

## FAQs on Company Incorporation

<p><b>1. Why should I form a company?</b></p>	<p>Being a regulated entity, a Company enjoys a professional image and credibility in the eyes of its customers, suppliers, creditors and other stakeholders. Company provides the following benefits:</p> <ul style="list-style-type: none"> <li>• <b>Protect your business name</b> (No one can use the name of company already in existence)</li> <li>• <b>Perpetual Existence</b> (In case of death of partner/ member, company remain in existence and ownership is transferred through succession)</li> <li>• <b>Enhanced Ability to raise Capital</b> (Being a Listed company, the company has more ability to raise capital through Public Offerings as per Law)</li> <li>• <b>Limited Liability</b> (Liability of the members is limited to the extent of their shareholding)</li> <li>• <b>Become part of a documented and regulated sector</b> (After Incorporation, the Companies are included in the documented sector)</li> </ul>
<p><b>2. I want to incorporate a company</b></p>	<p>Do you want to incorporation as a <b>Company or Limited Liability Partnership?</b></p>
<p><b>3. What type of a company do you want to incorporate?</b></p>	<p><b>Single Member Company (SMC)</b> One person may form a single member company by complying with the requirements in respect of registration of a private company and such other requirement as may be specified.</p> <p><b>Private Limited Company</b> Two or more persons so associated may form a private limited company by complying with the requirements in respect of registration of a private company and such other requirement as may be specified.</p> <p><b>Public Limited Company</b> Three or more persons associated for any lawful purpose may, by subscribing their names to a</p>

	<p>memorandum of association and complying with the requirements of this Act in respect of registration, form a public company.</p> <p><b>Limited Liability Partnership:</b></p> <p>Two or more persons associated for carrying on a lawful business with a view to profit may form an LLP by subscribing their names to incorporation documents.</p> <p>LLP means any written agreement between partners of limited liability partnership, which determines mutual rights and duties of the partners and their rights and duties in relation to the limited liability partnership.</p>
<p><b>4. Step Wise procedure for Company Incorporation</b></p>	<p>Company incorporation may be completed in a TWO STEP PROCESS or a COMBINED PROCESS.</p> <p>TWO STEP PROCESS:</p> <ul style="list-style-type: none"> <li>• 1st Step: Name Reservation</li> <li>• 2nd Step: Company Incorporation.</li> </ul> <p>Both steps can be completed online as well as offline.</p> <p>ONE STEP Process / COMBINED PROCESS (available online only):</p> <p>Where you submit application for Name Reservation and Incorporation simultaneously. In this process Memorandum of Association and Articles of Association are generated automatically.</p> <p>1.1.1.1. Below are some Guides and useful Links</p> <p><a href="#"><u>Promoter’s Guide</u></a></p> <p><a href="#"><u>Memorandum of Association</u></a></p> <p><a href="#"><u>Companies (Incorporation) Regulations, 2017 (the “Regulations”)</u></a></p>

	<u>Search Company Name</u>
<p><b>5. What information is required for Company Incorporation</b></p>	<ol style="list-style-type: none"> <li>6. A suitable Company Name.</li> <li>7. Principle Line of Business of the Company.</li> <li>8. Registered Office Address.</li> <li>9. Subscriber/Shareholder (persons who will take shares of the company).</li> <li>10. Directors (persons who will manage affairs of the company on behalf of the shareholders).</li> <li>11. Details of the company's share Capital – Authorized Capital (the maximum amount of share capital that a company is authorized to issue to its shareholders) and Paid Up Capital (the amount of money a company has received from shareholders in exchange for issued shares).</li> <li>12. Memorandum of Association: It is a basic constitutive document for company formation. It includes five clauses defining: Company Name, Location of registered office, Principle line of business, limited liability of company and its authorized capital. Samples available on this <a href="#">link</a>.</li> <li>13. Articles of Association: A statutory document that specifies regulations for managing company's affairs e.g. number of maximum directors, manner of transfer of shares, holding of board and general meetings etc.</li> </ol>

