Protecting investors	
Number of procedures	5	Disclosure Index	4
Time (days)	49		
Cost (% of property value)	4.2		

Notes

Employment Regulations

Indices are scored between 0 and 100, with 100 representing the highest level of regulation. The rigidity of employment index is the average of the difficulty of hiring, rigidity of hours and difficulty of firing indices. Cost of firing measures the cost of advance notice requirements, severance payments and penalties in weekly salaries.

Credit Markets

The legal rights index is calculated by assigning a value of 1 for a "yes" response on each of ten types of legal rights for borrowers and lenders and summing the total score across all ten variables. A minimum score of 0 represents weak legal rights and the maximum score of 10 represents strong legal rights.

Bankruptcy

Recovery rate measures the proportion of the insolvency estate recovered by stakeholders, taking into account the time, cost, depreciation of assets and the outcome achieved.

Starting a Business: Entry Regulations

When an entrepreneur draws up a business plan and tries to get underway, the first hurdles that need to be overcome are the bureaucratic and legal procedures to incorporate and register the new firm.

Economies differ significantly in the way in which they regulate the entry of new businesses. In some economies the process is straightforward and affordable. In others, the procedures are so burdensome that entrepreneurs have to bribe officials to speed up the process or they would rather run their business informally.

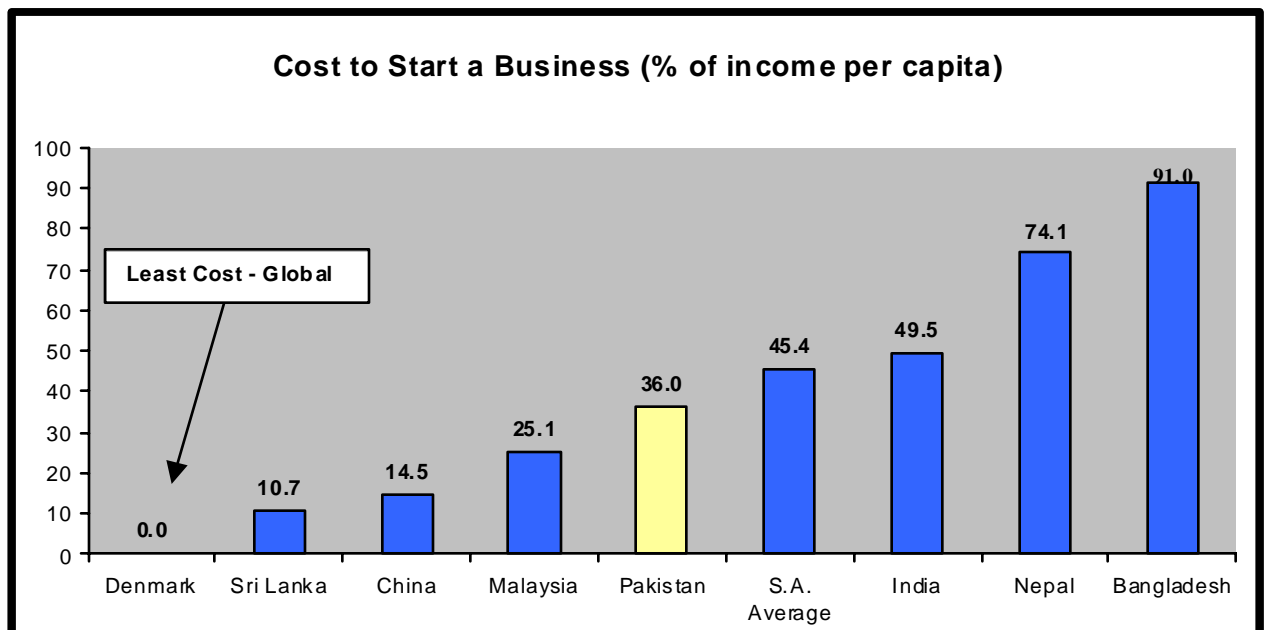
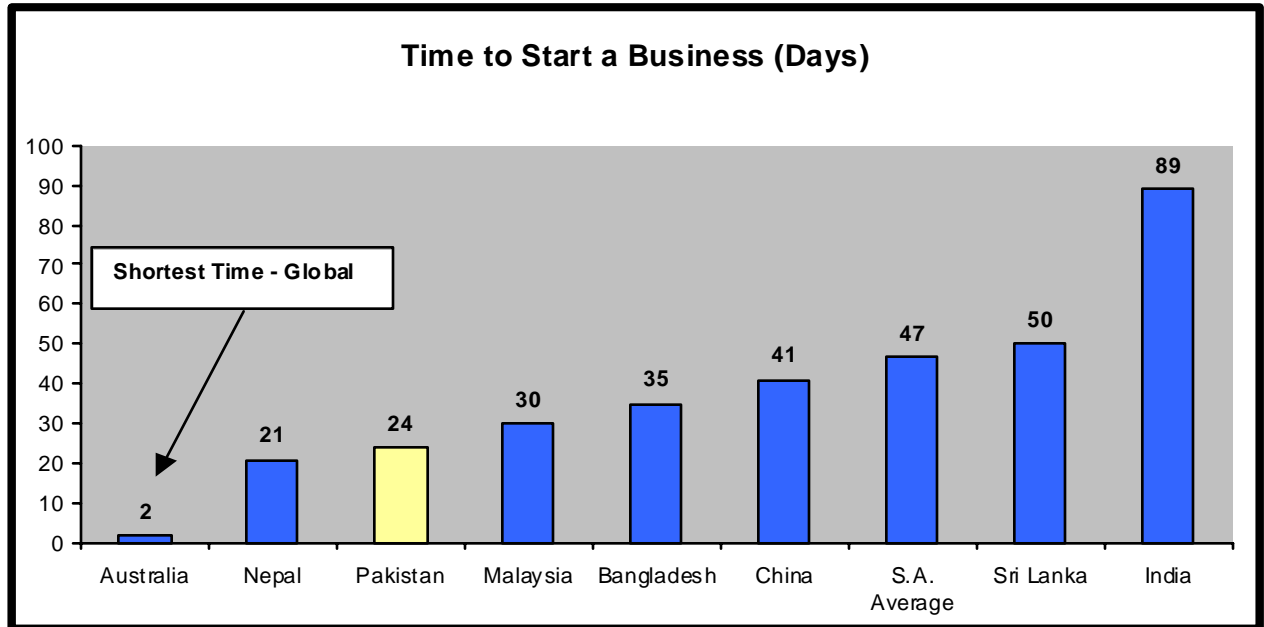
The entry data is based on a survey that investigates the required procedures for an average small-medium sized company needs to start operation legally. This includes obtaining all necessary permits and licenses, and completing all the required inscriptions, verifications and notifications with all requisite authorities to enable the company to start operation. The survey calculates the costs and time necessary for fulfilling each procedure under normal circumstances, as well as the minimum capital requirements to operate. The assumption is that information is readily available to the entrepreneur and that all government and non-government entities involved in the process function efficiently and without corruption.

To make the data comparable across countries, the indicators track the procedures for a standardized company to register a business formally. Detailed assumptions about the type of business are applied. Among these, it is assumed that the business: is a limited liability company conducting general commercial activities in the capital city; that it is 100% domestically owned, with start up capital of 10 times income per capita, turnover of 100 times income per capita and between 5 and 50 employees; and that it does not qualify for any special benefits nor does it own real estate. Similarly detailed assumptions about the type of procedures are made, including that: procedures are only recorded where interaction is required with an external party; the founders complete all procedures themselves; voluntary procedures are not measured; non-mandatory lawful shortcuts are counted; and industry specific requirements and utility hook-ups are not measured.

Across countries, cumbersome entry procedures are associated with more corruption, particularly in developing countries. Each procedure is a point of contact—an opportunity to extract a bribe. Empirical analysis shows that burdensome entry regulations do not increase the quality of products, make work safer, or reduce pollution. They hold back private investment, push more people into the informal economy, increase consumer prices and fuel corruption.

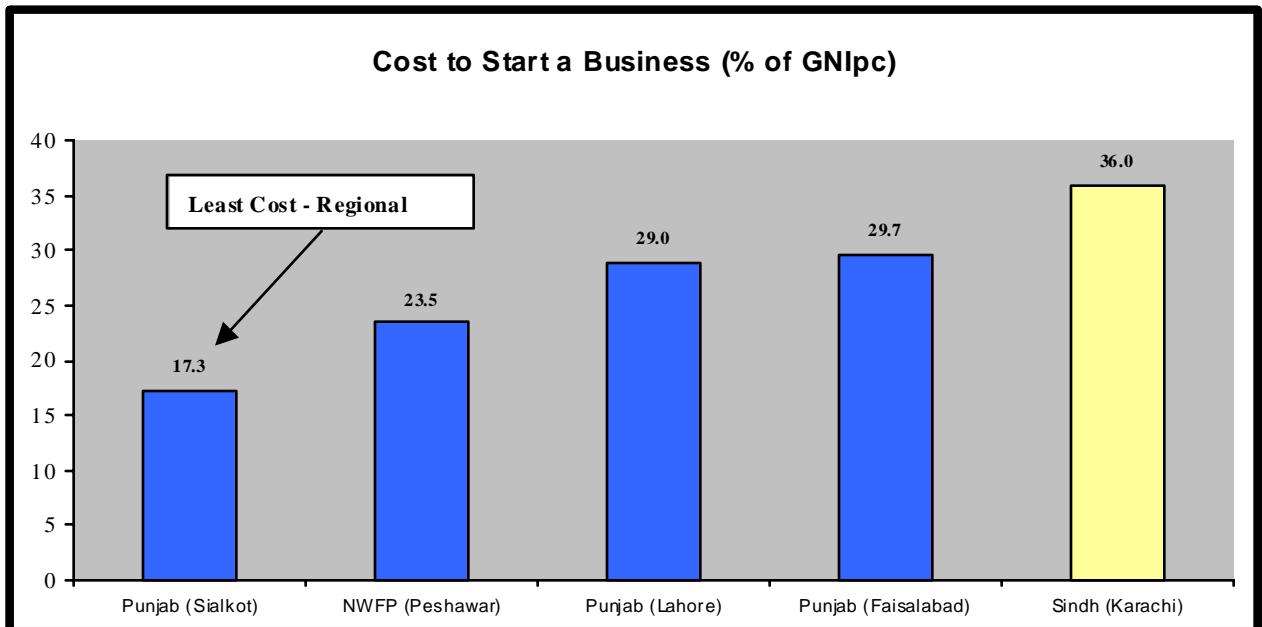
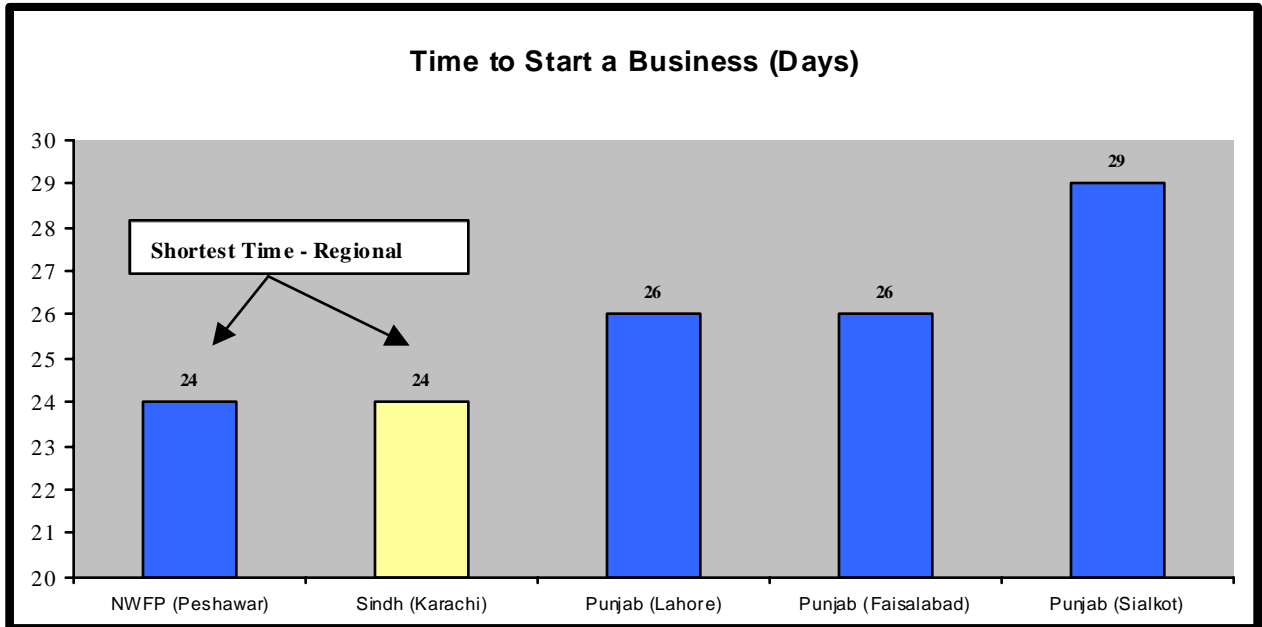
Benchmarking—Entry Regulation

Pakistan—Compared to Global Best / Selected Other Countries



Source: Doing Business Database.

Benchmarking—Entry Regulation
Pakistan—Compared Across Regions



Hiring and Firing Workers: Employment Regulation

Every economy has established a complex system of laws and institutions intended to protect the interests of workers and to guarantee a minimum standard of living for its population. This system encompasses four bodies of law: employment laws, industrial relations laws, occupational health and safety laws, and social security laws. Doing Business examines government regulation in the areas of employment laws.

Two measures are presented: an employment regulation index and a cost of firing measure. The employment regulation index is an average of three sub-indices: difficulty of hiring, rigidity of hours, and difficulty of firing. Each index takes values between 0 and 100, with higher values implying more rigid regulation. Difficulty of hiring covers the regulation of fixed-term contracts (on duration and use) and the minimum wage relative to the average value added per worker. Rigidity of hours covers restrictions on weekend and night work, working time requirements, and mandated days of annual leave with pay. Difficulty of firing covers workers' legal protections against dismissal, including the grounds for dismissal, and procedures for dismissal (individual and collective). A cost of firing indicator measures the cost of advance notice requirements, severance payments and penalties due when firing a worker, expressed in terms of weekly wages.

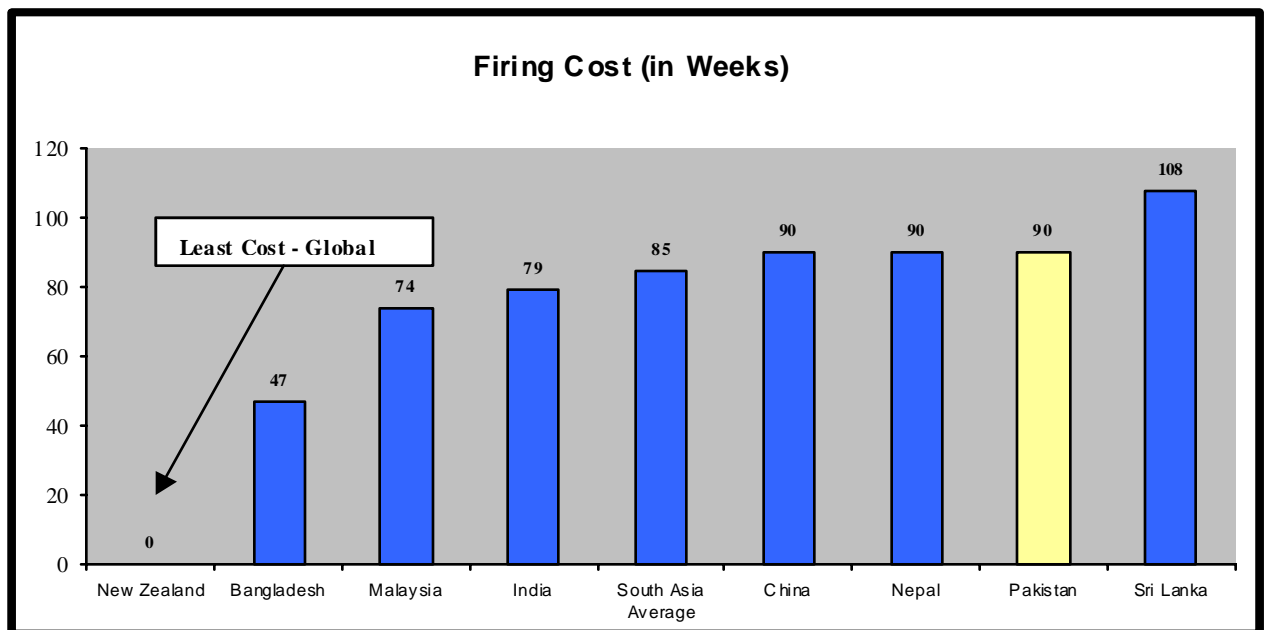
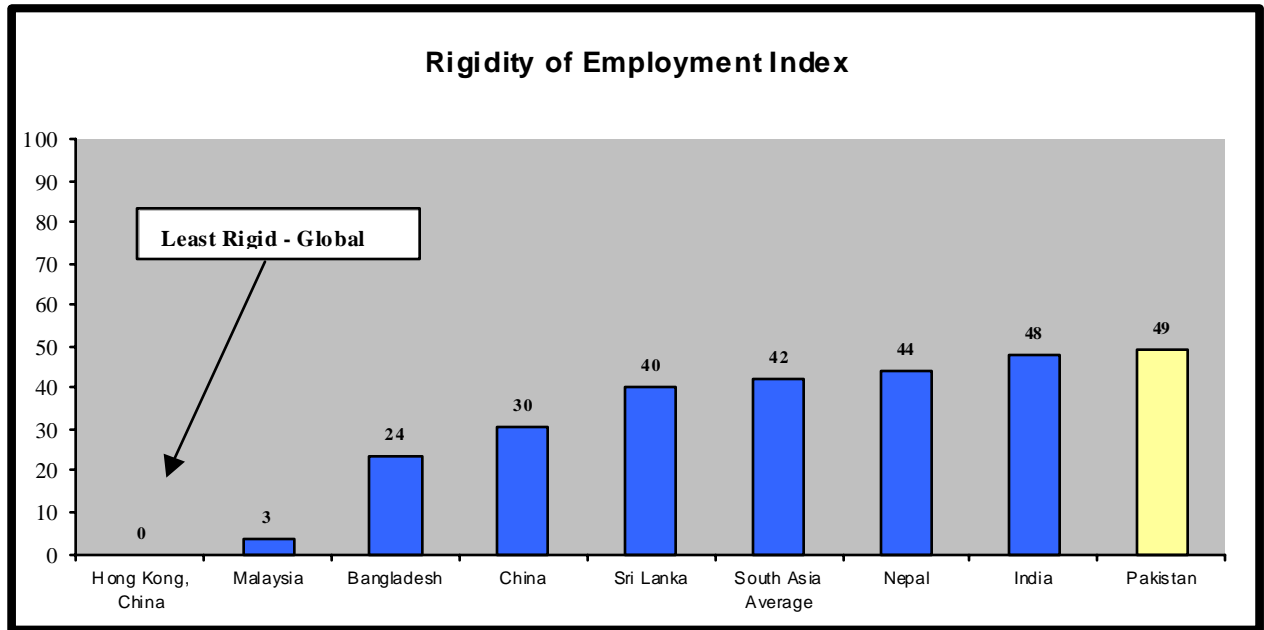
The indicators on employment regulations are based upon a detailed study of employment laws. Data are also gathered on the specific constitutional provisions governing these two areas. Both the actual laws and a secondary source were used to ensure accuracy. Finally, all data are verified and completed by local law firms through a detailed survey on employment regulations.

To make the data comparable across countries, a range of assumptions about the worker and the company are applied. Assumptions on the worker include that he is a non-executive full-time employee in the same company for 20 years, has a non-working wife and two children and is not a member of the labor union (unless membership is mandatory). It is assumed that the company is a limited liability manufacturing corporation that operates in the country's most populous city. It is 100% domestically-owned, and has 201 employees.

Although most employment regulations are enacted in responses to market failures, it does not mean that today's regulations are optimal. Analysis of the indicators across countries shows that while employment regulation generally increases the tenure and wages of incumbent workers, strict regulatory intervention has many undesirable side-effects, including less job creation, longer unemployment spells and the related skill obsolescence of workers, less R&D investment and smaller company size—all of which may reduce productivity growth. And with fewer job opportunities in the formal economy, the expansion of an unofficial sector becomes inevitable.

Benchmarking— Labor Regulations

Pakistan—Compared to Global Best / Selected Other Countries



Registering Property

Property registries were first developed to help raise tax revenue. Defining and publicizing property rights through registries has proven good for entrepreneurs as well. Land and buildings account for between half and three-quarters of country wealth in most economies. Securing rights to this property strengthens incentives to invest and facilitates trade. And with formal property titles, entrepreneurs can obtain mortgages on their homes or land and start businesses.

Doing Business measures the ease of registering property, assuming a standardized case of an entrepreneur who wants to purchase land and building in the largest business city. It is assumed the property is already registered and free of title dispute. The data cover the full sequence of procedures necessary to transfer the property title from the seller to the buyer. Every required procedure is included, whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Local property lawyers and property registries provide information on required procedures, as well as the time and the cost to fulfill each of them. In most countries, the data are based on responses by both lawyers and officials in the property registries.

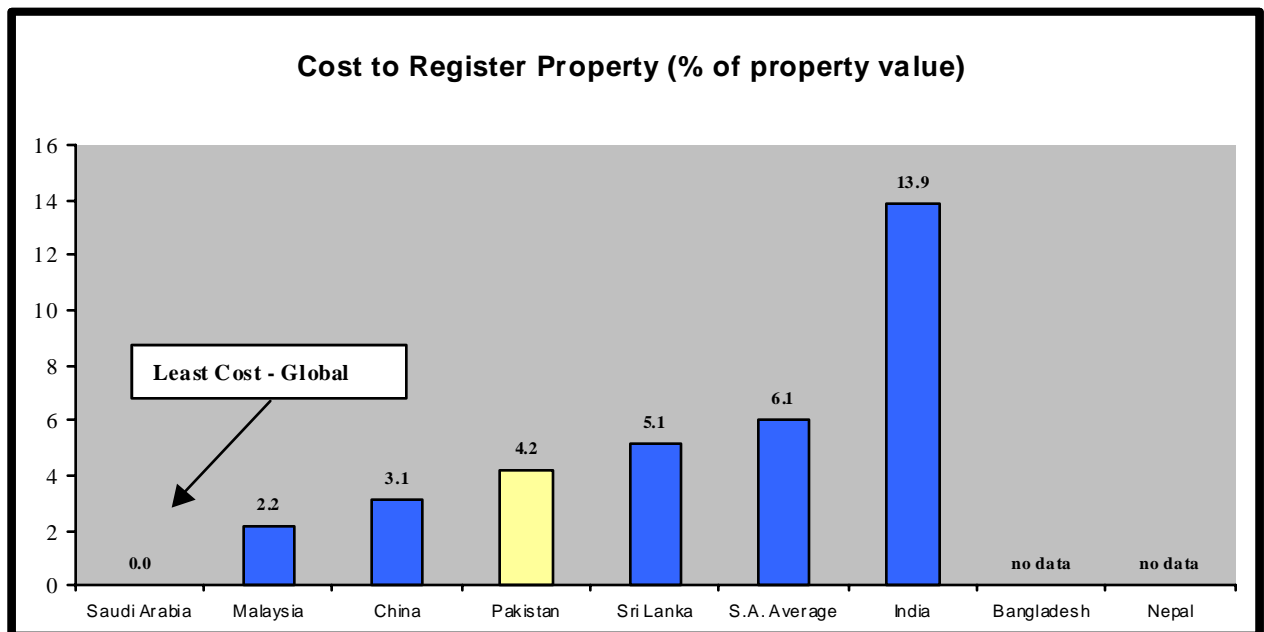
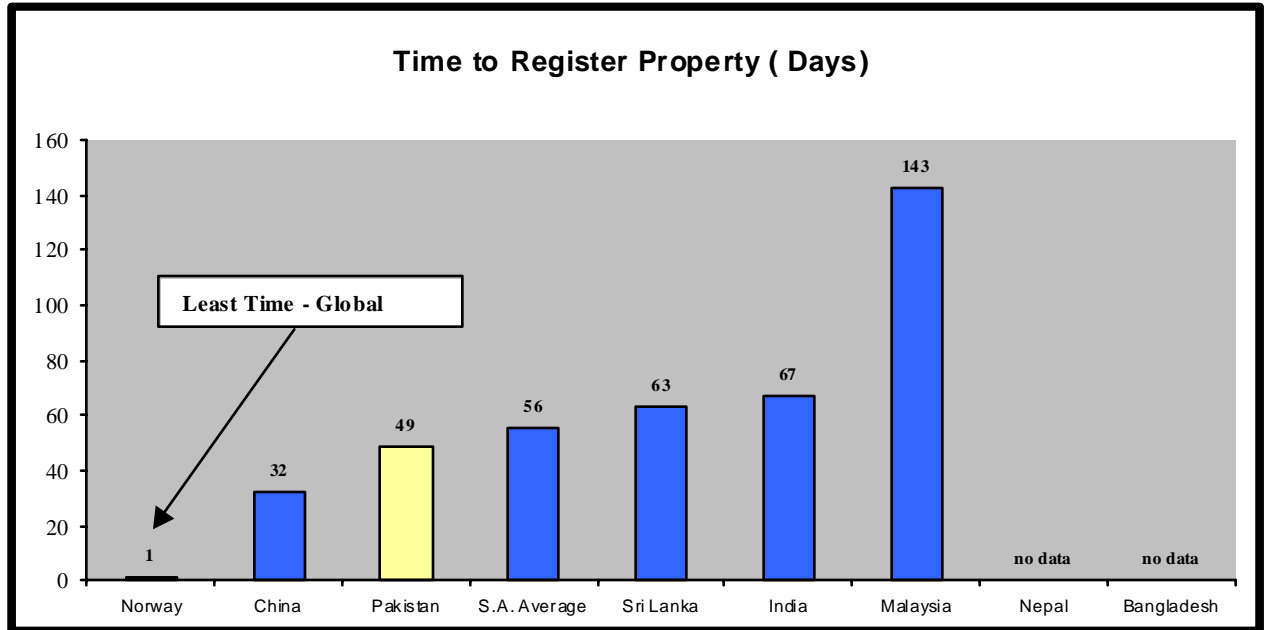
Based on the responses, three indicators are constructed:

- Number of procedures to register property
- Time to register property (in calendar days)
- Official costs to register property (as a percentage of the property value)

A large proportion of property in developing countries is not formally registered, limiting the financing opportunities for businesses. Recognizing these bottlenecks, governments have embarked on extensive property titling programs in developing countries. Yet bringing assets into the formal sector is of little value unless they stay there. Many titling programs in Africa were futile because people bought and sold property informally—neglecting to update the title records in the property registry. Why? Doing Business shows that in the average African country a simple formal property transfer in the largest business city costs 14% of the value of the property and takes more than 100 days. Worse, the property registries are so poorly organized that they provide little security of ownership. For both reasons, formalized titles quickly go informal again.

