

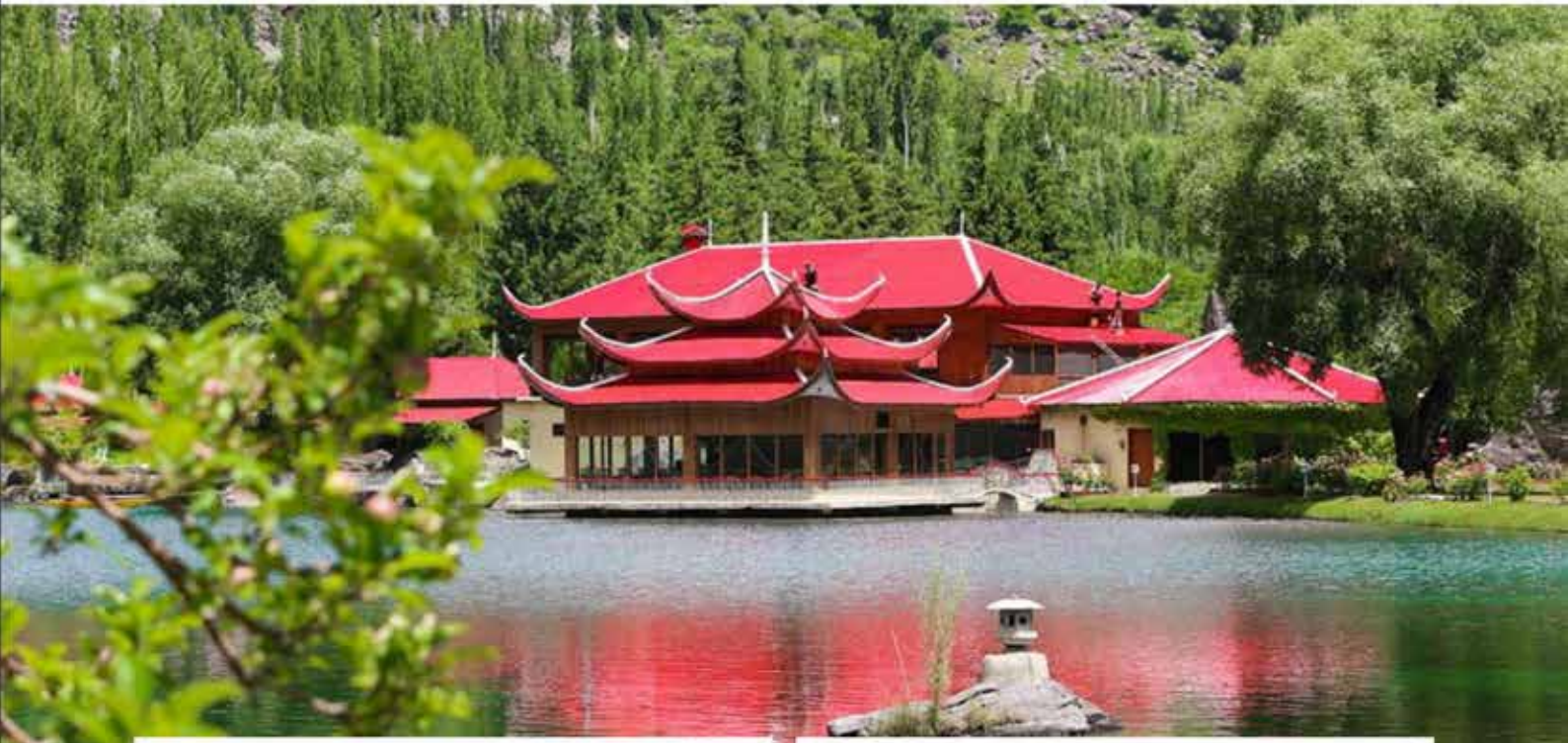
Stocks

38.5%



Prime Minister's Office
Board of Investment

PAKISTAN INVESTMENT GUIDE







INVEST PAKISTAN

A guide to start investing in Pakistan





Ghazi Interchange, M-1

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Pakistan has immense potential for Investment, particularly Foreign Direct Investment (FDI) owing to its location, human and natural resources. We have one of the most liberal investment regimes in the region. The government is cognizant of the fact that public spending, tax regime, business-friendly regulatory framework and the freedom to trade internationally, i.e. market liberalization etc., have had a positive influence on FDI in Pakistan.

The new tariff realization initiative taken by the government has opened up new investment opportunities in many areas including engineering, textile, iron & steel, automotive, pharmaceutical, corporate dairy, paper products, poultry and tourism sectors. One example of this is the setting up of mobile phone manufacturing units by many renowned brands.

We are trying to harmonize and align all standards and policies to have better and favourable business environment for all businesses in the country. The new Strategic Policy Framework (STPF 2020-25) is being finalized in consultation with all concerned stakeholders, which will also include specific measures for encouraging FDI and consolidation of fragmented export industry in Pakistan.

Board of Investment (BOI) is making all out efforts to facilitate investors to materialize their commitments into reality. The focus is to improve business climate and to reduce administrative and procedural burden from the investors through its various initiative such as Special Economic Zones, Ease of Doing Business and Pakistan Regulatory Modernization Initiative etc.

Abdul Razak Dawood
Adviser to Prime Minister on
Commerce & Investment



Pakistan holds vast investment opportunities with lucrative returns to investors. The government as a policy maker has significant of facilitating entrepreneurs to enhance ease of doing business. Accordingly, BOI has been mandated to serve as facilitator to both local as well as foreign investors.

A number of massive infrastructure, power and other projects have been initiated which remained instrumental in attracting private sector investment. Over the medium term the target is to increase investment to 20% of GDP from its present level of around 15% of GDP.

Pakistan, as an investment destination, offers friendly policies and commitment to maximize and enhance investors comfort and confidence level. Almost all sectors of economy are open to investment with attractive incentives and liberal policies.

The government is committed to enhance the business confidence further ease the doing business environment. A number of reforms have been initiated to modernize the business regulatory framework. Entrepreneurship seems to be blooming in the country as Security and Exchange Commission of Pakistan (SECP) has recorded a sharp increase in registration of new businesses.

I welcome you to invest in Pakistan for the mutual benefits of all.

Mrs. Fareena Mazhar
Federal Secretary
Board of Investment, Pakistan



Attabad Lake, Gojal Valley

A vibrant scene featuring a traditional wooden boat on a clear turquoise lake. The boat is decorated with colorful fabrics and has a yellow flag flying from its mast. Two outboard motors are mounted on the boat. In the background, majestic snow-capped mountains rise against a clear blue sky, with a steep, rocky cliffside visible on the right. The overall atmosphere is serene and scenic.

Pakistan at a Glance


General Information

Capital City	Islamabad (2.03 million)
Major Cities (Population)	Karachi (16.02 million) Lahore (11.11 million)
Land Area	796,096 sq.km
Geography	Located in the northwestern part of the South Asian subcontinent, bordered by Iran on the west, Afghanistan on the northwest, China on the northeast, India on the east, and the Arabian Sea on the south.
The Coastline	1,046km.
Climate	Pakistan has one of the best climates in the world as it has all four seasons; a cool, dry winter from December through February; a hot, dry spring from March through May; the summer rainy season, or southwest monsoon period, from June through September; and the retreating monsoon period of October and November. Each season is bearable and all facilities are accessible everywhere for extreme weather conditions.
Population/Growth Rate	215.25 million / 1.89 % (FY 2020-21) Workforce population: 52.56 million (FY 2020-21) Unemployment rate: 5.8 % (FY 2020-21)
Language	Urdu – National English – Official and is widely spoken as a business language. Other key local languages: Sindhi, Punjabi, Pashto, Balochi, Birohi.
Literacy Rate	60% (as of 2020)
Fiscal Year	1 st July- 30 th June
Time	GMT+5
Code for International Call	+92
Office Hours	0900-1700
Public & Optional Holidays	Public holidays: <ul style="list-style-type: none"> • February 5th (Friday) - Kashmir Day • March 23rd (Tuesday) - Pakistan Day • May 1st (Saturday) - Labour Day • 2-3 days - Eid-ul-Fitr * • 2-3 days Eid-ul-Azha * • August 14th - Independence day • Ashura Muharram * • Eid-i-Milad * • December 25 - Quaid-i-Azam day/Christmas * Subject to appearance of moon

Source: Pakistan Economic Survey (ESP) 2019-20, Ministry of Finance (MOF), Ministry of Interior (MOI), Pakistan Bureau of Statistics (PBS)





Currency

Currency	Pakistan Rupees
1 US\$	*PKR 156.2
1 €	*PKR 201.2
1 CNH	*PKR 25.37
1 JPN	*PKR 1.52

Source: State Bank of Pakistan (SBP) * June, 2021



Macroeconomics

Indicators	FY 2020-21
GDP ^p (million PKR) (million US\$)	735,596,565 47,09,325
GDP per Capita (US\$)	1542.5
GDP Growth Rate ^p	3.94%
Inflation Rate ^p	8.6%
FDI ^p Net (million US\$)	1,847
Investment to GDP Ratio	13.8%

*p=Projected

Sources: ESP, 2020-21, MOF, SBP



Trade

Exports (2020-21)	25.6 Billion US\$	
Major Items	Textile & Textile Articles	56.5%
	Vegetable Products	12.8%
	Mineral Products	4.3%
	Prepared Foodstuffs; Beverages, Spirits, Vinegar and Tobacco	3.7%
	Live Animals and Animals Products	3.6%
Major Partner Countries	United States of America	19.6%
	China	8.0%
	United Kingdom	8.0%
	Germany	5.9%
	United Arab Emirates	5.7%

Invest in Pakistan

Imports (2020-21)	53.8 Billion US\$	
Major Items	Mineral Products	21.5%
	Machinery and Mechanical Appliances	15.1%
	Products of Chemical and Allied Industries	11.1%
	Textile and Textile Articles	8.9%
	Base Metals and Articles of Base Metals	8.5%
Major Partner Countries	China	24.7%
	United Arab Emirates	9.9%
	Singapore	5.8%
	United States of America	4.6%
	Qatar	4.4%

Source: SBP



Foreign Direct Investment (FDI)

Net FDI (2020-21)	1847.4 Million US\$*	
Major Sectors	Power	49.80% (906.1 M. US\$)
	Communication (IT&Telecom)	05.40% (99.8 M. US\$)
	Oil & Gas	13.10% (242.8 M. US\$)
	Financial Business	12.80% (235.5 M. US\$)
	Textile	00.37% (6.9 M. US\$)
	Trade	01.27% (142.2 M. US\$)
	Construction	01.67% (30.9 M. US\$)
	Chemicals	00.29% (5.5 M. US\$)
Major Partner Countries	China	41.00% (757.9 M. US\$)
	Hong Kong	08.50% (157.2 M. US\$)
	Netherlands	05.80% (107.1 M. US\$)
	UK	07.80% (143.5 M. US\$)
	USA	08.40% (155.5 M. US\$)
	Switzerland	00.09% (1.7 M. US\$)
	Italy	00.22% (4.2 M. US\$)
	Japan	00.43% (0.8 M. US\$)
	Turkey	00.01% (0.2 M. US\$)
	Austria	

*Detailed breakup of FDI is given on the website of BOI (<https://invest.gov.pk>)

Source: BOI



Infrastructure

International Airports (12)	Islamabad, Karachi, Lahore, Peshawar, Multan, Sialkot, Faisalabad, Quetta, Rahim Yar Khan, Turbat, Gwadar, D.G.Khan
Ports (3)	(Karachi Port, Port Qasim, Gwadar Port)
Highways/Motorways	12,131 km
Total Road Network	270,971 km
Railway Network	Broad-gauge: 11,881 km, Meter-gauge: 876 km
Special Economic Zones	22 notified, of which 04 are under China Pakistan Economic Corridor (CPEC)
Export Processing Zones	06

Sources: National Highway Authority (NHA), Ministry of Railways (MoR), BOI



Telecommunication (as of August, 2020)

Cellular Subscribers	184 million (Teledensity: 84.16%)
Basic Telephony Subscribers	02 million (Teledensity: 1.14%)
3G/ 4G Subscribers	100 million (Penetration: 45.61%)
Broadband Subscribers	103 million (Penetration: 46.90%)

Source: Pakistan Telecommunication Authority (PTA)



Key Industries/Sectors

S.No.	Sectors	Key Highlights
1	Food	<p>The food industry, the 2nd largest industry of Pakistan accounts for 27% of value-added production and 16% of employment in the manufacturing sector, and its annual average of FDI (2012 -2018) is US\$255.9 million. Pakistan is the 4th largest milk producer, 3rd largest pine nuts producer and 5th largest date producer and is also an internationally recognized producer of mangoes and citrus fruits.</p> <p>Potential areas for investment are dairy, value addition in fruits, frozen food, olive oil extraction, potato powder, halal food, fish and fish products.</p>



S.No.	Sectors	Key Highlights
2	Textile	<p>Textile industry is the backbone of Pakistan's economy. It is the most important manufacturing sector of Pakistan and contributes nearly one-fourth of industrial value-addition and provides employment to approximately 40 percent of industrial labour force. It has the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, dyeing and finishing, made-ups and garments. It has a processing capacity of 5.2 billion square meters annually and is among the top 5 producers of cotton, yarn and hosiery. The sector comprises 46% of the total manufacturing. The abundance of raw material is a big advantage for Pakistan due to its beneficial impact on cost and operational lead time. A complete textile value chain exists and hence it is a good location for outsourcing production as well.</p> <p>Potential areas for investment are yarn production, integrated shuttle-less looms, ready-made garments, hosiery, knitwear and sportswear industries.</p>
3	IT & ITeS	<p>The Government of Pakistan (GoP) introduced Digital Pakistan Policy (2018) to create a digital ecosystem. Over 2,000 IT companies are operating in Pakistan and more than 300,000 English-speaking IT experts, and around 20,000 IT graduates each year enter the job market and can be hired for reasonable salaries. The country is overall ranked 4th in the global market for freelance development earning US\$ 1.2 billion and Pakistan's IT exports alone have marked 70% rise in the last 3 years. Excellent incentives are also being offered to investors.</p> <p>Potential areas in Information Technology and Information Technology enabled Services (IT & ITeS) for investment are development of software houses, e-commerce, IT parks, incubation centers, etc.</p>
4	Automotive	<p>The automotive sector contributes 2.8% to GDP and Rs. 30 billion to the national exchequer in terms of taxes and duties. Pakistan's automobile industry is the fastest growing in Asia. The production and sales have both grown by 171% and 172.5% respectively between 2014 and 2018. Under the Automotive Development Policy (ADP) 2016-21, tax incentives are offered to new automakers and hence major brands are setting up their assembly plants in Pakistan. There are 2,283 spare part units in Pakistan comprised of 83 assemblers, and 2,200 manufacturers.</p> <p>Potential areas for investment are production of jeeps/suvs, trucks, motorcycles, pick-ups, cars, tractors and auto parts—e.g. upgrading technologies in many areas including spark plugs, automotive lights, clutch plates, pressure plates, engine components, etc.</p>
5	Logistics	<p>Pakistan has 3 major sea ports, 14 dry ports, approx. 200 freight stations operated by Pakistan Railways and offshore exclusive economic zone covering an area of 240,000sq km. Transport itself contributes 22.3% of the services sector GDP and accounts for approximately 6% of the nation's total employment.</p> <p>Pakistan's population travels nearly 400 billion passenger kilometers (pkm) each year and this is expected to rise to 1,000 billion pkm by 2030. More than 10 cities will have over 2 million inhabitants by 2030 and projected demand for freight transport will be doubled by 2025, and with another sixfold increase it will reach 600 billion tones killometer (tkm) by 2050. Impact of CPEC will be enormous as 1,100 km long motorways, railway line between Karachi and Peshawar, railway link to China, gas pipeline and 09 Special Economic Zones (SEZs) are to be built.</p> <p>Potential areas for investment are supply chain management such as warehousing and cold chain logistics, air freight, trucking, international/urban/inter-urban transportation, courier services, etc.</p>

S.No.	Sectors	Key Highlights
6	Housing and Construction	<p>Pakistan is the 5th most populous country in the world, with more than 215 million citizens and more than 60 million strong labor force. The country's annual demand of housing is estimated to be about 700,000 units, while only about half of this demand is currently being met. On the whole, the housing backlog is estimated to be between 11-12 million housing units.</p> <p>The Government of Pakistan has accorded the status of priority to housing sector with a plan to construct 5 million units over coming five years. A special organization called 'Naya Pakistan Housing and Development Authority (NPHDA)' has been established to implement this plan. On 4th April 2020, the Prime Minister has unveiled an attractive package of incentives for construction industry including tax concessions, government subsidies and simplification of regulatory framework. Therefore, this sector presents great potential for investment along with opportunities for lucrative returns.</p>
7	Tourism	<p>Pakistan has a blend of beauty and historic sites, ranging from the peaks of Karakorum to the historic civilization of Mohenjo-Daro. Tourism development can be a massive source of earning in Pakistan as it possesses top-class tourist attractions from the stunning Himalayan peaks, beautiful lakes, scenic valleys, rich culture, centuries-old civilizations, vast deserts, golden beaches of Makran to all the other natural and man-made attractions. In addition to this, the country has a long water coast of the Arabian Sea in the southern region. Tourism services such as airlines, hotels, resorts, road transportation provide unique business avenues to investors in the diversified geographical regions of Pakistan.</p> <p>The present government has pledged to turnaround the tourism industry to improve Pakistan's international image and increase its direct contribution to GDP. Tourism in Pakistan has undoubtedly immense potential given our diverse culture, heritage and natural endowment. Tourism and Hospitality industry serves as a significant source of foreign exchange revenues, contributing to 0.9% of country's GDP. The present investment policy and the sectoral developments make tourism a desired investment destination. Potential areas for investment are hospitality and related services, accommodation, attraction development and transportation.</p>

*Detailed information on above sectors and their potentials for investment are available on the BOI website.



