

Starting a Business



Generate PIN, pay incorporation fee and register business with 6 agencies through single online procedure available through SECP e-services



Final Registration Certificates issued same day by SECP eServices



Provincial and EOBI certificates now viewable (by companies as well as SECP) in eServices account of a company



Sales Tax Registration obtained within minutes through FBR Portal Iris, time for Procedure 5 reduced from 1 week to 0.5 day



Sindh Govt waived labour registration fee, reduction in fee by PKR1000



Omission of provisions regarding company's common seal through amendments in Companies Act 2017 [sections 18, 23, 62, 137, 201, 203, 337]. The amendments made through an ordinance called " The Companies Amendments Ordinance 2020



Dealing with Construction Permits



Karachi



SBCA has integrated over 100 land owning agencies for e-verification of ownership reducing time from 14 to 0.5 days



SBCA's single window facility takes 15 days (new design) or 5 days (SBCA approved design) to process construction permits for Category-1 buildings.



Only two inspections are carried out by SBCA; one initial inspection and one final inspection. Eliminated 5 procedures, from Procedure-4 to Procedure-8



No requirement to submit PT-1 form for obtaining water connections by Karachi Water & Sewerage Board reducing 31 days to deal with commercial connections



Completion Certificate under Karachi Building & Town Planning Regulations is now issued in 15 days



Dealing with Construction Permits



Lahore



LDA has automated the process of submitting building permit applications and provided an e-payment facility for maps approval and completion certificates through Allied Bank.



Applications for water and sewerage connections can now simultaneously be submitted along with Building plan. WASA is part of LDA, therefore, both agencies have integrated their online systems in order to simultaneously receive applications for water connection.



Water & Sanitation Agency (WASA) has notified joint inspection for water and sewerage connection in Lahore. Merging procedure 14 and 15 will result in elimination of one procedure.



Cost of Procedure-13 "Request for Water & Sewerage Connection" is PKR1,750 instead of PKR90,000/-

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Dealing with Construction Permits



Lahore



Punjab Land Records Authority (PLRA) has automated issuance and payment of Fard.
(<https://onlinefard.punjab-zameen.gov.pk/>)



LDA has amended building by laws for outsourcing of field inspections to consultant(s) and of completion certificate(s) to Architects, Town Planners and Consultants registered with LDA. Therefore, issuance time for completion certificates has been reduced from 19 to 7 days.



During construction, only one inspection will be conducted for buildings up to 38ft. This will lead to reduction in five procedures as well.



2



Getting Electricity



Karachi

1



Procedures for getting electricity connection reduced from 6 to 4



Payment of demand note automated and time reduced by half a day for payment to utility company



Procedure to obtain wiring inspection separately, has been removed, reducing time to get electricity connection by 14 days



Load approval for industrial connections within one day and scheme vetting through online portal in 5 days



Time for site approval by K-Electric reduced from 13 to 8 days



Cost of new industrial connection reduced from PKR 2.7 Million to PKR 1.7 Million



Getting Electricity



Turnaround time for new connections reduced to 58 days



Online new connection cost calculator, application tracking and FAQs features in K-Electric's website along with pay in installments to facilitate customers



Online complaint system for new connections



Warehouse and industry Tenants can get connection in their name for better sales tax accounting

Karachi



2



Getting Electricity



Procedures for getting electricity connections reduced from 6 to 4 and time reduced from 73 days to 58 days for Category 3 applicants



Payment of demand note automated and time reduced by half a day for payment to utility company



The cost estimate and security amount (demand notice) can now be paid online by applicant at <http://www.enc.com.pk/> therefore reducing the time to half a day.



Procedure to obtain wiring inspection separately, has been removed, reducing time to get electricity connection by 14 days

Lahore



Prime Minister's Office
Board of Investment



Registering Property

Karachi



Board of Revenue Sindh reduced time to obtain sale certificate from 14 to 7 days. Requirement to advertise transaction reaction removed, time reduced by 8 days and cost reduced by PKR 10,000



Conducting title search is an online procedure, time reduced from 7 to 0.5 days



Standardized deeds available online, eliminating need for hiring deed writer thus reducing number of procedures by 1, time by 5 days and cost by PKR 7,500



Rates of Stamp Duty, CVT & Registration Fee have been reduced. Statistics on land disputes are published online on the website of BOR, Sindh



Time for execution and registration of deeds before registration authority reduced from 120 to 6 days



Online complaint mechanism is available at BOR Sindh website



Registering Property

Lahore



No need to obtain PT-1 form due to online availability and time reduced for obtaining physical form reduced from 3 to 0.5 days

1



Templates of deeds and reports on land disputes available on PLRA website



Online issuance of Fard by PLRA has reduced time from 1 to 0.5 day.



Time for Execution and Registration of deeds before registration authority reduced from 15 to 8 days.