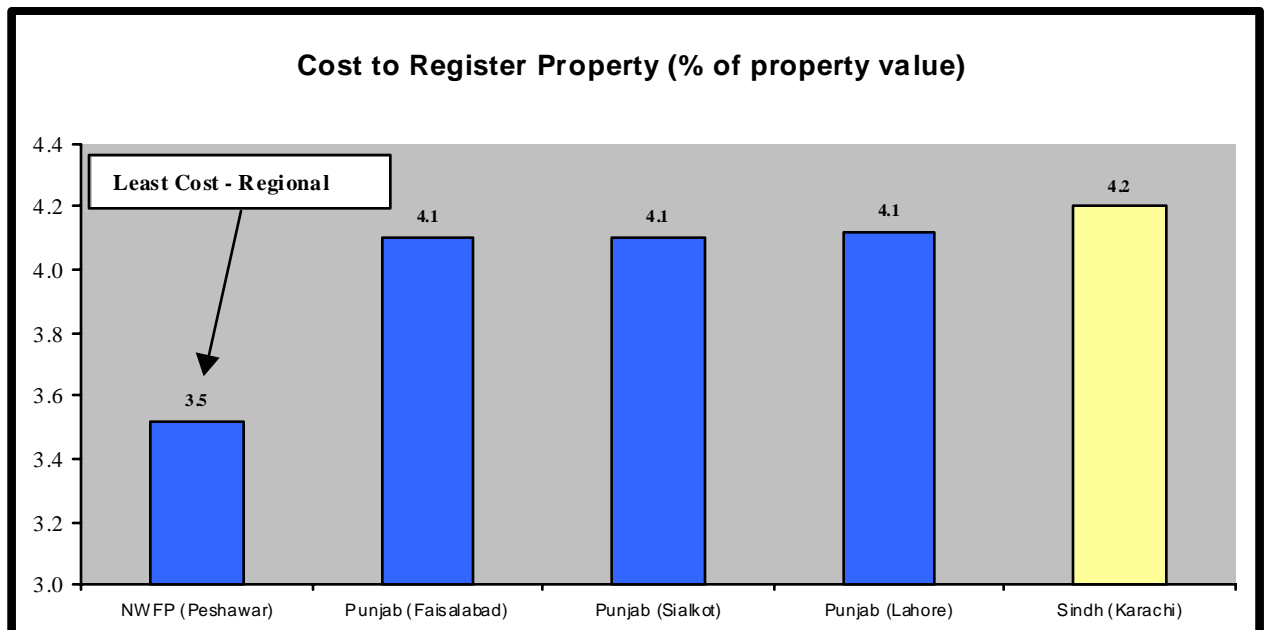
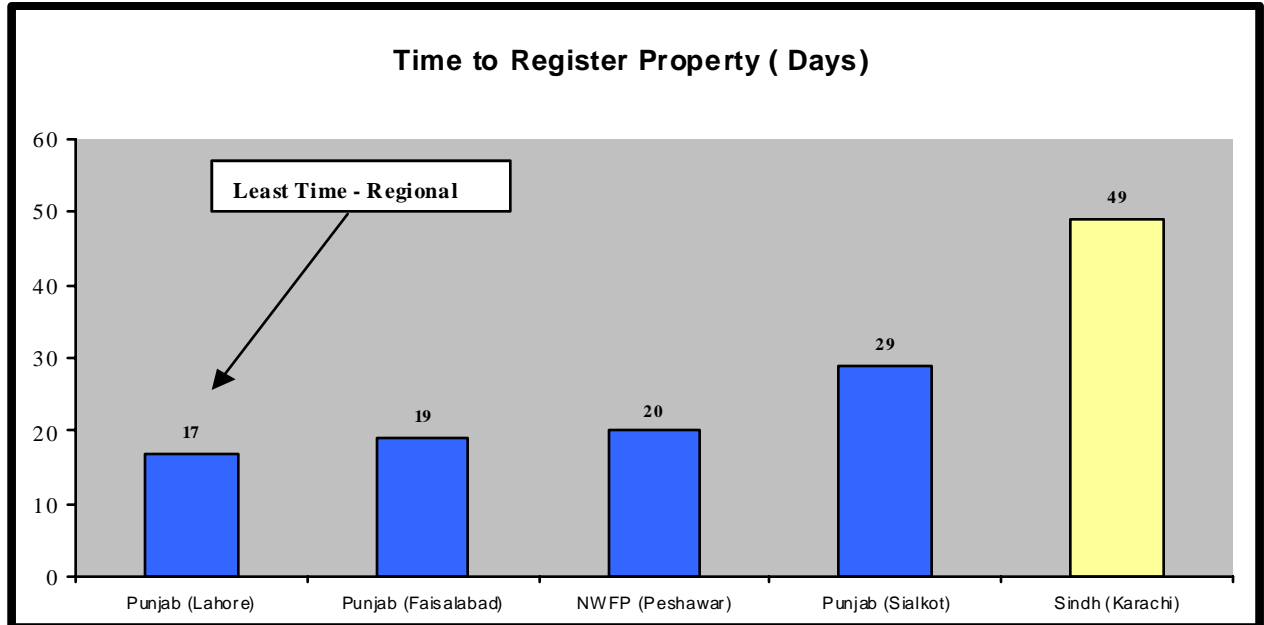
Efficient property registration reduces transaction costs and helps keep formal title from slipping to informal status. Simple procedures to register property are also associated with more perceived security of property rights and less corruption. This benefits all entrepreneurs, especially small ones. The rich have few problems protecting their property rights. They can afford the costs of investing in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this. Across countries, firms of all sizes report that their property rights are better protected in countries with more efficient property registration. But the relationship is much stronger for small firms.

Benchmarking— Registering Property
 Pakistan—Compared to Global Best / Selected Other Countries



Source: Doing Business Database.

Benchmarking—Registering Property
Pakistan—Compared Across Regions



Getting Credit: Legal Rights & Credit Information

Access to credit is consistently rated by firms as one of the greatest barriers to operation and growth. Two sets of indicators, on credit information registries and legal rights, are covered by the database.

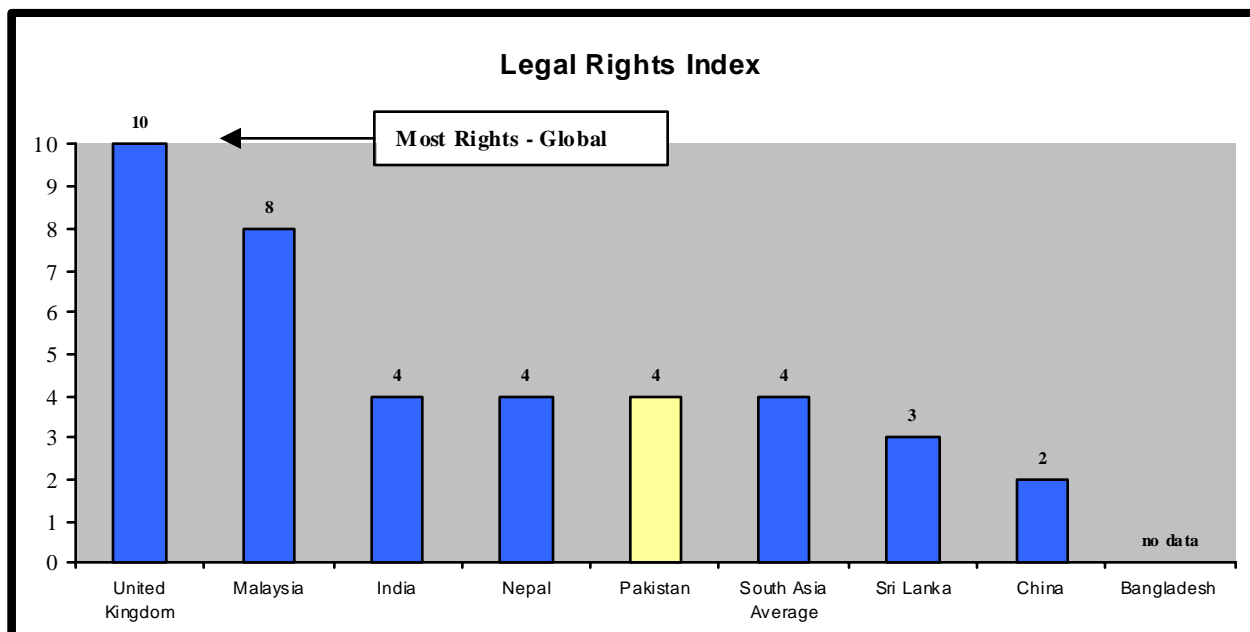
Access to credit may be expanded significantly by credit registries - institutions that gather and disseminate information on credit histories. The information-sharing role of credit registries helps lenders to assess risk and allocate credit more efficiently, which means that entrepreneurs don't need to rely on only personal relations when trying to obtain credit. The indicators report whether public credit registries or private credit bureaus operate and the amount of credit information they cover. An index of the extent to which the rules of credit information registries facilitate lending is constructed on the basis of: scope of information distributed; ease of access to information and quality of information. The data were obtained from surveys of public and private credit registries.

Effective regulations on secured lending - through collateral and bankruptcy laws - are another institutional solution to credit constraints. With collateral, a lender can seize and sell the borrower's secured assets upon default of a loan, which limits the potential losses of a lender and acts as a screening device of borrowers.

The legal rights indicator measures ten powers of borrowers and creditors in collateral and bankruptcy laws, including whether: general rather than specific descriptions of assets and debt are permitted in collateral agreements (expanding the scope of assets and debt covered); any legal or natural person may grant or take security over business credits; a unified registry including charges over movable property operates; security provides priority both in and outside bankruptcy; parties may agree on enforcement procedures by contract; creditors may both seize and sell collateral out of court, no automatic stay or "asset freeze" applies upon bankruptcy, and the bankrupt debtor does not retain control of the firm. A minimum score of 0 represents weak legal rights and the maximum score of 10 represents strong legal rights. Data were obtained from by examining collateral and bankruptcy laws and legal summaries, and verified through a survey of financial lawyers.

These two measures are important indicators of well functioning credit markets. Across countries, stronger legal rights and more information sharing are associated with deeper credit markets and lower default rates. Firms in countries with credit registries and strong legal rights are less likely to report obstacles to obtaining finance. And the overall link between the development of financial markets and growth is well established.

Benchmarking— Legal Rights Indicator Pakistan—Compared to Global Best / Selected Other Countries



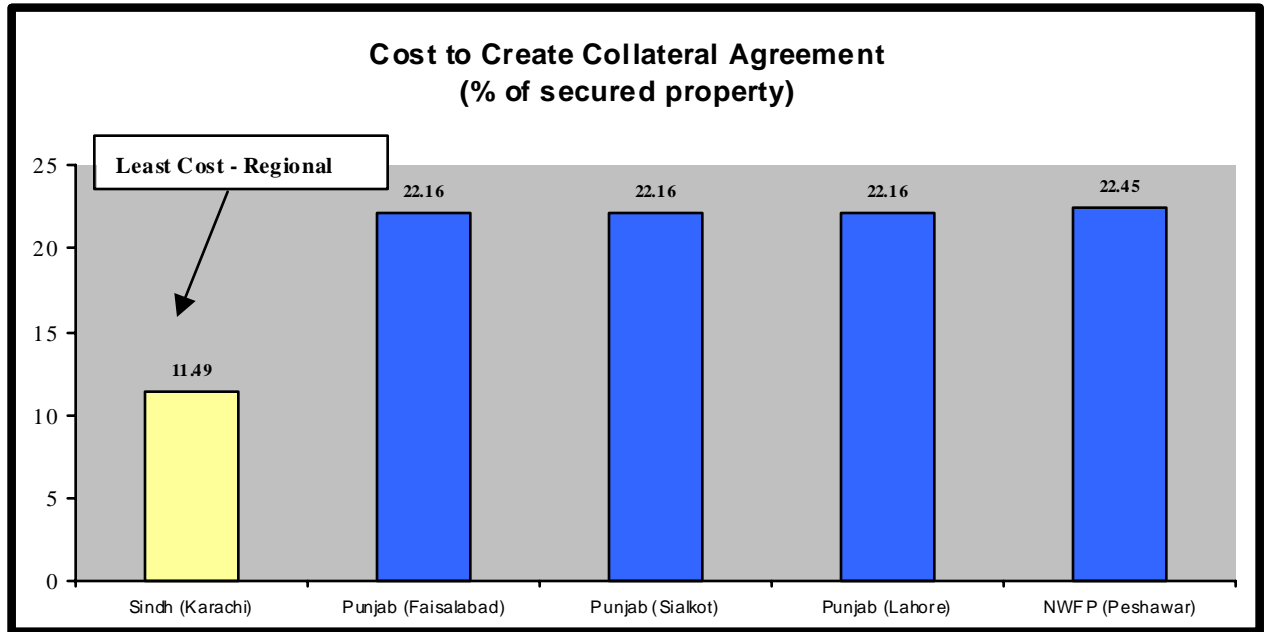
Benchmarking - Credit Information Indicators Pakistan—Compared to Global Best / Selected Other Countries

Country	Public registry coverage (borrowers/1000 adults)	Private bureau coverage (borrowers/1000 adults)	Credit Information Index **
Portugal	637 (highest coverage)	79	5
United States	0	1000 (highest coverage)	6
Malaysia	339	No data	6
S.A. Average	58	4	3
Bangladesh	7	0	3
China	4	0	3
Pakistan	2	3	4
Nepal	1	0	3
Sri Lanka	0	19	2
India	0	0	0

**The index measures whether either public or private credit registries have: both positive information, meaning loans outstanding and payment behavior on accounts in good standing—as well as negative information, meaning defaults and arrears; data on both firms and individuals; data from retailers, utilities and financial institutions; five or more years of historical data preserved, data on all loans above 1% of income per capita, legal guarantees for the consumer's right to inspect their data. The index varies between 0 and 6, with higher values indicating broader information sharing.

Source: Doing Business Database

Benchmarking—Cost to Create Collateral Agreement Pakistan—Compared Across Regions



Source: Doing Business Database

Protecting Investors: Corporate Governance

Enron, Parmalat, Bank of Credit and Commerce International are high profile cases of failures in corporate governance in rich countries. But good corporate governance is just as relevant for entrepreneurs in poor countries that seek equity from business partners. Potential investors everywhere worry about expropriation by controlling owners or managers. Whether in rich or poor countries, the same principles of good corporate governance apply.

Preventing expropriation and exposing it when it occurs, requires legal protection of shareholders, enforcement capabilities, and—the focus of *Doing Business in 2005*—disclosure of ownership and financial information. Whether small investors decide to go to the court, file a complaint with the regulator or feed the information to the media and embarrass the insider, better information disclosure helps.

The database presents an index of disclosure that captures seven ways of enhancing disclosure: whether laws and regulations require reporting (i) family, (ii) indirect and (iii) beneficial ownership; (iv) disclosing information on voting agreements between shareholders; (v) audit committees reporting to the board of directors; (vi) use of external auditors; and (vii) ownership and financial information is publicly available to all current and potential investors. The index varies between 0 and 7, with higher values indicating more disclosure.

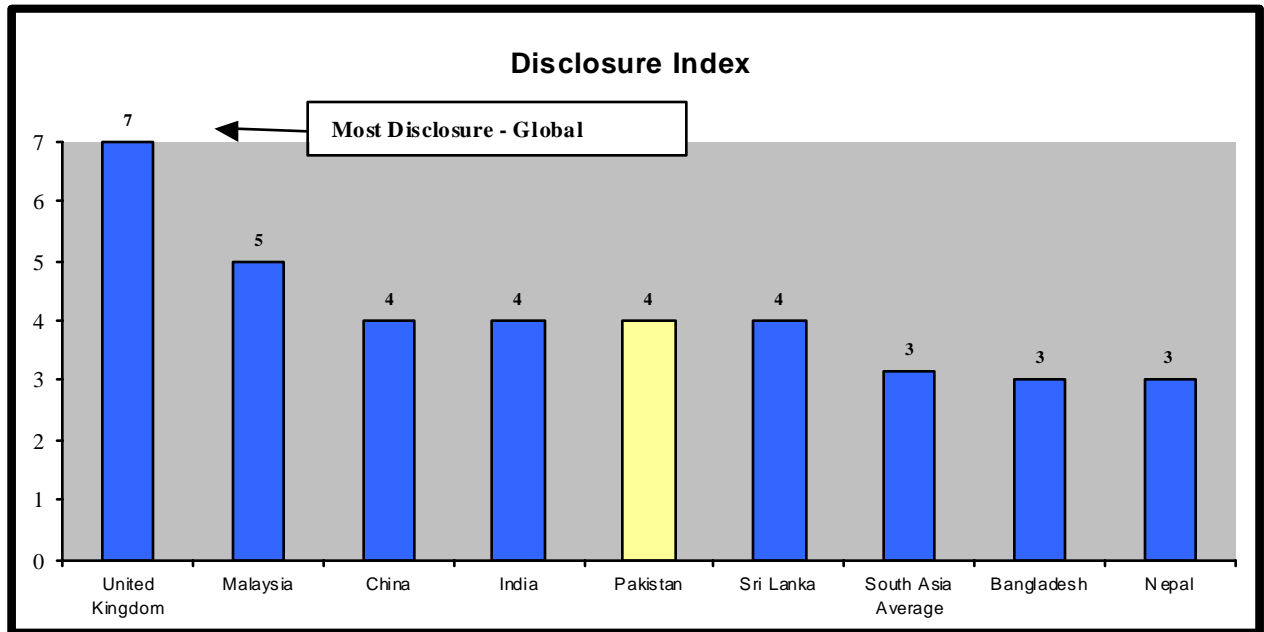
The data come from a survey of corporate and securities lawyers and are based on relevant corporate governance laws and regulations applicable to a standard company. Only general rules—as opposed to those applicable to companies within a particular industry—are considered. In building the data, the highest available level of disclosure is taken into account, reflecting the notion that small investors can put their money in public or private equity. In countries where stock exchange regulations and securities laws are in force, the disclosure index assesses these regulations. In other countries, the disclosure requirements come from the company law. So the indicators are relevant for private companies as well as publicly listed ones.

To make the data comparable across countries, the survey outlines several detailed assumptions about the type of company, including that the company: has a board of directors and a chief executive officer, has only national shareholders, has only invested in the country and has no subsidiaries or operations abroad, and is not involved in the banking, power, telecommunications or insurance industries or any other industry with special regulations.

Investors benefit greatly from better disclosure. So do entrepreneurs. More disclosure is associated with larger equity markets, higher stock turnover and fewer perceived obstacles to obtaining equity finance. If expropriation remains unpunished, few would dare invest in business partnerships or publicly listed companies. The result: businesses would not reach efficient size for lack of financing, and economic growth would be held back.

Benchmarking—Corporate Governance

Pakistan—Compared to Global Best / Selected Other Countries



The index captures seven ways of enhancing disclosure: whether laws and regulations require reporting (i) family, (ii) indirect and (iii) beneficial ownership; (iv) disclosing information on voting agreements between shareholders; (v) audit committees to the board of directors; (vi) use of external auditors; and (vii) ownership and financial information is publicly available to all current and potential investors. The index varies between 0 and 7, with higher values indicating more disclosure.

Source: Doing Business Database.

Enforcing Contracts: Court Efficiency

Contract enforcement is critical for businesses to engage with new borrowers or customers. The institution that enforces contracts between debtors and creditors, suppliers and customers is the courts. In many countries around the world, courts are slow, inefficient, and even corrupt. The evidence here tracks the differences in the efficiency of contract enforcement, looking at simple transactions of relevance to the average firm in everyday business activity.

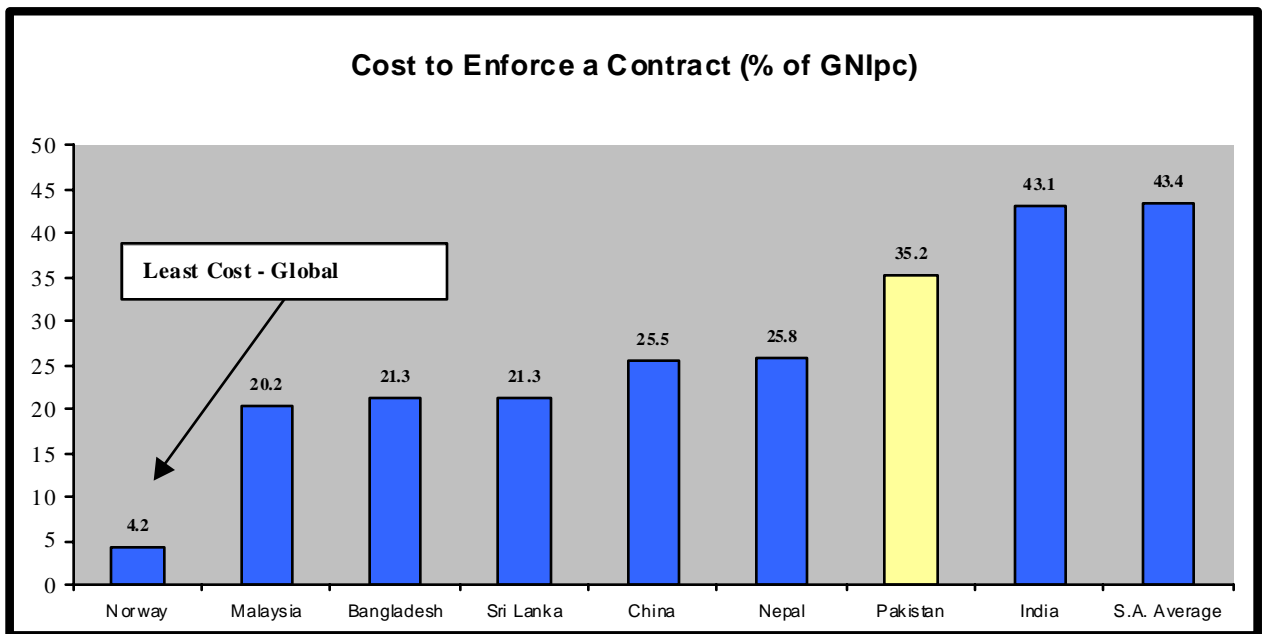
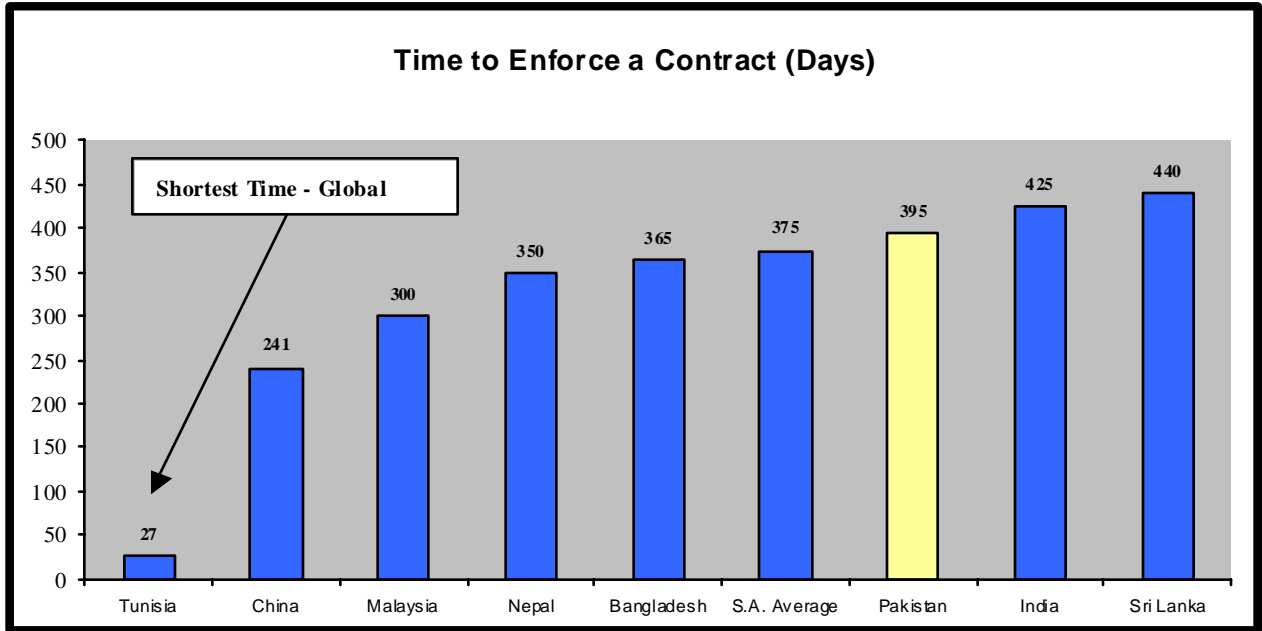
The indicators on contract enforcement are constructed assuming a standardized case of a payment dispute over 200% of income per capita in the country's most populous city. The data track the procedures to recover the debt through the courts (or through an administrative process, if available and preferred by creditors). It is assumed that the plaintiff has fully complied with the contract (plaintiff is 100% right) and files a lawsuit to recover the debt. The debtor attempts to delay and raises opposition to the complaint. The judge decides every motion for the plaintiff. There are no appeals or post-judgment motions. The data are derived from reading of the Codes of Civil Procedures and other court regulations, as well as administering surveys to local litigation attorneys. The respondents are members of the Lex Mundi or Lex Africa association of law firms, with at least two lawyers participating in each country.