	<p>14. CNIC copies of subscribers and in case of physical application, of witness to the documents.</p> <p>15. Application forms for Name Reservation (Inc.-Form I) and Incorporation (Inc.-Form II) prescribed through Companies (Incorporation) Regulations, 2017.</p>
<p><b>6 What information is required for Incorporation of Limited Liability Partnership?</b></p>	<p>a) Partnership deed/agreement  b) Copies of CNICs of Partners and Designated Partners  c) Consent to Act as Partner/Designated Partner</p>
<p><b>7 What are the compliance requirements</b></p>	<p>There are three types of compliance's, a company requires after its incorporation.</p> <ul style="list-style-type: none"> <li>• Post Incorporation compliance.</li> <li>• Annual compliance.</li> <li>• Eventual compliance.</li> </ul>
<p><b>8 What are the annual compliance requirements</b></p>	<p>Following compliance requirements needs to be filed by a company annually.</p> <ul style="list-style-type: none"> <li>• Filing of Annual Return (Form A) required by the companies whose capital is more than 3 million and reported changes in the company during the year.</li> <li>• Filing of Form B by Companies under section 42.</li> <li>• Form C by the Companies whose paid up capital is more than 3 million and have not reported any change during the year.</li> </ul>

<p><b>9 What are the eventual compliance requirements</b></p>	<p>Following compliance requirements needs to be filed by a company depending on the events.</p> <ul style="list-style-type: none"> <li>• Form 28 and 29 for changes in the management/ officers of the Company.</li> <li>• Form 7 and Form 26 for increase in Authorized capital of the company.</li> <li>• Form 3 for increase in Paid up capital of the Company.</li> <li>• Form 21 for change in address of the company.</li> <li>• Form 8 and Form 26 for change in the name of the Company.</li> <li>• Form 21, Form 5 and Form 26 for change in province of the Company.</li> </ul>
<p><b>10 What is the procedure of winding up a company?</b></p>	<p>There are three methods the company can be wound up.</p> <p>Winding up</p> <p>Easy Exit</p> <p>Struck off by Registrar</p>
<p><b>11. I want to know the Easy Exit procedure</b></p>	<p>A company which ceases to operate and has no known assets and liabilities, may apply to the registrar in the specified manner, seeking to strike its name off the register of companies on payment of such fee mentioned in the Seventh Schedule.</p>

	<p>Easy Exit Regulations are available on below link:</p> <p><a href="https://www.secp.gov.pk/laws/notifications/">https://www.secp.gov.pk/laws/notifications/</a></p>
<b>12. What's the struck off procedure?</b>	<p>Where the registrar has reasonable cause to believe that a company is not carrying on business or is not in operation. He may, after complete compliance of Section 425 of the Companies Act, 2017 strike the Company name off the register, and publish notice thereof in the official Gazette, and, on the publication in the official Gazette of this notice, the company be dissolved.</p>

<b>13. My company has gone inactive, how can I convert it into active stage?</b>	Form 39(Further details may be asked from CCD)
<b>14. I want to change nominee of SMC Company, what should I do?</b>	You may file Form 15 (Further details may be asked from CCD)
<b>15. I want to change company address, what will be the procedure?</b>	You may file "Change of company Address" form as desired (Online/Offline)
<b>16. What will I select head and subhead in manual challan for winding up procedure?</b>	You may select head as" Receipt under Companies Act 2017" and subhead "application Fee"
<b>17. How can I change my Eservice account password?</b>	You may change your password of Eservices account from "Update profile" option available in your account.
<b>18. How can I update my profile of Eservices account?</b>	You may change your profile information except CNIC from "Update profile" option available in your account.
<b>19. I am facing an error message of "Not for Payment" in E-challan. Please guide</b>	This is not an error. It is a precaution. Kindly click on "Save Form" tab available at the bottom of challan. Then submit your process first. After