Post COVID-19 Scenario

The end of 2019 marked the start of a global fight against an invisible enemy, COVID-19. The abrupt outbreak of the pandemic all over the world has disturbed the political, social, economic, religious, and financial structures across the globe. The scale of recession in global economy was so alarming that some experts have feared that the present recession may supersede the great depression. However, even in the times of great despair Pakistan has managed to recover from COVID – 19 at a better pace than many other countries in Asia. The country did face tough macroeconomic imbalances but the economy has shown sign of a V shaped recovery. The GDP Growth of 3.9 percent for the year 2020-21 is better than projections of international institutions and economic outlook analysts. The government has set next year growth target at 4.8 percent with a policy focusing on improved revenue collection, export promotion and ensuring inclusiveness of economic gains.

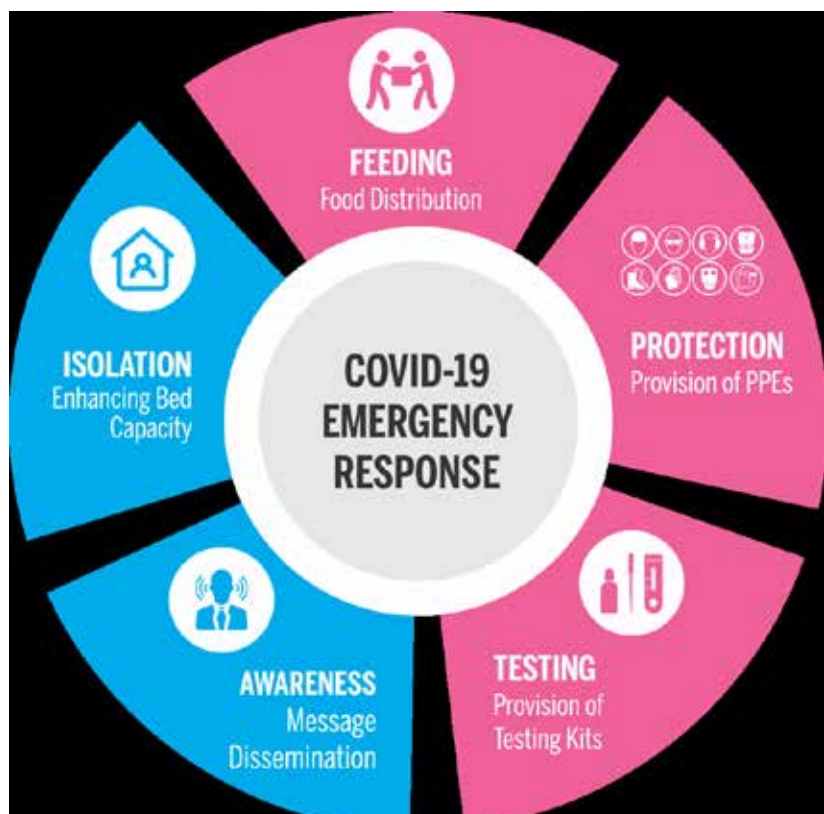
Invest in Pakistan

In terms of Pakistan overall economic recovery from pandemic, the country has fared well since April 2020. With the third wave of COVID-19 Pakistan's economy shows a recovery. As the country was hit by third wave of COVID-19 earlier this year with a well-coordinated targeted lockdown strategy and large scale vaccination campaign, Pakistan has managed to slow down the potentially alarming threat of COVID-19 infection. Almost ten million people have received first doze of vaccination and the coverage is being expanded systematically.

In March 2020 the government has announced a fiscal stimulus package of approximately PKR 1.27 trillion (3 percent of GDP) aimed at supporting the economic activity through achieving key strategic priorities. The targeted outcomes of fiscal stimulus included increased capacity of the healthcare sector, cash support to the poor and vulnerable and support to business and industry to mitigate losses due to pandemic lockdown. Following the phased lifting of lockdown measures in December 2020 and then in May 2021, the indicators of industrial and services activities have improved, and business confidence indices have exceeded pre-COVID-19 levels. The government announced many support and stimulus packages to boost economy and industrial sector.

The government has not just tackled economic side but also covered impacts of Covid-19 on social side as well. Therefore, in terms of Pakistan's social security sector during the pandemic, the country enormously expanded the outreach of its flagship cash transfer program; Ehsaas Program. The program was launched to alleviate the financial hardship of people relying on daily wages and low-income segments of society. In April 2020, the program aimed to disburse \$900 million to 12 million families but later its scope was enhanced to another 6 million families. The program makes targeted cash transfers of PKR 12000(80\$) per month to each beneficiary. The program has successfully managed to reach out to approximately 15 million families thus far with the help of large-scale poverty surveys and partner microfinance and other grass root organizations.

In terms of Pakistan's overall economic recovery from the pandemic, the country has fared well since April 2020. Pakistan's economy has shown good recovery since the third wave of COVID-19 in March 2021. This is due to a well-coordinated, targeted lockdown strategy, as well as large-scale vaccination campaigns.



Life in Pakistan

Expatriates in Pakistan can live a comfortable life as welcoming hospitality, professional services and modern facilities are all available.



Housing

In most urban areas in Pakistan like the capital city of Islamabad and the largest commercial cities of Lahore and Karachi, availability of suitable expatriate accommodation, with full security provisions, is very good. Furnished properties can also be found for rent and search of your home in Pakistan is manageable even online. The range of rent varies depending on location, size, facilities, etc. Some examples for rentals of house/apartment are given below.

Type	Area	Rent (Rs.)	City	Location
2 Bed Room (BR) Apartment (Furnished)	270sq.yd/230 m ²	150,000-220,000	Islamabad	Diplomatic Enclave, Sector G-5
3 BR Apartment (Furnished)	360sq.yd/300m ²	230,000-300,000	Islamabad	The Centaurus, Sector F-8
3 BR Apartment	360sq.yd/300m ²	180,000-200,000	Karachi	DHA Pase 8, Creek Vista
5 BR House	350sq.yd/292m ²	140,000-170,000	Karachi	Naval Housing Scheme
3 BR Apartment (Furnished)	360sq.yd/300m ²	100,000-150,000	Lahore	DHA Phase-4 and 5

Source: zameen.com



Schooling

Although there are government run schools available also for foreigners, most expatriates choose for private schooling for their children. There are satisfactory private pre-primary, primary and secondary schools and a range of international schools in Islamabad, Lahore and Karachi.



Health Care

Pakistan has excellent health care services. Medical facilities are generally good in major cities where emergency medical assistance can be available by just dialing the emergency helpline such as 1122 (Rescue Service), 115 (Edhi Ambulance Service).



Security

In public buildings and facilities, security control is placed, and safe city projects have been launched in urban centers to control street crimes. For more private purposes, trusted private security companies are well established in major cities that provide efficient security services.



Tourism

From the mighty stretches of the Karakorams in the North to the vast alluvial delta of the Indus river in the South, Pakistan is a land of high adventure and nature. The strength of Pakistan lies in its rich historical and cultural heritage with the oldest civilizations like Indus Valley Civilization to magnificent Mughal era architecture. The eye catching views of valley of Hunza, abundance of glaciers and Himalayan Mountains are some of the natural spectacles that attract tourists. The hospitality industry has been expanding simultaneously in the Northern areas of Pakistan with a few luxurious hotels opening up in the mountainous regions. Many tourism agencies are operational and multi-lingual tourist guides are available.



Leisure

Pakistan offers a wealth of leisure opportunities since sports activities such as fitness, golf, tennis, swimming, squash, football, rugby, jogging, walking, hiking and horse riding are in easy access. Local and international cuisine are served in a very good range of restaurants and cafeterias. Cultural services including cinemas, theaters and museums are provided reasonably.



Shopping

There are many shopping places from traditional markets to well-stocked supermarkets and mini-markets offering a good variety of food and household items. Chemists, bookstores and electronics shops have diverse lineup of products. Clothing shopping offers a wide variety owing to the world renowned textile industry at home. The modern and efficient shopping malls in major cities are open till late night every day, and thus most of the expatriates' household needs can be fulfilled at any time round the clock.



WELL DESERVED?
PAKISTAN
TOP TRAVEL DESTINATION 2020







Investment Regime



Investment Policy

Pakistan's liberal investment regime and its enthusiastic facilitation are the cornerstones for its strategy to achieve investors' confidence and enable a conducive environment to attract local and foreign investment. The first Investment Policy was framed by BOI in 1997 which opened all economic sectors including infrastructure, social, and services for foreign investment. Keeping in view the importance of investment for economic growth and fast economic globalization trends around the world, Investment Policy 2013 was formulated to further improve the investment climate in the country. Guiding principles of Investment Policy 2013 are as follow:

1. Reducing the cost of doing business in Pakistan
2. Reducing the processes of doing business
3. Ease of doing business with creation of industrial clusters and Special Economic Zones
4. Linkages of trade, industrial and monetary policies for greater convergence

Investment Policy, 2013 is a logical evolutionary enhancement of the 1997 Policy. It reinforces the components of its predecessor policy, consolidates existing policies promulgated by the related line ministries, and introduces further liberalized policy along with futuristic strategic programs to implement the policy. The formulation of Investment Policy, 2013 was done keeping in view the global investment trends, regional trends & experiences, Pakistan investment data/ flows over time and present day economic challenges. The goal of Investment Policy 2013 is to address and adjust economic priorities in the face of changing global scenario of economic slowdown. The Policy will be instrumental to achieve progressive increase in FDI inflow.

However, To address the economic priorities in the face of changing global and regional economic scenarios and to achieve the targets for sustainable economic growth in the country, Board of Investment (BOI) in collaboration with International Finance Corporation - World Bank Group is working on modification of the existing Investment Policy and has come up with the draft of Investment Policy 2020. The relevant Stakeholders have been consulted on the new draft of the said policy. Further codal formalities are being fulfilled for approval of Investment Policy 2020.



Lansdowne Bridge, Sukkur

Investment Promotion Strategy: 2020-23

The Investment Promotion Strategy 2020-23 has been successfully launched on 27th August, 2020. The strategy has been prepared after extensive consultations, studying the successful models of national, regional and global investment promotion agencies (IPAs) and their best practices and extensive research. All the stakeholders specifically Federal Ministries and Provincial Departments and the Private Sector Business houses were also consulted in formulating this Strategy.

In the new Strategy, for the first time the priority sectors have been selected through a well-structured sector scanning process. The sectors are:

- Food & Beverages,
- Auto & Auto Parts,
- IT & IT enabled Services,
- Logistics; and
- Value Added Textiles.

These sectors were selected on multi-dimensional criteria, based on our comparative and competitive advantage, employment generation capability, import substitution, export potential, global outward FDI trends and the success of IPAs in those sectors. The new Strategy has also taken into account the implications of the pandemic.

Investment Policy Matrix

Policy Parameters	Manufacturing Sector	Non-Manufacturing Sectors		
		Agriculture	Infrastructure & Social	Services ^d , IT & Telecom
Government permission(s)	Not required except for 4 specified Industries ^a	Not required except for specific licenses from concerned agencies		
Remittance of capital, profits, dividends, etc.	Allowed	Allowed		
Upper limit of foreign equity allowed	100%	100% ^b 60:40 ^c	100%	100% 49% ^d
Customs duty on import of PME*	5%	0%	5%	0-5%
Tax relief (IDA**, % of PME cost)	25%	25%		
Royalty and technical fee	No restriction for payment of royalty & technical fee	Allowed as per guidelines of Foreign Exchange Manual 2020		

a. Specified Industries are: Arms and ammunitions; High Explosives; Radioactive substances; Security Printing, Currency and Mint

b. Corporate Agriculture Farming (CAF) only

c. Other than CAF (60% to Foreigner)

d. Financial Business and Airline

*PME= Plant, Machinery and Equipment

**IDA= Initial Depreciation Allowance

Source: BOI



Taxation and Incentives

The Ministry of Finance (MoF) is responsible for the formulation of tax policy whilst the Federal Board of Revenue (FBR) is responsible for administering the taxes. The main legislative framework of taxation is provided in the “Income Tax Ordinance, 2001”. The Government of Pakistan is looking to encourage businesses inside the country and much of the tax incentives it provides aim to increase economic activity within the country and attract foreign investors to its shores. Keeping this in mind, the government has announced a new tax regime whereby starting from 2019 until 2023 and onwards, the corporate tax rates for small companies will see a yearly reduction as per the following table:

Company/Tax Type	Tax Rate %
Banking company	35
Public company other than banking company	29
Any other company	29
Small company	23 (will reduce by 1% each year till 2023)
GST (Sales Tax/VAT)	17
Sales tax (services)	16
Customs duty	0-20 except auto items
Federal excise duty	0-16 for specific items only

Source: FBR

Incentives

Major fiscal incentives for investors are summarized in the following chart.

Incentives	Conditions
Special Economic Zones	<ul style="list-style-type: none"> ✓ Exemption from income tax for ten years for Zone Developers, Co-developers and Zone Enterprises; ✓ One time exemption from all custom-duties and taxes on the import of capital goods to Zone Developers, Co-developers and Zone Enterprises. <p>In addition to incentives, the Board of Investment has recently launched an online module called the Special Economic Zones Management Information System (SEZMIS). SEZMIS will act as a one-stop shop for investors. It is backed by the legal provisions of the SEZ Act, SEZ Rules, and SEZ Zone Enterprise Admission and Sale, Lease and Sub-Lease of Plot Regulations. The module is enabling the speedy and transparent disposal of zone applications and zone enterprise entry applications. The investors can simply register online and submit their applications, which will automatically be shared with the concerned authorities, thereby ensuring disposal of the said applications.</p>
Export Processing Zone	<ul style="list-style-type: none"> ✓ Exemption of all custom duties and taxes of machinery, equipment, and materials ✓ Freedom from national import regulations and not applicable of exchange control regulations of Pakistan ✓ No sales tax on inputs including electricity / gas bills ✓ Domestic market available to the extent of 20%

Incentives	Conditions
Gwadar Free Zone	<ul style="list-style-type: none"> ✓ Tax holiday for establishing business for 23 years and for contractors and sub-contractors for 20 years ✓ Exemption from customs duty for 40 years on import of equipment and material ✓ Exemption from minimum tax for concession holders and operating companies
Automobile Under the “Automotive Development Policy (ADP) 2016-2021”	<p>1: Exemption from Value Added Tax (VAT) on locally manufactured small cars and reduced customs duty on import of Completely Knocked Down (CKD) of small cars 850cc</p> <p>2: No advance tax on import of motor vehicles up to 1000 cc</p> <p>3: Low customs duty on import of hybrid vehicles parts.</p> <p>4: Low customs duties for vehicle assembly (New make or model)</p> <p>5: Low custom duties on auto motive parts.</p> <p>6: Low customs duties on vehicle assembly (TBS regime)</p> <p>Incentives for Electric Vehicles (2-3 WHEELERS & HCV’S)</p> <p>1: Exemptions in duties for plant and machinery.</p> <p>2: Waiver of sales tax for import of electric 2-3 wheelers.</p> <p>3: Low rate of customs duty on EV specific parts.</p> <p>4: Import of new EVs (2-3 wheelers) in CBU condition at concessionary rate.</p> <p>5: Low Customs Duty on import of CBUs (Electric Buses, Trucks & Prime Movers)</p> <p>6: Low customs duty on import of heavy electric vehicles (CKD).</p> <p>7: Waiver of sales tax at import stage for heavy electric vehicles.</p> <p>8: Exemptions of duties on inputs for manufacturing EVs.</p> <p>INCENTIVES FOR ELECTRIC VEICLES (FOUR WHEELERS)</p> <p>1: No customs duty on import of plant and machinery for manufacture of 4-wheeler EVs.</p> <p>2: No sales tax on imports of CKD.</p> <p>3: Low rate of customs duty on import of specific parts.</p> <p>4: Concessionary rate of custom duties for import of 4 wheelers.</p> <p>5: Concessionary rate of customs duty on import of Completely Built 4-wheel Units (CBU’s).</p> <p>6: Low customs duty on Import of Completely Built 4-wheeler Electric Units (CBUs)</p> <p>7: Low customs duty on import of 4-wheeler electric vehicle chargers.</p> <p>8: VAT exemptions on CBU/CKD import of 4-wheeler electric vehicles.</p>
IT & ITeS	<ul style="list-style-type: none"> ✓ Exemption of income tax on IT & ITeS exports till June 2025 ✓ Exemption of income tax for Pakistan Software Export Board (PSEB) registered IT start-ups for 3 years ✓ Tax holiday for venture capital funds till 2024 ✓ Accelerated depreciation of 30% on computer equipment
General (Income Tax Ordinance, 2001)	<ul style="list-style-type: none"> ✓ Tax credit for employment generation by manufacturers – the rate 2% of tax payable for every 50 employees. (64B) ✓ First year tax credit for enlistment – the rate of 20 % of tax payable for registration in Pakistan. (65C) ✓ 5-year tax holiday - the form of 100% tax credit allowed for new industrial undertaking before 30 June 2021 (65D) ✓ First year investment allowance for industrial undertakings in specified rural and under developed areas. (23A)