Based upon the survey responses, three indicators of the efficiency of commercial contract enforcement are developed. The first indicator is the number of procedures, mandated by law or court regulation, that demand interaction between the parties or between them and the judge or court officer. The second indicator of efficiency is the time—in calendar days—of dispute resolution. Time is measured as the number of days counted from the moment the plaintiff files the lawsuit in court, until the moment of settlement or, when appropriate, payment. This measure includes both the days where actions take place and waiting periods between actions. The third indicator is the official cost of going through court procedures. The cost includes court costs and attorney fees.

Companies that have little or no access to efficient courts must rely on other mechanisms—both formal and informal, such as trade associations, social networks, credit bureaus or private information channels—to decide whom to do business with and under what conditions. Companies may also adopt conservative business practices and deal only with repeat customers. Transactions are then structured to forestall disputes. Whichever alternative is chosen, economic and social value may be lost. The main reason to regulate procedures in commercial dispute resolution is that informal justice is vulnerable to subversion by the rich and powerful. But heavy regulation of dispute resolution has negative consequences. Across countries, the more procedures it takes to enforce a contract, the longer the delays and the higher the cost. Moreover, higher levels of complexity in the procedures to enforce a contract are associated with perceived unfairness, corruption, inconsistency and dishonesty in the judiciary.

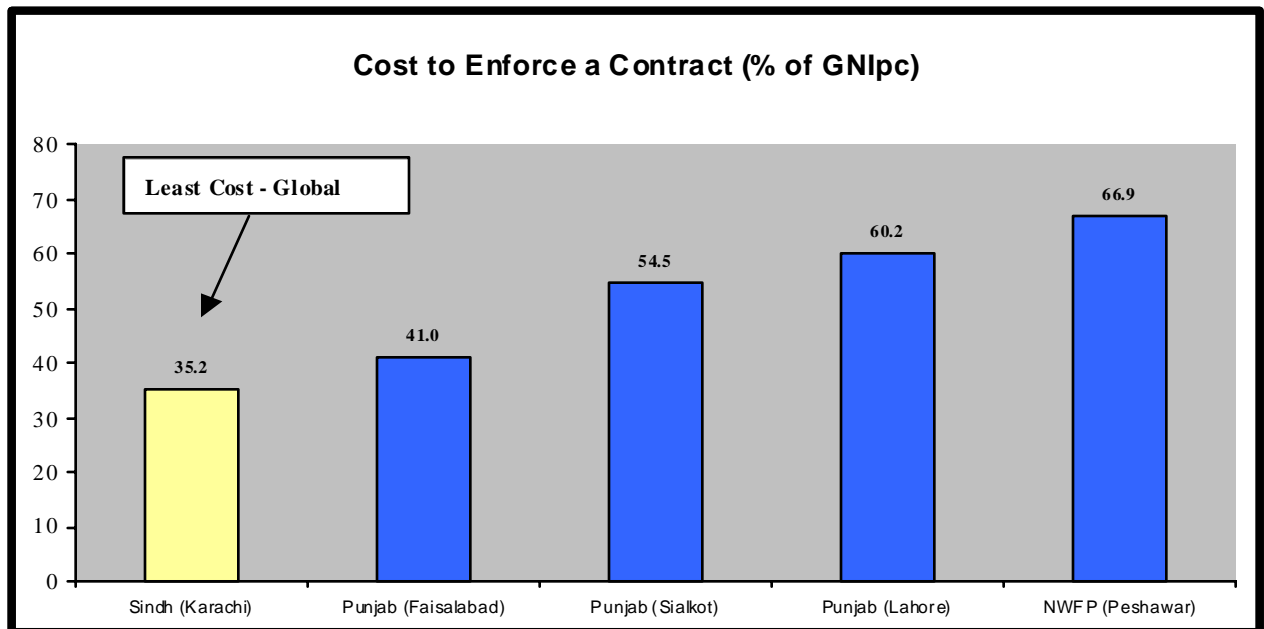
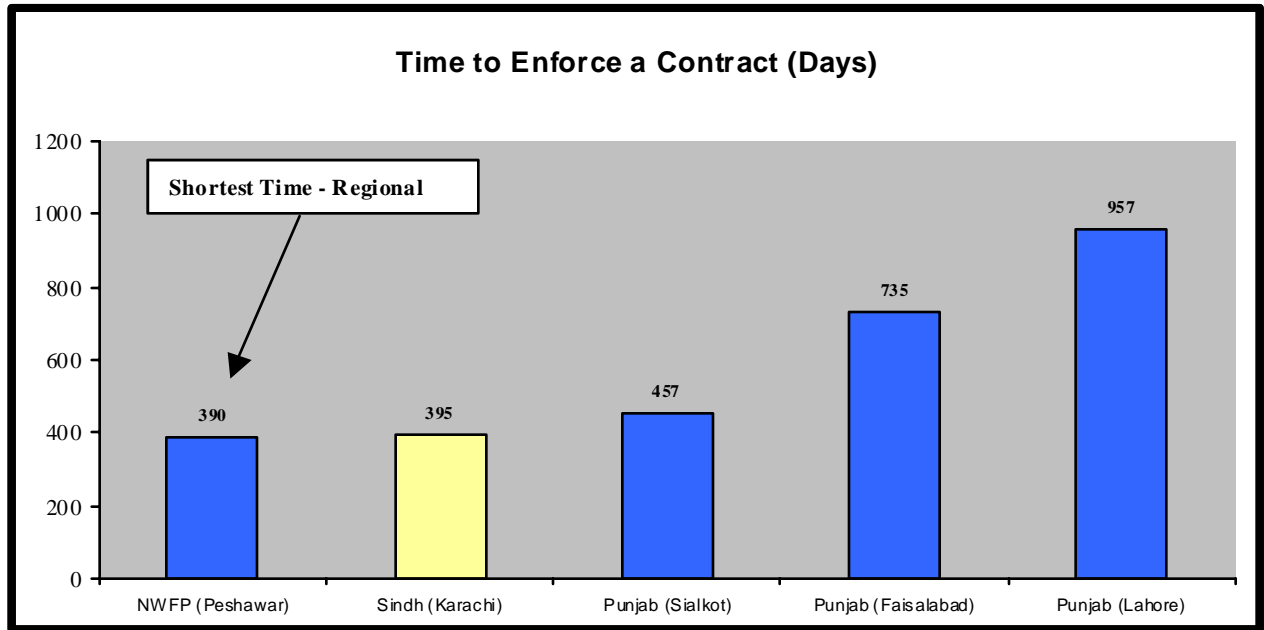
Benchmarking—Contract Enforcement

Pakistan—Compared to Global Best / Selected Other Countries



Source: Doing Business Database.

Benchmarking—Contract Enforcement
Pakistan—Compared Across Regions



Closing a Business: Bankruptcy

Recent economic crises in emerging markets, from East Asia, to Latin America, to Russia and Mexico, have raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down unviable ones. In countries where bankruptcy is inefficient, unviable businesses linger around for years, not allowing assets and human capital to be reallocated to more productive uses. Most often, the bottlenecks in bankruptcy are associated with an inefficient judicial process, and hence the unwillingness of banks and other lenders to push for a formal bankruptcy resolution.

In this set of indicators, the focus is on identifying weaknesses in the bankruptcy law, as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing countries, bankruptcy is so inefficient that creditors hardly ever use it. In such countries, policy reform would best focus on improving contract enforcement outside of bankruptcy.

The indicators are derived from questionnaires answered by attorneys at private law firms and bankruptcy judges. Most respondents are members of the International Bar Association.

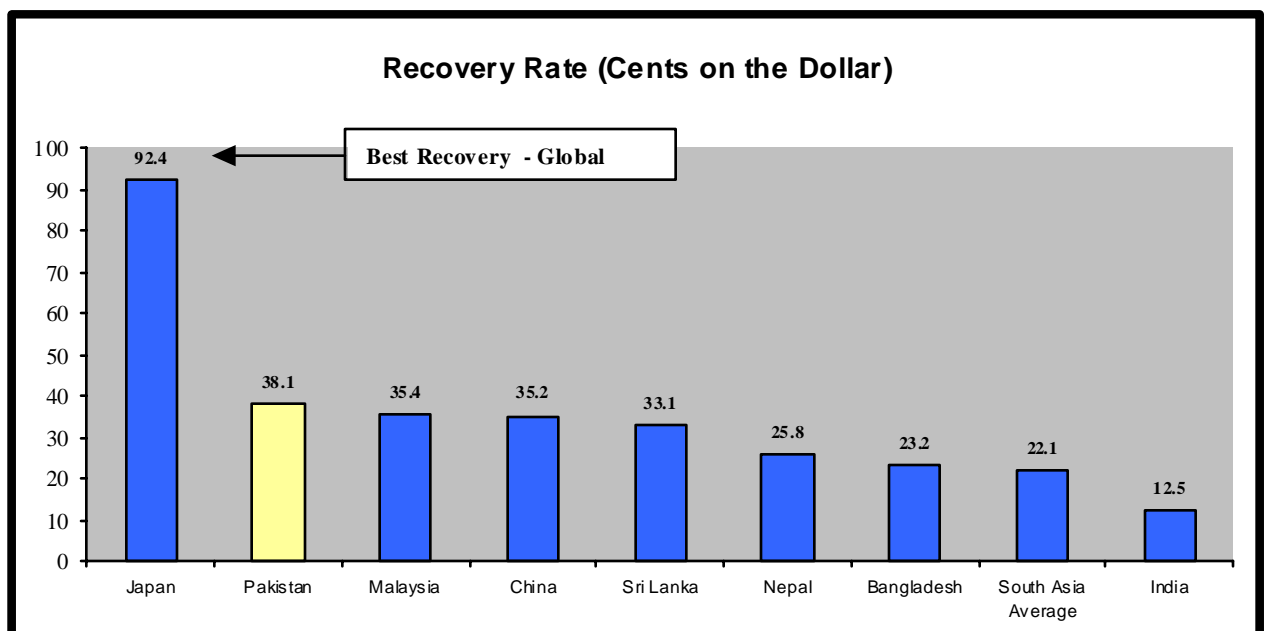
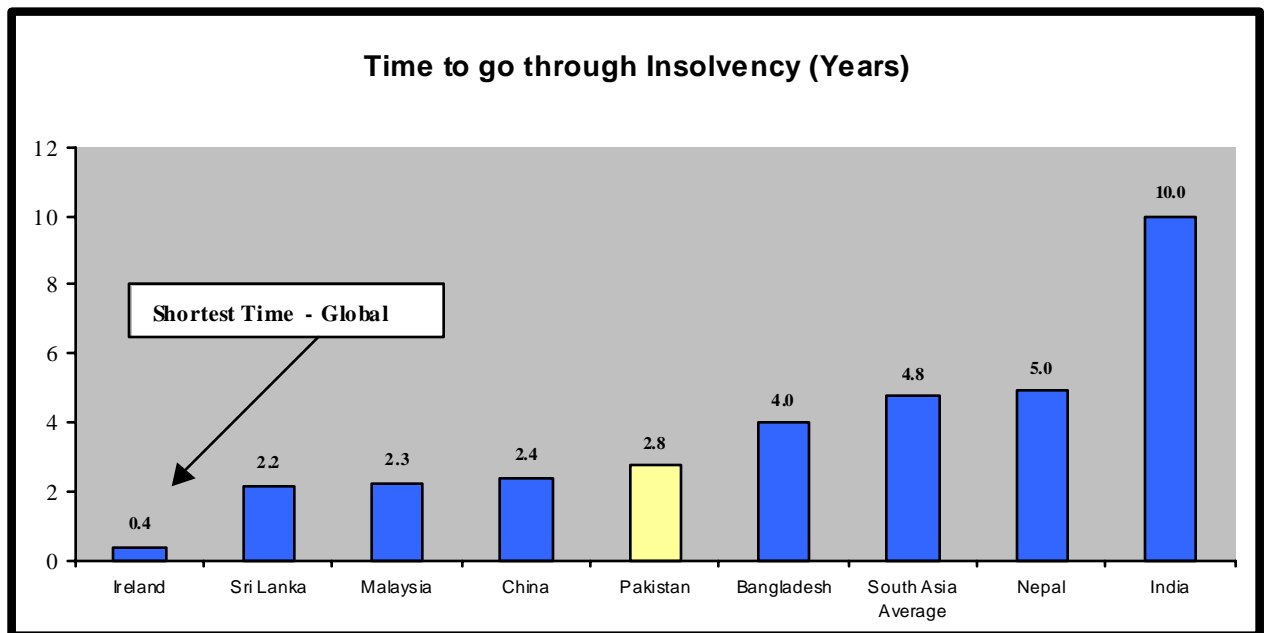
The data track the step-by-step procedures for a standardized company to go through the bankruptcy process. It is assumed that the company is a domestically owned limited liability corporation, operating a hotel in the most populous city. The company has 201 employees, 1 main secured creditor and 50 unsecured creditors. Detailed assumptions about the debt structure and future cash flows are made. It is assumed that the company becomes insolvent on January 1. The case is designed so that the company has a higher value as a going concern—that is, the efficient outcome is either reorganization or sale as a going concern but not piecemeal liquidation.

Three indicators were constructed from the survey responses: the time and cost to go through the insolvency process, and a measure of the proportion of the insolvency estate recovered by stakeholders – taking into account the time, cost, depreciation of assets and the outcome of the insolvency proceeding.

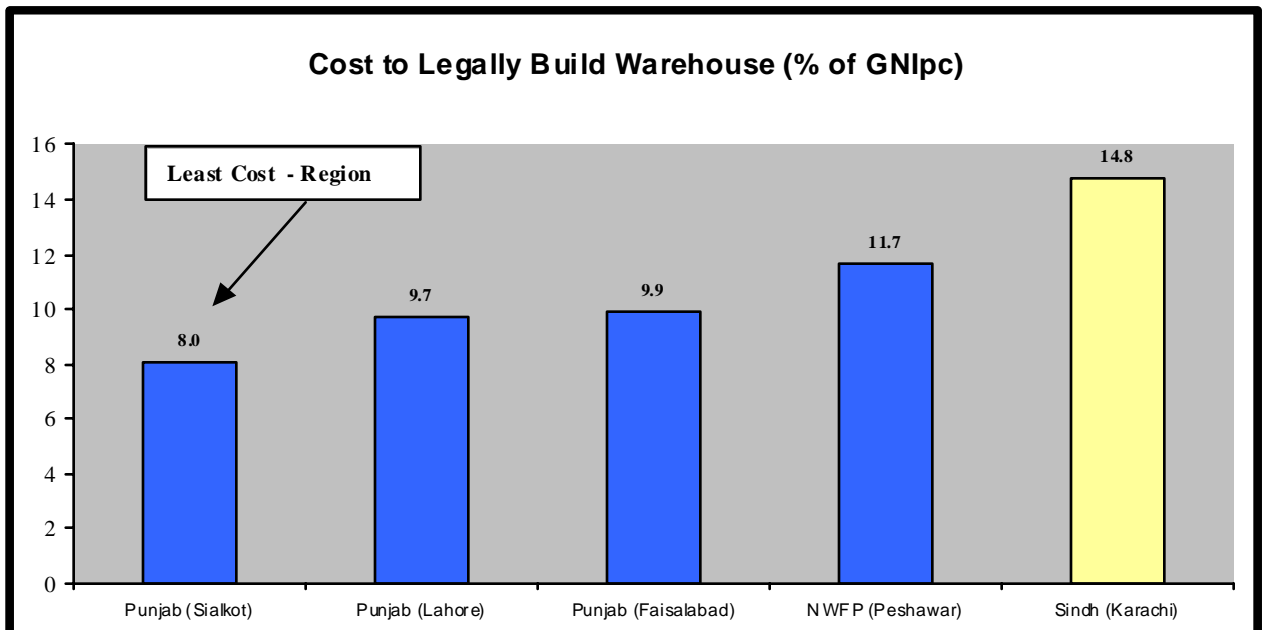
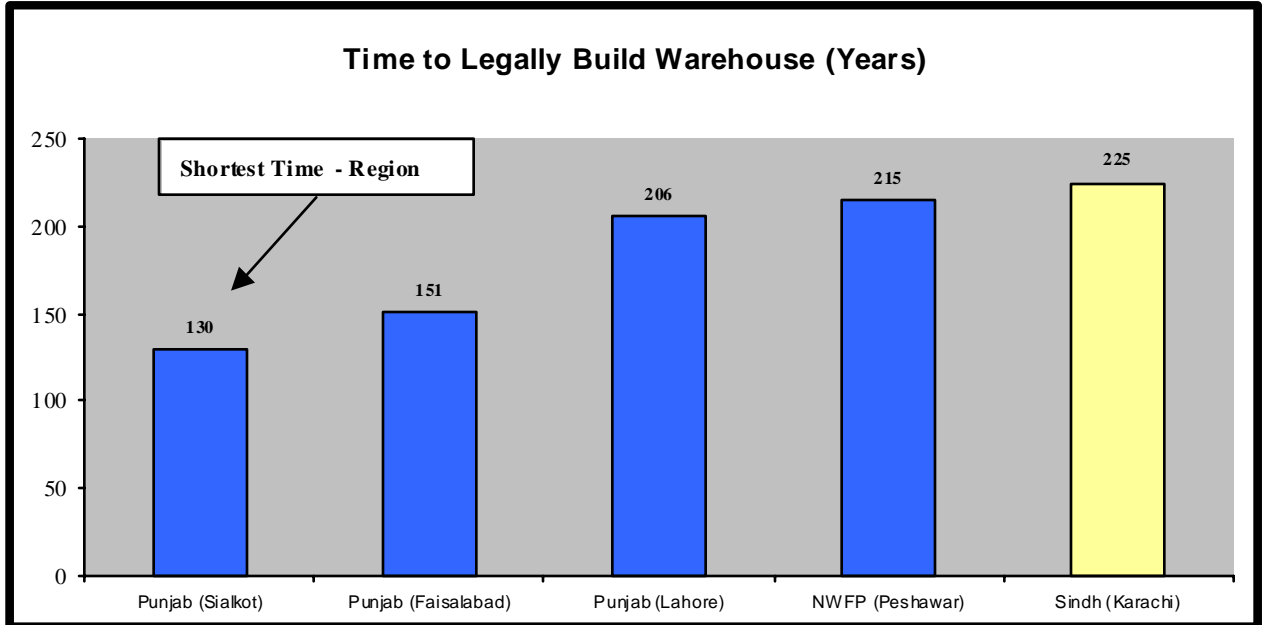
Countries with ill-functioning judiciaries are better off without sophisticated bankruptcy systems. There is a general misperception that bankruptcy laws are needed to enforce creditor rights. In practice, the laws usually exacerbate legal uncertainty and delays in developing countries. Private negotiations of debt restructuring under contract law, the efficient enforcement of secured debt contracts outside insolvency under collateral law, through summary judgments and private enforcement will do better. Bankruptcy law is often oriented towards closing down unviable companies. But sometimes the bias toward discontinuing the business may lead to the premature liquidation of companies in temporary distress—and a loss of value to society.

Benchmarking—Bankruptcy

Pakistan—Compared to Global Best / Selected Other Countries



Benchmarking— Construction Regulations
Pakistan—Compared Across Regions

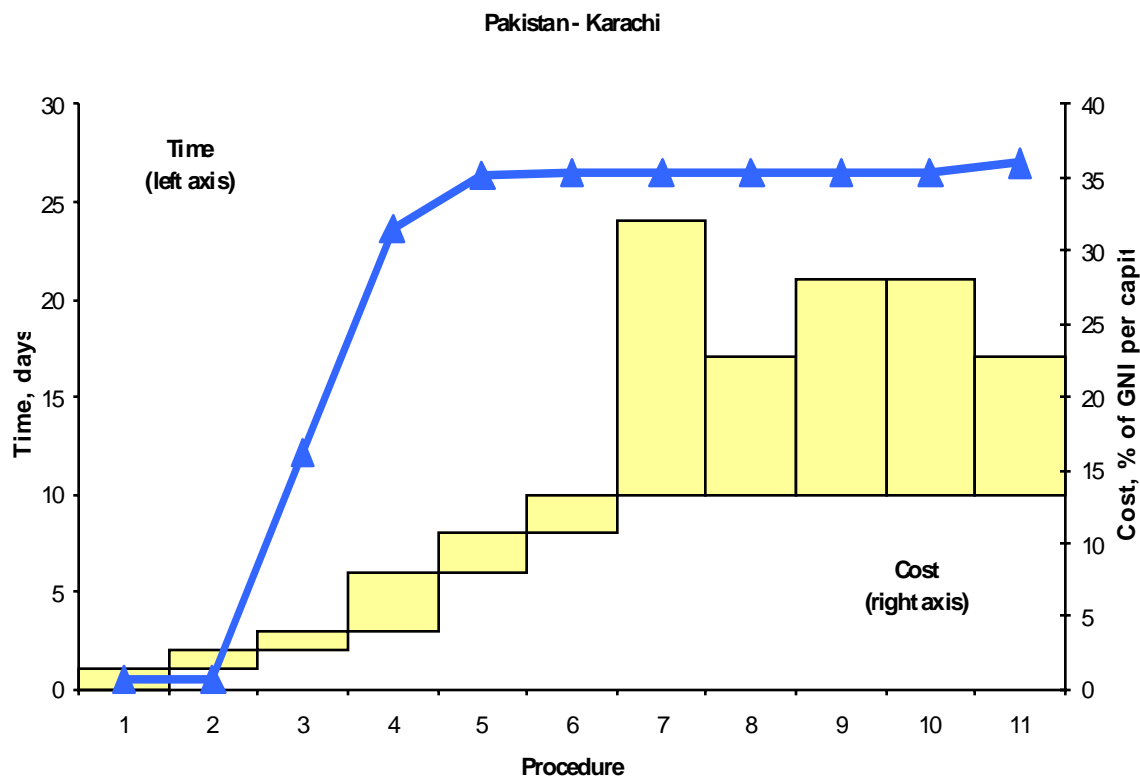


Appendix – Graphs and Procedure Tables

PAKISTAN - Karachi

Entry Regulations

Number of procedures	11
Time (days)	24
Cost (% of income per capita)	36.0
Min. capital (% of income per capita)	0.0



- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Check name for uniqueness 2. Pay bank fee for procedures 1, 3 and 4 3. Stamp memorandum and articles at Treasury 4. Register at Registrar of Companies 5. Make a company seal 6. Apply for a National Tax Number | <ol style="list-style-type: none"> 7. Register for sales tax 8. Register for professional tax* 9. Register with the Employee Social Security Institution* 10. File for old age benefits* 11. Register with Pakistan Shops & Establishment* |
|--|---|

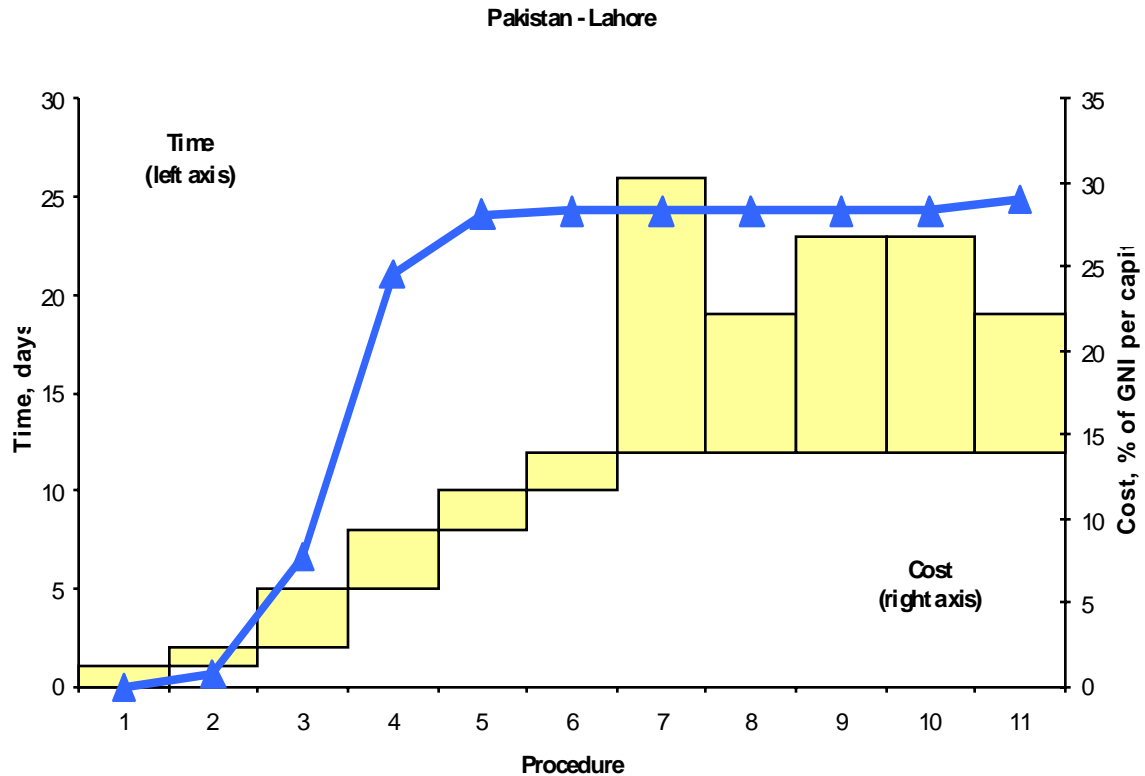
* These procedures can be done simultaneously with the previous one.