	submission, you may get challan from “submitted process” tab available at the left side of Eservice account.
<b>20. My E-challan has been expired what I should do?</b>	If E-challan has been expired then you have to send deletion request via Service desk Management System ( <a href="https://sdms.secp.gov.pk/">https://sdms.secp.gov.pk/</a> ) . In order to delete the process, please provide below information: User Id: Process Name: Company Name: Challan Number: Also confirm whether you have paid the challan or not?
<b>21. What are the benefits of using eServices? Alternatively, why should we use E-services?</b>	Following are the benefits of using e-Services instead of physical filing: a. Simple and hassle-free procedure to create account on e-Services b. Accessible 24/7 from anywhere in the world c. Lower fee compared to physical submission of documents d. No need to visit Company Registration Offices (CROs)
<b>22. How to apply for user registration and what is the user registration fee?</b>	Online user registration is available at e-Services at <a href="http://www.secp.gov.pk">www.secp.gov.pk</a> , for which Rs. 100/- only will be charged subsequently at the time of submission of documents. Please refer to User Registration Step by Step Process.
<b>23. What are the requirements for user registration?</b>	For Individual (National): CNIC/NICOP/POC, Mobile number & Email address. For Individual (Foreign National): Attested copy of valid passport, attested photograph, Mobile number & Email address.
<b>24. How can we reserve name for a new company by using eServices?</b>	Please follow the procedure given below to reserve name for a new company by using eServices: <ul style="list-style-type: none"> <li>• Sign up and generate Personal Identification Number (PIN) using the user registration procedure</li> <li>• After successful user registration in e-services, login to eServices through SECP’s website <a href="https://eservices.secp.gov.pk/eServices/">https://eservices.secp.gov.pk/eServices/</a></li> </ul>

using CNIC/NICOP/POC/Passport no. as Login ID and the entering the Password.

- Upon successful login, all available processes will be displayed.
- Click on name reservation process.
- Fill in the requisite data and click “Continue” button which will display the screen where “Sign form” option is available.
- Open and Save Challan Form which is automatically generated through the System. Do not print Challan at this stage.
- Click “Sign form”. Please note that sign form link will be activated when once mandatory attachments are made to the process and challan is saved.
- Enter the PIN and click “Apply user PIN”, field for “PIN APPLIED” will be auto-populated and on clicking “Submit process to SECP” button, process will be submitted to SECP.
- Print the Challan from “Submitted Processes” link available on the left side of the page and pay this Challan in the designated branch of MCB/UBL.
- In case of payment through credit card, please click on “online payment’ link and follow procedure  
“<http://www.secp.gov.pk/document/eservices-online-payment-guide/?wpdmdl=17369>”
- In case of payment through ADC payment, please click on “ADC payment’ link and follow procedure  
“<https://www.secp.gov.pk/document/eservices-adc-epayment-guide/?wpdmdl=32403>”
- In case of payment thorough online fund transfer facility, please follow the procedure given in the “online fund transfer guide” available on the website at <https://eservices.secp.gov.pk/eServices/>

After you have submitted the process and made payment, your process will be assigned to the concerned officer for processing after verification of payment. You will receive an email letting you know about the status of your case whether it is accepted, rejected or further information is required for issue resolution.

	<p>Please note that Name Availability Cases are processed at the concerned Company Registration Office (CRO).</p>
<p><b>25. My company name is reserved. Now how can I incorporate a new company by using eServices?</b></p>	<p>Please follow the procedure given below for company registration using e-Services:</p> <ul style="list-style-type: none"> <li>• Click on already reserved company name in Eservices account.</li> <li>• Fill out the data and click “Continue” button, which will display the screen where “Sign form” option is available.</li> <li>• Attach and Save Memorandum of Association in the attachment link provided. Please note that the attachment size should not exceed 2 MB.</li> <li>• Attach and Save Articles of Association in the attachment link provided. Please note that the attachment size should not exceed 2 MB.</li> <li>• Attach and Save copies of CNICs/passports of all the Subscribers, copy of name availability email/letter, and any other required document(s) under Fill New Attachment Form link.</li> <li>• Open and Save Challan Form which is automatically generated through the System. Do not print Challan at this stage.</li> <li>• Click “Sign form”. Please note that sign form link will be activated when once mandatory attachments are made to the process and challan is saved.</li> <li>• Enter the PIN and click “Apply user PIN”, field for “PIN APPLIED” will be auto-populated and on clicking “Submit process to SECP” button, process will be submitted to SECP. Every Subscriber needs to sign forms by logging through his/her User ID and applying PIN.</li> <li>• After your process is submitted, you will see a submitted process reference number on the screen. Please print a copy of this page for future reference.</li> <li>• Print the Challan from “Submitted Processes” link available on the left side of the page and pay this Challan in the designated branch of MCB/UBL.</li> </ul>