Registering Property



Online availability of land records with uniform identification for immovable property registration and obtaining land records



Online tracking of property transactions with the registration agency



Mapping of land records of all privately held land plots in Lahore

Lahore

2



Getting Credit



1



An amended law now allows extension of security interests to future assets, after acquired assets, products, proceeds and replacements



Secured creditors now paid first (before tax and employee claims) when a debtor defaults outside an insolvency procedure or business liquidated



All types of security interest can be registered in a notice-based collateral registry



Easier out of court enforcement by agreement of parties to protect the security right of creditors. Secured creditor can sell collateral through public auction or private tender, and for the secured creditor to keep the asset in satisfaction of the debt



Getting Credit



Registrations, amendments, cancellations and searches on the collateral register can be performed online by any interested third party through Secured Transactions Registry



Federal Govt has notified electricity and gas companies to be members of the Private Credit Bureaus enabling them to share their consumers' data with the Private Credit Bureaus



A unified collateral registry now in operation with an electronic search database indexed by debtor's name

2



Paying Taxes



1



EOBI issued a notification for the facility to pay pension contributions to be made online. Number of payments for pension contributions reduced from 12 to 1



PESSI and SESSI have introduced online payment facilities for Social Security Contributions in Punjab and Sindh. Number of Social Security payments to be 1 instead of 12



FBR launched Sales Tax Real-Time Invoice Verification System (STRIVe). Reduction in filing time as sales tax invoices of buyer will be automatically populated by suppliers' invoices



Corporate tax rate for small company is declining 1% for each successive year till 2023.



Paying Taxes



Introduction of new FBR Audit Policy leading to fewer audits, only 2.3% income taxes cases, 2.5% sales taxes cases, and 7.7% FED cases exposed to audit



Online payment of tax anytime and anywhere through internet banking, debit card and ATM machines



FBR launched online mobile app for filing of tax returns



2



Trading across Borders



1



Introduction of penalty and charges to discourage extended use of port



Ministry of Commerce has removed the requirement of obtaining a Price Certificate for exports of cotton yarn, associated time reduced as well



Qasim International Container Terminal (QICT) has introduced online payment of port charges. Reduced time for documentary and border compliance for exports and imports



Time for domestic transport (Exports) of cotton reduced to 2-3 hours from 5 hours. Price reduced to USD 140 from USD 200



Trading across Borders



2



Through WeBOC system time for clearance and inspections required by customs authorities reduced from 24 hours to 15.7 hours



Reduction in time for port or border handling by 105-118 hours due to most consignments being processed through the Green Channel



Reduction of cost for clearance and inspections (by customs and other agencies and border handling) by USD 164



Border Compliance for Imports, cost of clearance and inspections required by customs authorities, clearance and inspections required by agencies other than customs and port or border handling (excluding transport charges) reduced from USD 287 to USD 123



Resolving Insolvency



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Introduction of improved insolvency and restructuring frameworks for stressed companies under Corporate Rehabilitation Act 2018 and Corporate Restructuring Companies Act 2016



Insolvency Framework now allows a Creditor to file for liquidation and reorganization under section 304 of the Companies Act 2017 and section 8 of the Corporate Rehabilitation Act 2018



Increase in access to credit for companies as Insolvency Framework now assigns priority to post commencement creditor over ordinary unsecured creditors but not over secured creditors



Streamlining the approval mechanism during rehabilitation from creditors whose rights are modified/affected by the plan under the Corporate Rehabilitation Act 2018



Resolving Insolvency



Creditors are now divided into classes for the purposes of voting on the reorganization plan, each class votes separately and creditors in the same class are treated equally



Under sections 5, 8 and 10 of the Corporate Rehabilitation Act 2018 the Insolvency Framework now requires approval by the creditors for selection or appointment of the insolvency representative



The Insolvency Framework provides that a creditor has the right to request information from the insolvency representative

2



Enforcing Contracts



1



Introduction of consolidated law for mediation and conciliation



Issuance of electronic summons for service to parties by amendment in procedural law. Introduction of new time standards for civil proceedings



Expeditious disposal by introduction of designated courts for commercial cases by Lahore High Court in five cities of Punjab including Lahore



Electronic Case management tools now in place for judges and lawyers

Karachi

Lahore



Enforcing Contracts



Judgments rendered in commercial cases at all levels are available to the general public through publication in gazette, in newspapers or on the internet or court website.



Consolidated mediation and conciliation law under Punjab Alternate Dispute Resolution Act 2019

Lahore

2



Protecting Minority Investors



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High corporate governance standards for protecting minority investors. Threshold for members to give notice of resolution being reduced to 5% from 10%



Related party transactions approved only non-interested interested directors and shareholders



Greater scrutiny by courts if conflict of interest has not been declared by directors.



Courts may now declare any transaction void, if conflict of interest on the part of the directors' or is prejudicial to interest of members, or award compensation in such cases



Protecting Minority Investors



Procedure of the Court and appeal amended to allow submission of application for discovery of documents or any category or classes of documents from the defendant



Mandatory disclosure of remuneration package of directors and chief executive of a company introduced