Source: Doing Business Database.

PAKISTAN - Lahore

Entry Regulations

Number of procedures	11
Time (days)	26
Cost (% of income per capita)	29.0
Min. capital (% of income per capita)	0.0



- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Check name for uniqueness 2. Pay bank fee for procedures 1, 3 and 4 3. Stamp memorandum and articles at Treasury 4. Register at Registrar of Companies 5. Make a company seal 6. Apply for a National Tax Number | <ol style="list-style-type: none"> 7. Register for sales tax 8. Register for professional tax* 9. Register with the Employee Social Security Institution* 10. File for old age benefits* 11. Register with Pakistan Shops & Establishment* |
|--|---|

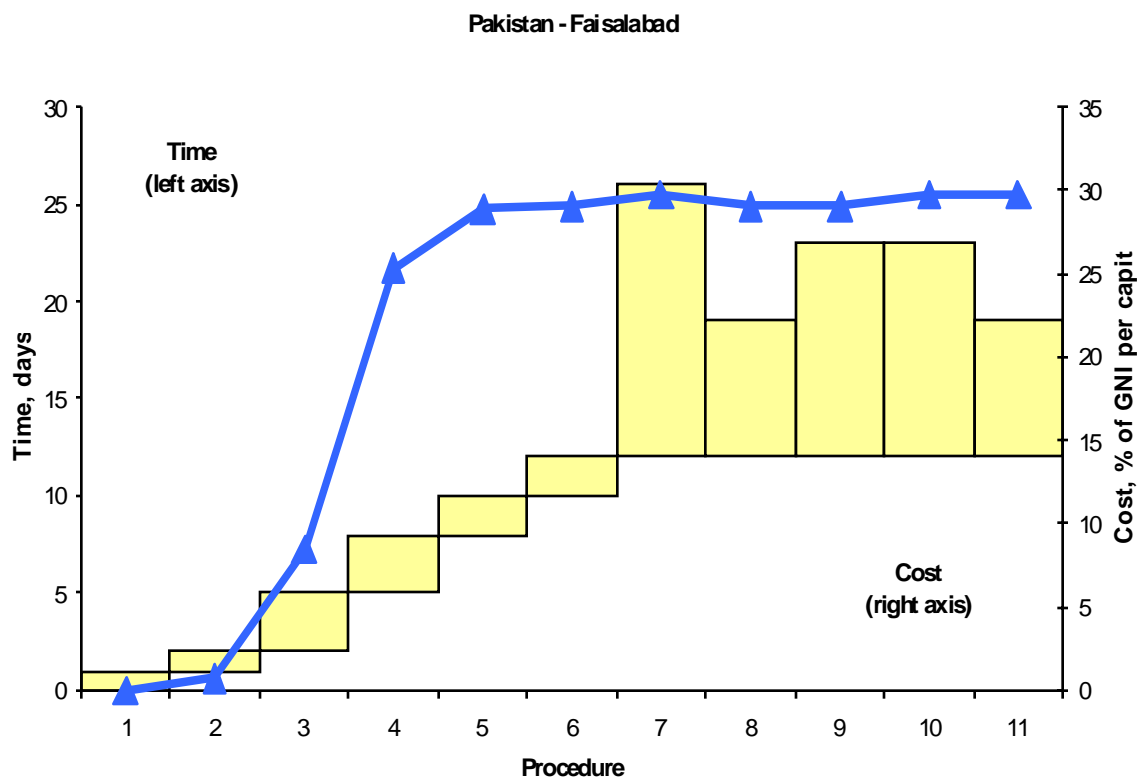
* These procedures can be done simultaneously with the previous one.

Source: Doing Business Database.

PAKISTAN - Faisalabad

Entry Regulations

Number of procedures	11
Time (days)	26
Cost (% of income per capita)	29.7
Min. capital (% of income per capita)	0.0



- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Check name for uniqueness 2. Pay bank fee for procedures 1, 3 and 4 3. Stamp memorandum and articles at Treasury 4. Register at Registrar of Companies 5. Make a company seal 6. Apply for a National Tax Number | <ol style="list-style-type: none"> 7. Register for sales tax 8. Register for professional tax* 9. Register with the Employee Social Security Institution* 10. File for old age benefits* 11. Register with Pakistan Shops & Establishment* |
|--|---|

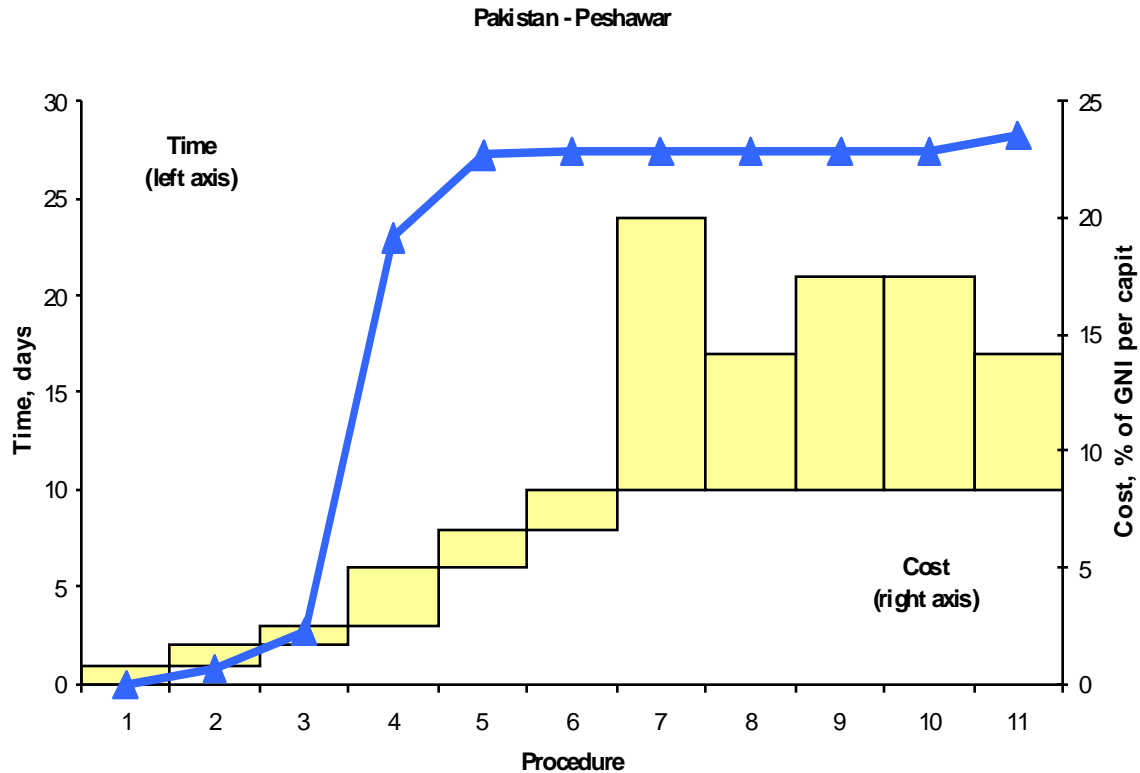
* These procedures can be done simultaneously with the previous one.

Source: Doing Business Database.

PAKISTAN - Peshawar

Entry Regulations

Number of procedures	11
Time (days)	24
Cost (% of income per capita)	23.5
Min. capital (% of income per capita)	0.0



1. Check name for uniqueness
2. Pay bank fee for procedures 1, 3 and 4
3. Stamp memorandum and articles at Treasury
4. Register at Registrar of Companies
5. Make a company seal
6. Apply for a National Tax Number
7. Register for sales tax
8. Register for professional tax*
9. Register with the Employee Social Security Institution*
10. File for old age benefits*
11. Register with Pakistan Shops & Establishment*

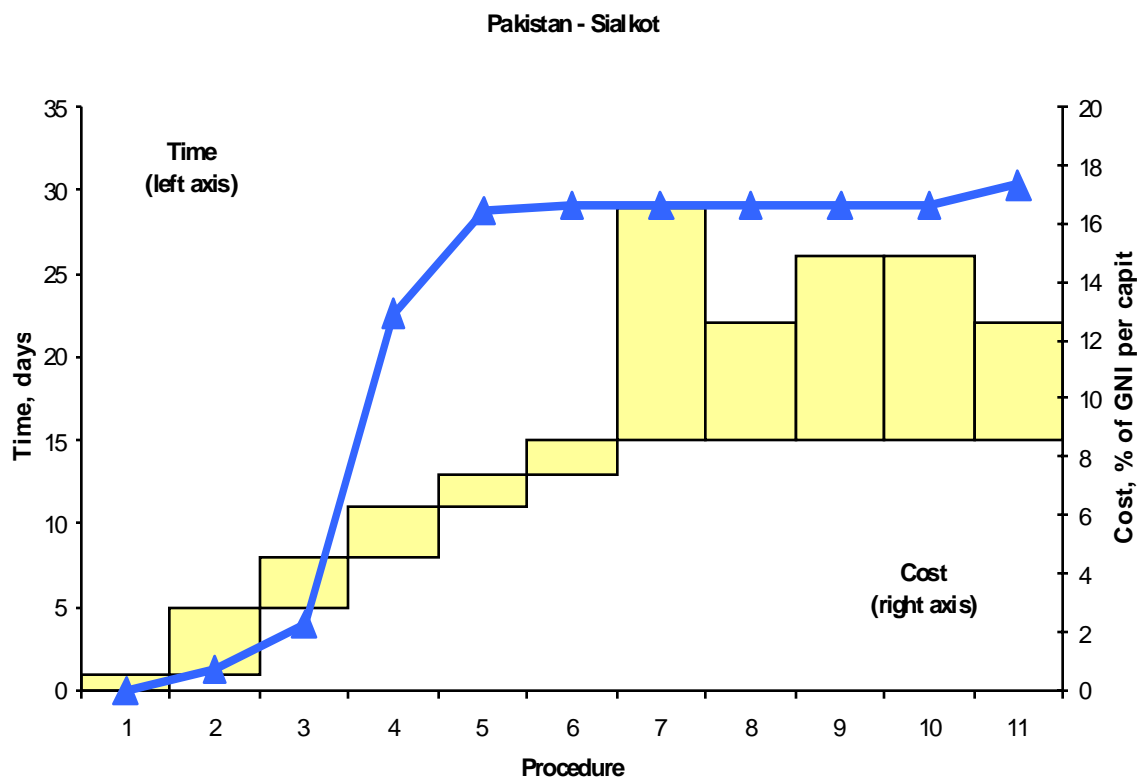
* These procedures can be done simultaneously with the previous one.

Source: Doing Business Database.

PAKISTAN – Sialkot

Entry Regulations

Number of procedures	11
Time (days)	29
Cost (% of income per capita)	17.3
Min. capital (% of income per capita)	0.0



- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Check name for uniqueness 2. Pay bank fee for procedures 1, 3 and 4 3. Stamp memorandum and articles at Treasury 4. Register at Registrar of Companies 5. Make a company seal 6. Apply for a National Tax Number | <ol style="list-style-type: none"> 7. Register for sales tax 8. Register for professional tax* 9. Register with the Employee Social Security Institution* 10. File for old age benefits* 11. Register with Pakistan Shops & Establishment* |
|--|---|

* These procedures can be done simultaneously with the previous one.

Source: Doing Business Database.

Starting a Business - Pakistan

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum capital requirement: N/A

City: Karachi

Registration Requirements:

Procedure 1. Seek the availability of a name proposed for the company from the Registrar of Companies.

Time to complete: 1 day

Cost to complete: Rs. 200

Comment: The company may propose one or more names according to their priority. The name should not be inappropriate, deceptive or designed to exploit or offend any religion. It should neither be identical nor have any close resemblance with the name of any existing companies.

The availability of the name can be checked online by searching the names of the existing companies. Besides there are certain guidelines explaining the prohibition of the use of the name indicating the state sponsorship or association with the national leaders etc. The official confirmation of the availability of the name or otherwise is received by email within 24 hours. This confirmation is enough provided the name searching fee of Rs. 200 is paid into the bank account of the regulatory authority.

Procedure 2. Pay the fee for procedures 1, 3 and 4, and obtain bank receipt/ copy of treasury challans.

Time to complete: 1 day

Cost to complete: no charge

Comment: Pick up treasury challan forms at the counter of the bank and fill out the purpose of the payment; pay the amount due to the official accounts and obtain a copy of the form. The bank sends another copy to the relevant departments.

A copy of the original treasury challan of the amount of the registration and filing fee are to be deposited in the Habib Bank Ltd or the State Bank of Pakistan. The amount is payable under the following headings and account numbers at the stated banks:

- 1200000 Receipts from Civil Administration and other Functions

- 1210000 Receipts from General Administration

- 1213400 Economic Regulations (Receipts under the Companies Ordinance)

Stamp duty is paid to the Sindh Provincial Government.

Procedure 3. Have the Memorandum and Articles of Association stamped at the Treasury and obtain stamp paper on which the Declaration of Compliance will be drafted

Time to complete: 1 day

Cost to complete: 0.1% of authorized capital + Rs. 100 + Rs. 2000 per document, 2 documents, if the nominal/authorized capital does not exceed Rs.500,000/-)

Comment: The original copy of the Memorandum and Articles of Association has to be stamped according to the Stamp Act of the relevant province of Pakistan in which the company is proposed to be registered. There is a Stamp Act prescribing the adhesive stamps to be affixed on the first page of the documents before they are executed. The unsigned copy of the Memorandum and Articles of Association is submitted to the Stamp Office of the provincial government dealing with the stamp along with the proof of payment in the bank account of the Treasury and the documents are returned duly stamped the same afternoon.

The Declaration of Compliance is on a stamp paper issued under the Stamp Act. The cost of the stamp paper on which the Declaration of Compliance is to be typed is Rs. 200/- only. It is in the form prescribed by the Companies Rules framed under the Companies Ordinance 1984. The declaration can be signed either by the attorney, lawyer, accountant or any persons associated with the incorporation of the company. The reference is to the persons subscribing to the Memorandum and Articles of Association initially.

The stamps fees have been changed in late 2003 to following rates:
 - memorandum of association Rs. 2,000
 - Articles of Association
 with an authorized capital exceeding Rs. 500,000: Rs. 1,000/-;
 with an authorized capital less than Rs. 500,000: Rs. 2,000

Procedure 4. Register the company at the Registrar of Companies.

Time to complete: 3 days

Cost to complete: Rs. 4,350 (=Rs. 3,500 + Rs. 200, filing fee per document, 4 documents + Rs.50 for the Certificate of Registration)

Comment: The following documents are required for incorporating a private company:

1. Form-1 (Declaration of Compliance), signed by: (1) An advocate that is entitled to appear before any High Court in Pakistan or the Supreme Court; or (2) A qualified Chartered Accountant (Member of ICAP or ICMAP) practicing in Pakistan; or (3) A person named in the Articles of Association as a Director or other officers.

Also attached: Three copies of Memorandum & Articles of Association, signed by each member in presence of a witness, and with special stamp pasted.

2. Form-21 (identifying the location of the office)

3. Form-29 (Particulars of Directors, Secretary, Chief Accountant, Auditors, etc).

The copy of the National Identity Card of the subscriber is required to submit along with the documents.

It is not mandatory to hire a lawyer or accountant to get a company incorporated but it is generally preferred for ease of accomplishment. Any of the initial subscriber to the Memorandum of Association has to declare that all the formalities in connection with the incorporation of the company stand completed before the certificate of incorporation is issued.

The fee of incorporation is reduced recently. The schedule for the registration fee is:

Authorized Capital	Fees
For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of ...	500
For registration of a company whose nominal share capital exceeds 100,000 rupees, a fee of two thousand five hundred rupees, along with an additional fee to be determined according to the amount of nominal share capital as follows, namely:-	

- | | | |
|------|---|-----|
| (i) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 100,000 rupees, up to 5,000,000 rupees, a fee of . | 500 |
| (ii) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 5,000,000 rupees, a fee of | 250 |

Provided that for registration of a company the total amount of fee to be paid shall not exceed ten million rupees.

A new concept of Single Member Company (SMC) has been introduced in the year 2002, which has been implemented in the year 2003. Now a single member can also form a company under the rules of single member Company. A single member has to have specified Articles of Association. The standard provisions of the Articles of Association are available at the Registration Office. The appointment of a qualified company secretary is mandatory for the Single Member Company, which is not required in the case of the other non-listed company. The member can convert the Single Member Company into a multiple member company subject to passing of special resolution. Other documents, procedure of registration and fees schedule remained same as for Private Limited Company.

Procedure 5. Make a company seal.

Time to complete: 2 days

Cost to complete: Rs. 1000

Comment: Common seal is prepared after certificate of incorporation is obtained. It is affixed on the documents of significant nature in accordance with the provision of the Articles of Association.

Procedure 6. Apply for a National Tax Number (NTN) and register for the income tax.

Time to complete: 2 days

Cost to complete: Rs. 50

Comment: Every company is required to have the National Tax Number by providing the proof of registration, the Memorandum and Articles of Association of the Company, bank account number, NTN of its directors and the proof of relationship with the registered business address. All documents required due at a station by a Class-I of Gazette Officer or an Officer of a Bank. A company can start its business activities without even first obtaining the NTN but it is generally required by all the registering authorities like Chambers of Commerce, Import Export Regulatory Authority, utility authority etc. There is a uniform number of the NTN allotted by the NTN Branch (centralized for the whole of Pakistan) at Islamabad. The necessary form along with documents and duly verified are submitted to the same NTN Center after obtaining the incorporation of the company. The center quickly processes the application and issues the NTN within one week. The certificate is sent to the registered address of the applicant. In case it is not delivered at the postal address, the same can be enquired from the NTN center over the phone and its status is communicated instantly. The undelivered NTN certificate can be collected from the specified office of the CBR distinct from the NTN center.

The income tax is paid at the time of the filling of the return which is within six months from the end of the financial year of the company which is generally the June ending. Besides, the workers welfare fund at 2.5% is charged at the time of the income tax assessment by the income tax department. The company is also supposed to act as a Tax Withholding Agent for the state and deduct and deposit tax on most of the payments made by it in connection with the activities of its business. For this purpose, it is also required to file monthly returns to the tax authorities.

Companies can go to the Internet to find out the status of the processing within 24 hours of the application. Meanwhile, since 2002, NTN are issued with a continuous valid term. Companies no longer need to renew their NTN.

Procedure 7. Register for sales tax

Time to complete: 14 days

Cost to complete: no charge

Comment: The registration is with the national tax authority, but a different division from the income tax. The application is filed with the registering wing of the sales tax directorate. The documents are filed and scrutinized, and an official visit follows on the premises of the application for the purposes of the verification of the address and particulars of the prospective tax payer. This takes a long time and is cumbersome.

The following documents (duly attested by Chamber of Commerce & Industries, President / Chairman of the Concerned Association, Any Assistant Collector of Sales Tax or Superintendent of Registration) are required to file to the authority for registration:

- (i) Filling of the Form, signed by any one director & rubber stamp.
 - (ii) NIC of the director, who is signing the application form.
 - (iii) NTN Certificate or photocopy & original of Income Tax Assessment Order for the last year.
 - (iv) Certificate of appointment as Distributor.
 - (v) Latest Bank Certificate along with financial worth.
 - (vi) Declaration of home address and details of all properties owned.
 - (vii) Attested documents of ownership or lease or Certificate of the business / manufacturing premises. In case of leased / rented premises NOC from landlord.
 - (viii) Memorandum and Articles of Association and Certificate of Incorporation and or business commencement certificate.
 - (ix) Photocopies of utility bills of the premises in the name of applicant or landlord.
 - (x) Proof of any letter received on the declared address in the application form.
- List of Machinery (if manufacturer).

Procedure 8. Register for the Professional Tax with the local tax authority

Time to complete: 7 days (simultaneous with the previous procedure)

Cost to complete: no charge

Comment: Professional tax is a yearly tax and is paid just for existence irrespective of paid up capital or turnover in smaller companies. The scale goes up with the increase in these two. It may range from Rs. 5,000/- to 100,000/- depending on the province of registration and other criteria. The department generally obtains the list from the Registrar for the purposes of the issuing the payment challans. Before a challan is issued, a proforma is served on the company asking for certain details which are used for the assessment. There are no registration fees etc for the professional

tax. The professional tax is not deducted at source rather it is paid into the bank account of the concerned department after assessment and issuance of the challan.

No local taxes except for professional tax are charged from a company. A manufacturing unit owning fixed assets may have to pay certain local levies on its fixed assets. There is no registration for the latter.

In practice, taxpayers usually do not register for the tax voluntarily unless the tax authority chases them to do so.

Procedure 9. Register with the Employee Social Security Institution

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The employment tax or social security registration is not mandatory, but subject to notification in the Official Gazette. The Social Security Institute (SSI) is managed by the provincial governments and charges are levied on the employers, whether incorporated or not, at 7% of wages upto Rs.3,000 per month. Workers Children (Education) Ordinance, 1972. Every employer of an establishment in which the number of workers employed at any time during a year is ten or more shall pay to the Provincial Government an education cess at the rate of one hundred rupees per worker per annum. The levy is used for providing education free of costs two (2) children of every worker employed in the establishment.

Procedure 10. Register for old age benefits with Employees Old-Age Benefits Institution (EOBI).

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The provisions of Employees' Old-Age Benefits Act, 1976 automatically apply to every industry or establishment wherein ten or more persons are employed by the employer directly or through any other person, or were so employed on any day during the preceding twelve months and shall continue to apply to every such industry or establishment even if the numbers of persons employed therein is, at any time after the Act becomes applicable to it is reduced to less than ten. From 1st day of July 2001, an insured person is required to pay his personal contribution at the rate of Rs.20 only per month and not Rs.50 as printed.

Procedure 11. Register with Pakistan Shops & Establishment Ordinance, 1969

Time to complete: 7 days

Cost to complete: Rs. 200

Comments: Every establishment and factories employing clerical staff within the factory premises other than a one-man shop shall be registered with the Deputy Chief Inspector for the area within which such establishment is situated. Any application for registration of an establishment under section 24 of West Pakistan Shops & Establishment Ordinance, 1969 shall be made by the employer in form "A" and shall be accompanied by a Treasury challan - Receipts under the West Pakistan Shops and Establishments Ordinance, 1969. An application for registration of an establishment shall be made within two months of the setting up of the establishment. On receipt of application and the fees, the Deputy Chief Inspector shall, on being satisfied about the correctness of the application, register the establishment in the Register of Establishment to be maintained in Form "B" and shall issue

Registration Certificate to the employer in Form "C".

Starting a Business - Pakistan

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum capital requirement: N/A

City: Lahore (Punjab)

Registration Requirements:

Procedure 1. Pay the fee for procedures 2, 3 and 4, and obtain bank receipt/ copy of treasury challans.	
Time to complete: 1 day	
Cost to complete: no charge	
Comment:	Pick up Payment <i>Challan</i> forms at the counter of the bank and fill out the purpose of the payment; deposit the amount due to the official accounts and obtain a copy of the form. The bank sends another copy to the relevant departments.
A copy of the original treasury challan of the amount of the registration and filing fee are to be deposited in the Habib Bank Ltd or the State Bank of Pakistan. The amount is payable under the following headings and account numbers at the stated banks:	
<ul style="list-style-type: none"> - 1200000 Receipts from Civil Administration and other Functions - 1210000 Receipts from General Administration - 1213400 Economic Regulations (Receipts under the Companies Ordinance) 	
Procedure 2. Seek the availability of a name proposed for the company from the Registrar of Companies.	
Time to complete: 1 day	
Cost to complete: Rs. 200	
Comment:	The company may propose one or more names according to their priority. The name should not be inappropriate, deceptive or designed to exploit or offend any religion. It should neither be identical nor have any close resemblance with the name of any existing companies.
The availability of the name can be checked online by searching the names of the existing companies. Besides there are certain guidelines explaining the prohibition of the use of the name indicating the state sponsorship or association with the national leaders etc. The official confirmation of the availability of the name or otherwise is received by email within 24 hours. This confirmation is enough provided the name searching fee of Rs. 200 is paid into the bank account of the regulatory authority.	
Procedure 3. Affix the stamp duty on the Memorandum and Articles of Association and obtain stamp paper on which the Declaration of Compliance will be drafted	
Time to complete: 3 days	
Cost to complete: see comment, normally it is Rs. 2000/-	
Comment:	The original copy of the Memorandum and Articles of Association has to be stamped according to the Stamp Act of the Punjab Province. The stamp duty prescribed in the relevant table of the respective provincial government has to be affixed by procuring and affixing the adhesive stamps on the first page of the documents before they are executed. Stamp duty is paid to the Government of Punjab.

The Declaration of Compliance is on a stamp paper issued under the Stamp Act. The cost of the stamp paper on which the Declaration of Compliance is to be typed is Rs. 200/- only. It is in the form prescribed by the Companies Rules framed under the Companies Ordinance 1984. The declaration can be signed either by the attorney, lawyer, accountant or any persons associated with the incorporation of the company. The reference is to the persons subscribing to the Memorandum and Articles of Association initially.