	<ul style="list-style-type: none"> <li>• In case of payment through credit card, please click on “online payment’ link and follow procedure “<a href="http://www.secp.gov.pk/document/eservices-online-payment-guide/?wpdmdl=17369">http://www.secp.gov.pk/document/eservices-online-payment-guide/?wpdmdl=17369</a>”</li> <li>• In case of payment through ADC payment, please click on “ADC payment’ link and follow procedure <a href="https://www.secp.gov.pk/document/eservices-adc-epayment-guide/?wpdmdl=32403">https://www.secp.gov.pk/document/eservices-adc-epayment-guide/?wpdmdl=32403</a></li> <li>• In case of payment thorough online fund transfer facility, please follow the procedure given in the “online fund transfer guide” available on the website at <a href="https://eservices.secp.gov.pk/eServices/">https://eservices.secp.gov.pk/eServices/</a></li> </ul> <p>After you have submitted the process and made payment, your process will be assigned to the concerned officer for processing after verification of payment. You will receive an email conveying the status of your case whether it is accepted, rejected or further information is required for issue resolution.</p> <p>Please note that Company Incorporation Cases are processed at the concerned Company Registration Office (CRO).</p>
<p><b>26. How can I get Challan form for online filing in eServices?</b></p>	<p>Challan form is automatically generated and filled out by the System after you enter the required information in the application/form. You have to save and print this challan and make payment in the designated branch. Do not use a manual challan for making payment for online filing.</p>
<p><b>27. Why the Sign Forms link is not active/clickable?</b></p>	<p>Please note that sign form link will be activated when once mandatory attachments are made to the process and challan is saved.</p>
<p><b>28. From where can I get templets of Memorandum of Association (MOA)/ Article of association (AOA) from website?</b></p>	<p>You may get through below link: <a href="https://www.secp.gov.pk/company-formation/memorandum-and-articles-of-association/memorandum-of-association/">https://www.secp.gov.pk/company-formation/memorandum-and-articles-of-association/memorandum-of-association/</a></p>
<p><b>29. How to enable company in my Eservices account? Alternatively, My Company is not appearing in my Eservices account.</b></p>	<p>In order to link company in Eservices account, please send request via Service desk Management System (<a href="https://sdms.secp.gov.pk/">https://sdms.secp.gov.pk/</a>) along with company name, user id, officer name and form 29.</p>

<p><b>30. Can we know the name of bank where we can make payment via ADC?</b></p>	<p>You may see the below link for ADC payment:  <a href="https://www.secp.gov.pk/document/list-of-1-link-banks-active-for-secp-payments/?wpdmdl=33606&amp;ind=DQoNCg0KDQoNCg0KDQoNCg0KDQoNCiAgICAgICAgICAgICAxIExpbmsgQmFua3MucGRm">https://www.secp.gov.pk/document/list-of-1-link-banks-active-for-secp-payments/?wpdmdl=33606&amp;ind=DQoNCg0KDQoNCg0KDQoNCg0KDQoNCiAgICAgICAgICAgICAxIExpbmsgQmFua3MucGRm</a></p>
<p><b>31. What is “Accounting Period” term available in “Incorporation Process”? Or Define Accounting period term in “Incorporation form”</b></p>	<p>Account period is the period from which the company will start its financial year. Mostly its 1<sup>st</sup> Quarter i.e. from July to June.</p>
<p><b>32. On which capital, authorize/paid up, registration fee will be charged?</b></p>	<p>Registration fee is being charged on Authorize capital.</p>
<p><b>33. Who will be the nominee in Single Member Company (SMC)?</b></p>	<p>Nominee shall not be a person other than relatives of the member- namely, a spouse, father, mother, brother, sister and son or daughter</p>

