

Frequently Asked Questions on Incorporation

<p>1. What is company?</p>	<p>A company is a body corporate registered under the Companies Act 2017, and has separate legal status, which can sue and can be sued in its own name.</p>
<p>2. What are types of companies?</p>	<p>A company can be:</p> <ul style="list-style-type: none"> • A company limited by shares • A company limited by guarantee • An unlimited company
<p>3. What is company limited by shares?</p>	<p>Company limited by shares means a company having the liability of its members limited by the memorandum to the extent of amount, if any, remaining unpaid on the shares respectively held by them.</p>
<p>4. What are kinds of companies limited by shares?</p>	<p>A company limited by share may be incorporated having following forms:</p> <ul style="list-style-type: none"> • Single member company • Private limited company • Public limited company
<p>5. What is single member company?</p>	<p>A company formed by one person is known as single member company (SMC) company</p>
<p>6. Who can nominee director in Single Member Company (SMC)?</p>	<p>Nominee shall be the relative of the single member i.e spouse, father, mother, brother, sister, son or daughter</p>
<p>7. What is private limited company or multi member company?</p>	<p>A company formed by two or more persons is known as private or multi member company. Whereas, maximum number of members should not be more than 50</p>
<p>8. What is public limited company?</p>	<p>A company formed by three or more persons is known as public limited company</p>
<p>9. What is company limited by guarantee?</p>	<p>A company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up.</p> <p>It includes NPOs registered under section 42 of the Act and other companies incorporated as limited by guarantee.</p>
<p>10. What is Unlimited Company?</p>	<p>A company whose members liability is unlimited is known as unlimited company.</p>
<p>11. What is specialized company?</p>	<p>The companies incorporated having specialized business such as banking companies, insurance companies, Non-</p>

	banking Finance Companies (NBFC), brokerage house etc. fall under the category of specialized companies which are required to obtain license before starting its operations.
12. What is Limited Liability Partnership (LLP)?	A Limited Liability Partnership (LLP) is a form of business having status of a legal entity separate from its partners and have perpetual succession. Any two or more persons, associated for carrying on a lawful business with a view to profit, may form an LLP.
13. What documents are required to form LLP?	<ul style="list-style-type: none"> • CNICs/passports of the partners • LLP agreement/deed <p>Format available at following link https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/applications/</p>
14. What is Trade Organization (TO)?	A company formed with the objective of promoting interest of specific sector, class or community in the area of trade and commerce. TOs are required to obtain license from Director General Trade Organization (DGTO) to incorporate as a company with the SECP.
15. What is the procedure for registration of association not for profit under section 42 of the Companies Act, 2017?	<p>Registration of NGO is three steps process:</p> <p>Step 1: Name Reservation</p> <p>Step 2: Obtain license under section 42 of the Companies Act, 2017. Detailed procedure and document are prescribed in the Companies Regulations, 2024. The regulations are available at https://www.secp.gov.pk/laws/regulations/</p> <p>Step 3: Company incorporation application either physical or online</p>
16. What is holding company?	A holding company is a company which controls the composition of the board of other company or exercise or control more than 50% of its voting rights by itself or together with one or more of its subsidiary companies
17. What is Associated Company?	A company is associated company of other if its member/director directly or indirectly holds not less than 20% shares in that company and companies are under common management.
18. What is public sector company?	Public sector company means a company, whether public or private, which is directly or indirectly controlled, beneficially owned or not less than fifty-one percent of the voting securities or voting power of which are held by the Government or any agency of the Government and

	includes a public sector association not for profit license under section 42 of the Act.
19. What is foreign company?	Foreign company means any company or body corporate incorporated outside Pakistan, which has a place of business or liaison office the Pakistan.
20. What is principal line of business?	Principal line of business means the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher. Principal line of business should always commensurate with the name of the company.
21. What is correspondence and registered office address?	A company can be formed by providing a correspondence address, whereas it is mandatory to provide registered office address within 30 days of its incorporation
22. What is authorized and paid-up capital?	Authorized capital means such capital as is authorized by the memorandum of the company to be the maximum amount of share capital of the company. Paid up capital means an amount of capital which is actually taken up by the subscribers of the company.
23. What is the minimum of requirement of authorized capital?	There is no minimum requirement of authorized capital. However, minimum fee is charged according to authorized capital of Rs.100,000/-
24. Who is the subscriber and director?	The person who subscribes the shares of the company is called subscriber. Every subscriber can be a director of the company but not necessarily that every director is the subscriber of the company
25. What is nominee director?	Nominee director is a person who represents the company on its board
26. What is independent director?	An independent director means a director who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the company, its associated companies, subsidiaries holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest. Note: Independent director does not hold shares in the company
27. What is memorandum and articles of association?	Memorandum of association is the basic constituting documents of the company. MOA contains the name, objects, province, guarantee and capital of the company.