The stamps fees are as follows:

Memorandum 100 rupees plus one rupee per 100 rupee or part thereof subject to the maximum of Rs. 1000

Article 100 rupees plus ten paisas (100 paisas = 1 rupee) per hundred of the amount of share capital subject to maximum of rupees 1000

The payment of Stamp duty for the Memorandum and Articles of Association of a company has been exempted in the Province of Punjab under the Punjab Finance Act, 2004.

Procedure 4. Register the company at the Registrar of Companies.

Time to complete: 3 days

Cost to complete: registration fee + Rs. 200, filing fee per document, 4 documents + Rs.50 for the Certificate of Registration

Comment: The following documents are required for incorporating a private company:

1. Form-1 (Declaration of Compliance), signed by: (1) An advocate that is entitled to appear before any High Court in Pakistan or the Supreme Court; or (2) A qualified Chartered Accountant (Member of ICAP or ICMAP) practicing in Pakistan; or (3) A person named in the Articles of Association as a Director or other officers.

Also attached: Three copies of Memorandum & Articles of Association, signed by each member in presence of a witness, and with special stamp pasted.

2. Form-21 (identifying the location of the office)

3. Form-29 (Particulars of Directors, Secretary, Chief Accountant, Auditors, etc).

The copy of the National Identity Card of the subscriber is required to submit along with the documents.

It is not mandatory to hire a lawyer or accountant to get a company incorporated but it is generally preferred for ease of accomplishment. Any of the initial subscriber to the Memorandum of Association has to declare that all the formalities in connection with the incorporation of the company stand completed before the certificate of incorporation is issued.

The fee of incorporation is reduced recently. The schedule for the registration fee is:

Authorized Capital	Fees
For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of ...	2,500
For registration of a company whose nominal share capital exceeds 100,000 rupees, a fee of two thousand five hundred rupees, along with an additional fee to be determined according to the amount of nominal share capital as follows, namely:-	

- | | | |
|-------|---|-----|
| (iii) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 100,000 rupees, up to 5,000,000 rupees, a fee of . | 500 |
| (iv) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 5,000,000 rupees, a fee of | 250 |

Provided that for registration of a company the total amount of fee to be paid shall not exceed ten million rupees.

The standard provisions of the Articles of Association are available at the Registration Office.

Procedure 5. Make a company seal.

Time to complete: 2 days

Cost to complete: Rs. 1000

Comment: Common seal is prepared after certificate of incorporation is obtained. It is affixed on the documents of significant nature in accordance with the provision of the Articles of Association.

Procedure 6. Apply for a National Tax Number (NTN) and register for the income tax.

Time to complete: 2 days

Cost to complete: Rs. 50

Comment: Every company is required to have the National Tax Number by providing the proof of registration, the Memorandum and Articles of Association of the Company, bank account number, NTN of its directors and the proof of relationship with the registered business address. All documents required due at a station by a Class-I of Gazette Officer or an Officer of a Bank. A company can start its business activities without even first obtaining the NTN but it is generally required by all the registering authorities like Chambers of Commerce, Import Export Regulatory Authority, utility authority etc. There is a uniform number of the NTN allotted by the NTN Branch (centralized for the whole of Pakistan) at Islamabad. The necessary form along with documents and duly verified are submitted to the same NTN Center after obtaining the incorporation of the company. The center quickly processes the application and issues the NTN within one week. The certificate is sent to the registered address of the applicant. In case it is not delivered at the postal address, the same can be enquired from the NTN center over the phone and its status is communicated instantly. The undelivered NTN certificate can be collected from the specified office of the CBR distinct from the NTN center.

The income tax is paid at the time of the filling of the return which is within six month from the end of the financial year of the company which is generally the June ending. Besides, the workers welfare fund at 2.5% is charged at the time of the income tax assessment by the income tax department. The company is also supposed to act as a Tax Withholding Agent for the state and deduct and deposit tax on most of the payments made by it in connection with the activities of its business. For this purposes, it is also required to file monthly returns to the tax authorities.

Companies can go to the Internet to find out the status of the processing within 24 hours of the application.

Procedure 7. Register for sales tax

Time to complete: 14 days

Cost to complete: no charge

Comment: The registration is with the national tax authority, but a different division from the income tax. The application is filed with the registering wing of the sales tax directorate. The documents are filed and scrutinized, and an official visit follows on the premises of the application for the purposes of the verification of the address and particulars of the prospective tax payer. This takes a long time and is cumbersome.

The following documents (duly attested by Chamber of Commerce & Industries, President / Chairman of the Concerned Association, Any Assistant Collector of Sales Tax or Superintendent of Registration) are required to file to the authority for registration:

- (xi) Filling of the Form, signed by any one director & rubber stamp.
 - (xii) NIC of the director, who is signing the application form.
 - (xiii) NTN Certificate or photocopy & original of Income Tax Assessment Order for the last year.
 - (xiv) Certificate of appointment as Distributor.
 - (xv) Latest Bank Certificate along with financial worth.
 - (xvi) Declaration of home address and details of all properties owned.
 - (xvii) Attested documents of ownership or lease or Certificate of the business / manufacturing premises. In case of leased / rented premises NOC from landlord.
 - (xviii) Memorandum and Articles of Association and Certificate of Incorporation and or business commencement certificate.
 - (xix) Photocopies of utility bills of the premises in the name of applicant or landlord.
 - (xx) Proof of any letter received on the declared address in the application form.
- List of Machinery (if manufacturer).

Under the new regime, a simple application for Registration for Sales Tax through the form (scanned image of form attached herewith for ready reference) provided by the Sales Tax Authority is to be filed with the Authority, with all relevant information as required therein, which shall be double checked by the authority through the applicants relevant information available online with other departments.

Procedure 8. Register for the Professional Tax with the local tax authority

Time to complete: 7 days (simultaneous with the previous procedure)

Cost to complete: no charge

Comment: Professional tax is a yearly tax and is paid just for existence irrespective of paid up capital or turnover in smaller companies. The scale goes up with the increase in these two. It may range from Rs. 5,000/- to 100,000/- depending on the province of registration and other criteria. The department generally obtains the list from the Registrar for the purposes of the issuing the payment challans. Before a challan is issued, a proforma is served on the company asking for certain details which are used for the assessment. There are no registration fees etc for the professional tax. The professional tax is not deducted at source rather it is paid into the bank account of the concerned department after assessment and issuance of the challan.

No local taxes except for professional tax are charged from a company. A manufacturing unit owning fixed assets may have to pay certain local levies on its fixed assets. There is no registration for the latter.

In practice, taxpayers usually do not register for the tax voluntarily unless the tax authority chases them to do so.

Procedure 9. Register with the Employee Social Security Institution

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The employment tax or social security registration is not mandatory, but subject to notification in the Official Gazette. The Social Security Institute (SSI) is managed by the provincial governments and charges are levied on the employers, whether incorporated or not, at 7% of wages upto Rs.3,000 per month. Workers Children (Education) Ordinance, 1972. Every employer of an establishment in which the number of workers employed at any time during a year is ten or more shall pay to the Provincial Government an education cess at the rate of one hundred rupees per worker per annum. The levy is used for providing education free of costs two (2) children of every worker employed in the establishment.

Procedure 10. Register for old age benefits with Employees Old-Age Benefits Institution (EOBI).

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The provisions of Employees' Old-Age Benefits Act, 1976 automatically apply to every industry or establishment wherein ten or more persons are employed by the employer directly or through any other person, or were so employed on any day during the preceding twelve months and shall continue to apply to every such industry or establishment even if the numbers of persons employed therein is, at any time after the Act becomes applicable to it is reduced to less than ten.

Procedure 11. Register with Pakistan Shops & Establishment Ordinance, 1969

Time to complete: 7 days

Cost to complete: Rs. 200

Comments: Every establishment and factories employing clerical staff within the factory premises other than a one-man shop shall be registered with the Deputy Chief Inspector for the area within which such establishment is situated. Any application for registration of an establishment under section 24 of West Pakistan Shops & Establishment Ordinance, 1969 shall be made by the employer in form "A" and shall be accompanied by a Treasury challan - Receipts under the West Pakistan Shops and Establishments Ordinance, 1969. An application for registration of an establishment shall be made within two months of the setting up of the establishment. On receipt of application and the fees, the Deputy Chief Inspector shall, on being satisfied about the correctness of the application, register the establishment in the Register of Establishment to be maintained in Form "B" and shall issue Registration Certificate to the employer in Form "C".

Note: companies are formed under a Federal Legislature hence the procedure is mostly unified with minor differences of stamp duties, levied under provincial legislation i.e. Stamp Act, 1899 that differ from province to province.

Starting a Business - Pakistan

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum capital requirement: N/A

City: Faisalabad (Punjab)

Registration Requirements:

Procedure 1. Pay the fee for procedures 2, 3 and 4, and obtain bank receipt/ copy of treasury challans.	
Time to complete: 1 day	
Cost to complete: no charge	
Comment:	Pick up Payment <i>Challan</i> forms at the counter of the bank and fill out the purpose of the payment; deposit the amount due to the official accounts and obtain a copy of the form. The bank sends another copy to the relevant departments. Fee can also be paid through Bank Draft and Pay Order favoring the concerned Company Registration Office (CRO).
	A copy of the original Payment <i>Challan</i> of the amount of the registration and filing fee are to be deposited in the Habib Bank Ltd., Corporate Branch, Circle Road Faisalabad. Faisalabad HBL Corporate Branch Account # 10001-7
	The amount is payable under the following headings and account numbers at the stated banks:
	<ul style="list-style-type: none"> - 1200000 Receipts from Civil Administration and other Functions - 1210000 Receipts from General Administration - 1213400 Economic Regulations (Receipts under the Companies Ordinance)
Procedure 2. Seek the availability of a name proposed for the company from the Registrar of Companies.	
Time to complete: 1 day	
Cost to complete: Rs. 200	
Comment:	The company may propose one or more names according to their priority. The name should not be inappropriate, deceptive or designed to exploit or offend any religion. It should neither be identical nor have any close resemblance with the name of any existing companies.
	The availability of the name can be checked online by searching the names of the existing companies. Besides there are certain guidelines explaining the prohibition of the use of the name indicating the state sponsorship or association with the national leaders etc. The official confirmation of the availability of the name or otherwise is received by email within 24 hours. This confirmation is enough provided the name searching fee of Rs. 200 is paid into the bank account of the regulatory authority.
Procedure 3. Affix the stamp duty on the Memorandum and Articles of Association and obtain stamp paper on which the Declaration of Compliance will be drafted	
Time to complete: 2-3 days	
Cost to complete: see comment, normally it is Rs. 2000/-	
Comment:	The original copy of the Memorandum and Articles of Association has to be stamped according to the Stamp Act, 1899 The stamp duty prescribed in the relevant table

of the respective provincial government has to be affixed by procuring and affixing the adhesive stamps on the first page of the documents before they are executed. Stamp duty is paid to the Government of Punjab.

In Faisalabad the Stamp Vendors are only authorized to sell the stamp papers/adhesive stamps upto Rs. 1000. In case of stamp duty exceeding Rs. 1000/- the same shall be procured from the Provincial Treasury after depositing a challan and payment of money to the relevant branch of the State Bank of Pakistan. That may take 2 – 3 days.

The Declaration of Compliance is on a stamp paper issued under the Stamp Act. The cost of the stamp paper on which the Declaration of Compliance is to be typed is Rs. 200/- only. It is in the form prescribed by the Companies Rules framed under the Companies Ordinance 1984. The declaration can be signed either by the attorney, lawyer, accountant or any persons associated with the incorporation of the company. The reference is to the persons subscribing to the Memorandum and Articles of Association initially.

The stamps fees are as follows:

Memorandum 100 rupees plus one rupee per 100 rupee or part thereof subject to the maximum of Rs. 1000

Article 100 rupees plus ten paisas (100 paisas = 1 rupee) per hundred of the amount of share capital subject to maximum of rupees 1000

The payment of Stamp duty for the Memorandum and Articles of Association of a company has been exempted in the Province of Punjab under the Punjab Finance Act, 2004.

Procedure 4. Register the company at the Registrar of Companies.

Time to complete: 3 days

Cost to complete: registration fee + Rs. 200, filing fee per document, 4 documents + Rs.50 for the Certificate of Registration

Comment: The following documents are required for incorporating a private company:

1. Form-1 (Declaration of Compliance), signed by: (1) An advocate that is entitled to appear before any High Court in Pakistan or the Supreme Court; or (2) A qualified Chartered Accountant (Member of ICAP or ICMAP) practicing in Pakistan; or (3) A person named in the Articles of Association as a Director or other officers.

Also attached: Three copies of Memorandum & Articles of Association, signed by each member in presence of a witness, and with special stamp pasted.

2. Form-21 (identifying the location of the office)

3. Form-29 (Particulars of Directors, Secretary, Chief Accountant, Auditors, etc).

The copy of the National Identity Card of the subscriber is required to submit along with the documents.

It is not mandatory to hire a lawyer or accountant to get a company incorporated but it is generally preferred for ease of accomplishment. Any of the initial subscriber to the Memorandum of Association has to declare that all the formalities in connection with the incorporation of the company stand completed before the certificate of incorporation is issued.

The fee of incorporation is reduced recently. The schedule for the registration fee is:

Authorized Capital	Fees
For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of ...	2,500

For registration of a company whose nominal share capital exceeds 100,000 rupees, a fee of two thousand five hundred rupees, along with an additional fee to be determined according to the amount of nominal share capital as follows, namely:-

- | | | |
|------|---|-----|
| (v) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 100,000 rupees, up to 5,000,000 rupees, a fee of . | 500 |
| (vi) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 5,000,000 rupees, a fee of | 250 |

Provided that for registration of a company the total amount of fee to be paid shall not exceed ten million rupees.

A new concept of Single Member Company (SMC) has been introduced in the year 2002, which has been implemented in the year 2003. Now a single member can also form a company under the rules of single member Company. A single member has to have specified Articles of Association. The standard provisions of the Articles of Association are available at the Registration Office. The appointment of a qualified company secretary is mandatory for the Single Member Company, which is not required in the case of the other non-listed company. The member can convert the Single Member Company into a multiple member company subject to passing of special resolution. Other documents, procedure of registration and fees schedule remained same as for Private Limited Company.

Procedure 5. Make a company seal.

Time to complete: 2 days

Cost to complete: Rs. 1000

Comment: Common seal is prepared after certificate of incorporation is obtained. It is affixed on the documents of significant nature in accordance with the provision of the Articles of Association.

Procedure 6. Apply for a National Tax Number (NTN) and register for the income tax.

Time to complete: 2 days

Cost to complete: Rs. 50

Comment: Every company is required to have the National Tax Number by providing the proof of registration, the Memorandum and Articles of Association of the Company, bank account number, NTN of its directors and the proof of relationship with the registered business address. All documents required due at a station by a Class-I of Gazette Officer or an Officer of a Bank. A company can start its business activities without even first obtaining the NTN but it is generally required by all the registering authorities like Chambers of Commerce, Import Export Regulatory Authority, utility authority etc. There is a uniform number of the NTN allotted by the NTN Branch (centralized for the whole of Pakistan) at Islamabad. The necessary form along with documents and duly verified are submitted to the same NTN Center after obtaining the incorporation of the company. The center quickly processes the application and issues the NTN within one week. The certificate is sent to the registered address of the applicant. In case it is not delivered at the postal address, the same can be enquired from the NTN center over the phone

and its status is communicated instantly. The undelivered NTN certificate can be collected from the specified office of the CBR distinct from the NTN center.

The income tax is paid at the time of the filing of the return which is within six months from the end of the financial year of the company which is generally the June ending. Besides, the workers welfare fund at 2.5% is charged at the time of the income tax assessment by the income tax department. The company is also supposed to act as a Tax Withholding Agent for the state and deduct and deposit tax on most of the payments made by it in connection with the activities of its business. For this purpose, it is also required to file monthly returns to the tax authorities.

Companies can go to the Internet to find out the status of the processing within 24 hours of the application.

Procedure 7. Register for sales tax

Time to complete: 14 days

Cost to complete: no charge

Comment: The registration is with the national tax authority, but a different division from the income tax. The application is filed with the registering wing of the sales tax directorate. The documents are filed and scrutinized, and an official visit follows on the premises of the application for the purposes of the verification of the address and particulars of the prospective tax payer. This takes a long time and is cumbersome.

The following documents (duly attested by Chamber of Commerce & Industries, President / Chairman of the Concerned Association, Any Assistant Collector of Sales Tax or Superintendent of Registration) are required to file to the authority for registration:

- (xxi) Filing of the Form, signed by any one director & rubber stamp.
- (xxii) NIC of the director, who is signing the application form.
- (xxiii) NTN Certificate or photocopy & original of Income Tax Assessment Order for the last year.
- (xxiv) Certificate of appointment as Distributor.
- (xxv) Latest Bank Certificate along with financial worth.
- (xxvi) Declaration of home address and details of all properties owned.
- (xxvii) Attested documents of ownership or lease or Certificate of the business / manufacturing premises. In case of leased / rented premises NOC from landlord.
- (xxviii) Memorandum and Articles of Association and Certificate of Incorporation and or business commencement certificate.
- (xxix) Photocopies of utility bills of the premises in the name of applicant or landlord.
- (xxx) Proof of any letter received on the declared address in the application form.

List of Machinery (if manufacturer).

Under the new regime, a simple application for Registration for Sales Tax through the form (scanned image of form attached herewith for ready reference) provided by the Sales Tax Authority is to be filed with the Authority, with all relevant information as required therein, which shall be double checked by the authority through the applicants relevant information available online with other departments.

Procedure 8. Register for the Professional Tax with the local tax authority

Time to complete: 7 days (simultaneous with the previous procedure)

Cost to complete: no charge

Comment: Professional tax is a yearly tax and is paid just for existence irrespective of paid up capital or turnover in smaller companies. The scale goes up with the increase in these two. It may range from Rs. 5,000/- to 100,000/- depending on the province of registration and other criteria. The department generally obtains the list from the Registrar for the purposes of the issuing the payment challans. Before a challan is issued, a proforma is served on the company asking for certain details which are used for the assessment. There are no registration fees etc for the professional tax. The professional tax is not deducted at source rather it is paid into the bank account of the concerned department after assessment and issuance of the challan.

No local taxes except for professional tax are charged from a company. A manufacturing unit owning fixed assets may have to pay certain local levies on its fixed assets. There is no registration for the latter.

In practice, taxpayers usually do not register for the tax voluntarily unless the tax authority chases them to do so.

Procedure 9. Register with the Employee Social Security Institution

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The employment tax or social security registration is not mandatory, but subject to notification in the Official Gazette. The Social Security Institute (SSI) is managed by the provincial governments and charges are levied on the employers, whether incorporated or not, at 7% of wages up to Rs.3,000 per month. Workers Children (Education) Ordinance, 1972. Every employer of an establishment in which the number of workers employed at any time during a year is ten or more shall pay to the Provincial Government an education cess at the rate of one hundred rupees per worker per annum. The levy is used for providing education free of costs to two (2) children of every worker employed in the establishment.

Procedure 10. Register for old age benefits with Employees Old-Age Benefits Institution (EOBI).

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The provisions of Employees' Old-Age Benefits Act, 1976 automatically apply to every industry or establishment wherein ten or more persons are employed by the employer directly or through any other person, or were so employed on any day during the preceding twelve months and shall continue to apply to every such industry or establishment even if the numbers of persons employed therein is, at any time after the Act becomes applicable to it is reduced to less than ten.

Procedure 11. Register with Pakistan Shops & Establishment Ordinance, 1969

Time to complete: 7 days

Cost to complete: Rs. 200

Comments: Every establishment and factories employing derical staff within the factory premises other than a one-man shop shall be registered with the Deputy Chief Inspector for the area within which such establishment is situated.

Any application for registration of an establishment under section 24 of West Pakistan Shops & Establishment Ordinance, 1969 shall be made by the employer in form "A" and shall be accompanied by a Treasury challan - Receipts under the West Pakistan Shops and Establishments Ordinance, 1969.

An application for registration of an establishment shall be made within two months of the setting up of the establishment.

On receipt of application and the fees, the Deputy Chief Inspector shall, on being satisfied about the correctness of the application, register the establishment in the Register of Establishment to be maintained in Form "B" and shall issue Registration Certificate to the employer in Form "C".

Note: companies are formed under a Federal Legislature hence the procedure is mostly unified with minor differences of stamp duties, levied under provincial legislation i.e. Stamp Act, 1899 that differ from province to province.

Starting a Business - Pakistan

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum capital requirement: N/A

City: Peshawar (NWFP)

Registration Requirements:

Procedure 1. Pay the fee for procedures 2 and 4, and obtain bank receipt/ copy of treasury challans.	
Time to complete: 1 day	
Cost to complete: no charge	
Comment:	<p>Pick up Payment <i>Challan</i> forms at the counter of the bank and fill out the purpose of the payment; deposit the amount due to the official accounts and obtain a copy of the form. The bank sends another copy to the relevant departments. Fee can also be paid through bank draft and pay order favoring the concerned Company Registration Office.</p> <p>A copy of the original Payment <i>Challan</i> of the amount of the registration and filing fee are to be deposited in the Habib Bank Ltd, Corporate Center Branch, Ground Floor, Cantonment Plaza, Peshawar Cantt. The amount is payable under the following headings and account numbers at the stated banks:</p> <ul style="list-style-type: none"> - 1200000 Receipts from Civil Administration and other Functions - 1210000 Receipts from General Administration - 1213400 Economic Regulations (Receipts under the Companies Ordinance)
Procedure 2. Seek the availability of a name proposed for the company from the Registrar of Companies.	
Time to complete: 1 day	
Cost to complete: Rs. 200	
Comment:	<p>The company may propose one or more names according to their priority. The name should not be inappropriate, deceptive or designed to exploit or offend any religion. It should neither be identical nor have any close resemblance with the name of any existing companies.</p> <p>For the convenience of general public, promoters and directors of companies, SECP has established its eight CROs at Islamabad, Karachi, Lahore, Peshawar, Faisalabad, Multan, Sukkur and Quetta. Besides there are certain guidelines explaining the prohibition of the use of the name indicating the state sponsorship or association with the national leaders etc. The official confirmation of the availability of the name is received by SECP's any registration office after one day of filing of application alongwith challan of Rs. 200/= duly deposited in the bank account.</p>
Procedure 3. Affix the stamp duty on the Memorandum and Articles of Association and obtain stamp paper on which the Dedaration of Compliance will be drafted	
Time to complete: 1 day	
Cost to complete: Rs. 200 + Rs. 250 where the nominal share capital exceeds Rs. 2500 but does not exceed Rs. 100,000	
Comment:	<p>The original copy of the Memorandum and Articles of Association has to be stamped according to the Stamp Act of the NWFP Province. There is a Stamp Act prescribing the adhesive stamps to be affixed on the first page of the documents before they are executed. The unsigned copy of the Memorandum and Articles of</p>

Association is submitted to the Stamp Office of the provincial government dealing with the stamp along with the proof of payment in the bank account of the Treasury and the documents are returned duly stamped the same afternoon.

In Peshawar the Stamp duty is paid by directly purchasing the stamp papers/adhesive stamps of any denomination from the authorized Stamp Vendors.

The stamps fees are as follows:

NWFP (Peshawar)

Memorandum	if accompanied by Articles of Association	Rs. 200
	If not so accompanied	Rs. 320
Artides	- Where the Company has no share capital Or the nominal share capital does not exceed Rs. 2500	Rs. 125
	- Where the nominal share capital excoed Rs. 2500 but does not excoed Rs.100,000	Rs. 250
	- Where the nominal share capital excoed Rs. 100,00 but does not exceed Rs.1,000,000	Rs. 375
	- Where the nominal share capital excoed Rs. 1,000,000 but does not exceed Rs.50,000,000	Rs. 1250
	- Where the nominal share capital excoed Rs. 50,000,000	Rs. 3125

It has been announced by the Provincial Government of the NWFP that Stamp Duty on Companies shall be exempted in the province, however no official notification for the same has yet been issued by the Provincial Board of Revenue of the NWFP, therefore, stamp duty rates are still applicable.

Procedure 4. Register the company at the Registrar of Companies.

Time to complete: 3 days

Cost to complete: registration fee + Rs. 200, filing fee per document, 4 documents + Rs.50 for the Certificate of Registration

Comment: The following documents are required for incorporating a private company:

1. Form-1 (Dedaration of Compliance), signed by: (1) An advocate that is entitled to appear before any High Court in Pakistan or the Supreme Court; or (2) A qualified Chartered Accountant (Member of ICAP or ICMAP) practicing in Pakistan; or (3) A person named in the Artides of Association as a Director or other officers.

Also attached: Three copies of Memorandum & Artides of Association, signed by each member in presence of a witness, and with special stamp pasted.

2. Form-21 (identifying the location of the office)

3. Form-29 (Particulars of Directors, Secretary, Chief Accountant, Auditors, etc).

The copy of the National Identity Card of the subscriber is required to submit along with the documents.

It is not mandatory to hire a lawyer or accountant to get a company incorporated but it is generally preferred for ease of accomplishment. Any of the initial subscriber to the Memorandum of Association has to dedare that all the formalities in connection with the incorporation of the company stand completed before the certificate of incorporation is issued.

The fee of incorporation is reduced recently. The schedule for the registration fee is:

Authorized Capital	Fees
For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of ...	2,500

For registration of a company whose nominal share capital exceeds 100,000 rupees, a fee of two thousand five hundred rupees, along with an additional fee to be determined according to the amount of nominal share capital as follows, namely:-

- | | | |
|--------|---|-----|
| (vii) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 100,000 rupees, up to 5,000,000 rupees, a fee of . | 500 |
| (viii) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 5,000,000 rupees, a fee of | 250 |

Provided that for registration of a company the total amount of fee to be paid shall not exceed ten million rupees.

The standard provisions of the Artides of Association are available at the Registration Office.

Procedure 5. Make a company seal.