<p><b>34. What is the fee for Company Incorporation?</b></p>	<p>The fee for Company Incorporation is calculated on the basis of company’s Authorized Capital. Please refer to the following link for calculation of fee for incorporation of company:  <a href="https://www.secp.gov.pk/company-formation/fee-calculator/company-incorporation-fee-calculator/">https://www.secp.gov.pk/company-formation/fee-calculator/company-incorporation-fee-calculator/</a></p>
<p><b>35. Why do we have to provide three separate names?</b></p>	<p>In order to facilitate the applicant, an option to provide three names has been provided; this gives the concerned officer an option to choose any one of the three names provided by you.</p>

<b>36. Is it mandatory to select a company kind?</b>	Company kind is a mandatory field for company incorporation.
<b>37. What do you mean by significance of proposed company name?</b>	The user is required to fill the significance column by providing meaning of the proposed name and explanation of the abbreviations or non-dictionary words, if used in the name. This helps the officer in determining the link between the company name and its business.
<b>38. What is principal line of business and why is it mandatory?</b>	Every company has to provide the principal line of business before registration, which is the business activity to be carried out by the company.
<b>39. Why should I provide the name of other similar local/foreign company with identical name?</b>	This field is mandatory for those companies which have affiliation with an existing company having identical or similar name.
<b>40. What is “Mode of Payment” and what is the difference between provided three options:</b>	You can select any of the three options provided in dropdown list i.e. i. Bank Challan: (for physical printout and to be deposited in the designated branches) ii. Credit Card: (For payment through credit card by selecting online payment option) iii. ADC ePayment: (For payments through 1Link members banks, ATM, Mobile banking And Easy Paisa).
<b>41. What is Table-A and should I select it or not?</b>	Every company has to attach articles of association as per Table-A of the Companies Act. However, if it selects/adopts the option of Table A, attachment of articles is not mandatory.
<b>42. What is Registered/Correspondence Address?</b>	If a company has already setup an office then it may provide registered address at the time of incorporation. Otherwise, the option of correspondence address may be selected. In case of correspondence address, the company has to file Form 21 for change of address

	within 30 days of the date of Incorporation.
<b>43. What is Company Property, Company Form, business share and capacity?</b>	These are mandatory for NTN Generation. The purpose of these fields is to determine the nature of the property for which the address has been entered in the address section.
<b>44. What is a holding company?</b>	A Holding Company is one which holds 50% or more share in another company.
<b>45. What is Principal Activity?</b>	This is a mandatory requirement for registration with FBR for issuance of NTN number. Principal activity should be similar to principal line of business. Principle activity describes the nature of business that the company intends to carry out.
<b>46. What is accounting period?</b>	Accounting period is the required field for FBR in which the companies mention the period of financial year. All the companies have to select financial year according to their requirement.
<b>47. What is Authorized Capital?</b>	Authorized capital is the maximum capital of the company up to which it can issue or subscribe the share capital.
<b>48. What is paid up capital?</b>	Paid up capital is the total sum of shares issued to subscribers at the time of incorporation, which should not be more than limit of Authorized capital.
<b>49. What is the purpose of Registration with EOBI and Provincial Bodies?</b>	These fields are optional; applicant may select these options and fill required data in order to register with the EOBI and other provincial authorities as mentioned in the form. If registration option with these bodies is selected, the data of the company will be pushed automatically to these authorities.
<b>50. What do you mean by declarant?</b>	Declarant may be the proposed subscribers / authorized intermediary who can sign the application

	for company incorporation.
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