Incentives	Conditions
Power Generation	<ul style="list-style-type: none"> ✓ Exemption of tax on income from power generation projects ✓ Reduced tax rate of 7.5% against 15% standard rate on dividend to shareholders ✓ Exemption of minimum tax on turnover.
Renewable Energy	<ul style="list-style-type: none"> ✓ Exemption from custom-duties and taxes on import of equipment ✓ Exemption from income tax / withholding tax and sales tax ✓ Repatriation of equity along with dividends freely allowed ✓ Convertibility of PKR into USD ✓ Attractive tariff (cost plus 17% ROE), indexed to inflation & exchange rate variation (Rupee / Dollar) ✓ Government's sovereign guarantee ✓ Permission to issue corporate registered bonds <p>In addition:</p> <ul style="list-style-type: none"> ✓ Wind risk (risk of variability of wind speed). ✓ Guaranteed electricity purchase by power purchaser ✓ Grid provision is the responsibility of the purchaser ✓ Carbon credits available.
Oil & Gas	<ul style="list-style-type: none"> ✓ Income tax holiday for 20 years ✓ Exemption from all duties, taxes, surcharges and levies on import, by a refinery project ✓ Provision of a pricing mechanism which shall be no less favorable than the prevailing mechanism ✓ Facilitation in infrastructure such as Single Point Mooring (SPM), Jetties, subsea/land pipelines etc. ✓ Waiver of Development Surcharge (DS) on the value of exports under the Export Processing Zones Authority (EPZA) Rules, 1981. ✓ The imported crude oil transportation pipelines and its storages will be integrated part of the refinery project and will also avail all incentives as given above
Coal Mining	<ul style="list-style-type: none"> ✓ Exemption of tax from income of coal mining projects ✓ Exemption from minimum tax on turnover ✓ Exemption from withholding tax from dividend received by shareholders for 30 years ✓ Input tax adjustment for power producing units using Thar coal ✓ Free of sales tax on import of coal-mining machinery and equipment for Thar coal
Housing and Construction	<ul style="list-style-type: none"> ✓ A new fixed tax regime from the tax year 2020 and onwards, for Eligible Builders and Developers. ✓ Eligible Developers and Builders shall be exempted from withholding taxes on the purchase of building materials. Dividend income paid to a person by a builder or developer company out of the profits and gains derived from a project shall be exempt from tax and also from tax withholding obligations. ✓ Capital gains received by an individual on the sale of residential property (personal/family), house or flat, have been exempted from income tax. ✓ The State Bank of Pakistan (SBP) has made it mandatory for banks to ensure that the financing for housing and the construction of buildings (Residential and Non-Residential) shall be at least 5 percent of their domestic private sector credit by December 2021
Tourism and Hospitality	<ul style="list-style-type: none"> ✓ Reduced duty on prefabricated structures for hotels and on machinery and equipment. ✓ Set off losses of companies operating hotels. ✓ Tourist visa on arrival. ✓ Business visa on arrival. ✓ Refinance facility under the Export Finance Scheme for Consultancy Services.

Source: FBR

Countries with Bilateral avoidance of double Taxation Treaty

Pakistan has bilateral taxation treaties (full-scope) with a number of countries as listed below:

Sr.	Country	Sr.	Country	Sr.	Country	Sr.	Country	Sr.	Country
1	Austria	14	Finland	27	Kuwait	40	Philippines	53	Syria
2	Azerbaijan	15	France	28	Kyrgyz Rep.	41	Poland	54	Tajikistan
3	Bahrain	16	Germany	29	Lebanon	42	Portugal	55	Thailand
4	Bangladesh	17	Hong Kong	30	Libya	43	Qatar	56	Tunisia
5	Belarus	18	Hungary	31	Malaysia	44	Romania	57	Turkey
6	Belgium	19	Indonesia	32	Malta	45	Saudi Arabia	58	Turkmenistan
7	Bosnia & Herzegovina	20	Iran	33	Mauritius	46	Serbia	59	UAE
8	Brunei Darussalam	21	Ireland	34	Morocco	47	Singapore	60	UK
9	Canada	22	Italy	35	Nepal	48	South Africa	61	Ukraine
10	China	23	Japan	36	Netherlands	49	Spain	62	USA
11	Czech Rep.	24	Jordan	37	Nigeria	50	Sri Lanka	63	Uzbekistan
12	Denmark	25	Kazakhstan	38	Norway	51	Sweden	64	Vietnam
13	Egypt	26	South Korea	39	Oman	52	Switzerland	65	Yemen

Source: FBR



Key Initiatives

Ease of Doing Business (EoDB)

Bol is the Secretariat of the steering Committee on EoDB, headed by the Prime Minister. World Bank's EoDB report measures 10 business indicators across 190 countries on annual basis. In Pakistan, EoDB reforms are carried out through well structured plans. The plan encompasses a set of comprehensive reform actions to be implemented by various stakeholders at federal and provincial level. The reforms focus on regulatory changes, automation and improving quality and simplification of procedures. 7th Reform Plan is being prepared in consultation with relevant federal and provincial stakeholders.

Key EoDB reforms performed in 2019

Board of Investment is the secretariat of Steering Committee on Ease of Doing Business headed by the Prime Minister. Bol in collaboration with relevant stakeholders implemented 6 reform drives since 2017. Following is the brief on reforms undertaken under EoDB initiatives in the year 2020.

- **Starting a Business** – SECP in collaboration with all provincial relevant agencies has introduced Single Registration Certificate. The certificate is being emailed to the companies. Now, a company is being incorporated entirely through online process, without the need for physical visits.



▪ **Registering Property – Karachi**

1. Board of Revenue has launched online sales certificate application in Karachi.
2. The cost of Registering Property in Karachi has been reduced by eliminating registration fee and Capital Value Tax (CVT), the rate of stamp duty has also been reduced.

▪ **Dealing with Construction Permits Lahore**

- I. LDA has introduced a risk-based approach during the application and inspection phases. Applications of low risk category can start construction at site, once the application of construction permit is submitted.
- II. LDA has made requirement by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use.
- III. Automation of construction permit including electronic submission of applications. LDA has started submission of building permit through E-Service Centre.
- IV. LDA has introduced online payment system for applicants of construction permits, through all banks.

▪ **Paying Taxes -** Online payment of Taxes has been introduced. The number of payments is now measured as 34 instead of 47 and time for paying taxes has reduced substantially.

▪ **Getting Electricity – Karachi**

- I. To get power factor improvement panel (PFIP) Karachi Electric has registered / pre-qualified vendor, whereby customers may procure PFIP from listed / approved vendors as soon as they apply for new connection.
- II. Karachi Electric Energy Department, Sindh have been integrated at one portal so that applications for electrical inspectorate Karachi are directly routed through online portal between KE and EIK.
- III. Karachi Electric has reduced the cost of electricity connection in accordance with NEPRA consumer service manual.

Lahore

LESCO has reduced the total time for issuance of electricity connection from 58 to 48 days.

▪ **Trading Across Borders –**

- i. In line with WTO TFA Pakistan has initiated the advance ruling system, enabling traders to get advanced information about classification of goods.
- ii. Pakistan Custom has launched a new channel in the Risk Management System (RMS), where consignments of Industrial raw materials previously marked for physical examination by the RMS shall now be examined through non-intrusive inspection using container scanners.
- iii. In 2020-212 the Web Based One Customs (WeBOC) risk management system has been upgraded by inclusion of elements like Predictive Analytics and machine learning to reduce the number of physical inspections all over the country and especially at the MCC Export PMBQ and MCC Imports PMBQ.

Enforcing Contracts:

The commercial courts have been established in Sindh and Punjab.

Lahore:

1. Commercial Court Ordinance, 2021 has been promulgated (dated 13th April, 2021), leading to following reforms;
 - Time limit of 180 days introduced for disposal of a suit (Section 11,1, on page 7 of the ordinance)
 - E-filing of applications introduced (section 9, page 7 of the ordinance)
2. The Commercial Court Ordinance, 2021, Section 11 (2) states that “For expeditious disposal of suits and appeals under this Ordinance the Commercial Court shall not grant unnecessary adjournments and in no case more than two adjournments shall be granted for a specific purpose”
3. After e-filing of application, the case is randomly and automatically assigned to judges through the case management system.
4. Time standards (of 180 days) are respected in more than 50% of cases.
5. All of the four reports (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report can be generated using the case management system.
6. Electronic Case management tools are in place for judges. The system can be used for the following: (i) to access laws, regulations and case law; (ii) to automatically generate a hearing schedule for all cases on their docket; (iii) to send notifications (for example, e-mails) to lawyers; (iv) to track the status of a case on their docket; in a particular case.
7. Electronic Case management tools are in place for lawyers. The system can be used for the following: (i) to access laws, regulations and case law; (ii) to access forms to be submitted to the court; (iii) to receive notifications (for example, e-mails); (iv) to track the status of a case; in a particular case.
8. Punjab Government Introduced “The Punjab Alternate Dispute Resolution Act 2019” in October 2019
9. In pursuance to Section 23 of the Punjab Alternate Dispute Resolution Act 2018, Punjab Government Introduced “ The Punjab Alternate Dispute Resolution Rules 2020”
10. Judgments rendered in commercial cases at all levels are available to the general public on court website

Future Plan;

7th reform plan is being prepared in consultation with relevant stakeholders, the plan is to be implemented for reforms targeting to improve ranking in Doing Business Report 2023. Highlights of the plan are as under;

1. Providing bank account opening facility in eservices portal of SECP at the time of company incorporation.
2. Removal of the requirement for Pin and Company Seal.
3. Introduce GIS for eliminating initial physical inspection of site for getting construction permits

Invest in Pakistan

4. Amendments in Secured Transaction Act, 2016 for establishing registry for movables and addressing some areas relevant to protection of creditors and debtors through ordinance.
5. Improvement in land records in Sindh by up gradation of the website of Board of Revenue for registering property.
6. Outsourcing of independent complaint resolution system Sindh Board of Revenue for registering property.
7. Reduction in time and cost for commercial electricity connections.
8. Improvement in risk management system for tax audits.
9. Reduction in time for tax refunds through automation.
10. National one window for efficient custom and border compliance.
11. Online court fee payment.
12. Improvement in case management system of the courts.
13. Promulgation of commercial court ordinance in Sindh.

For the DB Report 2021, 73 reform actions and 30 data challenges have been submitted to the World Bank. It is expected that Pakistan will be able to secure a ranking among top 90 economies. The DB Report 2021 is delayed and expected at the end of ongoing year.

As per the directions of Prime Minister, BOI has rolled out the EODB initiative in Baluchistan and Khyber Pukhtoonkhwa Provinces. EoDB Working Groups have been formed in both Provinces.

Doing Business Report 2020

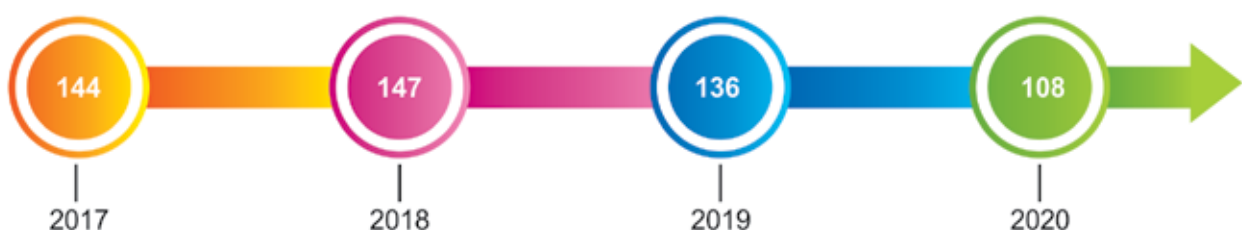
Pakistan leads the way!

Pakistan has been awarded **6th** position among top reformers in the world and has secured no. **1** reformer position in South Asia

Pakistan is No. **3** in big jumps on DB ranking scale and has improved **28** ranks (from **136th** to **108th** ranking)

6 reforms have been accepted by the **World Bank**, which is unprecedented. In term of DTF Pakistan has improved its score from **55.31** to **60.91**

Pakistan's Ease of Doing Business (EoDB) Ranking



Indicator	Positions Jumped	EoDB Report 2020	EoDB Report 2019
Overall - out of 190	28	108	136
Starting a business (reform)	58	72	130
Dealing with Construction Permits	54	112	166
Getting Electricity (reform)	44	123	167
Registering Property	10	151	161
Paying Taxes	12	161	173
Trading Across Borders	31	111	142
Getting Credit	(7)	119	112
Protecting Minority Investors	(2)	28	26
Enforcing Contracts	0	156	156
Resolving Insolvency (Negative Data Correction)	(5)	58	53

Source: BOI

Industrial Cooperation under CPEC

China-Pakistan Economic Corridor (CPEC) is a 2,700 km of economic corridor with high level infrastructure development linking Urumqi in Western China to Pakistan's centers of Lahore, Islamabad, Karachi and ultimately the Gwadar port, through a network of roads, railway and other modes of communication and transportation. It is a driving force for economic growth and taking the fruits of CPEC to the lesser developed regions of Pakistan. The aim is the transformation of trade corridors into economic corridors. For this purpose, during the 6th meeting of Joint Cooperation Committee (JCC) held in December 2016, Board of Investment (BoI) was designated as lead agency on Industrial Cooperation (IC), and Chairman BoI was designated as the convener of the Working Group on IC from Pakistan's side. An MoU on Industrial Cooperation was signed on 20-12-2018. As result of the meeting, Nine (09) sites were noted as prioritized SEZs.

1. Rashakai SEZ : Nowshera Khyber Pakhtunkhwa
2. Dhabeji SEZ : Thatta, Sindh
3. Allama Iqbal SEZ : Faisalabad, Punjab
4. Boston Special Economic Zone : Quetta, Balochistan
5. Moqpondass SEZ : Gilgit, Gilgit-Baltistan
6. ICT SEZ : Islamabad City Territory
7. Jinnah Industrial Park on Pakistan Steel land : Port Qasim, Karachi
8. Mirpur Industrial Zone : Azad Jammu & Kashmir
9. Mohmand Marble City : Mohmand Agency, KP.

After implementation of the early harvest projects, the ground is set to generate positive socio-economic impacts of CPEC by enhancing industrial collaboration. This will help create efficient and competitive industrial clusters to attract investment and to diversify exports.

The Joint Cooperation Committee (JCC), an apex forum of CPEC assigned Board of Investment, Pakistan and National Development and Reform Commission (NDRC), China to ensure holistic planning, promote Pakistan's potentials to attract Chinese export-led foreign direct investment, relocate labour intensive Chinese industries and establish SEZs and industrial parks in Pakistan.

The Sino-Pakistan's MoU, signed during 8th JCC, envisages cooperation in different sectors including textile, petrochemical, iron & steel, and automobile. Pakistan and China have identified 09 sites for development of Special Economic Zones (SEZs), however, it was decided to prioritize the development of 04 SEZs in the first phase. The SEZs that are in advance stage include Rashakai in Khyber Pakhtunkhwa, Dhabeji in Sindh, M-3 Allama Iqbal SEZ in Punjab and Bostan SEZ, Balochistan. Government of Pakistan has already allocated adequate funds to ensure the provision of utilities and other allied facilities in line with the development of these zones.

The Long-Term Plan of CPEC calls for the promotion of quality, efficiency, and value addition in different sectors. It envisages cooperation in sector such as textile, chemical & pharmaceutical, engineering goods, agro, iron & steel, light manufacturing & home appliances, and construction materials to meet domestic demands and expansion to the foreign market. A consensus is being developed during the course of 5th Joint Working Group meeting that besides traditional sectors, there will be a collaboration in smart sectors e.g pharmaceutical, health, education, artificial intelligence, service and tourism.