Time to complete: 2 days

Cost to complete: Rs. 1000

Comment: Common seal is prepared after certificate of incorporation is obtained. It is affixed on the documents of significant nature in accordance with the provision of the Artides of Association.

Procedure 6. Apply for a National Tax Number (NTN) and register for the income tax.

Time to complete: 2 days

Cost to complete: Rs. 50

Comment: Every company is required to have the National Tax Number by providing the proof of registration, the Memorandum and Artides of Association of the Company, bank account number, NTN of its directors and the proof of relationship with the registered business address. A company can start its business activities without even first obtaining the NTN but it is generally required by all the registering authorities like Chambers of Commerce, Import Export Regulatory Authority, utility authority etc. There is a uniform number of the NTN allotted by the NTN Branch (centralized for the whole of Pakistan) at Islamabad. The necessary form along with documents and duly verified are submitted to the same NTN Center after obtaining the incorporation of the company. The center quickly processes the application and issues the NTN within one week. The certificate is sent to the registered address of the applicant. In case it is not delivered at the postal address, the same can be enquired from the NTN center over the phone and its status is communicated instantly. The undelivered NTN certificate can be collected from the specified office of the CBR distinct from the NTN center.

The income tax is paid at the time of the filing of the return which is within six month from the end of the financial year of the company which is generally the June ending. Besides, the workers welfare fund at 2.5% is charged at the time of the income tax assessment by the income tax department. The company is also supposed to act as a Tax Withholding Agent for the state and deduct and deposit tax on most of the payments made by it in connection with the activities of its

business. For this purposes, it is also required to file monthly returns to the tax authorities.

Companies can go to the Internet to find out the status of the processing within 24 hours of the application. Meanwhile, since 2002, NTN are issued with a continuous valid term. Companies no long need to renew their NTN.

Procedure 7. Register for sales tax

Time to complete: 14 days

Cost to complete: no charge

Comment: The registration is with the national tax authority, but a different division from the income tax. The application is filed with the registering wing of the sales tax directorate. The documents are filed and scrutinized, and an official visit follows on the premises of the application for the purposes of the verification of the address and particulars of the prospective tax payer. This takes a long time and is cumbersome.

The following documents (duly attested by Chamber of Commerce & Industries, President / Chairman of the Concerned Association, Any Assistant Collector of Sales Tax or Superintendent of Registration) are required to file to the authority for registration:

- (xxxi) Filling of the Form, signed by any one director & rubber stamp.
 - (xxxii) NIC of the director, who is signing the application form.
 - (xxxiii) NTN Certificate or photocopy & original of Income Tax Assessment Order for the last year.
 - (xxxiv) Certificate of appointment as Distributor.
 - (xxxv) Latest Bank Certificate along with financial worth.
 - (xxxvi) Declaration of home address and details of all properties owned.
 - (xxxvii) Attested documents of ownership or lease or Certificate of the business / manufacturing premises. In case of leased / rented premises NOC from landlord.
 - (xxxviii) Memorandum and Articles of Association and Certificate of Incorporation and or business commencement certificate.
 - (xxxix) Photocopies of utility bills of the premises in the name of applicant or landlord.
 - (xl) Proof of any letter received on the declared address in the application form.
- List of Machinery (if manufacturer).

Under the new regime, a simple application for Registration for Sales Tax through the form (scanned image of form attached herewith for ready reference) provided by the Sales Tax Authority is to be filed with the Authority, with all relevant information as required therein, which shall be double checked by the authority through the applicants relevant information available online with other departments.

Procedure 8. Register for the Professional Tax with the local tax authority

Time to complete: 7 days (simultaneous with the previous procedure)

Cost to complete: no charge

Comment: The tax is levied by an Act of NWFP Legislative Assembly.

Procedure 9. Register with the Employee Social Security Institution

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The employment tax or social security registration is not mandatory, but subject to notification in the Official Gazette. The Social Security Institute (SSI) is managed by the provincial governments and charges are levied on the employers, whether incorporated or not, at 7% of wages upto Rs.3,000 per month. Workers Children (Education) Ordinance, 1972. Every employer of an establishment in which the number of workers employed at any time during a year is ten or more shall pay to the Provincial Government an education cess at the rate of one hundred rupees per worker per annum. The levy is used for providing education free of costs two (2) children of every worker employed in the establishment.

Procedure 10. Register for old age benefits with Employees Old-Age Benefits Institution (EOBI).

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The provisions of Employees' Old-Age Benefits Act, 1976 automatically apply to every industry or establishment wherein ten or more persons are employed by the employer directly or through any other person, or were so employed on any day during the preceding twelve months and shall continue to apply to every such industry or establishment even if the numbers of persons employed therein is, at any time after the Act becomes applicable to it is reduced to less than ten.

Procedure 11. Register with Pakistan Shops & Establishment Ordinance, 1969

Time to complete: 7 days

Cost to complete: Rs. 200

Comments: Every establishment and factories employing clerical staff within the factory premises other than a one-man shop shall be registered with the Deputy Chief Inspector for the area within which such establishment is situated. Any application for registration of an establishment under section 24 of West Pakistan Shops & Establishment Ordinance, 1969 shall be made by the employer in form "A" and shall be accompanied by a Treasury challan - Receipts under the West Pakistan Shops and Establishments Ordinance, 1969. An application for registration of an establishment shall be made within two months of the setting up of the establishment. On receipt of application and the fees, the Deputy Chief Inspector shall, on being satisfied about the correctness of the application, register the establishment in the Register of Establishment to be maintained in Form "B" and shall issue Registration Certificate to the employer in Form "C".

Starting a Business - Pakistan

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Minimum capital requirement: N/A

City: Sialkot (Punjab)

Registration Requirements:

Procedure 1. Pay the fee for procedures 2 and 4, and obtain bank receipt/ copy of treasury challans.	
Time to complete:	1 day
Cost to complete:	no charge
Comment:	<p>Pick up treasury challan forms at the counter of the bank and fill out the purpose of the payment; pay the amount due to the official accounts and obtain a copy of the form. The bank sends another copy to the relevant departments.</p> <p>A copy of the original treasury challan of the amount of the registration and filing fee are to be deposited in the Habib Bank Ltd or the State Bank of Pakistan. The amount is payable under the following headings and account numbers at the stated banks:</p> <ul style="list-style-type: none"> - 120000 Receipts from Civil Administration and other Functions - 1210000 Receipts from General Administration - 1213400 Economic Regulations (Receipts under the Companies Ordinance)
Procedure 2. Seek the availability of a name proposed for the company from the Registrar of Companies.	
Time to complete:	3-5 days
Cost to complete:	Rs. 200
Comment:	<p>The company may propose one or more names according to their priority. The name should not be inappropriate, deceptive or designed to exploit or offend any religion. It should neither be identical nor have any close resemblance with the name of any existing companies.</p> <p>The availability of the name can be checked online by searching the names of the existing companies. Besides there are certain guidelines explaining the prohibition of the use of the name indicating the state sponsorship or association with the national leaders etc. The official confirmation of the availability of the name or otherwise is received by email within 24 hours. This confirmation is enough provided the name searching fee of Rs. 200 is paid into the bank account of the regulatory authority.</p>
Procedure 3. Have the Memorandum and Artides of Association stamped at the Treasury and obtain stamp paper on which the Dedaration of Compliance will be drafted	
Time to complete:	3 days
Cost to complete:	Rs. 3,000

Comment: The original copy of the Memorandum and Articles of Association has to be stamped according to the Stamp Act of the relevant province of Pakistan in which the company is proposed to be registered. There is a Stamp Act prescribing the adhesive stamps to be affixed on the first page of the documents before they are executed. The unsigned copy of the Memorandum and Articles of Association is submitted to the Stamp Office of the provincial government dealing with the stamp along with the proof of payment in the bank account of the Treasury and the documents are returned duly stamped the same afternoon.

The Declaration of Compliance is on a stamp paper issued under the Stamp Act. The cost of the stamp paper on which the Declaration of Compliance is to be typed is Rs. 200/- only. It is in the form prescribed by the Companies Rules framed under the Companies Ordinance 1984. The declaration can be signed either by the attorney, lawyer, accountant or any persons associated with the incorporation of the company. The reference is to the persons subscribing to the Memorandum and Articles of Association initially.

The stamps fees have been changed in late 2003 to following rates:
 - memorandum of association Rs. 2,000
 - Articles of Association
 with an authorized capital exceeding Rs. 500,000: Rs. 1,000/-;
 with an authorized capital less than Rs. 500,000: Rs. 2,000

Procedure 4. Register the company at the Registrar of Companies.

Time to complete: 3-5 days

Cost to complete: registration fee + Rs. 200, filing fee per document, 4 documents + Rs.50 for the Certificate of Registration

Comment: Companies in Sialkot falls within the Civil Division of Gujranwala and are required to be registered at the Companies Registration Office, Lahore.

The following documents are required for incorporating a private company:
 1. Form-1 (Declaration of Compliance), signed by: (1) An advocate that is entitled to appear before any High Court in Pakistan or the Supreme Court; or (2) A qualified Chartered Accountant (Member of ICAP or ICMAP) practicing in Pakistan; or (3) A person named in the Articles of Association as a Director or other officers.

Also attached: Three copies of Memorandum & Articles of Association, signed by each member in presence of a witness, and with special stamp pasted.

2. Form-21 (identifying the location of the office)

3. Form-29 (Particulars of Directors, Secretary, Chief Accountant, Auditors, etc).

The copy of the National Identity Card of the subscriber is required to submit along with the documents.

It is not mandatory to hire a lawyer or accountant to get a company incorporated but it is generally preferred for ease of accomplishment. Any of the initial subscriber to the Memorandum of Association has to declare that all the formalities in connection with the incorporation of the company stand completed before the certificate of incorporation is issued.

The fee of incorporation is reduced recently. The schedule for the registration fee is:

Authorized Capital	Fees
For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of ...	2500
For registration of a company whose nominal share capital exceeds 100,000 rupees, a fee of two thousand five hundred rupees, along with an additional fee to be	

determined according to the amount of nominal share capital as follows, namely:-

- | | | |
|------|---|-----|
| (ix) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 100,000 rupees, up to 5,000,000 rupees, a fee of . | 500 |
| (x) | For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 5,000,000 rupees, a fee of | 250 |

Provided that for registration of a company the total amount of fee to be paid shall not exceed ten million rupees.

The standard provisions of the Articles of Association are available at the Registration Office.

Procedure 5. Make a company seal.

Time to complete: 2 days

Cost to complete: Rs. 1000

Comment: Common seal is prepared after certificate of incorporation is obtained. It is affixed on the documents of significant nature in accordance with the provision of the Articles of Association.

Procedure 6. Apply for a National Tax Number (NTN) and register for the income tax.

Time to complete: 2 days

Cost to complete: Rs. 50

Comment: Every company is required to have the National Tax Number by providing the proof of registration, the Memorandum and Articles of Association of the Company, bank account number, NTN of its directors and the proof of relationship with the registered business address. All documents required due at a station by a Class-I of Gazette Officer or an Officer of a Bank. A company can start its business activities without even first obtaining the NTN but it is generally required by all the registering authorities like Chambers of Commerce, Import Export Regulatory Authority, utility authority etc. There is a uniform number of the NTN allotted by the NTN Branch (centralized for the whole of Pakistan) at Islamabad. The necessary form along with documents and duly verified are submitted to the same NTN Center after obtaining the incorporation of the company. The center quickly processes the application and issues the NTN within one week. The certificate is sent to the registered address of the applicant. In case it is not delivered at the postal address, the same can be enquired from the NTN center over the phone and its status is communicated instantly. The undelivered NTN certificate can be collected from the specified office of the CBR distinct from the NTN center.

The income tax is paid at the time of the filing of the return which is within six months from the end of the financial year of the company which is generally the June ending. Besides, the workers welfare fund at 2.5% is charged at the time of the income tax assessment by the income tax department. The company is also supposed to act as a Tax Withholding Agent for the state and deduct and deposit tax on most of the payments made by it in connection with the activities of its business. For this purposes, it is also required to file monthly returns to the tax authorities.

Companies can go to the Internet to find out the status of the processing within 24 hours of the application. Meanwhile, since 2002, NTN are issued with a continuous valid term. Companies no long need to renew their NTN.

Procedure 7. Register for sales tax

Time to complete: 14 days

Cost to complete: no charge

Comment: The registration is with the national tax authority, but a different division from the income tax. The application is filed with the registering wing of the sales tax directorate. The documents are filed and scrutinized, and an official visit follows on the premises of the application for the purposes of the verification of the address and particulars of the prospective tax payer. This takes a long time and is cumbersome.

The following documents (duly attested by Chamber of Commerce & Industries, President / Chairman of the Concerned Association, Any Assistant Collector of Sales Tax or Superintendent of Registration) are required to file to the authority for registration:

- (xli) Filling of the Form, signed by any one director & rubber stamp.
 - (xlii) NIC of the director, who is signing the application form.
 - (xliii) NTN Certificate or photocopy & original of Income Tax Assessment Order for the last year.
 - (xliv) Certificate of appointment as Distributor.
 - (xlv) Latest Bank Certificate along with financial worth.
 - (xlvi) Declaration of home address and details of all properties owned.
 - (xlvii) Attested documents of ownership or lease or Certificate of the business / manufacturing premises. In case of leased / rented premises NOC from landlord.
 - (xlviii) Memorandum and Artides of Association and Certificate of Incorporation and or business commencement certificate.
 - (xlix) Photocopies of utility bills of the premises in the name of applicant or landlord.
 - (l) Proof of any letter received on the declared address in the application fom.
- List of Machinery (if manufacturer).

Under the new regime, a simple application for Registration for Sales Tax through the form (scanned image of fom attached herewith for ready reference) provided by the Sales Tax Authority is to be filed with the Authority, with all relevant information as required therein, which shall be double checked by the authority through the applicants relevant information available online with other departments.

Procedure 8. Register for the Professional Tax with the local tax authority

Time to complete: 7 days (simultaneous with the previous procedure)

Cost to complete: no charge

Comment: Professional tax is a yearly tax and is paid just for existence irrespective of paid up capital or turnover in smaller companies. The scale goes up with the increase in these two. It may ranges from Rs. 5,000/- to 100,000/- depending on the province of registration and other criteria. The department generally obtains the list from the Registrar for the purposes of the issuing the payment challans. Before a challan is issued, a proforma is served on the company asking for certain details which are used for the assessment. There are no registration fees etc for the professional tax. The professional tax is not deducted at source rather it is paid into the bank account of the concerned department after assessment and issuance of the

challan.

No local taxes except for professional tax are charged from a company. A manufacturing unit owning fixed assets may have to pay certain local levies on its fixed assets. There is no registration for the latter.

In practice, taxpayers usually do not register for the tax voluntarily unless the tax authority chases them to do so.

Procedure 9. Register with the Employee Social Security Institution

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The employment tax or social security registration is not mandatory, but subject to notification in the Official Gazette. The Social Security Institute (SSI) is managed by the provincial governments and charges are levied on the employers, whether incorporated or not, at 7% of wages upto Rs.3,000 per month.

Workers Children (Education) Ordinance, 1972. Every employer of an establishment in which the number of workers employed at any time during a year is ten or more shall pay to the Provincial Government an education cess at the rate of one hundred rupees per worker per annum. The levy is used for providing education free of costs two (2) children of every worker employed in the establishment.

Procedure 10. Register for old age benefits with Employees Old-Age Benefits Institution (EOBI).

Time to complete: 11 days, simultaneous with the previous procedure

Cost to complete: no charge

Comments: The provisions of Employees' Old-Age Benefits Act, 1976 automatically apply to every industry or establishment wherein ten or more persons are employed by the employer directly or through any other person, or were so employed on any day during the preceding twelve months and shall continue to apply to every such industry or establishment even if the numbers of persons employed therein is, at any time after the Act becomes applicable to it is reduced to less than ten.

From 1st day of July 2001, an insured person is required to pay his personal contribution at the rate of Rs.20 only per month and not Rs.50 as printed.

Procedure 11. Register with Pakistan Shops & Establishment Ordinance, 1969

Time to complete: 7 days

Cost to complete: Rs. 200

Comments: Every establishment and factories employing clerical staff within the factory premises other than a one-man shop shall be registered with the Deputy Chief Inspector for the area within which such establishment is situated.

Any application for registration of an establishment under section 24 of West Pakistan Shops & Establishment Ordinance, 1969 shall be made by the employer in form "A" and shall be accompanied by a Treasury challan - Receipts under the West Pakistan Shops and Establishments Ordinance, 1969.

An application for registration of an establishment shall be made within two months of the setting up of the establishment.

On receipt of application and the fees, the Deputy Chief Inspector shall, on being satisfied about the correctness of the application, register the establishment in the Register of Establishment to be maintained in Form "B" and shall issue Registration Certificate to the employer in Form "C".

Property Titling – Pakistan

Data as of: January 2004

City: Karachi

Registration Requirements:

Procedure 1. Advertisement of transaction in a newspaper inviting objections

Time to complete: 8 days

Cost to complete: PKR 3,000

Comments:

An advertisement in newspapers inviting objections/claims must be placed.

After publication, there is a seven-day waiting time for arrival of objections, if any.

Advertisement is published in local newspapers (dailies) having a large circulation. Sometimes it is ordered to be published in two newspapers i.e. one in English language and the other in the local language.

Procedure 2. Payment of stamp duty and registration fees

Time to complete: 1 day

Cost to complete: 3% of the property price (stamp duty) + 1% of property price (registration fee)

Comments:

Conveyance stamp duty (3% of property price) and registration fee (1% of property price) must be paid at the Government Treasury or National Bank of Pakistan, an autonomous bank jointly owned by Government of Pakistan and public, who issue receipt of money which is taken to the Stamp office of the Government.

Procedure 3. Receipt of payment is taken to Stamp Office

Time to complete: 1 day

Cost to complete: No additional cost

Comments:

The receipt of payment obtained in Procedure 2 is taken to the Stamp Office of the Government.

The Stamp office will, upon production of receipt, issue a stamp paper of the value (money deposited) on the Sale Deed. Such typed stamp paper will be presented later before the Registrar, who registers the change of ownership.

Procedure 4. Execution and registration of the deed before the registration authority

Time to complete: 38 day

Cost to complete: No cost

Comments:

The conveyance deed must be executed before the registering authority.

Execution of deed is done before the Sub-Registrar of Conveyance/Assurances of the area, official responsible under the Registration Act.

Registration of Deed automatically follows the execution of Sale Deed. A receipt is issued immediately, but the Deed is delivered a few weeks later.

The name of the buyer is recorded in the new deed, showing the change in ownership

The documentation shall include:

Conveyance/Sale Deed (stamped after payment in Procedure 3)

ID of parties

Original title deed of seller

If the parties have authorized someone else through a power of attorney, the power of attorney in original with copies.

Property Titling – Pakistan

Data as of: January 2004

City: Lahore

Registration Requirements:

Procedure 1. Obtain a non-encumbrance certificate

Time to complete: 3 days

Cost to complete: PKR 50

Comments:

The non-encumbrance certificate shall also be obtained by the seller and this should be tendered to the buyer in verification of the fact that the property is free from all encumbrances. This would be issued by the Sub registrar / Tehsildar concerned.

Procedure 2. The stamp paper is obtained at the Treasury Office

Time to complete: 3 days

Cost to complete: 2% of property value (Stamp Duty)

Comments:

All the instruments are charged with a stamp duty, mentioned in the table appended with the Stamp Act, 1899. Stamped papers (more frequently called stamp papers) of different denominations are available either from Treasury Office. In Lahore stamp papers are purchased from the provincial government's Treasury.

Procedure 3. A Deed Writer prepares the deed on the Stamp Paper

Time to complete: 2 days

Cost to complete: PKR 10,000

Comments:

Stamp papers, once purchased, shall be taken either to a lawyer or a Deed Writer who shall scribe an instrument of sale together with all the necessary recitals and operative terms and conditions in the deed. This deed shall inter alia contain all the details regarding the parties, the property transacted, its value, rights, easements available etc. mentioned at length. Although bigger firms and companies consult lawyers for scribing such deeds who charge sizeable consultation charges, ordinarily and as the practice goes, in Lahore more people consult deed writers who charge very paltry and reasonable sums.

Procedure 4. Payment of the mutation fee

Time to complete: 1 day

Cost to complete: PKR 200

Comments:

The mutation fee is paid at the corresponding Revenue Officer where the property is located. After receiving the fee, a seal is affixed acknowledging the receipt of mutation fee.

Procedure 5. Payment of the Transfer of Immovable Property Tax (TIP)

Time to complete: 1 day

Cost to complete: 1% of property value

Comments:

Since the property situates within the municipal limits, the concerned Town Municipal Administration (TMA) would charge another 1% of the sale consideration as Transfer of Immovable Property Tax (T.I.P. Tax) which is collected by a contractor of the TMA sitting in Registrations Circle concerned.

Procedure 6. Execution of the deed of sale at the registration office

Time to complete: 4 days

Cost to complete: 1% of property value (registration fee)

Comments:

The Sale Deed is then presented for registration to the Office of Sub-Registrar along with the corresponding documents. The deed is executed in the presence of two witnesses to identify the executant(s) and to attest the execution. After satisfying himself of the identity of the executant(s), marginal witnesses, value of the property according to minimum prescribed rates, affixation of stamp duty, the registration officer shall order registration of the deed in Book 1 on payment of Registration Fees equal to 1% of the value of the transaction. Deeds are normally executed in front of the registration officer who then takes signatures and/or thumb impressions of the executants and witnesses in his index register. After payment of Registration Fee, a delivery slip shall be issued with a future date for collection of this deed after its entries in relevant registers.

Once the registration fee is received and the delivery slip is issued, the process of entering the contents of the document in Book 1 is initiated. All the deeds are given a unique identification number. A deed once entered in the relevant Volume of Book 1 in accordance with Section 51 of the Registration Act, 1908, it is then taken to the concerned Sub-Registrar once again, who after new verifications in accordance with Section 59 and 60 of the Registration Act, 1908 endorse his report thereupon regarding date and time of execution and after signing the same affixes his official stamp over it.

The documentation shall include:

Title deed of the vendor.

Non-encumbrance certificate (obtained in Procedure 1)

Certified copy of the resolution by the two companies, especially by the Company who is selling the land.

Computerized National Identity Cards of the representatives

Procedure 7. The sale deed is taken for mutation to the Revenue Officer

Time to complete: 3 days

Cost to complete: PKR 300

Comments:

The buyer takes the sale deed to the concerned Revenue Officer for affecting entries of mutation in his favor in the Revenue Record. The Revenue Officer, after making the due scrutiny, enters the mutation as to this transaction and as to the ownership of the buyer. The buyer obtains the copy of this sanctioning of the mutation which further ratifies and affirms his title qua the property in question.

Property Titling – Pakistan

Data as of: January 2004

City: Faisalabad

Registration Requirements:

Procedure 1. Obtain a non-encumbrance certificate

Time to complete: 3 days

Cost to complete: PKR 15-50

Comments:

The non-encumbrance certificate shall also be obtained by the seller and this should be tendered to the buyer in verification of the fact that the property is free from all encumbrances. This would be issued by the Sub registrar / Tehsildar concerned.

Procedure 2. Fill a Challan Form 32-A with the Treasury Office to obtain Stamped Paper

Time to complete: 1 day

Cost to complete: No cost

Comments:

All the instruments are charged with a stamp duty, mentioned in the table appended with the Stamp Act, 1899. Stamped papers (more frequently called stamp papers) of different denominations are available either from Stamp Vendors or Provincial Treasury Office. In Faisalabad (Punjab), stamp vendors cannot sell stamps worth exceeding Rs. 1000/- and they ought to have been purchased from the provincial government's Treasury.

In order to get the stamp papers, a Challan form 32-A is filled and deposited with Treasury Office situated at Canal Office, University Road, Faisalabad by the Purchaser or his deed writer. The treasury endorse this challan and redeliver it to the applicant for deposit of money in the local Branch of State Bank of Pakistan.

Procedure 3. Payment of Stamp Duty at the local branch of the State Bank of Pakistan

Time to complete: 1 day

Cost to complete: 2% of property value (Stamp Duty)

Comments:

The Stamp Duty is paid at the local branch of the State Bank of Pakistan and a receipts is issued.

Procedure 4. The stamp paper is obtained

Time to complete: 1 day

Cost to complete: Already paid in Procedure 3

Comments:

Once the deposit is made and receipt is issued, the Challan is sent back to the Treasury with a voucher following.

After verification of payment, the required amount of stamp papers are delivered to the purchaser

Procedure 5. A Deed Writer prepares the deed on the Stamp Paper

Time to complete: 1-2 days

Cost to complete: PKR 1,000

Comments:

Stamp papers, once purchased, shall be taken either to a lawyer or a Deed Writer who shall scribe an instrument of sale together with all the necessary recitals and operative terms and conditions in the deed. This deed shall inter alia contain all the details regarding the parties, the property transacted, its value, rights, easements available etc. mentioned at length. Although bigger firms and companies consult lawyers for scribing such deeds who charge sizeable consultation charges, ordinarily and as the practice goes, in Faisalabad more people consult deed writers who charge very paltry and reasonable sums. In Faisalabad, surprisingly, there exists no mechanism for certification of these deed writers. All such instruments, apart from execution, are required to be attested by two marginal witnesses in terms of Article 17 of the Qanoon-e-Shahadat Order, 1984

Procedure 6. Payment of the mutation fee

Time to complete: 1 day

Cost to complete: PKR 200

Comments:

The mutation fee is paid at the corresponding Office Kanongo, a Land Revenue Officer of the Tehsil where the property is located. After receiving the fee, a seal is affixed acknowledging the receipt of mutation fee.