	Whereas, AOA contains the internal bye laws of the company.
28. Where can I get format of MOA/AOA?	Format of more than 100 sectors are available on SECP website at https://www.secp.gov.pk/company-formation/memorandum-and-articles-of-association/memorandum-of-association/
29. What documents are required to form a company manually?	Manual submission: <ul style="list-style-type: none"> • Company Incorporation Form-1 • Memorandum & articles of association; • Copies of CNICs/passport of promoters and chief executive & • Original paid challan evidencing the payment of fee as prescribed in schedule seven of the Companies Act. • Power of attorney/authority letter (if required) Incorporation form and MOA/AOA can be downloaded at https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/
30. What documents are required to form a company online?	Online Submission: <ul style="list-style-type: none"> • Fill-up application form for name reservation and company incorporation (Form-1, MOA/AOA are auto generated) • Attach copy of CNICs/passport of promoters • Submit the process and pay fee Please visit at: https://leap.secp.gov.pk/#/user/login
31. How can I create user ID?	Frist step for incorporation of a company online requires creation of user ID. Applicant has to signup to eZfile of SECP at https://leap.secp.gov.pk/#/user/login . User can create its ID either as: <ul style="list-style-type: none"> • Signup for National • Signup for Overseas NICOP Holders • Signup for Foreign Note 1: It is mandatory that applicant holds valid CNIC and mobile number registered in the name of applicant/against his/her CNIC.

	Note 2: Foreign user needs to attach notarized /attested copy of passport and picture.
32. Can I register matrimonial services company?	Matrimonial services company is registered with the SECP after receipt of security clearance from Ministry of Interior. (MOI). Documents submitted by the company to the SECP are forwarded to Ministry of Interior for clearance.
33. What additional documents are required in case of foreign director/subscriber?	<ul style="list-style-type: none"> • If undertaking is executed in Pakistan, it should be on stamp paper issued in the name of proposed subscriber /director, duly witnessed and attested by Oath Commissioner/Notary Public. • If undertaking is executed outside Pakistan, it should be duly certified by public officer/notary public of country of origin and signed by Pakistani diplomat posted in that country or apostilled by the designated competent authority of the state of origin of the foreign public document, who have acceded to the Hague Convention abolishing the requirement of Legalization for foreign public documents (Apostille Convention) of 1961 and such state is also recognized by the Government of Pakistan for receiving of apostilled documents; • Biodata of foreign subscriber/ director <p>Formats available at following link https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/statutory-forms/</p>
34. What additional documents are required to incorporate security company?	Security companies are incorporated after approval of NOC by Ministry of Interior (MOI). Documents required to incorporate security company are available on SECP website at https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filing-of-returns/applications/
35. What additional documents are required in case of foreign company as subscriber?	(duly certified copy of following documents, by public officer/notary public of country of origin and signed by Pakistani diplomat posted in that country or apostilled by the designated competent authority of the state of origin of the foreign public document, who have acceded to the Hague Convention abolishing the requirement of Legalization for foreign public documents (Apostille Convention) of 1961 and such state is also recognized by the Government of Pakistan for receiving of apostilled documents;) <ul style="list-style-type: none"> • BOD resolution of the foreign company specifying proposed shareholding and name of nominee director

	<ul style="list-style-type: none"> • Certificate of incorporation/business license of the foreign company • Copy of the statute/charter/memorandum & articles of association or other instrument constituting or defining the constitution of the foreign company • An undertaking by the foreign company and the nominee director/foreign director • Latest Annual Return of the foreign subscriber company showing the details of its directors • Profile of foreign company (attestation not required) • Biodata (attestation not required) <p>Formats available at following link https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/statutory-forms/</p>
<p>36. Additional requirements for incorporate public sector company?</p>	<p>Notification of the Government duly containing therein name of the proposed company, capital structure, and composition of proposed company board as per the criteria mentioned in Public Sector Companies (Corporate Governance) Rules, 2013</p>
<p>37. How can I make payment?</p>	<p>Payment can be made either:</p> <ul style="list-style-type: none"> • Credit Card/Debit Card • 1bill (1link) (digital banking, mobile banking, easy paisa, ATM or over the counter)
<p>38. How can I get certificate of incorporation?</p>	<p>Incorporation process is end-to-end digitized. Digitally signed certificate of incorporation is sent to companies through email, the same can also be downloaded after login to eZfile.</p>
<p>39. Where can I get combined certificate of EOBI, PESSI & SESSI?</p>	<p>SECP data is integrated with EOBI, PESSI, SESSI and Labour, excise & taxation and Anti-Narcotics Department for registration with these departments. This information is optional while submitting application for incorporation. Combined certificate is uploaded on eZfile portal once company is incorporated</p>
<p>40. Where can I get NTN of the company?</p>	<p>SECP data is integrated with FBR for registration of NTN. Information provided by applicant during filling incorporation process is forwarded to FBR for registration of NTN. NTN is issued by FBR if complete/accurate information has been provided by the applicant.</p>