The plan focuses to jointly explore Pakistan's rich mineral resources and develop mineral processing zones and industry. Gwadar, the deep seaport of Pakistan, could play a key role to expand and transform Pakistan's trade and logistics sector to optimize regional trade structure.

This industrial cooperation between the two countries would surely pave the way for the transfer of technology. Establishment of the Special Economic Zones under CPEC would support to ensure full use of Pakistan's potential in natural resources, improve Sino-Pakistan business linkages & joint ventures, create an investment-friendly environment, and increase trade ties. Development of industrial cluster under CPEC would transform Pakistan's economy by ensuring a sustainable long-term growth. SEZs have the potential to take CPEC's benefits to lesser developed regions of the country. The increased employment opportunities under the CPEC will also help in poverty alleviation in these regions.

A Project Management Unit (PMU) has been established in BoI for Industrial Cooperation under CPEC to market and facilitate the projects/ activities in collaboration with the concerned stakeholders and to resolve their issues. The PMU has achieved the key milestones in 2019-20 which include; (i) Textile Industrial Diagnosis by chinese experts, (ii) organization of 9th JCC, 4th and 5th Joint Working Groups (JWGs) Meeting on Industrial Cooperation under CPEC, (iii) 02 Joint Ventures/ Business Cooperation, (iv) International seminar on Industrial Parks & Industrial Policy (v) Formulation of draft framework agreement on industrial cooperation (vi) preparation of 03 sectoral studies and (vii) Facilitation in signing of development agreement of Rashakai SEZ.

Pakistan Regulatory Modernization Initiative (PRMI)

The Prime Minister of Pakistan has launched “Pakistan Regulatory Modernization Initiative” to transform the regulatory landscape across the 3 tiers of government; federal, provincial and local government in Pakistan. PRMI is a comprehensive reform initiative that brings together all provinces, territories, and their respective departments to map, simplify, eliminate and automate regulatory landscape to reduce burden on businesses and elevate Pakistan among the top destinations for investment.

A high-level Steering Committee (comprising representation from all provinces/regions and business community) has been formed to oversee the PRMI activities under the Chairmanship of the Adviser to the Prime Minister on Commerce & Investment. The Board of Investment has been designated as the lead agency for this initiative. The key objectives of this initiative are to harmonize Registrations, Licenses/ Certificates, and other Permits (RLCOs) and reduce the compliance burden of businesses, especially those in the SME sector. The final outcome of PRMI is establishment of Pakistan Business Portal (PBP), an online one stop shop of business regulations and e-payments.

A comprehensive Strategy Document & Implementation Plan (containing road map and timelines) with the approval of the members of Steering Committee on PRMI has been launched on 14th June, 2021 and widely distributed among various stakeholder i.e. members of Steering Committee, Federal/Provincial/Regional and ICT Working Groups for the implementation of PRMI. Eight PRMI Working Groups at Federal, Provincial/Regional and ICT level and an IT Working Group have also been constituted. To steer the regulatory reforms process, the capacity building workshops of PRMI focal persons of Federal Government, Government of Balochistan and Government of KP were conducted on 5th October, 2020 at Islamabad, 5th November, 2020 Quetta and 16th June, 2021 Peshawar respectively while capacity building workshops for focal persons of Federal, Punjab, Sindh, AJK, GB and ICT Administration are being planned.

PRMI Digital Portal has been created to showcase the reforms journey, PRMI activities, documents and presentations and list of RLCOs collected and compiled so far for easy access. This digital platform (accessible at <https://business.gov.pk>) is a real time inventory of 205 feedback received on difficulties faced by the private sector while dealing with government sector for obtaining any kind of RLCOs. Regulatory catalogue portion of website contains 1390 RLCOs pertaining to several Federal, Provincial, Regional, ICT and city level government departments of Pakistan. Demo section of the PRMI portal contains sector wise mapping of RLCOs for 4 cities of Pakistan; Karachi, Lahore, Islamabad and Faisalabad. Once completed, demo tool would allow you to know all the RLCOs which you need when starting and/or operating a business based on your location, industry, and activities and the requirements and procedures for the ones that apply to your business.

SMEs had played a very vital role in the industrial structure and growth of developed and developing countries all across the world and number of countries had witnessed SMEs led economic growth and development. In order to provide conducive business environment to SMEs in Pakistan, a reforms process has been initiated. In the first round, 65 reforms for businesses were initiated

based on the proposals received from private sector. 60% of these reforms stand completed while the rest are at advanced stage of completion. In the 2nd round, 47 proposals have been taken up and about 80% of them are under Implementation. These relate multiple economic sectors including Food processing, solar energy business, pharmaceuticals, tourism, construction, mines and minerals, and fisheries.



Cost of Doing Business

Starting a Business

Registration of company/office

Type of Registration	Processing Fees in PKR/US\$
Registration of a company (based on nominal share capital)	Rs.1,000*
Registration of a Branch Office	\$3,000
Renewal of a Branch Office	\$1,000 per year
Registration of a sub-office of a Branch Office	\$1,500
Registration of a Liaison Office	\$2,000
Renewal of a Liaison Office	\$500 per year
Registration of a sub-office of a Liaison Office	\$1,000

*Fee calculator is available on Security and Exchange Commission of Pakistan (SECP) website

Source: SECP

Office Rental: Some examples of office rent in major cities are as follows:

Type/Name	City	Area	Rent in PKR/US\$
Serena Business Complex	Islamabad	2,000sqf (185m ²)	\$ 15,000 (7.5\$/sqf)
Multi-tenant building	Islamabad	2,000sqf (185m ²)	Rs. 200,000-230,000
Finance & Trade Center Building	Karachi	2,200sqf (204m ²)	Rs. 350,000

Source: Zameen.com

Human Resource

Wage varies depending on qualification, location, etc. The below rates are sample ranges of rough indication. The minimum monthly wage is Rs.16,000.

	Position	Monthly Salary in US\$
1	General Manager	2,000-3,500
2	Manager	1,000-1,300
3	Technical Specialist (Programmer/Engineer)	500-800
4	Office Staff	200 -400
5	Non Skilled Workers	110-200
6	Drivers	130-150

Source: Cost of Doing Business in Pakistan, 2016., Engineering Development Body (EDB) & Japan External Trade Organization (JETRO) 2018.

Transport and Logistics

Fuel

Item	Type	Rs./Liter
Petroleum Oil Lubricants (POL)*	E10 Gasoline	119.62
	Altron Premium	119.80
	Action+Diesel	101.46
	LDO	85.77
	SKO	88.30
	JP-1	91.48
High Speed Diesel (HSD)	For sale through retail outlet/others or direct sale to customers by the company	116.53

*Prices have been announced on 1st and 16th day of every month, **Prices applicable from 16 August 2021.
Source: Pakistan State Oil (PSO), Pakistan Economic Survey 2020-21, Finance Division, MOF

Utilities

Electricity

Lahore Area

Tariff Category / Particulars	Fixed Charges Rs/kW*/M	Applicable Variable Charges, Rs/kWh**		Minimum Monthly Charges in Rs.
General Supply Tariff - Commercial				
A1 For Sanctioned load less than 5kW	-	17.83		175*** or 350****
A2 For Sanctioned load 5kW & above	400	15.03		
Time of Use		Peak	Off	
A3 Time of Use	400	18.00	12.50	
General Services				
A4 General Services	-	17.56		same above

*Kilowatt, **Kilowatt per hour, ***Single Phase Connection, ****Three Phase Connection
Source: LESCO, Electricity Tariff, 2020.

Tariff Category / Particulars	Fixed Charges Rs/kW*/M	Applicable Variable Charges, Rs/kWh		Minimum Monthly Charges in Rs.
Industrial Supply Tariff				
B1(a) Upto 25 kW (at 400/230 volts)	-	15.28		350
B2(a) Exceeding 25-500 kW (at 400 Volts)	400	14.78		2,000
Time of Use		Peak	Off	
B1(b) Upto 25 kW	-	18.84	13.28	350
B2(b) Exceeding 25-500 kW (at 400 Volts)	400	18.87	13.07	2,000
B3 For All Loads up to 5000 kW(at 11,33 kV*)	380	18.78	12.98	50,000
B4 For All Loads (at 66,132 kV & above)	360	18.78	12.88	500,000

*Kilovolt

Source: LESCO, Electricity Tariff, 2020.

Karachi Area

Tariff Category / Particulars	Fixed Charges Rs/kW/M	Surcharge Rs/kWh		Variable Charges Rs/kWh		Minimum Monthly Charges in Rs.
General Supply Tariff – Commercial						
A1 For Sanctioned load less than 5 kW	400	0.17		17.83		175* or 350**
A2 For Sanctioned load 5kW & above	400	0.97		15.03		
Time of Use		Peak	Off	Peak	Off	
A3 Time of Use	400	-	-	18.00	12.50	

*Single Phase Connection, ** Three Phase Connection

Source: K-Electric, Electricity Tariff, 2020.

Tariff Category / Particulars	Fixed Charges	Surcharge Rs/kWh		Variable Charges Rs/kWh		Minimum Monthly Charges in Rs.
Industrial Supply Tariffs						
B1 Less than 5 kW (at 400/230 volts)		0.17		14.23		350
B2(a) 5-500 kW (at 400 Volts)	400	1.07		12.93		2,000
B3(a) For all loads upto 5000 kW (at 11, 33 kV)	380	3.61		12.53		50,000
B4(a) For all loads upto 5000 kW (at 66, 132 kV)	360	3.61		12.13		500,000
Time of Use		Peak	Off	Peak	Off	
B2(b) 5-500 kW (at 400 volts)	400	-	0.21	18.00	12.08	2,000
B3(b) For all loads upto 5000 kW (at 11, 33 kV)	380	0.17	0.62	17.83	11.58	50,000
B4(b) For all loads upto 5000 kW (at 66, 132 kV)	360	0.67	0.77	17.33	11.33	500,000
B5 For all loads (at 220kV & above)	340	1.17	0.92	16.83	11.08	1000,000

Source: GoP, vide Notification no. SRO 571(1)/2016 dated: 24th June, 2016.

Gas

Gas Price By Industries	Minimum Charges/Month in Rs.	Flat Rate (Rs./MMBTU)
Commercial Sector	6415.00	1283.00
General Industrial	35,540.00	1054.00
Textile*** and Surgical goods	27616.00	819.00
Compressed Natural Gas (CNG) Company	Region 1 (46,229) Region 2 (45,521)	Region 1 (1371.00) Region 2 (1350.00)
Cement Company	45,588.90	1277.00
Independent Power Producer	28,898	857.00
Captive Power	36,653	1087.00

*All establishments registered as commercial units with local authorities or dealing in consumer item for direct commercial sale like café, bakeries, milk-shops, tea stalls, canteens, barber shop, laundries, hotels, malls, places of entertainment like cinemas, clubs, theaters and private offices, corporate firms etc., **All consumers engaged in the processing of industrial raw material into value added finished products irrespective of the volume of gas consumed including hotel industry., ***Textile includes jute, carpets, leather and sports goods.

Source: Source Oil and Gas Regulatory Authority (OGRA) as of 23 October 2020

Water

Lahore Area

Consumption Slab/Month	Rates / Existing Tariff (Rs./1,000 Gallon)
Upto 5,000 Gallons	51.95
5,001 to 20,000 Gallons	92.82
20,001 Gallons and above*	134.27

* If meter is not available/installed on the water connection then 60,000 Gallons per month average will be charged.

Source: Water and Sanitation Agency (WASA)

Karachi Area (Bulk Supply)

Type	Rs./Per 1,000 Gallons
Domestic	142
Industrial	242
Commercial	242
Hydrant	242

Source: Karachi Water and Sewerage Board (KWSB)

Telecommunication

Setting of Landline Connection Pakistan Telecommunication Company Limited (PTCL)

Package	Installation Fee (Inclusive of tax) in Rs.
Only Landline	2,499
Landline + Internet GPON Fiber	5,000
Communication Rates	780 (Monthly)

Internet

Package	Internet Charges (exclusive of tax) per Month in Rs.
6Mbps	1,799
8Mbps	2,249
15Mbps	2,749
25Mbps	3,299
50Mbps	5,099
100Mbps	7,599

Mobile Wi-Fi - PTCL, CharJi 4G LTE

Device Price	Rs.,2500				
Volume	20GB	30GB	50GB	75GB	100GB
Monthly line-rent(Rs.)*	1,000	1,250	1,500	2,000	2,500

*Billing Mode: Prepaid/Post-paid, Validity: 30days, Inclusive tax



Exchange Policy and International Banking Facilities

The State Bank of Pakistan (SBP) is incorporated under the State Bank of Pakistan Act, 1956, which gives the bank the authority to function as the central bank of the country. The SBP Act mandates the bank to regulate the monetary and credit system of Pakistan and to foster its growth in the best national interest with a view to securing monetary stability and full utilization of the country's productive resources. Pakistan's banking system comprises of SBP (central bank), commercial banks (public and private), investment banks, credit unions, and many other national and international financial services companies. The financial institutions in Pakistan can be found on the website of SBP (www.sbp.org.pk).

Foreign exchange policy and its operations in Pakistan are formulated and regulated in accordance with the provisions of the Foreign Exchange Regulation Act, 1947. The object of this Act is to regulate, in the economic and financial interest of Pakistan, certain payments, dealings in foreign exchange, securities, import/export of currency and bullion. SBP issues "Foreign Exchange Manual" by incorporating the changes made in the foreign exchange rules and regulations through various foreign exchange circulars/circular letters/notifications etc. and the manual can be obtained from SBP's website. Pakistan has a liberal foreign exchange regime in which 100 percent repatriation of profits and dividends are allowed. Since May 1999, Pakistan has been following a market-based flexible exchange rate system. Inter-bank rate applies to all foreign exchange receipts and payments both in the public and private sectors.



Investment Protection

Pakistan provides legal protection of foreign investors and investment through "Foreign Private Investment (Promotion and Protection) Act, 1976" and "Protection of Economic Reforms Act, 1992". Pakistan is a signatory to the Multilateral Investment Guarantee Agency (MIGA) and other international organizations and agreements which strengthen financial safety and security. This guarantees protection of foreign investment in cases of war, strife, disasters, and other disturbances or in cases of expropriation.

New Investment Law

To improve the existing legal framework relating to facilitation, promotion and protection of investment, Board of Investment (BoI) with the assistance of International Finance Corporation (IFC), World Bank has drafted a new Investment Law. The new law will replace and consolidate all the existing laws relating to investment by improving and bringing them at par with the international best practices.

Bilateral Investment Treaties

Pakistan has bilateral investment agreements with 48 countries and these investment treaties generally include dispute settlement provisions. The list of partner countries is available at BOI's website (www.invest.gov.pk).

Bilateral Investment Treaties' Strategy

Federal Cabinet has approved a strategy and a draft text of new BIT template for signing of the new bilateral investment treaties as well as modernizing the existing ones. In consultation with Ministry of Foreign Affairs BOI will engage current and new BIT partner countries to negotiate BITs on the new Template. This new Template will not only give protection to foreign investors through provision of grievance redressal & dispute resolution mechanism but also mitigate the risk of Investors' disputes against the country in international arbitral forums.

Intellectual Property

Intellectual Property Organization of Pakistan (IPO-Pakistan) administers and coordinates all government systems for protection and strengthening of Intellectual Property (IP) in Pakistan, and since April 2005, the patents office is a part of IPO-Pakistan. The types of intellectual property rights protection being offered / in-process in Pakistan are patents, layout design of IC (Integrated Circuit), designs, copyrights, trademarks, plant breeders rights, Genetic Resources, Traditional Knowledge, and Folklore (GRTKF), and geographical indications (GIs). Application forms and information of applicable fees for registration can be obtained from the website of IPO-Pakistan (www.ipo.gov.pk).

Patents

Patentable Inventions in Pakistan - in order to be patentable, an invention should have the following characteristics:

- The invention should be a process or a product
- The invention should be novel or new
- It involves an inventive step
- It is capable of industrial application

Patent applications are examined under the Patents Ordinance, 2000 and the Patents Rules, 2003.

Types of Patent Application

- Patent applications can be applied in the following manners:
- An ordinary patent application with "provisional or complete specification", which is dated as of the official date of the application for the patent.
- A convention patent application claiming, "right of priority", which is dated as of the official date of the corresponding application for patent first made in a country which is the member of World Trade Organization (WTO).
- Application for a patent of addition, for improvement or modification of an invention for which a patent has already been applied for or granted.