Procedure 7. Payment of the Transfer of Immovable Property Tax (TIP)

Time to complete: 1 day

Cost to complete: 1% of property value (TIP Tax)

Comments:

Since the property situates within the municipal limits, the concerned Town Municipal Administration (TMA) Faisalabad would charge another 1% of the sale consideration as Transfer of Immovable Property Tax (T.I.P. Tax) which is collected by a contractor of the TMA sitting in Registrations Circle concerned, who after charging TIP Tax affixes his seals acknowledging receipt of such payment.

Procedure 8. Execution of the deed of sale at the registration office

Time to complete: 4 days

Cost to complete: 1% of property value (registration fee) + PKR 20 (delivery fee)

Comments:

The Sale Deed is then presented to the concerned DDO (Registration) -- DDO Registration Urban 1, Faisalabad in this case- along with the corresponding documents. The deed is executed in the presence of two witnesses to identify the executant(s) and to attest the execution. The DDO Registration, Urban 1, Faisalabad will give the parties a hearing and shall record their statements at the back of the Sale Deed. He may ask for the report of the Head Registry Clerk in case of doubt as to his jurisdiction and/or valuation of the property. After satisfying himself of the identity of the executant(s), marginal witnesses, value of the property according to minimum prescribed rates, affixation of stamp duty, he shall order registration of the deed in Book 1 on payment of

Registration Fees equal to 1% of the value of the transaction. Deeds are normally executed in front of the DDO Registration who then takes signatures and/or thumb impressions of the executants and witnesses in his index register. After payment of Registration Fee, a delivery slip shall be issued with a future date for collection of this deed after its entries in relevant registers.

Once the registration fee is received and the delivery slip is issued, the process of entering the contents of the document in Book 1 is initiated. All the deeds are given a unique identification number. A deed once entered in the relevant Volume of Book 1 in accordance with Section 51 of the Registration Act, 1908, it is then taken to the DDO Registration concerned once again, who after new verifications in accordance with Section 59 and 60 of the Registration Act, 1908 endorse his report thereupon regarding date and time of execution and after signing the same affixes his official stamp over it.

The Document is then delivered to the Vendee on the date of delivery mentioned on the delivery slip after receiving a Muqabla fee at PKR 4 per page. A copy is retained in current volume of Book 1 and copy is also forwarded to Land Revenue Authorities for affecting changes in their record and affecting an Intiqaal (Mutation) in their relevant mutation Register to keep their Register of Record of Rights updated.

The documentation shall include:

Title deed of the vendor.

Non-encumbrance certificate (obtained in Procedure 1)

Certified copy of the resolution by the two companies, especially by the Company who is selling the land.

Computerized National Identity Cards of the representatives

Procedure 9. The sale deed is taken for mutation to the Revenue Officer

Time to complete: 5 days

Cost to complete: PKR 350

Comments:

The buyer takes the sale deed to the concerned Revenue Officer of the Halqa for affecting entries of mutation in his favor in the Revenue Record. The Revenue Officer, after making the due scrutiny, enters the mutation as to this transaction and as to the ownership of the buyer. The buyer obtains the copy of this sanctioning of the mutation which further ratifies and affirms his title qua the property in question.

Property Titling – NWFP

Data as of: January 2004

City: Peshawar

Registration Requirements:

Procedure 1. Obtain a non-encumbrance certificate

Time to complete: 3-7 days

Cost to complete: PKR 15-50

Comments:

The non-encumbrance certificate shall be obtained by the seller and this should be tendered to the buyer in verification of the fact that the property is free from all encumbrances. This would be issued by the Sub registrar / Tehsildar concerned.

Procedure 2. Obtain Stamp Paper from any stamp vendor

Time to complete: 1 day

Cost to complete: 3% of property value (Stamp Duty)

Comments:

All the instruments are charged with a stamp duty, mentioned in the table appended with the Stamp Act, 1899. Stamped papers (more frequently called stamp papers) of different denominations are freely available either from Stamp Vendors or Provincial Treasury Office. In Peshawar, stamp papers are usually purchased from stamp vendors sitting at different places such as District Courts, High Court, Bano Market, Abraisham Garan or Chirikoban, etc. ABC will normally purchase the stamp papers from any stamp vendor for this transaction

Procedure 3. A Deed Writer prepares the deed on the Stamp Paper

Time to complete: 2 days

Cost to complete: PKR 200

Comments:

Stamp papers, once purchased, shall be taken either to a lawyer or a Certified Deed Writer who shall scribe an instrument of lease hold right together with all the necessary recitals and operative terms and conditions in the deed. This deed shall inter alia contain all the details regarding the parties, the property transacted, its value, rights, easements available etc. mentioned at length. Although bigger firms and companies consult lawyers for scribing such deeds who charge sizeable consultation charges, ordinarily and as the practice goes, in Peshawar more people consult certified deed writers who charge very paltry and reasonable sums. Now their fees have been fixed by the order of the District & Sessions Judge, Peshawar.

All such instruments, apart from execution, are required to be attested by two marginal witnesses in terms of Article 17 of the Qanoon-e-Shahadat Order, 1984 (canon of evidence)

Procedure 4. Obtain an NOC from the Project Manager of the SDA Hayatabad Industrial Estate

Time to complete: 3 days

Cost to complete: No cost

Comments:

The concerned controlling authority shall be approached for an NOC regarding the transaction who shall normally issue the same after verifying from its record that there are no dues against such property in terms of development charges, property tax etc. In present case, the Project Manager of the SDA Hayatabad Industrial Estate would be approached for obtaining this NOC. It is assumed that no levies or charges are outstanding and thus NOC is issued without payment.

Procedure 5. Execution of the deed of sale at the registration office

Time to complete: 9 days

Cost to complete: 0.5% of property value (registration fee)

Comments:

The Deed, duly scribed on the stamp papers, is then presented before the Sub Registrar, Peshawar along with the required documents. The deed is executed in the presence of two witnesses to identify the executant(s) and to attest the execution along with copies of their Computerized Identity Cards. The Sub Registrar, Peshawar after satisfying himself of the identity of the executant(s), marginal witnesses, value of the property according to minimum prescribed rates, affixation of stamp duty and issuance of NEC and NOC, shall order registration of the deed in Book 1 on payment of Registration Fees at 0.5% of the value of the transaction. Deeds are normally executed in front of the Sub Registrar who then takes signatures and/or thumb impressions of the executants and witnesses in his index register.

Had this property been situated within the control/limits of jurisdiction of City Development and Municipal Department, another fee of 2% would have to be deposited to the CDMD clerk sitting in the office of Sub-Registrar but since the property situates within the limits of SDA Hayatabad Industrial Estate, this fee is not payable.

After payment of Registration Fee, a delivery slip shall be issued with a future date for collection of this deed after its entries in relevant registers

Once the registration fee is received and delivery slip is issued, the process of entering the contents of the document in Book 1 is initiated. All the deeds are given a unique identification number. A deed once entered in the relevant Volume of Book 1 in accordance with Section 51 of the Registration Act, 1908, it is then taken to the Sub Registrar once again, who after new verifications in accordance with Section 59 and 60 of the Registration Act, 1908 endorse his report thereupon regarding date and time of execution and after signing the same affixes his official stamp over it.

The Document is then delivered to the Vendee on the date of delivery mentioned on the delivery slip. A copy is retained in current volume of Book 1 and copies are also forwarded to concerned controlling agency under whose control the property situates (in present case to the SDA Hayatabad Industrial Estate) for affecting their record to reflect the transfer so made. Had the land been situated in Urban Area, it would have to be sent to Excise and Taxation Department and Had this been situated in suburban or rural area of Peshawar this would have been sent to Land Revenue Authorities for affecting changes in their record.

The documentation shall include:

Title deed of the vendor.

Non-encumbrance certificate (obtained in Procedure 1)

NOC from SDA Project Manager (obtained in Procedure 4)

Certified copy of the resolution by the two companies, especially by the Company who is selling the land.

Computerized National Identity Cards of the representatives

Property Titling – Pakistan

Data as of: January 2004

City: Sialkot

Registration Requirements:

Procedure 1. Seller obtains the original deed of the property and certificate of encumbrances from the Land Registry

Time to complete: 2 days

Cost to complete: no charge

Comments:

Vendor will hand over copies of documents evidencing his ownership of property to the vendee (i.e., Registered Sale Deed, extract from Record of Rights, Form PT 1 (issued by Excise and Taxation Department)). The vendee thereafter independently verifies title of vendor and whether or not there are any liens or encumbrances on the property. Vendee will also check if there are any outstanding judgments or decrees in respect of the property to be purchased.

Procedure 2. The seller completes the stamp duty form and files it at the District Accounts Office.

Time to complete: 1 day

Cost to complete: no charge

Comments:

The seller will complete the prescribed form and present it in the District Accounts Office where, after verification of its contents, it will be endorsed. The seller then needs to return to pick it up and file it at the bank. The vendee will again submit the stamp duty form in the District Accounts Office where it will be retained and stamp papers will be issued in lieu thereof.

Procedure 3. The seller will then present the form at the designated branch of National Bank of Pakistan and deposit the stamp duty

Time to complete: 1 days

Cost to complete: 2% of the property value

Comments:

The bank, after endorsing the stamp duty form, will return a copy to the vendee which will be the proof of payment of stamp duty.

Procedure 4. The vendee will again submit the stamp duty form in the District Accounts Office where it will be retained and stamp papers will be issued in lieu thereof

Time to complete: 1 day

Cost to complete: no charge

Comments:

Procedure 5. The seller will present the Sale Deed in the Corporation Office for deposit of corporation fee

Time to complete: 1 day

Cost to complete: Rs. 1,000 +1% of property value

Comments:

Before the seller goes to the Corporation Office, he/she will get the Sale Deed drafted/printed on

Stamp Papers which shall include names of the parties, complete legal description of the property, declared price of property and any other terms and conditions. Names of parties and their witnesses will be written in the end of the deed.

The Corporation Office, after deposit of fee by the seller, issue a receipt and the Sale Deed will be affixed with corporation's official stamp.

Procedure 6. Both parties file the Sale Deed at the Sub-registrar's Office

Time to complete: 9 days

Cost to complete: 1% of property value + Rs. 200 (for mutation)

Comments:

Both parties along with their witnesses will appear before the Sub-registrar for registration of the Sale Deed. Sale Deed will be accompanied by following documents:

1. Two photo copies of Sale Deed;
2. copies of national tax numbers of the parties, national identity cards of signatories and witnesses;
3. documents of proof of ownership of vendor.;
4. corporate resolutions of the parties.

Sub-registrar will scrutinize the documents and verify that the proper stamp duty is paid. Vendee will deposit the registration fee in Sub- registrar's office who will stamp the Sale Deed. Sub-registrar will verify identity of the parties and their witnesses who shall sign the Sale Deed and its copies. The parties and witnesses will also sign the register kept in Sub-registrar's office that evidences that the Sale Deed was presented for registration. The Sale Deed will be retained by the Sub-registrar's office in order to complete departmental formalities and verifications.

The Sub-registrar's office, after completion of all formalities and verification of documents, endorse the Sale Deed and allot a serial number to it. The original copy will be returned to seller which shall be considered as dully registered Sale Deed. One copy of the Sale Deed shall be pasted in a register kept at registration office called "Book 1" for record.

Procedure 7. The seller will present the registered Sale Deed to Revenue and the Excise and Taxation Departments

Time to complete: 14 days

Cost to complete: no charge

Comments:

The concerned officers, after due verification and examination of documents, incorporate seller in their records as owner of property.

Warehouse Project – Pakistan

Data as of: January 2004

City: Karachi

Regulatory Requirements and Procedures :

Procedure 1. Obtain letter from concerned authority confirming the land title

Time to complete: 30 days

Cost to complete: free of charge

Comments:

The company must obtain a letter from the concerned authority confirming the title/land use physically fresh demarcated/dimensions of the plot along with the existence of any road widening/cut line/reservation.

In Karachi the lands are owned by various authorities for example Karachi Development Authority, Karachi Municipal Corporation etc. For example if the land bought by the company belongs to the Karachi Municipal Corporation then the required letter/certificate will have to be obtained from the said authority.

Procedure 2. Obtain a building permit

Time to complete: 60 days¹

Cost to complete: PKR 78,680²

Comments:

An application in the prescribed Form is required to be submitted to the concerned Karachi Building Control Authority (KBCA) together with the following information/documents:

(i) Building plan (initially three copies and thereafter six copies) together with:

(a) Full particulars of the plot, including status (whether residential, commercial, etc.) on which the building is proposed to be constructed according to the building plans.

(b) Two sets of all documents relating to the plot together with a letter from the concerned authority confirming the title/land use physically fresh demarcated/dimensions of the plot along with the existence of any road widening/cut line/reservation.

(ii) Description of the plan:

(a) Proposed, revised, addition/alteration.

(b) Previous approval (if any)

¹ After receipt of an application for permission to carry out building works, the KBCA is required to:

(a) Pass orders granting permission to carry out such building works within 60 calendar days.

(b) In the case of refusal/objections, the KBCA issues consolidated objections/observations, specifying the provisions of the 2002 Regulations under which they are made to the professional within 30 days.

If no order is passed on an application within 60 calendar days of its receipt, it shall be deemed to have been sanctioned to the extent to which it does not contravene the provisions of the 2002 Regulations or the master plan or sanctioned site development scheme, if any. Upon expiry of the said 60 day period, the applicant may, after giving notice to the KBCA, proceed to carry out the said building works at any time within one (1) year from the date of submission of the building plans provided the title to the land is clear from any disputes and objections.

² Presently the scrutinizing fee for the ware- house project or any building construction project is Rs. 5.62 per square feet, i.e., Rs. 78,680 in the instant case.

(c) Details of any litigation relating to the plot.

Note: The drawings should show plans, sections and elevations together with other necessary details pertaining to RCC elements, joinery work and covered area etc., of every floor, including basement, if any, of the building intended to be erected, along with a block plan of the site, drawn to a scale of not less than 1:500 (1":8'). Such plan and sections should show the purpose for which the building or parts thereof are intended to be used; the access to and from the several parts of the building; the position dimensions, means of ventilation, the proposed height of the plinth and superstructure at the level of each floor, together with the dimensions and descriptions of all the walls, floors, roofs, staircases and elevator, etc.

(iii) Description of proposed construction:

- (a) Type of Building.
- (b) Total floor area.
- (c) No. of floors.
- (d) No. of units (for public sale projects³ only).
- (e) Car parking space.
- (f) Area of amenity space.

(iv) Particulars of licensed professionals employed to prepare the plan and supervise work:

- (a) Name:
- (b) License No./Professional Registration No. from the PEC.
- (c) NIC No.
- (d) Mailing and permanent address/telephone No.
- (e) Office address & telephone No.
- (v) Whether the project is intended for public sale?
Yes/No.

(vi) List of other documents to be attached to the application (photocopies should be duly attested by the professional):

- (a) Lease deed/sale deed, allotment order, mutation/transfer order/extract.
- (b) Possession order.
- (c) Acknowledgement of possession.
- (d) Site plan.
- (e) No objection certificate (NOC) from society/lessor (where applicable).
- (f) NIC

(g) A letter by the owner(s) or attorney(s) of the owner(s) authorizing a named professional (whose License No./Registration No. should also be provided) to complete/comply with the relevant requirements of the Sindh Building Control Ordinance, 1979 as amended from time to time, and of the regulations framed there under for and on behalf of the owner(s); and undertaking to provide plinth certificate notice at the stage of completion of plinth as required under section 3-2.10 of the Karachi Building & Town Planning Regulations, 2002 (2002 Regulations) and further to abide by all the rules and regulations as aforementioned. This letter should be signed by the owner(s) or their attorney(s) and should contain their NIC No., e-mail address, mailing and permanent address and telephone No. as well as the signature and particulars of the architect and structural engineer

(vii) An undertaking from the architect and structural engineer in the prescribed form.

The KBCA, which operates under the Sindh Local Government Ordinance, 2002 and falls under the control of the Karachi City District Government of which the Nazim (elected head of Karachi city local council) is the chief executive.

If the property is in military cantonment jurisdiction (which is not the case), the company must also send the mentioned documents to the Cantonment Board. This process takes around 30 days.

³ Public Sale Projects are projects designed with the intention of transferring to the public on ownership basis by way of public sale pursuant to a NOC from the KBCA in that regard.

Procedure 3. Request foundation work inspection from KBCA

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Every person who commences building works is required to give notice to the KBCA upon completion of plinth level in order to enable the KBCA to verify the building lines.

Procedure 4. Receive foundations work inspection from KBCA

Time to complete: 15 days

Cost to complete: free of charge

Comments:

With the exception of any Category 1 building work, Regulation No. 3-2.10 of the 2002 Regulations require that every person who commences building works shall give notice to the KBCA in the prescribed form upon completion of plinth and in the case of basements, upon the completion of foundations, in order to enable the KBCA to verify the building lines. Regulation No. 3-2.10 further provides that no further work shall be carried out for a period of 15 days from the date of receipt by the KBCA of such notice.

Within the said 15 day period the KBCA shall either approve the building lines or inform the owner or his representative of any error which may be found in the building line.

If no intimation is received from the KBCA within the said 15-day period, the owner will be entitled to proceed with the building works, after notice to the KBCA, provided the construction is in accordance with the approved building plan.

Procedure 5. Request electricity connection

Time to complete: 75 days (60 to 90 days, procedures 5 to 8 are simultaneous)

Cost to complete: PKR 228,000⁴

Comments:

An application in the prescribed form will be required to be submitted to the Karachi Electric Supply Corporation Limited along with the following documents for a new electricity connection:

- (i) An application form duly verified by a licensed electrical contractor.
- (ii) A copy of the applicant's NIC card.
- (iii) Copy of approved building plan.
- (iv) A copy of the letter under cover of which the approved building plan was issued.

Procedure 6. Request telephone connection

Time to complete: 45 days⁵ (procedures 5 to 8 are simultaneous)

Cost to complete: PKR 22,127.5⁶

⁴ Estimated material cost fee **Rs. 18,000** Security deposit of Rs. 1,500 Per Kilo Watt. Estimated electricity required is 140 KW, therefore security deposit would be **Rs. 210,000**

⁵ **30 to 60 days** from the date of the application depending upon the load on the particular telephone exchange where the proposed warehouse will be located. A priority connection will be given if the company avails the Self-Finance-Scheme made available by the Pakistan Telecommunication Company Limited.

⁶ (i) Installation charges: **Rs. 2,127.50** (this charge is inclusive of 15% General Sales Tax).

Comments:

An application in the prescribed form will be required to be submitted to the Pakistan Telecommunication Company Limited along with the following documents for a new telephone connection:

- (i) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the telephone is to be installed OR a copy of the utility bill in the name of the prospective customer.
- (ii) Certificate of Incorporation (issued by the Securities & Exchange Commission of Pakistan) if the applicant is a company.
- (iii) A letter of the company authorizing a named person to sign the application for the new telephone connection.

All the documents described above are already in the company's possession.

Procedure 7. Obtain copy property tax valuation and copy of the certificate from the tax authorities

Time to complete: 30 days (procedure 5 to 8 are simultaneous)

Cost to complete: free of charge

Comments:

The company must obtain a copy of the Property Tax valuation and a copy of the certificate from the tax authorities confirming that there are no amounts due to them. These documents will be submitted along with the water connection application.

The Excise and Taxation department of the Government of Sindh provides the property tax valuation after the building is completed. The department inspects the building and issues a certificate, to the owner of the building, which provides an assessment of the value of the building considering the covered area of the building, for providing objections, if any, to the assessment. The company/owner of the building is required to provide its objections within 14 days if the same are not provided within 14 days the department issues a Form PT-1 a certificate which provides the assessed value of the property and the resultant property tax to be charged on the property is also provided in the certificate.

The documents that are needed to be provided are.

1. An application providing information relating to the building
1. Title documents/ documents evidencing title of the property.
2. Approved building plan
3. National Identity Card of the Applicant

Procedure 8. Receive inspection from the Excise and Taxation department

Time to complete: 1 days

Cost to complete: free of charge

Comments:**Procedure 9. Request water and sewerage connection**

(ii) Self-Finance Scheme Charges: **Rs. 20,000** (these charges are adjustable in the monthly telephone bills).

(iii) Digital features/value added services charges (per month): Rs. 100

Time to complete: 60 days (procedure 5 to 8 are simultaneous)

Cost to complete: PKR 90,000 (PKR 60,000 for water and PKR 30,000 for sewerage)

Comments:

An application in the prescribed form will be required to be submitted to the Karachi water & sewerage board along with the following documents for a new water and sewerage connection:

- (i) A copy of the approved building plan along with a copy of the letter under cover of which the approved building plan was issued by the KBCA.
- (ii) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the water connection is to be provided.
- (iii) A copy of the Property Tax valuation.
- (iv) A copy of the certificate from the tax authorities confirming that there are no amounts due to them
- (v) A copy of the applicants NIC.

Procedure 10. Apply for occupancy permit and request final inspection

Time to complete: 30 days

Cost to complete: free of charge

Comments:

After the building is completed a "notice of completion and permission for occupation" along with the Architects Certificate in the prescribed Form is required to be given. After receipt of this notice the KBCA inspects the building to verify that it is made according to the plans already approved by the KBCA and after such inspection KBCA issues the completion certificate.

Procedure 11. Receive final inspection

Time to complete: 15 days

Cost to complete: free of charge

Comments:

Warehouse Project – Pakistan

Data as of: January 2004

City: Lahore

Regulatory Requirements and Procedures:

Procedure 1. Obtain letter from concerned authority confirming the land title

Time to complete: 30 Days

Cost to complete: Free of Charge

Comments:

The company must obtain a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

In Lahore the lands are owned by various authorities for example Lahore Development Authority (LDA), Lahore Municipal Corporation (LMC) etc. For example if the land bought by the company belongs to the Lahore Municipal Corporation (LMC) then the required letter / certificate will have to be obtained from the said authority.

Procedure 2. Obtain No Objection Certificate from Environmental Protection Agency

Time to complete: 7 – 15 Days

Cost to complete: PKR 15,000

Comments:

In this regards, an application on the prescribed form, shall be submitted to the Assistant Director (EIA), Environment Protection Department Punjab Lahore.

Documents required for the processing NOC cases:

1. Received in this office for the issuing of NOC.
2. Application to Secretary EPD, Punjab, Lahore.
3. Completely filled Environment Impact Assessment (EIA) Performa 10 copies, 2 Electronic copies
4. Copy of the NIC of the Proponent.
5. Location Map of the Site.
6. Land Ownership Documents.
7. Undertaking & Affidavit on Stamped Paper of Rs. 20/-
8. Status of the Unit / Project [Proposed / Under Construction / Existing (Indicate the year of establishment and provide documentary proof in its support)].
9. Area of the Unit / Project.

10. Location of the Unit / Project, Whether Outside or Inside the Municipal Limits.
11. Purpose of Applying for N.O.C (Electricity / Sui-Gas connection / Establishment / Extension or Expansion of the Unit / Project).
12. Treatment Plan for Solid, Liquid and Gaseous wastes Generated from the Unit / Project.
13. Recommendation of the Field Office:
14. (1) Inspector (2) Assistant Director (3) Deputy Director
15. Permission Certificate from Controlling Agency of Proposed Receiving Water / Waste Water Body.

Procedure 3. Obtaining Sanctioned Site Plan from Local Government

Time to complete: 60 days⁷

Cost to complete: PKR 25,000 to 30,000

Comments:

Approved site plan will be treated as NOC / permit for construction of warehouse and all auxiliary work and utility connections there to issuing authority would be Lahore Development Authority / Lahore Metropolitan Corporation depends on the location on the site for the construction.

An application in the prescribe form is required to be submitted to the LDA / LMC to gather with the following information's / documents.

(i) Building plan prepared by accredited Architect (initially three copies and thereafter six copies) together with:

(a) Full particulars of the plot, including status (whether residential, commercial, etc.) on which the building is proposed to be constructed according to the building plans.

(b) Two sets of all documents relating to the plot together with a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

(ii) Description of the plan:

(a) Proposed, revised, addition / alteration.

⁷ After receipt of an application for permission to carry out building works, the LDA / LMC is required to:

(a) Pass orders granting permission to carry out such building works within 60 calendar days.

(b) In the case of refusal/objections, the LDA / LMC issues consolidated objections/observations, specifying the provisions of the relevant building by laws within 30 days.

If no order is passed on an application within 60 calendar days of its receipt, it shall be deemed to have been sanctioned to the extent to which it does not contravene the provisions of the 1987 Building Regulations or the master plan or sanctioned site development scheme, if any. Upon expiry of the said 60 day period, the applicant may, after giving notice to the LDA / LMC, proceed to carry out the said building works at any time within Three year from the date of submission of the building plans provided the title to the land is clear from any disputes and objections.

(b) Previous approval from the Environmental Agency (if any)

(c) Details of any litigation relating to the plot.

Note: The drawings should show plans, sections and elevations together with other necessary details pertaining to RCC elements, joinery work and covered area etc., of every floor, including basement, if any, of the building intended to be erected, along with a block plan of the site, drawn to a scale of not less than 1:500 (1":8'). Such plan and sections should show the purpose for which the building or parts thereof are intended to be used; the access to and from the several parts of the building; the position dimensions, means of ventilation, the proposed height of the plinth and superstructure at the level of each floor, together with the dimensions and descriptions of all the walls, floors, roofs, staircases and elevator, etc.

(iii) Description of proposed construction:

- (a) Type of Building.
- (b) Total floor area.
- (c) No. of floors.
- (d) No. of units (for public sale projects⁸ only).
- (e) Car parking space.
- (f) Area of amenity space.

(iv) Particulars of licensed professionals employed to prepare the plan and supervise work:

- (a) Name:
- (b) License No. / Professional Registration No. from the PEC.
- (c) NIC No.
- (d) Mailing and permanent address / telephone No.
- (e) Office address & telephone No.

(v) Whether the project is intended for public sale? Yes / No.