Copyrights

IPO copyright office provides services for registration of a copyright work. The registration of copyright work is voluntary and granted only if an owner files an application as per prescribed method. However, registration of copyright work is recommended, as a certificate issued by the Copyright Office serves as prima-facie evidence to prove the ownership of copyright before the court of law or any authority. Since 2008, the copyright office is in process to digitize and scan the copyright files and data and so far 52,306 copyright files have been digitized and 42,130 Copyright artistic works have been scanned through the Copyright Administration System (CAS) software prepared and installed by Copyright Office. IPO-Pakistan regional office Lahore and head office Islamabad have been interconnected with Copyright Office Karachi by VPN technology to access Copyright Automation System (CAS) for data entry. The relevant laws and regulations can be found in the Copyright Ordinance, 1962; the Copyright Rules of, 1967 as amended in 2002; the International Copyright Order, 1968; and the Copyright Board (Procedure) Regulations 1981.

Steps for Registration of Copyright

Step 1-Filing of application

Step 3-Publication in newspaper (Artistic work only)

Step 5-Issuance of certificate by registrar (Registration)

Step 2-Examination

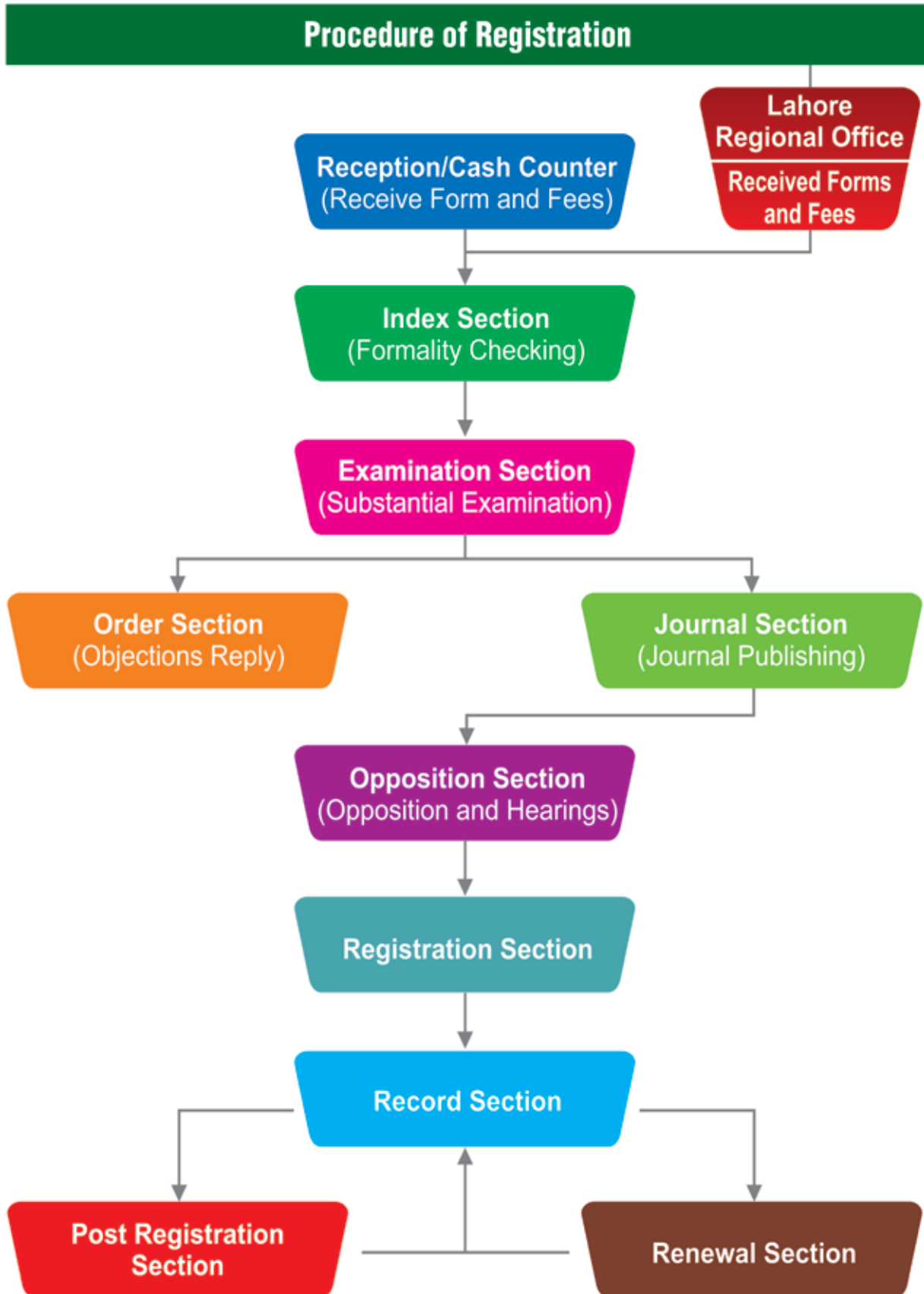
Step 4-Opposition (if any)

Trademarks

Trademarks Registry (TMR), a premier body of IPO-Pakistan, works for the registration of trade and services marks under the Trademarks Ordinance, 2001. It is a federal government body and its jurisdiction for trade and services marks lies within the geographical boundary of Pakistan. It works as a civil court and its decisions are appealable at the provincial high courts. The Trademarks Registry is headed by a Registrar and its head office is in Karachi and Regional Office situated in Lahore.



Procedure for Registration of Trademark



Source: Guidelines for Filing Trademarks Application in Pakistan, IPO-Pakistan



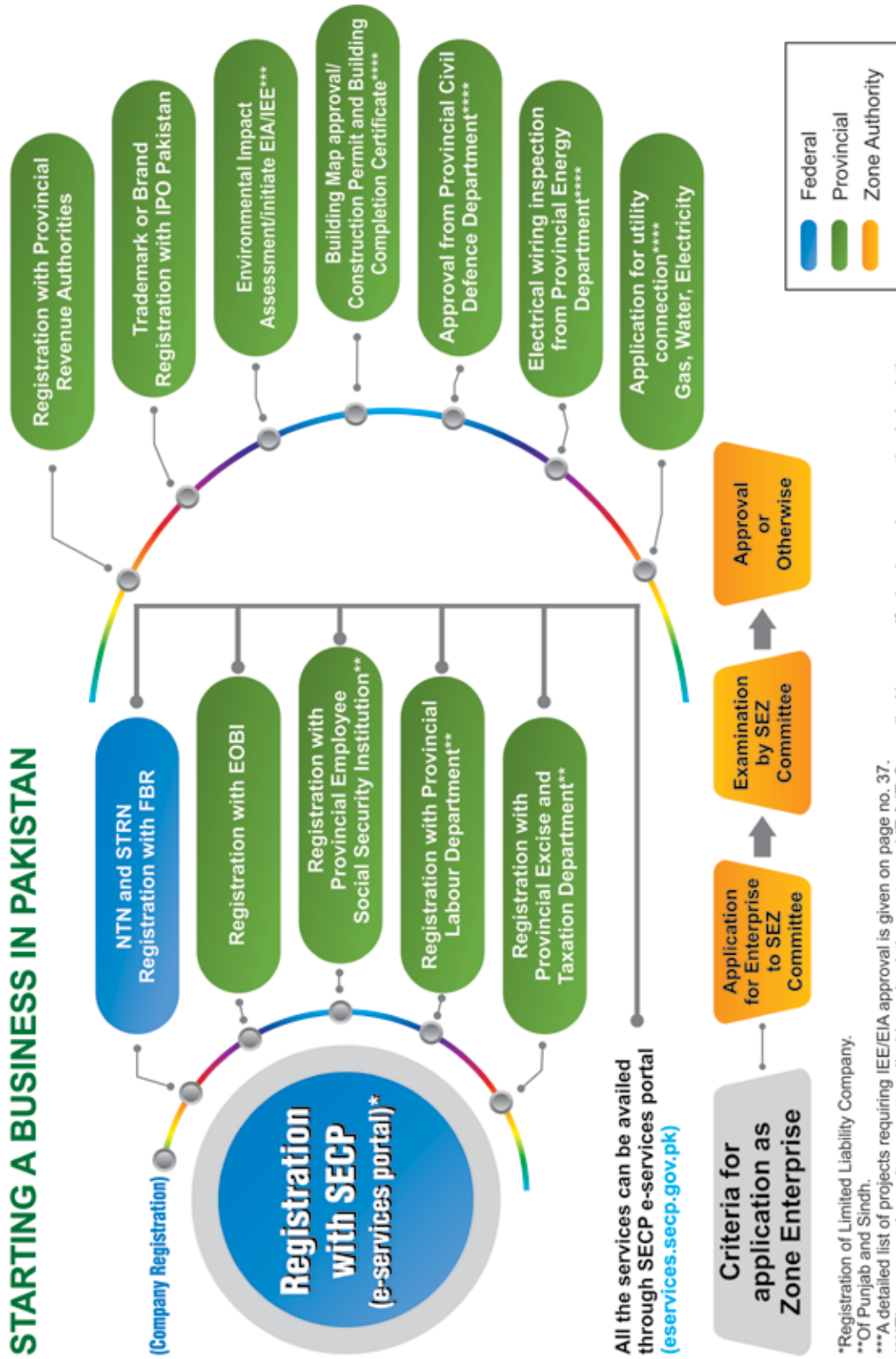


Investment Procedure



Flowchart

STARTING A BUSINESS IN PAKISTAN



All the services can be availed through SECP e-services portal (eservices.secp.gov.pk)

*Registration of Limited Liability Company.

**Of Punjab and Sindh.

***A detailed list of projects requiring IEE/EIA approval is given on page no. 37.

****These general permits are not applicable on Logistics sector and IT & ITeS usually. However, if a business is operating in Logistics or IT & ITeS construct its own building then these may become applicable.



Visas and Immigration Law

Visas and Immigration Law

Work Visa

- Government of Pakistan has extended the New E-Visa Portal for 191 countries from 29th April, 2019 (E-Visa Portal Nadra).
- The companies employing expatriates from these 191 countries are required to submit their work visa application on the E-Visa portal i.e. <https://visa.nadra.gov.pk/>
- BOI grant work visa for a period of up to 2 years.

BOI's letter of recommendation is mandatory for Work Visa extension cases, which can be obtained by submitting application on <http://visa.invest.gov.pk>

Work Visa - Entry

- Work Visa Entry – Single Entry up to 3 months which will be extendable further up to 2 years
- Pakistan Missions abroad to receive and approve entry work visa within stipulated time frame of 48 hours
- Once work visa granted for 3 months, applicant can seek extension up to 2 years with multiple entries
- Ministry of Interior to receive and decide with due feedback from the stakeholders (mandatory)
- BOI's letter of recommendation is mandatory for Work Visa extension case.
- Issuance of visa – 4 Weeks (Working Days – Visa Extension)

To apply online work visa, the following documents are required:-

- Company's cover letter stating the period of visa required and other necessary details.
- Passport's consisting of three pages i.e., information, entry and last visa page.
- Colored Photographs.
- Company's Registration Certificate.
- Employment Agreements.
- Confirmation/ guarantee of the credentials of the expatriates by the company on their letter head.
- Company Profile.
- Work / Family visa processing fee details.
- FBR National Tax Number (NTN) certificate
- CV of the employee
- Previous visa page
- Sponsor details (company focal person name, designation, email, address, cell number)

Family Visit Visa

Visa to the family of expatriates working in Pakistan is granted by Ministry of Interior for a period of one year. The company is required to apply their cases on e-visa portal. Pakistan Missions abroad are also authorized to grant 5 years validity and one year stay multiple entry visa to the foreigners of Pakistan origin and their foreign spouses, which shall be processed within 7-10 working days.

Business Visa

To facilitate travel and stay in Pakistan of foreign businesspersons and investors, business visa policies have been considerably relaxed. Ministry of Interior (MOI) grants business visas to the foreign business persons of 96 business friendly countries, who intend to invest or explore business opportunities in Pakistan. Pakistan Missions are also allowed to grant 5 years multiple-entry business visa within 24 hours to business persons of 96 Business Visa List (BVL) countries subject to the production of any of the following and as per list of countries mentioned below:

- Recommendation letter from CC&I of the respective foreign country.
- Invitation letter from business organization duly recommended by the concerned Trade Organization.
- Recommendatory letter by Honorary Investment Counselor of BOI/Commercial Attaché`.
- Visa-on-Arrival (VOA) for 30 days to be granted to businessmen of 96 BVL countries on production of any of the above-mentioned documents.

Multiple entry business visa for 5 years shall be granted within 24 hours, subject to provision of requisite documents.

List of 96 Business Friendly Countries (BVL)

Algeria	Greece	Norway
Angola	Guatemala	Oman
Argentina	Guinea	Panama
Australia	Guinea-Bissau	Paraguay
Austria	Honduras	Peru
Azerbaijan	Hong Kong	Philippines
Bahrain	Hungary	Poland
Bangladesh	Indonesia	Portugal
Belgium	Iran	Qatar
Benin	Iraq	Romania
Brazil	Ireland	Russia
Bulgaria	Italy	Saudi Arabia
Cambodia	Japan	Senegal
Cameron	Jordan	Sierra Lone
Canada	Kazakhstan	Singapore
Chile	Kenya	Slovenia
China	Korea, Republic	South Africa
Columbia	Kuwait	South Sudan
Comoros	Latvia	Spain
Côte d'Ivoire	Lebanon	Sri Lanka

Croatia	Lithuania	Sweden
Czech Republic	Madagascar	Switzerland
Denmark	Malaysia	Tanzania
Djibouti	Mauritius	Thailand
Ecuador	Mexico	Togo
Egypt	Montenegro	Tunisia
Estonia	Morocco	Turkey
Finland	Mozambique	Ukraine
France	Myanmar	United Arab Emirates
Gambia	Netherlands	United Kingdom
Germany	New Zealand	United States of America
Ghana	Nigeria	Vietnam



Starting a Company

Pakistan is very welcoming towards foreign investors. Foreign investors can establish their business / company through Securities & Exchange Commission of Pakistan (SECP), which is responsible for registration of companies in Pakistan. Registering a company has been automated and it can now be registered in one day with SECP and Federal Board of Revenue (FBR). Details on overview of legal entities, types of legal entities, how to register company and alternatives to register company are as under:

Overview of Legal Entities

Type of Entity	Minimum No. of Shareholders	Minimum Capital Requirement	Standard Time of Incorporation
Private Limited Company	2	PKR 100,000* (US\$ 600)	6 weeks
Single Member Company	1	PKR 100,000* (US\$ 600)	4 weeks
Public Limited Company (Listed)	3	PKR.200* million (US\$ 1.2M)	6 weeks
Public Limited Company (Unlisted)	3	PKR 100,000* (US\$ 600)	6 weeks
Branch Office	No shareholders	N/A	7 weeks
Liaison Office/Representative Office	No shareholders	N/A	7 weeks

*Subject to the present exchange rate of dollar

Source: SECP

Types of Legal Entities in Pakistan

The following types of legal entities exist in Pakistan.

Private Limited Company

Foreign investors can set up fully foreign-owned Private Limited Companies (PLCs) in Pakistan. The minimum number of shareholders needed in order to register this kind of company is two (02). The minimum capital requirement in case of PLCs is PKR 100,000 (US\$ 600). Another requirement is that the registered address of the company's office must be in Pakistan. The incorporation time of a Limited Liability Company in Pakistan with SECP & FBR is one day.

Single Member Company

Foreign investors can set up a single member company in Pakistan with only one shareholder with a minimum capital of PKR 100,000 (US\$ 600)*. The incorporation time is one day and registered address of the company should be in Pakistan.

* Subject to the present exchange rate of dollar

Public Limited Company

A Public Limited Company has their shares offered to the general public. Those shares are with limited liability. Anyone can acquire the shares. It may be through a public offering or through trading in the stock market. There are two types of public limited companies in Pakistan, unlisted and listed. The details are listed below.

Criteria	Listed	Unlisted
Allowed Foreign Ownership	100%	100%
Minimum Capital	PKR 200 million (US\$ 1.2 mn)*	PKR 100,000 (US\$ 600)*
Listed in Stock Exchange	Yes. Shares must be subscribed by at least 500 applicants	No
Minimum No. of Shareholders	7	3
Time of Incorporation	One day	One day

*Subjected to the present exchange rate of dollar

Source: SECP

Steps for Registration of Company

Step 1: Approval of Company Name

This is the first step of company registration in Pakistan is choosing the company's name. It is important to devise a unique company name that would set you apart from the rest in the industry.

Step 2: Submission of Documents

Once the company name gets the approval, you need to submit the incorporation documents to the Securities and Exchange Commission of Pakistan (SECP).

Step 3: Certificate of Incorporation

After submitting the documents, the SECP evaluates them. They check their validity. A digital signature is granted by the National Institutional Facilitation Technologies (NIFT) and can be acquired through the SECP. They issue the certificate of incorporation. Presentation of the company's details may be needed. However, this depends on where the business started.

Step 4: Deposit of Shares

After the registration, shareholders must deposit their corresponding amount of shares purchased in the company's bank account.

Step 5: Registration of Income, Sales, and Professional Taxes

The last step of company registration in Pakistan is the registration with the FBR and issuance of the NTN. A sales tax registration number may be registered if applicable.

The procedure of registering a Public Limited Company is same as above. However, they may require you to submit more documents.

Alternatives to Register Company

Branch Office

A branch office is an alternative to company registration if your company wants to have a presence in Pakistan without setting up a separate legal entity. Branches carrying out a contract in Pakistan can be established. A branch office, however, cannot take part in any commercial or trading activities of whatever nature. Therefore, your activities depend on the contract you signed. The contract restricts your activities. The parent company owns 100% of the branch office in the country of origin. It does not require any minimum capital. Process time for the registration takes up to seven weeks. The permit can be valid for 1 to 5 years if it has an approval from the BOI.

Liaison Office

If you want to promote your products in Pakistan, you can set up a 100% foreign-owned liaison office here. Besides product promotion, you can also provide technical advice and assistance, explore the various possibilities of joint collaboration, and export promotion in Pakistan. However, this type of office cannot engage in commercial or trading activities and it is not subjected to any minimum capital. The standard time for establishing a liaison office in Pakistan is seven (7) weeks. Therefore, once granted your permit will have a validity period of 1 to 5 years. The Board of Investment (BOI) needs to approve it.



Special Economic Zone (SEZ)

Special Economic Zones are being established with the aim of achieving various policy objectives, such as attracting FDI, generating employment and uplifting general economic fabric of the country. Special Economic Zones are established as per the provisions of Special Economic Zone Act 2012, Rules 2013 and any amendments made thereof. Since the promulgation of Special Economic Zone Act, twenty-two SEZs have been approved by the competent authority. There are a total of 22 approved SEZs. These are listed in the table below. A detailed sectoral breakup of SEZs is given in Annexure III.

Sr. No.	Name of the Approved SEZs	Location
1	M3-Industrial City	M4, on Sahianwala Interchange, Faisalabad, Punjab.
2	Value Addition City (VAC)	1.5 km away from Khurrianwala city, Faisalabad
3	Quaid-e-Azam Business Park	Lahore-Islamabad Motorway at Sheikhpura
4	Korangi Creek Industrial Park	Sector 38, Korangi Industrial Area, Karachi, Sindh.
5	Bin Qasim Industrial Park	Main National Highway (Adjacent to Arabian Sea Country Club) Bin Qasim Town, Karachi, Sindh
6	Hattar SEZ	Hattar, Khyber Pakhtunkhwa
7	Khairpur SEZ	Tando Nazar Ali on main National Highway, near Khairpur Town in Taluka and District Khairpur
8	Rahim Yar Khan Industrial Estate	Eastern CPEC Route - 30 KM from M-5, Punjab
9	Vehari Industrial Estate	6 KMs from Vehari city on Khanewal- Vehari Road, 110 KMs East of Multan-Faisalabad Motorway, Punjab
10	Bhalwal Industrial Estate	15 km from Motorway M-2, Bhalwal, Punjab
11	Oil Village SEZ	Behind Chakri Service Area/ Off M-2, Mouza Sihal, Rawalpindi, Punjab
12	Rachna Industrial Park	6.5 KMs off Lahore-Shaikhpora Road, along the UCC, Punjab
13	Hub SEZ	Mouza Pathra, Tehsil Hub, District Lasbela, Balochistan
14	Naushahro Feroze Industrial Park	Naushahro Feroze District near N-5, Sindh
15	Rashakai SEZ	Tehsil & District Nowshera, Khyber Pakhtunkhwa (along M1, adjacent to Swat Expressway, Opp. CPEC City)
16	Bostan SEZ	District Pishin, 35 KM from Quetta, Balochistan
17	Allama Iqbal Industrial City (AIIC)	Sahianwala Interchange, M-3 Motorway, Faisalabad, Punjab.
18	National Science & Technology Park (NSTP)	National University of Science & Technology (NUST), H-13 Sector, Islamabad
19	JW-SEZ China Pakistan SEZ	Raiwind, Lahore
20	Dhabeji SEZ (In-principle)	Dhabeji, Thatta, Sindh
21	Service SEZ	Jamshoro, Sindh
22	Siddiqsons Tin Plate SEZ	Hub, Balochistan

There are a total of 09 proposed SEZs under CPEC as mentioned above, out of which following 4 are already approved, while the rest are in advance phase of development.

- Rashakai SEZ, KP
- Allama Iqbal Industrial City (AIIC), Punjab
- Bostan SEZ, Balochistan
- Dhabeji SEZ (in-principle), Sindh



Source: Project Management Unit (CPEC-ICDP), BOI

Sole Enterprise Special Economic Zones (SESEZ)

Sole Enterprises can now establish SEZs in Pakistan after fulfillment of criteria provided under the “Sole Enterprise Special Economic Zones Regulations 2020”.

These regulations not only offer clarity on procedural guidelines, but also provide certain parameters in addition to the zone approval criteria provided in the SEZ Act 2012 and Rules 2013, to safeguard the socio-economic interests of the country and provide passage to only serious investors for establishment of such single unit Special Economic Zones and accordingly benefit from the fiscal and allied incentives being an SEZ.

Under these regulations, certain relaxations in the policy parameters are also provided to foster social economic growth in certain designated regions and to support import substitution in top 5 importing sectors in the county.

Following are the Policy Parameters for a SESEZ in Pakistan:

- 30% of the investment to be financed from equity.
- Commercial production to be started within 24 months.
- Minimum investment of \$50 Mn or equivalent, excluding the cost of acquisition and development of land.

OR

Commitment to export at least \$75 Mn in the first 5 years with no less than \$7.5 Mn each year.

- 50% jobs to Locals.
- EOBI registered employees greater than 200.
- Positive Net Foreign-Exchange Earnings for all years of existence starting from the 3rd Year of the commencement of commercial operations or production.

For any queries related to Special Economic Zones, please reach out at the following details:

1. Email: sez@pmu.invest.gov.pk
2. Phone: +92-51-9218608

Procedure for Approval of Zone Application

Under the Special Economic Zone Act 2012, the SEZs can be established through three modes; by public sector, by private sector and through public private partnership. A developer of a zone shall meet the criteria prescribed in the Annexure-5 of the First Schedule to the SEZ Rules, 2013. He shall submit zone application on the prescribed format as per Annexure-7 of the Schedule along-with all the prescribed documents as mentioned in Annexure-6 of the SEZ Rules, 2013. The Zone Application is then submitted to the SEZ authority of the province in which the zone is located. After scrutiny of the Zone application, it shall be submitted to the Board of Investment (BOI) for further submission to the forum of Board of Approvals (BOA) by the SEZ authority of the respective province. The BOA is an apex forum of approval, headed by the Prime Minister. The BOA shall review every zone application submitted to it by the SEZ authority to ensure that the proposal is in conformity with the provisions of the Act, any applicable regulations made under the Act and other applicable provisions of law. If a zone application is approved by the BOA, the concerned SEZ authority shall select a developer in accordance with applicable zone regulations. Such zone regulations shall require that envisaged development agreements be notified for competitive bidding. After negotiating a development agreement, the concerned SEZ authority shall submit a final agreement for approval to the BOA.

The BOA may condition its approval of a development agreement on the fulfillment of such conditions as it deems fit and according to the laid down criteria. After final approval, the development agreement shall be signed jointly by the secretary of the BOA, on behalf of the Federation of Pakistan and by the Chief Executive Officer of the concerned SEZ authority on behalf of the respective provincial government.

After the approval of the Development Agreement and on fulfilment of certain conditions laid down in the Law, the developer may avail the incentives devised under the respective.

The SEZ authority may simultaneously submit both a zone application and a development agreement to the BOA for provisional approval, provided that, the developer in question either owns all immovable property in the proposed SEZ or holds leasehold rights; and no additional incentives shall be granted by the SEZ authority.



Source: BOI

The Zone Enterprise Admission Procedure

The zone enterprise admission criteria shall be as prescribed in annex-1 of the first schedule to the SEZ rules. However, specific zone enterprise admission criteria may be prescribed for each type or group of SEZs.

Procedure for the admission of zone enterprise is as follows:

1. Every person wishing to establish a zone enterprise shall submit 06 copies of the zone enterprise entry application to SEZ Committee as prescribed in the Annex-3 along with the prescribed documents as per Annex- 2 of the first schedule to the SEZ rules.
2. The Office of the SEZ committee shall issue formal acknowledgment of the receipt of zone enterprise entry application. A copy of the application shall be emailed/faxed/sent to provincial Investment Promotion Authority (IPA), SEZ authority, SEZ secretariat/head office in Islamabad, developer, BOI and concerned district government for information and necessary actions at their end.
3. All zone enterprise entry applications shall be kept confidential by all persons within the SEZ committee, the SEZ authority and the BOA who have access to them.
4. A zone enterprise entry application shall be examined by the concerned SEZ committee within thirty (30) working days. SEZ committee may seek such additional information/ documents as it may deem appropriate.

5. The zone entry application should meet the zone enterprise admission criteria, the zone regulations and the terms and conditions of the respective development agreement.
6. The SEZ committee shall convey its approval of the zone enterprise entry application on the prescribed format as per annex-4 of first schedule within thirty (30) working days with intimation to provincial IPA, SEZA, SEZ secretariat/head office in Islamabad, the developer, BOI and concerned district government. The SEZ committee shall also forward the copy of its approval of zone enterprise entry application to developer with recommendation to admit the zone enterprise in the SEZ. The developer, upon receipt of the approval of SEZ committee shall take necessary steps leading to admission of the zone enterprise in the SEZ in accordance with section 24 of the Act.
7. In case if the zone entry application is not approved by SEZ committee, SEZ committee will issue a rejection letter within thirty (30) days stating the reasons of such rejection and that the applicant has a right of appeal to the SEZ authority.
8. The applicant may file an appeal to the concerned SEZ authority against the rejection letter within thirty (30) days.
9. Upon receipt of appeal, SEZ authority's sub-committee delegated with the power of hearing such appeals shall hear such appeal within next thirty days (30) of the date of receipt of such appeal. The applicant may appear before the said sub-committee in person or through authorized representative. The SEZ authority's sub-committee shall hear the appeal in accordance with the applicable zone regulations and development agreement and its decision shall be final in all respects.



Land Ownership

Foreigners can own land in Pakistan, after incorporation of company in SECP. However, land is a provincial subject in Pakistan and regulations for land acquisition varies from province to province.



Environmental Impact Assessment

Pakistan Environmental Protection Agency (Pak-EPA), an attached department of the Ministry of Climate Change, is responsible to implement the Pakistan Environmental Protection Act (PEPA), 1997 including approval of Environmental Impact Assessment (EIA) and Initial Environmental Examination (IEE).



Provincial Environmental Assessment

EPAs have been established in all the provinces to deal with urban and industrial pollution. In addition, an EPA has also been established in Azad Kashmir and in Gilgit Baltistan. After the

delegation of functions, the mandate of provincial EPAs has become very comprehensive and large. They have full authority to handle the environmental management in their respective provinces. Their mandate is to: a) implement rules and regulations prepared under PEPA 1997 and additional legislation as per the needs of the province, b) prepare and implement provincial environmental standards, c) develop provincial systems for the implementation of pollution charges d) conduct research & development for promoting most viable environmental technologies, e) certify laboratories, f) involve local governments in the implementation of PEPA 1997 (section 8.5), g) promote environmental awareness and incorporate environmental issues in the educational curriculum, h) prepare provincial level environmental disaster management plans, i) collaborate and coordinate with stakeholders for the effective implementation of environmental policies and PEPA 1997 (section 8.5), j) entertain inquiries and complaints raised by stakeholders, k) mobilize national and international financial resources for the environmental projects, l) develop provincial level fiscal programs and financial incentives for environmental compliance, m) fix pollution charges, n) conduct investigations against polluters, o) assist courts by generating field level environmental data about the polluters, p) establish environmental laboratories, q) implement IEE/EIA rules and regulations and guidelines, r) manage hazardous wastes under the Hazardous Substance (HS) rules, and s) monitor vehicles for controlling air pollution. Environment sections have also been established in the provincial Planning and Development (P&D) departments. These are responsible for reviewing provincial development plans and activities, including screening of projects to determine their effects on the environment and reviewing and sanctioning the completed EIA.

List of Project Requiring IEE or EIA - "Schedule I & II", Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000.

Category and Detail		IEE*	EIA**
A	Agriculture, Livestock and Fisheries		
	1 Poultry, livestock, stud and fish farms with total cost more than Rs.10 million	✓	
	2 Projects involving repacking, formulation or warehousing of agricultural products	✓	
B	Energy		
	1 Hydroelectric power generation less than 50 MW	✓	
	2 Hydroelectric power generation over 50 MW		✓
	3 Thermal power generation less than 200 kW	✓	
	4 Thermal power generation over 200 kW		✓
	5 Transmission lines less than 11 kV and large distribution projects	✓	
	6 Transmission lines over 11 kV and grid stations		✓
	7 Oil and gas transmission systems	✓	
	8 Oil and gas extraction projects including exploration, production, gathering systems, separation and storage	✓	
	9 Waste-to-energy generation projects	✓	
	10 Nuclear power plans		✓
11 Petroleum refineries		✓	

Category and Detail		IEE*	EIA**
C	Manufacturing and Processing		
1	Ceramics and glass units with total cost more than Rs.50 million	✓	
2	Food processing industries including sugar mills, beverages, milk and dairy products, with total cost less than Rs.100 million	✓	
3	Food processing industries including sugar mills, beverages, milk and dairy products, with total cost over Rs.100 million		✓
4	Man-made fibers and resin projects with total cost less than Rs.100 million	✓	
5	Man-made fibers and resin projects with total cost over Rs.100 million		✓
6	Manufacturing of apparel, including dyeing and printing, with total cost more than Rs.25 million	✓	
7	Wood products with total cost more than Rs.25 million	✓	
8	Cement plants		✓
9	Chemicals projects		✓
10	Fertilizer plants		✓
11	Industrial estates (including export processing zones)		✓
12	Pesticides (manufacture or formulation)		✓
13	Petrochemicals complex		✓
14	Tanning and leather finishing projects		✓
15	Synthetic resins, plastics and man-made fibers, paper and paperboard, paper pulping, plastic products, textiles (except apparel), printing and publishing, paints and dyes, oils and fats and vegetable ghee projects, with total cost more than Rs.10 million		✓
D	Mining and Mineral Processing		
1	Commercial extraction of sand, gravel, limestone, clay, sulphur and other minerals not included in Schedule II with total cost less than Rs.100 million	✓	
2	Crushing, grinding and separation processes	✓	
3	Smelting plants with total cost less than Rs.50 million	✓	
4	Smelting plants with total cost Rs.50 million and over		✓
5	Mining and processing of coal, gold, copper, sulphur and precious stones		✓
6	Mining and processing of major non-ferrous metals, iron and steel rolling		✓
E	Transport		
1	Federal or Provincial highways (except maintenance, rebuilding or reconstruction of existing metaled roads) with total cost less than Rs.50 million	✓	
2	Federal or Provincial highways (except maintenance, rebuilding or reconstruction of existing metaled roads) with total cost over Rs.50 million		✓
3	Ports and harbor development for ships less than 500 gross tons	✓	
4	Ports and harbor development for ships over 500 gross tons		✓
5	Airports		✓
6	Railway works		✓
F	Water Management, Dams, Irrigation and Flood Protection		
1	Dams and reservoirs with storage volume less than 50 million cubic meters of surface area less than 8 square kilometers	✓	
2	Dams and reservoirs with storage volume of 50 million cubic meters and above or surface area of 8 square kilometers and above		✓
3	Small-scale irrigation systems with total cost less than Rs.50 million	✓	

Category and Detail		IEE*	EIA**
4	Irrigation and drainage projects serving less than 15,000 hectares	✓	
5	Irrigation and drainage projects serving over 15,000 hectares		✓
G	Water Supply and Treatment		
1	Water supply schemes and treatment plants with total cost less than Rs.25 m.	✓	
2	Water supply schemes and treatment plants with total cost over Rs.25 million		✓
H	Waste Disposal		
1	Waste disposal facility for domestic or industrial wastes, with annual capacity less than 10,000 cubic meters	✓	
2	Waste disposal facility for domestic or industrial wastes, with annual capacity over 10,000 cubic meters		✓
3	Waste disposal and/or storage of hazardous or toxic wastes (including landfill sites, incineration of hospital toxic waste)		✓
I	Urban Development and Tourism		
1	Housing schemes	✓	
2	Public facilities with significant off-site impacts (e.g. hospital wastes)	✓	
3	Urban development projects	✓	
4	Land use studies and urban plans (large cities)		✓
5	Large-scale tourism development projects with total cost more than Rs.50 million		✓
J	Environmentally Sensitive Areas		
1	All projects situated in environmentally sensitive areas		✓
K	Other Projects		
1	Any other project for which filing of an IEE or an EIA is required by the Federal Agency under sub-regulation (2) of Regulation 5.	✓	✓
2	Any other project likely to cause an adverse environmental effect.		✓

*Initial Environmental Examination, **Environmental Impact Assessment



Procedure – For Approval of IEE and EIA

The following is the procedure for approval of IEE and EIA under the Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000.

- Step 1: Preparation of IEE/EIA- Guidelines for preparation of EIA and IEE can be obtained from Pak-EPA's website
- Step 2: Payment of filling fee
- Step 3: Filing of IEE/EIA at the Federal Agency
- Step 4: Preliminary scrutiny (within 10 days)
- Step 5: Public participation – (1) publication of the notice in national and local newspaper, (2) (after 30 days from the notice) public hearing and comments of concerned government agencies
- Step 6: Review by the Federal Agency (within 45 days for IEE, 90 days for EIA)
- Step 7: Issue of confirmation of completeness

Review fee depends on cost of project and type of the report*

Project Cost	IEE	EIA
Up to Rs.5,000,000	NIL	NIL
Rs.5,000,001-10,000,000	Rs.10,000	Rs.15,000
Over Rs.10,000,000	Rs.15,000	Rs.30,000

*For further information, refer to the website of Pak-EPA.





Construction Permits

Construction Permits- Process Flow Charts





Licenses

The licenses or registration will be required to the business in the specific sectors and examples of licenses with regulated bodies are listed below.

Sector	Specification	Authority
Banking	Commercial and micro-finance banks	State Bank of Pakistan (SBP)
Insurance	Insurance broker and/or surveyor companies	Securities and Exchange Commission of Pakistan (SECP)
Manufacturing	Manufacturing, storage and sale of food goods	Licensing Authority (in most cases concerned District Health Officer)
Telecom	Registration for call center operation	Pakistan Software Export Board (PSEB)
Trading	Import and export licenses from the respective province	Ministry of Commerce (MOC)
Tourism/Travel	Travel agency licenses from the respective province	Tourist services dept.
Recruiting Agency	Registration and licensing of consultants/recruiting agencies of overseas employment	The federal government through the Director General, Bureau of Emigration and Overseas Employment

Source: BOI

Details of key licenses/permit along with issuing authorities is given at annexure II.



Employment

One of the best advantages of investing in Pakistan is availability of both affluent young well-educated English-speaking as well as skilled labor force. The labor cost is comparatively low in the region that is another asset of Pakistan.

Education and Qualification

The constitution of Islamic Republic of Pakistan 1973, under the Article 25(a). Right to education that was inserted by the Constitution (Eighteenth Amendment) Act of 2010, provides free and compulsory education to all children of the age of five to sixteen years, and thus the compulsory education lasts 12 years. Official school ages by level of education are Pre-primary: 3-4 years, Primary: 5-9 years, Secondary: 10-16 years, and Tertiary: 17-21 years. For primary to post-secondary education, the academic year begins in April and ends in March. The literacy rate among the population aged 15-24 years is 72.8% in total (2014), 79.77% for male and 65.55% for female. According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2018-19, the literacy rate of the population (10 years and above) is 60 percent as compared to 58 percent in 2014.

Labour Regulations

All regulations and standards of International Labour Organization (ILO) are applicable in Pakistan and the “Factories Act, 1934” is the law for regulating labour in factories. In general, labour is a provincial subject and all provinces have their respective labour regulations such as “Punjab Industrial and Commercial Employment (Standing Orders) (Amendment) Act, 2012” and “Sindh Terms of Employment (Standing Orders) Act, 2015”. In Pakistan, wage rate is determined on monthly basis instead of hourly wage rates, and the minimum wage as of October, 2020 is Rs.16,000 per month. Worker’s disputes are not very common and dealt with mutual consensus at relevant platforms, whenever they arise.

Social Security

Employees’ Social Security Institution (ESSI)

In Pakistan, Social Security scheme was launched on 1st March, 1967, under West Pakistan Employees’ Social Security Ordinance No. X of 1965, with the assistance of the International Labour Organization. The Employees’ Social Security Institution (ESSI), however, came into being in 1970 when the scheme was reorganized on provincial basis. The main functions of ESSI is to provide medical care and cash benefits to secured workers and their dependents in the event of sickness, maternity, employment injury, death, Iddat, and disablement. ESSI provides death grants, disablement gratuity, disablement pension, survivors’ pension and ex-gratia grant. Currently, contribution by the employers is, for example, 7% of the pay of employee (ceiling Rs.5,000) in Balochistan and 6% of Rs.15,000 per employee in Sindh as of August, 2018. All of the four provinces have their respective social security institutions since labor is a provincial subject in Pakistan.

Employees’ Old-Age Benefits

Employees’ Old-Age Benefits Act, 1976 (EOB Act 1976), is an Act to repeal and re-enact the law relating of old age benefits for the persons employed in industrial, commercial and other organizations, and under the EOB Act 1976, registration is necessary when an industry or a commercial establishment has five or more employees or if any industry or commercial establishment employing less than five employees voluntarily opt to be included in the scheme. A contribution equal to 5% of minimum wages has to be paid by the employers of all the industrial and commercial organizations where EOB act is applicable. Contribution equal to 1% of minimum wages by the employees of said organizations. Detailed information on this issue can be obtained from the respective websites of Employees’ Old-Age Benefits Institution (EOBI), Ministry of Overseas Pakistani and Human Resource Development (MOPHRD).

Recruitment

Recruiting desired human resources is relatively easy in Pakistan due to availability of a large number of both manpower and well-established recruitment firms. Some of them are listed in the annexure I.



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Annextures

Annexure-I: Useful Contacts

Sr.	Institution	Website	Email	Telephone
Federal Ministry/ Department/Division				
01	Board of Investment (BOI)	https://invest.gov.pk/	investpak@invest.gov.pk	+92-51-922 4101
02	Federal Board of Revenue (FBR)	https://www.fbr.gov.pk/	helpline@fbr.gov.pk	+92-51-111-772-772
03	Ministry of Commerce (MoC)	http://www.commerce.gov.pk/	helpdesk@commerce.gov.pk	+92-51-9205745
04	Ministry of Communications (MoC)	http://www.communication.gov.pk/	None	Directory available online
05	Ministry of Energy Petroleum Division,	http://www.mpnr.gov.pk/ http://www.mowp.gov.pk/	Directory available online	
06	Ministry of Finance (MoF)	http://www.finance.gov.pk/	Directory available online	
07	Ministry of National Food Security & Research (MNFSR)	http://www.mnfsr.gov.pk/#	None	Directory available online
08	Minister for Industries & Production (MoIP)	http://www.moip.gov.pk/	Directory available online	
09	Ministry of Information Technology & Telecommunication (MoITT)	https://moitt.gov.pk/	info@moitt.gov.pk	+92-51-9219971
10	Ministry of Interior (MoI)	https://www.interior.gov.pk/	None	Directory available online
11	Ministry of Planning, Development & Special Initiatives	https://www.pc.gov.pk/	webmanager@pc.gov.pk	+92-51-9209442
12	Ministry of Railways (MoR)	http://www.railways.gov.pk/	Directory available online	
Key Departments/Authorities (Federal)				
13	Engineering Development Board (EDB)	www.engineeringpakistan.com	info@edb.gov.pk	+92+51+9205595-98
14	Employees Old-Age Benefits Institution (EOBI)	http://www.eobi.gov.pk/	Directory available online	
15	Export Processing Zones Authority (EPZA)	http://epza.gov.pk/	info@epza.gov.pk	+92-21-99208039-44
16	Ignite National Technology Fund	https://ignite.org.pk/	helpdesk@ignite.org.pk	+92-51-9215360
17	National Electric Power Regulatory Authority (NEPRA)	https://www.nepra.org.pk/	info@nepra.org.pk	+92-51-2013200
18	National Highway Authority (NHA)	http://nha.gov.pk/en/	Directory available online	
19	Oil and Gas Regulatory Authority (OGRA)	https://www.ogra.org.pk/	Directory available online	
20	Pakistan Telecommunication Authority (PTA)	https://www.pta.gov.pk/index.php/en	Directory available online	
21	Pakistan Software Export Board (PSEB)	https://www.pseb.org.pk/	info@pseb.org.pk	0800-03030
22	Private Power and Infrastructure Board (PPIB)	http://www.ppib.gov.pk/	Directory available online	
23	Securities and Exchange Commission of Pakistan (SECP)	https://www.secp.gov.pk/	queries@secp.gov.pk	0800-88008 +92-51-9207091-4
24	Small and Medium Enterprises Development Authority (SMEDA)	https://smeda.org/	helpdesk@smeda.org.pk	Directory available online
25	State Bank of Pakistan (SBP)	http://www.sbp.org.pk/	info@sbp.org.pk	+92-51-111-727-111
26	Trade Development Authority of Pakistan (TDAP)	http://www.tdap.gov.pk	tdap@tdap.gov.pk tdap.support2@tdap.gov.pk	+92-21-99206487-90
Provincial Government (Investment)				
27	Balochistan Board of Investment & Trade (BBoIT)	https://bboit.gob.pk/	None	+92 81 2822836
28	Khyber Pakhtunkhwa Board of Investment and Trade (KP-BOIT)	http://kpboit.gov.pk/	invest@kpboit.gov.pk boitkp@gmail.com	+92-91-9224206/07/09
29	Municipal Corporations	https://mci.gov.pk/	contactus@mci.gov.pk	+92-51-209224
30	Punjab Board of Investment and Trade (PBIT)	http://www.pbit.gop.pk/	info@pbit.gop.pk	+92-042-9920-5201-06
31	Investment Department, Government of Sindh	https://sindhinvestment.gos.pk/	info@sindhinvestment.gos.pk	+92-21-99207512-4
Key Departments/Authorities (Provincial)				
32	Alternative Energy Development Board (AEDB)	http://www.aedb.org/	support@aedb.org	+92-51-9222360-61
33	Balochistan Development Authority (BDA)	https://balochistan.gov.pk	None	Directory available online

Sr.	Institution	Website	Email	Telephone
34	Capital Development Authority (CDA), Islamabad Capital Territory	http://www.cda.gov.pk/	Directory available online	
35	Energy Department, Government of Sindh	http://sindhenergy.gov.pk/	info@sindhenergy.gov.pk	+92-21-99207134/32/33
36	Energy Department Government of the Punjab	https://energy.punjab.gov.pk/	sopw.ed@energy.punjab.gov.pk	+92-42-99268017/19
37	Excise & Taxation Department, Islamabad Capital Territory	http://islamabadexcise.gov.pk/	mail@islamabadexcise.gov.pk	+92-51-9265588 +92-345-5232512
38	Excise, Taxation & Narcotics Control Department, Government of The Punjab	http://www.excise-punjab.gov.pk/	secyent@punjab.gov.pk	0800-08786
39	Excise, Taxation and Narcotics Control Department, Government of The Sindh	http://excise.gos.pk/	info@excise.gos.pk	+92-21-99231410
40	Faisalabad Development Authority (FDA)	http://www.fda.gov.pk/	fda_fsd@yahoo.com	+92-341-2245666
41	Faisalabad Electric Supply Company (FESCO)	http://www.fesco.com.pk/	Contact form on website	
42	Gwadar Development Authority (GDA)	https://www.gda.gov.pk/	info@gda.gov.pk	+92-86-9201010
43	Gwadar Port Authority (GPA)	http://www.gwadarport.gov.pk/	info@gwadarport.gov.pk	+92-86- 9200408
44	Karachi Electric	https://www.ke.com.pk/	customer.care@ke.com.pk	+92-21-3263 7133 +92-21-3870 9132
45	Karachi Development Authority (KDA)	http://www.kda.gos.pk/	Directory available online	
46	Lahore Development Authority (LDA)	https://www.la.gov.pk/	Contact form on website	
47	Lahore Electricity Supply Company (LESCO)	http://www.lesco.gov.pk/	None	Directory available online
48	Pakhtunkhwa Energy Development Organization (PEDO)	http://pedo.pk/	info@pedo.pk	+92-91-9217422
49	Punjab Employee Social Security Institution (PESSI)	https://www.pessi.gop.pk/	info@pessi.gop.pk	+92-42-99263107
50	Sindh Building Control Association (SBCA)	https://sbca.gos.pk/	sbca@sbca.gos.pk	+92-21-99230329 +92-21-99231890/34
51	Sindh Employee Social Security Institution (SESSI)	http://www.sessi.gov.pk/	info@sessi.gov.pk	+92-21-99243813/14 +92-21-99243748/51

2. Chambers of Commerce & Industry (CCI) & Associations

Sr.	Institution	Website	Email	Telephone
CCI				
01	Federation of Pakistan Chambers of Commerce & Industry (FPCCI)	http://www.fpcci.org.pk/	info@fpcci.com.pk	+92-21-35873691-94
02	Islamabad Chamber of Commerce & Industry (ICCI)	http://www.icci.com.pk/	icci@brain.net.pk	+92-51-2253145-2261175
03	Karachi Chamber of Commerce & Industry (KCCI)	https://www.kcci.com.pk/	info@kcci.com.pk	+92-21-99218001-09
04	Lahore Chamber of Commerce and Industry (LCCI)	https://www.lcci.com.pk/	Directory available online	
05	Overseas Investors Chamber of Commerce & Industry (OICCI)	https://www.oicci.org/	info@oicci.org	+9221-32410814-5
06	Sialkot Chamber of Commerce and Industry (SCCI)	https://scci.com.pk/	sialkot@scci.com.pk	+92-52-4261881-3
Association				
07	All Pakistan Textile Mills Association (APTMA)	https://www.apتما.org.pk/	info.po@apta.org.pk	+9242-35754345
08	Pakistan Association Of Automotive Parts & Accessories Manufacturers (PAAPAM)	https://www.paapam.com/	chairman@paapam.com	+92-21-35113841
09	Pakistan Automotive Manufacturers Association (PAMA)	https://www.pama.org.pk/	pamaftc@hotmail.com	+9221-35630992/93
10	Pakistan Pharmaceutical Manufacturers' Association (PPMA)	https://www.ppma.org.pk/	info@ppma.org.pk	+92-51-4435103
11	Pakistan Sports Goods Manufacturers & Exporters Association (PSGMEA)	https://www.psgmea.org.pk/	psgmea@gmail.com	+9252-3256930/45
12	Surgical Instrument Manufacturers Association of Pakistan (SIMAP)	http://simap.org.pk/	info@simap.org.pk	+9252-3554890/3014

3. Major Companies

Sr.	Institution	Website	Email	Telephone
Banks				
01	Bank of Punjab	https://www.bop.com.pk/	feedback@bop.com.pk	+92-42 35783700-10
02	Habib Bank Limited	https://www.hbl.com/	Directory available online	
03	Meezan Bank	https://www.meezanbank.com/	Directory available online	
04	National Bank of Pakistan	https://www.nbp.com.pk/	Directory available online	
05	Sindh Bank	https://www.sindhbankltd.com	Directory available online	
06	The Bank of Khyber	https://www.bok.com.pk/	Directory available online	
07	United Bank Limited	https://www.ubldigital.com/	Directory available online	
Energy (*Public company)				
08	Punjab Power Development Company Limited (PPDCL)*	https://ppdcl.com.pk/	ppdcl.contact@energy.punjab.gov.pk	+92-42-99332154-56
09	National Transmission and Distribution Company (NTDC)*	https://www.ntdc.com.pk/	hrad@ntdc.com.pk	+92-42-99201020
Telecom				
10	Pakistan Mobile Communications Limited (known as Jazz)	https://jazz.com.pk/	customercare@jazz.com.pk	+92-51-111-300-300
11	Pakistan Telecommunications Company Limited (PTCL)	https://ptcl.com.pk/	care@ptcl.net.pk	Directory available online
12	Pakistan Telecommunication Company Ltd (known as Ufone)	https://www.ufone.com/	Directory available online	
13	Wi-tribe	http://wi-tribe.pk/	customercare@wi-tribe.pk	+92-51-111-187-423
14	CMPak Limited (known as Zong 4G)	https://www.zong.com.pk/	customercare@zong.com.pk	+92-51-111-222-111
Law/Accounting/Consulting Firms				
15	A.F. Ferguson and Co (PWC in Pakistan)	https://www.pwc.com.pk/en/	Contact form on website	+92-51-2205980
16	Cornelius, Lane and Mufti	http://www.clm.com.pk/	nfo@clm.com.pk	+92-51-8350467
17	Deloitte	https://www2.deloitte.com/pk/en.html	Contact form on website	
18	Ernst & Young	https://www.ey.com/pk/en/home	Contact form on website	
19	Khan and Muezzin	http://www.khanandmuezzin.com/	pakistan@khanandmuezzin.com	+92-51-2112621/22
20	KPMG TaseerHadi& Co	https://home.kpmg/pk/en/home.html	None	Contact form on website
21	WuklaLaw.Easy	https://wukla.com/	raabta@wukla.com	+92-312-6998552
Real Estate				
22	Agency 21	https://www.agency21.com.pk/	info@agency21.com	+92-348-111-21-21 +92-51-111-021-111
23	Bahria Town	http://www.bahriatown.com/	care@bahriatown.com.pk	0800 00100
24	Graana	https://www.graana.com/	info@graana.com	+92-111-555-555 +92- 343-2555555
25	Star Marketing Online	https://www.starmarketingonline.com/	support@starmarketingonline.com	+92-51-111-111-160
26	Zameen	https://www.zameen.com/	Contact form on website	+92-42-3256-0445
Logistics				
27	DHL Pakistan	https://www.dhl.com/pk-en/home.html	Contact form on website	
28	Leopard	http://leopardscourier.com/pk/	Contact form on website	
29	M&P Express Logistics	https://www.mulphilog.com.pk/	contact@mulphilog.com	+92-21-111-202-202
30	Moveit	https://moveit.com.pk/	info@moveit.com	+92-51-874-7800
31	TCS	https://www.tcsexpress.com/	None	+92 21-111-123-456
Construction				
32	DASCON Construction Company	http://dascon.com.pk/	info@dascon.com.pk	+92 42 36687491
33	Habib Construction	https://www.hcs.com.pk/	hcs@hcs.com.pk	+92-423-5291006-9

Sr.	Institution	Website	Email	Telephone
34	Habib Raffique	https://www.habibrafiq.com/	hrl@habibrafiq.com	+92-42-711411/1716/2944
35	Sachal Construction	http://sachal.org.pk/	info@sachal.org.pk	+92-51-4441684, 94
36	Sardar Mohammad Ashraf D. Baluch	https://dbaluch.com/	info@dbaluch.com	+92-21-35643771-2
37	Zaheer Khan Brothers	https://zkb.com.pk/	info@zkb.com.pk	+92-051-4444-555
Recruitment				
38	Career Pakistan	https://www.careerpakistan.pk/	rabia@careerpakistan.org	None
39	EPIC Consulting	http://epiccdo.com/	info.pk@epiccdo.com	+92-42-37185956-7 +92-30-41113311
40	HRSG Online	https://hrsgonline.com/	info@hrsgonline.com	+92-21-111-111-477
41	Human Resource Solutions International	https://hrs-int.com/	info@hrs-int.com	+92-21- 35294517/18
42	IRESKO	http://www.irescopk.com/	info@irescopk.com	+92-300-4477-888
43	Islamabad Recruitment Company	https://www.irco.com.pk/	info@irco.com.pk	+92-51-2111301 +92-51-2225400
44	N- Recruitment Consulting	https://www.nrecruitment.com/	yousuf@nrecruitment.com info@nrecruitment.com	+92-340 202 65 65 +92-330-392-21-35

Annexure-II: Licenses/Certificates

Sr.	License/Certificates	Issuing Authority
1.	Business Registration – Licence for operation of charitable societies	Industries Department, Societies Registration Act 1860
2.	Companies Profit (Workers Participation) Act, 1968	FBR
3.	Driving license	Deputy Inspector General (DIG) Traffic Police
4.	Drugs (import & export) Rules, 1986	DRAP
5.	Drugs (Labeling and Packaging) Rules, 1986	DRAP
6.	Drugs (Licensing, Registration & Administration) Rules, 1976	Drug Regulatory Authority of Pakistan (DRAP)
7.	Employees Old Age Benefits Institution	EOBI
8.	Employees Social Security Institution	Provincial Commissioner Of Employees Social Security
9.	Incorporation of a Limited Liability Company	Securities & Exchange Commission of Pakistan (SECP)
10.	Incorporation of a Limited Liability Partnership	SECP
11.	Intellectual Property Rights (Trade Mark, Copy Right, Patent etc.)	IPO-Pakistan
12.	Labeling and Packaging requirements of Pre-Packed Food	District Health Officer (DHO)
13.	Licensing & Other Requirements For Manufacturing, Storage And Sale Of Food Goods	DHO
14.	LPG, CNG and Drilling etc. Licenses	OGRA
15.	National Tax Number (NTN)	FBR
16.	Pakistan Standards & Quality Control Authority (PSQCA) Act, 1996	Pakistan Standards and Quality Control Authority (PSQCA), Ministry of Science and Technology (MOST)
17.	Professional Tax	Provincial Excise And Taxation Officer (ETO)
18.	Provincial Social Security Ordinance 1965	Provincial Employees Social Security Institutions
19.	Registration & Renewal of Arms License	Arms Branch of District Coordination Officer (DCO) Office
20.	Registration and Licensing for Money Exchange Company	No Objection Certificate (NOC) and Licensing by SBP Registration by SECP
21.	Sales Tax Number	FBR
22.	The Explosives Act, 1884. , and The Explosives Rules, 2010.	Department of Explosives, Ministry of Industries and Production
23.	The Industrial Relations Act, 2010.	Registrar of Trade Unions
24.	The Petroleum Act, 1934 and Mineral and Industrial Gases Safety Rules, 2010	Department of Explosives, Ministry of Industries and Production, Government of Pakistan.
25.	Workers Welfare Ordinance, 1971	FBR
26.	Registration of Partnership Firms	Industries Department, Partnership Registration Act 1932

Annexure-III: Notified SEZs in Pakistan (as of November, 2020)

Sr No	SEZ	Province	Area (Acres)	Sector/Industries	Price*	Contact
1	Bin Qasim Industrial Park, Karachi	Sindh	930	Light Engineering, Auto & Allied, Foundry and Fabrication, Warehousing & Logistics, Mixed Used	35	Mr. Javed Sheikh 03018244940 (92-21) 9922 5035-9 (92-21) 3563 1046-8
2	Korangi Creek Industrial Park, Karachi	Sindh	250	Light Engineering, Food Processing, Consumer Food & Pharmaceutical Products, Garments / Value added Textiles, Packaging & Printing & Warehousing/Logistics	60	Sqn Ldr (R) Aftab 0300 2034592 (92-21) 9922 5035-9 (92-21) 3563 1046-8
3	Khairpur SEZ, Khairpur	Sindh	140	Agro-food Processing, Light Engineering	2.5	Mr. Hammad Shams +92 334 3755358 +92 308 833 5656
4	M3 Industrial City, Faisalabad	Punjab	4,356	Textiles, Food Processing, Chemicals, Engineering, Construction, Pharmaceuticals, FMCG, Packaging, Automobiles, Warehousing	7.3	Mr. Faisal Qasmi +92 335 9230111 (92-41) 9230231-34
5	Allama Iqbal Industrial City, Faisalabad (CPEC)	Punjab	3,278	Textiles, Pharmaceuticals, Packaging, Light Engineering, Iron & Steel re-rolling, Food Processing, Electrical & Electronics, Chemicals & Dyes, Automobiles, Warehousing, Ceramics/Construction Material	9.5	Mr. Faisal Qasmi +92 335 9230111 (92-41) 9230231-34
6	Value Addition City, Faisalabad	Punjab	215	Textiles, Pharmaceuticals, Light Engineering	7.3	Mr. Faisal Qasmi +92 335 9230111 (92-41) 9230231-34
7	Bhalwal Industrial Estate, Sagodha	Punjab	427	Food & Citrus Processing, Milk Processing & Flour Mills, Light Engineering, Furniture, Printing, Stationary	8	Mr. Umar Saeed 042-35297203-6 042-35297207 0320-0840642
8	Quaid-e-Azam Apparel Park, Sheikhpura	Punjab	1,536	Textile, Apparel and Garments, Food Processing, Light Engineering, Printing and Packaging	N/A	Mr. Umar Saeed 042-35297203-6 042-35297207 0320-0840642
9	Vehari SEZ, Vehari	Punjab	277.29	Textile, Apparel and Garments, Fertilizers, Dairy Processing, Steel Mills, Allied Food Industry, Light Engineering	6.5-7.15	Mr. Umar Saeed 042-35297203-6 042-35297207 0320-0840642
10	Rahim Yar Khan SEZ, RYK	Punjab	456	Food Industry, Seed Processing, Oil Mills, Textile, Apparel, Spinning & Weaving, Manufacturing, Light Engineering	5.5-9.35	Mr. Umar Saeed 042-35297203-6 042-35297207 0320-0840642
11	Rachna Industrial Park, Shiekhupura	Punjab	178	Pharmaceutical, Food, Printing/packaging, Auto-vending, Leather goods	10	Mr. Farrukh Qamar 0306 8467718 (92-21) 9922 5035-9 (92-21) 3563 1046-8
12	Oil Village SEZ, Rawalpindi	Punjab	72.5	Storage for Oil Marketing Companies	N/A	Mr. Habib Deputy General Manager 0300-5128910
13	Rashakai SEZ, Nowshera (CPEC)	KPK	1000	Agri Base & Food Processing, Automobile & Mechanical Equipment, Electronics & Electrical Appliances, Garments & Textile Products, Marble, Minerals & Chemicals	US\$ 150,000	Mr. Amir Murawwat +92 336 8400896
14	Hattar SEZ, Haripur	KPK	424	Food and beverage, Agro-processing, Textile, Crockery, Paper printing, Chemical, Cement, Engineering	5.6	Mr. Muhammad Ali Ozgen +923350099205 +923355739362
15	Bostan SEZ, Pishin (CPEC)	Balochistan	200	Fruit processing, Agriculture machinery, Minerals and gems, Ceramic industries, Ice and cold storage, Electrical appliances, Motor bikes assembly, Pharmaceutical, Halal food industry	2.5	Mr. Mohsin Syed +92 300 8413650
16	Hub SEZ	Balochistan	406	Textile, Pharmaceutical, Cement manufacturing, Food & Confectionary Industries, Chemical Industries, Plastic, Paper Manufacturing, Printing & Packaging, Ceramics, Marble Processing, Mineral Grinding	10	Mr. Mohsin Syed +92 300 8413650
17	Allama Iqbal Industrial City(AIIC)	Punjab.	2,800	Textile; Engineering; Electrical and electronics; Chemical paints; Agriculture and food processing; Steel and packaging.	9.5	Mr. Faisal Qasimi +92-3359230111 +92-41-9230231-34
18	NSTP	Islamabad	58	Fintech, Agritech, Medtech...	N/A	Mr. Kamran Ashraf +92-333 5623886
19	JW-SEZ China Paksitan SEZ	Punjab	231	Automobile spareparts, electronics	N/A	Mr. Sardar Niaz +92-323 4368002

*Per Acre in PKR Million



Gwadar Sea Port, Gwadar

Ease of Doing Business in Pakistan



Region	South Asia
Income Category	Lower middle income
Population	212,215,030
City Covered	Karachi, Lahore

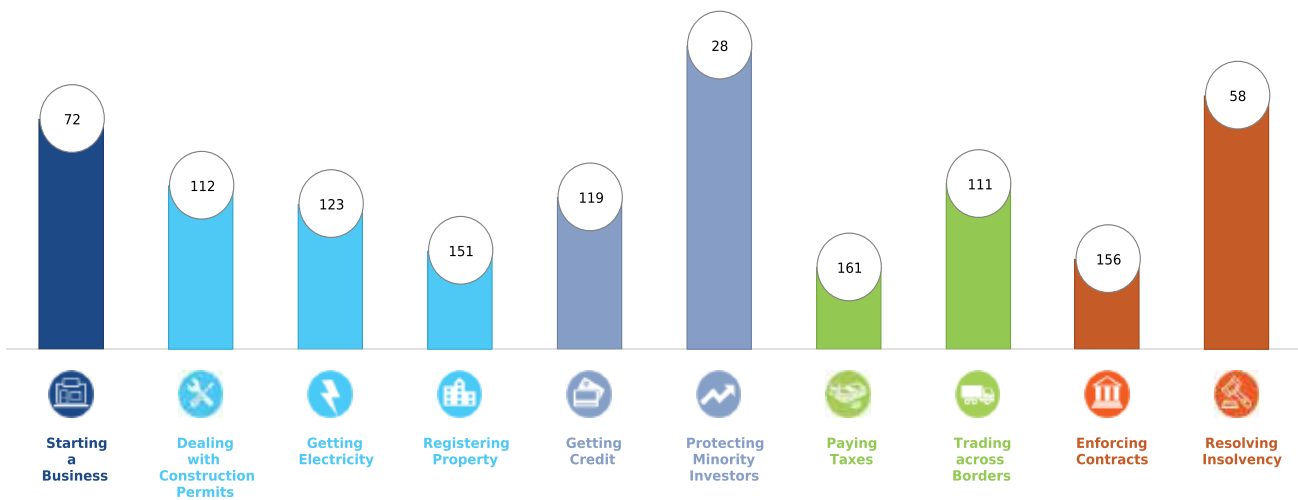
DB RANK

108

DB SCORE

61.0

Rankings on Doing Business topics - Pakistan



Topic Scores



<p>Starting a Business (rank) 72</p> <p>Score of starting a business (0-100) 89.3</p> <p>Procedures (number) 5</p> <p>Time (days) 16.5</p> <p>Cost (number) 6.7</p> <p>Paid-in min. capital (% of income per capita) 0.0</p>	<p>Getting Credit (rank) 119</p> <p>Score of getting credit (0-100) 45.0</p> <p>Strength of legal rights index (0-12) 2</p> <p>Depth of credit information index (0-8) 7</p> <p>Credit registry coverage (% of adults) 11.7</p> <p>Credit bureau coverage (% of adults) 6.7</p>	<p>Trading across Borders (rank) 111</p> <p>Score of trading across borders (0-100) 68.8</p> <p><i>Time to export</i></p> <p>Documentary compliance (hours) 55</p> <p>Border compliance (hours) 58</p> <p><i>Cost to export</i></p> <p>Documentary compliance (USD) 118</p> <p>Border compliance (USD) 288</p> <p><i>Time to export</i></p> <p>Documentary compliance (hours) 96</p> <p>Border compliance (hours) 120</p> <p><i>Cost to export</i></p> <p>Documentary compliance (USD) 130</p> <p>Border compliance (USD) 287</p>
<p>Dealing with Construction Permits (rank) 112</p> <p>Score of dealing with construction permits (0-100) 66.5</p> <p>Procedures (number) 17</p> <p>Time (days) 125</p> <p>Cost (% of warehouse value) 8.8</p> <p>Building quality control index (0-15) 13.0</p>	<p>Protecting Minority Investors (rank) 28</p> <p>Score of protecting minority investors (0-100) 72.0</p> <p>Extent of disclosure index (0-10) 6.0</p> <p>Extent of director liability index (0-10) 7.0</p> <p>Ease of shareholder suits index (0-10) 6.0</p> <p>Extent of shareholder rights index (0-6) 5.0</p> <p>Extent of ownership and control index (0-7) 7.0</p> <p>Extent of corporate transparency index (0-7) 5.0</p>	<p>Enforcing Contracts (rank) 156</p> <p>Score of enforcing contracts (0-100) 43.5</p> <p>Time (days) 1,071</p> <p>Cost (% of claim value) 20.5</p> <p>Quality of judicial processes index (0-18) 5.7</p>
<p>Getting Electricity (rank) 123</p> <p>Score of getting electricity (0-100) 64.0</p> <p>Procedures (number) 6</p> <p>Time (days) 113</p> <p>Cost (% of income per capita) 1,234.5</p> <p>Reliability of supply and transparency of tariff index (0-8) 5</p>	<p>Paying Taxes (rank) 161</p> <p>Score of paying taxes (0-100) 52.9</p> <p>Payments (number per year) 34</p> <p>Time (hours per year) 283</p> <p>Total tax and contribution rate (% of profit) 33.9</p> <p>Postfiling index (0-100) 10.5</p>	<p>Resolving Insolvency (rank) 58</p> <p>Score of resolving insolvency (0-100) 59.0</p> <p>Recovery rate (cents on the dollar) 42.8</p> <p>Time (years) 2.6</p> <p>Cost (% of estate) 4.0</p> <p>Outcome (0 as piecemeal sale and 1 as going concern) 0</p> <p>Strength of insolvency framework index (0-16) 11.5</p>
<p>Registering Property (rank) 151</p> <p>Score of registering property (0-100) 48.6</p> <p>Procedures (number) 8</p> <p>Time (days) 105</p> <p>Cost (% of property value) 4.2</p> <p>Quality of the land administration index (0-30) 9.8</p>		

Source: Economy Profile Pakistan Doing Business 2020, World Bank Group

Disclaimer

Despite every effort to make this investment guide free of any error or omission, these are only for referencing and guidance purposes and cannot replace the original laws, notifications, rules, and tariff published in the Gazette of Pakistan. Any suggestions and recommendations to make this publication further useful will be highly appreciated.



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