(vi) List of other documents to be attached to the application (photocopies should be duly attested by the professional):

- (a) Lease deed / sale deed, allotment order, mutation / transfer order / extract.
- (b) Possession order.
- (c) Acknowledgement of possession.
- (d) Site plan.
- (e) No objection certificate (NOC) from society / lessor (where applicable).
- (f) NIC

(vii) An undertaking from the architect and structural engineer in the prescribed form to the effect that the proposed site plan has been prepared by himself.

If the property is in military cantonment jurisdiction (which is not the case), the company must also send the mentioned documents to the Cantonment Board. This process takes around 30 days.

⁸ Public Sale Projects are projects designed with the intention of transferring to the public on ownership basis by way of public sale pursuant to a NOC from province Govt. of Punjab / Local Govt.

Procedure 4. Request for Electricity Connection

Time to complete: 75 days (60 to 90 days, procedures 4 to 6 are simultaneous)

Cost to complete: PKR 228,000⁹

Comments:

An application in the prescribed form will be required to be submitted to the LESCO (Lahore Electric Supply Company Limited) along with the following documents for a new electricity connection:

- (i) An application form duly verified by a licensed electrical contractor.
- (ii) A copy of the applicant's NIC card.
- (iii) Copy of approved building plan.
- (iv) A copy of the letter under cover of which the approved building plan was issued.

Procedure 5. Request for Telephone Connection

Time to complete: 15-30 days (procedures 4 to 6 are simultaneous).

Cost to complete: PKR 1,763 inclusive of the price of the telephone set.

Comments:

An application in the prescribed form will be required to be submitted to the Pakistan Telecommunication Company Limited along with the following documents for a new telephone connection:

- (i) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the telephone is to be installed OR a copy of the utility bill in the name of the prospective customer.
- (ii) Certificate of Incorporation (issued by the Securities & Exchange Commission of Pakistan) if the applicant is a company.
- (iii) A letter of the company authorizing a named person to sign the application for the new telephone connection.

All the documents described above are already in the company's possession.

Procedure 6. Request for Water and Sewerage Connection

Time to complete: 60 days (procedures 4 to 6 are simultaneous)

Cost to complete: PKR 20,000

Comments:

An application in the prescribed form will be required to be submitted to the Water and Sewerage Authority WASA along with the following documents for a new water and sewerage connection:

- (i) A copy of the approved building plan along with a copy of the letter under cover of which the approved building plan was issued by the LDA / LMC.

⁹ Estimated material cost fee **Rs. 18,000** Security deposit of Rs. 1,500 per Kilo Watt. Estimated electricity required is 140 KW, therefore security deposit would be **Rs. 210,000**

(ii) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the water connection is to be provided.

(v) A copy of the applicants NIC.

Procedure 7. Obtain Completion Certificate

Time to complete: 30 days

Cost to complete: It will be calculated according to the area covered in violation of sanctioned site plan and other violations.

Comments:

(i) File an application to FDA / FMC for the completion certificate.

(ii) The Authority office of FDA / FMC will inspect the site and compare it with the approved site plan. If there will be any violation to the Building Regulation, a fine shall be levied. This is also possible that the demolition of a part of the building in contra venation to the Building Bye Laws be done.

(iii) Fine of the charged will be calculated for violation as under:

1st Floor - 150 / Srf

2nd Floor - 300 / Srf

3rd Floor - 500 / Srf

Procedure 8. Receive final inspection

Time to complete: 1 day, included in previous procedure

Cost to complete: Included in previous procedure

Comments:

Warehouse Project – Pakistan

Data as of: January 2004

City: Faisalabad

Regulatory Requirements and Procedures:

Procedure 1. Obtain letter from concerned authority confirming the land title

Time to complete: 30 days

Cost to complete: free of charge

Comments:

The company must obtain a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

This step is not practically carried out at Faisalabad.

Procedure 2. Obtain Sanctioned Site Plan from Local Government (building permit)

Time to complete: 45 days¹⁰

Cost to complete: PKR 49,000¹¹

Comments:

Approved site plan will be treated as NOC / permit for construction of warehouse and all auxiliary work and utility connections there to issuing authority would be FDA / FMC depends on the location on the site for the construction.

An application in the prescribe form is required to be submitted to the FDA / FMC to gather with the following information's / documents.

(i) Building plan prepared by accredited Architect (initially three copies and thereafter six copies) together with:

(a) Full particulars of the plot, including status (whether residential, commercial, etc.) on which the building is proposed to be constructed according to the building plans.

(b) Two sets of all documents relating to the plot together with a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along

¹⁰ After receipt of an application for permission to carry out building works, the FDA / FMC is required to:

(a) Pass orders granting permission to carry out such building works within 60 calendar days.

(b) In the case of refusal/objections, the FDA / FMC issues consolidated objections/observations, specifying the provisions of the relevant building by laws within 30 days.

If no order is passed on an application within 60 calendar days of its receipt, it shall be deemed to have been sanctioned to the extent to which it does not contravene the provisions of the Building Regulations or the master plan or sanctioned site development scheme, if any. Upon expiry of the said 60 day period, the applicant may, after giving notice to the FDA / FMC, proceed to carry out the said building works at any time within Three year from the date of submission of the building plans provided the title to the land is clear from any disputes and objections.

¹¹ PKR 3 per square foot of covered area for commercial properties as scrutiny fee, plus PKR 0.5 per square feet as Malba fee. Residential properties are charged with PKR 0.75 per square foot.

with the existence of any road widening / cut line / reservation.

(ii) Description of the plan:

(a) Proposed, revised, addition / alteration.

(b) Previous approval from the Environmental Agency (if any)

(c) Details of any litigation relating to the plot.

Note: The drawings should show plans, sections and elevations together with other necessary details pertaining to RCC elements, joinery work and covered area etc., of every floor, including basement, if any, of the building intended to be erected, along with a block plan of the site, drawn to a scale of not less than 1:500 (1":8'). Such plan and sections should show the purpose for which the building or parts thereof are intended to be used; the access to and from the several parts of the building; the position dimensions, means of ventilation, the proposed height of the plinth and superstructure at the level of each floor, together with the dimensions and descriptions of all the walls, floors, roofs, staircases and elevator, etc.

(iii) Description of proposed construction:

(a) Type of Building.

(b) Total floor area.

(c) No. of floors.

(d) No. of units (for public sale projects¹² only).

(e) Car parking space.

(f) Area of amenity space.

(iv) Particulars of licensed professionals employed to prepare the plan and supervise work:

(a) Name:

(b) License No. / Professional Registration No. from the PEC.

(c) NIC No.

(d) Mailing and permanent address / telephone No.

(e) Office address & telephone No.

(v) Whether the project is intended for public sale? Yes / No.

(vi) List of other documents to be attached to the application (photocopies should be duly attested by the professional):

(a) Lease deed / sale deed, allotment order, mutation / transfer order / extract.

(b) Possession order.

(c) Acknowledgement of possession.

(d) Site plan.

(e) No objection certificate (NOC) from society / lessor (where applicable).

(f) NIC

(vii) An undertaking from the architect and structural engineer in the prescribed form to the effect

¹² Public Sale Projects are projects designed with the intention of transferring to the public on ownership basis by way of public sale pursuant to a NOC from province Govt. of Punjab / Local Govt.

that the proposed site plan has been prepared by himself.

If the property is in military cantonment jurisdiction (which is not the case), the company must also send the mentioned documents to the Cantonment Board. This process takes around 30 days.

The scrutiny process is as follows:

- Map is sent to Building inspector for site visit, who reports regarding the area, location, etc.
- Map is then sent to building surveyor who reports regarding conformity to building rules.
- Map is then sent to municipal architect who approves/disapproves and forward it.
- Map is forwarded to town officer (Planning and Construction) for onward submission

TO (P&C) gets the plan/map approved from Tehsil Nazim. (In case of residential property it is approved by Chief officer, TMA).

Procedure 3. Receive inspection from Building Inspector

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Procedure 4. Notify municipal authority about commencement of construction

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 5. Request for Electricity Connection

Time to complete: 75 days (60 to 90 days, procedures 4 to 6 are simultaneous)

Cost to complete: PKR 228,000¹³

Comments:

An application in the prescribed form will be required to be submitted to the FESCO (Faisalabad Electric Supply Company Limited) along with the following documents for a new electricity connection:

- An application form duly verified by a licensed electrical contractor.
- A copy of the applicant's NIC card.
- Copy of approved building plan.
- A copy of the letter under cover of which the approved building plan was issued.

¹³ Estimated material cost fee **Rs. 18,000** Security deposit of Rs. 1,500 per Kilo Watt. Estimated electricity required is 140 KW, therefore security deposit would be **Rs. 210,000**

Procedure 6. Receive electrical inspection

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Procedure 7. Request for Telephone Connection

Time to complete: 15-30 days (procedures 4 to 6 are simultaneous).

Cost to complete: PKR 1,763 inclusive of the price of the telephone set.

Comments:

An application in the prescribed form will be required to be submitted to the Pakistan Telecommunication Company Limited along with the following documents for a new telephone connection:

(i) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the telephone is to be installed OR a copy of the utility bill in the name of the prospective customer.

(ii) *Certificate of Incorporation (issued by the Securities & Exchange Commission of Pakistan) if the applicant is a company.*

(iii) *A letter of the company authorizing a named person to sign the application for the new telephone connection.*

All the documents described above are already in the company's possession.

Procedure 8. Request for Water and Sewerage Connection

Time to complete: 7 days (procedures 4 to 6 are simultaneous)

Cost to complete: PKR 1,300 (PKR 750 for water and PKR 550 for sewerage)

Comments:

An application in the prescribed form will be required to be submitted to the Water and Sewerage Authority WASA along with the following documents for a new water and sewerage connection:

(i) *A copy of the approved building plan along with a copy of the letter under cover of which the approved building plan was issued by the FDA / FMC.*

(ii) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the water connection is to be provided.

(v) A copy of the applicants NIC.

Procedure 9. Receive plumbing inspection

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Warehouse Project – Pakistan

Data as of: January 2004

City: Peshawar

Regulatory Requirements and Procedures:

Procedure 1. Obtain letter from concerned authority confirming the land title

Time to complete: 30 days

Cost to complete: free of charge

Comments:

The company must obtain a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

This step is not practically carried out in Peshawar.

Procedure 2. Obtain No Objection Certificate from Environmental Protection Agency

Time to complete: 45 days

Cost to complete: PKR 10,000

Comments:

In this regards, an application on the prescribed form, shall be submitted to the Assistant Director (EIA), Environment Protection Department NWFP Peshawar.

Documents required for the processing NOC cases:

1. Received in this office for the issuing of NOC.
2. Application to Secretary EPD, NWFP, Peshawar.
3. Completely filled Environment Impact Assessment (EIA) Performa 10 copies, 2 Electronic copies
4. Copy of the NIC of the Proponent.
5. Location Map of the Site.
6. Land Ownership Documents.
7. Undertaking & Affidavit on Stamped Paper of Rs. 20/-
8. Status of the Unit / Project [Proposed / Under Construction / Existing (Indicate the year of establishment and provide documentary proof in its support)].
9. Area of the Unit / Project.
10. Location of the Unit / Project, Whether Outside or Inside the Municipal Limits.

11. Purpose of Applying for N.O.C (Electricity / Sui-Gas connection / Establishment / Extension or Expansion of the Unit / Project).
12. Treatment Plan for Solid, Liquid and Gaseous wastes Generated from the Unit / Project.
13. Recommendation of the Field Office:
14. (1) Inspector (2) Assistant Director (3) Deputy Director
15. Permission Certificate from Controlling Agency of Proposed Receiving Water / Waste Water Body.

Procedure 3. Receive inspection from Environmental Protection Agency

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Procedure 4. Obtain Sanctioned Site Plan from Local Government (building permit)

Time to complete: 30 days¹⁴

Cost to complete: PKR 70,000¹⁵

Comments:

Approved site plan will be treated as NOC / permit for construction of warehouse and all auxiliary work and utility connections there to issuing authority would be SDA / CMDA depends on the location on the site for the construction.

An application in the prescribe form is required to be submitted to the SDA / CMDA to gather with the following information's / documents.

(i) Building plan prepared by accredited Architect (initially three copies and thereafter six copies) together with:

(a) Full particulars of the plot, including status (whether residential, commercial, etc.) on which the

¹⁴ After receipt of an application for permission to carry out building works, the SDA / CMDA is required to:

(a) Pass orders granting permission to carry out such building works within 60 calendar days.

(b) In the case of refusal/objections, the SDA / CMDA issues consolidated objections/observations, specifying the provisions of the relevant building by laws within 30 days.

If no order is passed on an application within 60 calendar days of its receipt, it shall be deemed to have been sanctioned to the extent to which it does not contravene the provisions of the Building Bye Laws or the master plan or sanctioned site development scheme, if any. Upon expiry of the said 60 day period, the applicant may, after giving notice to the SDA / CMDA, proceed to carry out the said building works at any time within Three year from the date of submission of the building plans provided the title to the land is clear from any disputes and objections.

¹⁵ PKR 5 per square foot of covered area for commercial properties. Residential properties are charged with PKR 2 per square foot.

building is proposed to be constructed according to the building plans.

(b) Two sets of all documents relating to the plot together with a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

(ii) Description of the plan:

(a) Proposed, revised, addition / alteration.

(b) Previous approval from the Environmental Agency (if any)

(c) Details of any litigation relating to the plot.

Note: The drawings should show plans, sections and elevations together with other necessary details pertaining to RCC elements, joinery work and covered area etc., of every floor, including basement, if any, of the building intended to be erected, along with a block plan of the site, drawn to a scale of not less than 1:500 (1"=8'). Such plan and sections should show the purpose for which the building or parts thereof are intended to be used; the access to and from the several parts of the building; the position dimensions, means of ventilation, the proposed height of the plinth and superstructure at the level of each floor, together with the dimensions and descriptions of all the walls, floors, roofs, staircases and elevator, etc.

(iii) Description of proposed construction:

(a) Type of Building.

(b) Total floor area.

(c) No. of floors.

(d) No. of units (for public sale projects¹⁶ only).

(e) Car parking space.

(f) Area of amenity space.

(iv) Particulars of licensed professionals employed to prepare the plan and supervise work:

(a) Name:

(b) License No. / Professional Registration No. from the PEC.

(c) NIC No.

(d) Mailing and permanent address / telephone No.

(e) Office address & telephone No.

(v) Whether the project is intended for public sale? Yes / No.

(vi) List of other documents to be attached to the application (photocopies should be duly attested by the professional):

(a) Lease deed / sale deed, allotment order, mutation / transfer order / extract.

(b) Possession order.

(c) Acknowledgement of possession.

(d) Site plan.

¹⁶ Public Sale Projects are projects designed with the intention of transferring to the public on ownership basis by way of public sale pursuant to a NOC from province Govt. of NWFP / Local Govt.

- (e) No objection certificate (NOC) from society / lessor (where applicable).
- (f) NIC

(vii) An undertaking from the architect and structural engineer in the prescribed form to the effect that the proposed site plan has been prepared by himself.

If the property is in military cantonment jurisdiction (which is not the case), the company must also send the mentioned documents to the Cantonment Board. This process takes around 30 days.

Procedure 5. Receive inspection from Building Inspector

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Procedure 6. Notify municipal authority about commencement of construction

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 7. Receive visits from the building Control department in the municipality (1)

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 8. Receive visits from the building Control department in the municipality (2)

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 9. Receive visits from the building Control department in the municipality (3)

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 10. Receive visits from the building Control department in the municipality (4)

Time to complete: 1 day

Cost to complete: free of charge

Comments:

Procedure 11. Request for Electricity Connection

Time to complete: 75 days (60 to 90 days, procedures 9 to 12 are simultaneous)

Cost to complete: PKR 228,000¹⁷

Comments:

An application in the prescribed form will be required to be submitted to the PESCO (Peshawar Electric Supply Company Limited) along with the following documents for a new electricity connection:

- (i) An application form duly verified by a licensed electrical contractor.
- (ii) A copy of the applicant's NIC card.
- (iii) Copy of approved building plan.
- (iv) A copy of the letter under cover of which the approved building plan was issued.

Procedure 12. Receive electrical inspection

Time to complete: 1 day, included in previous procedure

Cost to complete: free of charge

Comments:

Procedure 13. Request for Telephone Connection

Time to complete: 15-30 days (procedures 9 to 12 are simultaneous).

Cost to complete: PKR 1,763 inclusive of the price of the telephone set.

Comments:

An application in the prescribed form will be required to be submitted to the Pakistan Telecommunication Company Limited along with the following documents for a new telephone connection:

- (i) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the telephone is to be installed OR a copy of the utility bill in the name of the prospective customer.
- (ii) Certificate of Incorporation (issued by the Securities & Exchange Commission of Pakistan) if the applicant is a company.

¹⁷ Estimated material cost fee **Rs. 18,000** Security deposit of Rs. 1,500 per Kilo Watt. Estimated electricity required is 140 KW, therefore security deposit would be **Rs. 210,000**

(iii) A letter of the company authorizing a named person to sign the application for the new telephone connection.

All the documents described above are already in the company's possession.

Procedure 14. Obtain sewage connection from municipal authority

Time to complete: 1 day (immediate)

Cost to complete: PKR 300

Comments:

Procedure 15. Dig well for water supply

Time to complete: 15 days (procedure 9 to 12 are simultaneous)

Cost to complete: PKR 20,000 (variable)

Comments:

In Peshawar there are frequent water supply interruptions and cessations. Therefore, builders prefer to hire a well digging expert to provide for water supply.

To obtain water connection from the Municipal Authorities, the BuildCo shall apply to the relevant authority with following documents

1. An application on prescribed form for water supply connection (Available easily, free of cost)
2. Proof of Ownership/Title. (In case of tenancy rights, Lease Deed etc, shall be provided)
3. A certified copy of the approved building plan/lay-out.
4. A certificate of fitness from a recognized Plumber Consulting Contractor that water supply lines are properly laid.
5. Attested copy of the Computerized NIC of the Applicant in case of an individual and attested copy of the "Certificate of Incorporation" in case of Company
6. An Affidavit on non-judicial stamp papers worth Rs.30 that the Applicant would be responsible for all the dues and arrears, if and when they become due.
7. *Challan* of PKR. 1,000 to be deposited with CDMD Water Section

Once all the formalities are undertaken, the Water Connection is made available with 2-3 days if supply line is already available/abutting the plot where proposed connection is carried out. If there does not exist the main supply line, the procedure than may take another 15 days and additional cost for the supply of main pipeline to be borne by the Applicant.

Procedure 16. Obtain Completion Certificate

Time to complete: 30 days

Cost to complete: PKR 350

Comments:

(i) File an application to FDA / FMC for the completion certificate.

(ii) The Authority office of FDA / FMC will inspect the site and compare it with the approved site plan. If there will be any violation to the Building Regulation, a fine shall be levied. This is also possible that the demolition of a part of the building in contra venation to the Building Bye Laws be done.

Obtaining Completion Certificate in Peshawar is optional and is only granted if, after final inspection the building is found to be strictly in accordance with approved building plan. Fee of applying for Completion Certificate is PKR 350/-. On final inspection, if any construction is found at variance of the approved plan, the person who is carrying on the construction can have it legitimize by paying the fees at the following rates :

Single Unit Residential & Commercial Properties	Ground Floor	PKR 30 per square foot of contravention
Single Unit Residential & Commercial Properties	First Floor & abv	PKR 45 per square foot of contravention
Arcade (Multiple Units) Building	Any Floor	PKR 1000 per square foot of contravention

Procedure 17. Receive final inspection

Time to complete: 1 day, included in previous procedure

Cost to complete: Included in previous procedure

Comments:

Warehouse Project – Pakistan

Data as of: January 2004

City: Sialkot

Regulatory Requirements and Procedures:

Procedure 1. Obtain Sanctioned Site Plan from Local Government (permission for issuance/sanction of map)

Time to complete: 60 days¹⁸

Cost to complete: PKR 210,000 (PKR 15 per square foot)

Comments:

Approved site plan will be treated as NOC / permit for construction of warehouse and all auxiliary work and utility connections there to issuing authority would be Tehsil Municipal Administration Sialkot.

An application in the prescribe form is required to be submitted to the Tehsil Municipal Administration Sialkot to gather with the following information's / documents.

(i) Building plan prepared by accredited Architect (initially three copies and thereafter six copies) together with:

(a) Full particulars of the plot, including status (whether residential, commercial, etc.) on which the building is proposed to be constructed according to the building plans.

(b) Two sets of all documents relating to the plot together with a letter from the concerned authority confirming the title / land use physically fresh demarcated / dimensions of the plot along with the existence of any road widening / cut line / reservation.

(ii) Description of the plan:

(a) Proposed, revised, addition / alteration.

(b) Previous approval from the Environmental Agency (if any)

(c) Details of any litigation relating to the plot.

Note: The drawings should show plans, sections and elevations together with other necessary details pertaining to RCC elements, joinery work and covered area etc., of every floor, including basement, if any, of the building intended to be erected, along with a block plan of the site, drawn to a scale of not less than 1:500 (1":8'). Such plan and sections should show the purpose for which the building or parts thereof are intended to be used; the access to and from the several parts of

¹⁸ After receipt of an application for permission to carry out building works, the SMC is required to:

(a) Pass orders granting permission to carry out such building works within 60 calendar days.

(b) In the case of refusal/objections, the SMC issues consolidated objections/observations, specifying the provisions of the relevant building by laws within 30 days.

If no order is passed on an application within 60 calendar days of its receipt, it shall be deemed to have been sanctioned to the extent to which it does not contravene the provisions of the Building Regulations or the master plan or sanctioned site development scheme, if any. Upon expiry of the said 60 day period, the applicant may, after giving notice to the SMC, proceed to carry out the said building works at any time within Three year from the date of submission of the building plans provided the title to the land is clear from any disputes and objections.

the building; the position dimensions, means of ventilation, the proposed height of the plinth and superstructure at the level of each floor, together with the dimensions and descriptions of all the walls, floors, roofs, staircases and elevator, etc.

(iii) Description of proposed construction:

- (a) Type of Building.
- (b) Total floor area.
- (c) No. of floors.
- (d) No. of units (for public sale projects¹⁹ only).
- (e) Car parking space.
- (f) Area of amenity space.

(iv) Particulars of licensed professionals employed to prepare the plan and supervise work:

- (a) Name:
- (b) License No. / Professional Registration No. from the PEC.
- (c) NIC No.
- (d) Mailing and permanent address / telephone No.
- (e) Office address & telephone No.

(v) Whether the project is intended for public sale? Yes / No.

(vi) List of other documents to be attached to the application (photocopies should be duly attested by the professional):

- (a) Lease deed / sale deed, allotment order, mutation / transfer order / extract.
- (b) Possession order.
- (c) Acknowledgement of possession.
- (d) Site plan.
- (e) No objection certificate (NOC) from society / lessor (where applicable).
- (f) NIC

(vii) An undertaking from the architect and structural engineer in the prescribed form to the effect that the proposed site plan has been prepared by himself.

If the property is in military cantonment jurisdiction (which is not the case), the company must also send the mentioned documents to the Cantonment Board. This process takes around 30 days.

Procedure 2. Request for Water and Sewerage Connection

Time to complete: 60 days (procedures 2 to 4 are simultaneous)

Cost to complete: PKR 10,000

Comments:

An application in the prescribed form will be required to be submitted to the Tehsil Municipal officer (Services and Infrastructure) along with the following documents for a new water and sewerage connection:

¹⁹ Public Sale Projects are projects designed with the intention of transferring to the public on ownership basis by way of public sale pursuant to a NOC from province Govt. of Punjab / Local Govt.

(i) A copy of the approved building plan along with a copy of the letter under cover of which the approved building plan was issued by the Tehsil Municipal Officer.

(ii) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the water connection is to be provided.

(v) A copy of the applicants NIC.

Procedure 3. Request for Electricity Connection

Time to complete: 45 days (procedures 2 to 4 are simultaneous)

Cost to complete: PKR 5,000

Comments:

An application in the prescribed form will be required to be submitted to the Gujranwala Electric Power Corporation (GEPCO) along with the following documents for a new electricity connection:

(i) An application form duly verified by a licensed electrical contractor.

(ii) A copy of the applicant's NIC card.

(iii) Copy of approved building plan.

(iv) A copy of the letter under cover of which the approved building plan was issued.

(v) Proof of company's incorporation

(vi) Proof of land ownership

Procedure 4. Request for Telephone Connection

Time to complete: 7 days (procedures 2 to 4 are simultaneous).

Cost to complete: PKR 1,750

Comments:

An application in the prescribed form will be required to be submitted to the Pakistan Telecommunication Company Limited along with the following documents for a new telephone connection:

(i) Evidence of ownership of, or, in case of a tenancy, a copy of the lease agreement in respect of the plot where the telephone is to be installed OR a copy of the utility bill in the name of the prospective customer.

(ii) Certificate of Incorporation (issued by the Securities & Exchange Commission of Pakistan) if the applicant is a company.

(iii) A letter of the company authorizing a named person to sign the application for the new telephone connection.

All the documents described above are already in the company's possession.

Procedure 5. Obtain Completion Certificate

Time to complete: 10 days

Cost to complete: free of charge

Comments:

(i) File an application to Tehsil Municipal Officer for the completion certificate.

(ii) The Authority office of municipal administration will inspect the site and compare it with the approved site plan. If there will be any violation to the Building Regulation, a fine shall be levied. This is also possible that the demolition of a part of the building in contra vention to the Building Bye Laws be done.

(iii) Fine of the charged will be calculated for violation as under:

1st Floor - 150 / Srf

2nd Floor - 300 / Srf

3rd Floor - 500 / Srf

Procedure 6. Receive final inspection

Time to complete: 2 days, included in previous procedure

Cost to complete: Included in previous procedure

Comments: