PIVRA

Opening a Branch Office or Liaison Office in Pakistan: BOI Permission, SECP Registration, Fees and Timelines

What a branch or liaison office may do, the BOI permission, SECP registration, official fees, tax and bank steps, renewal and the compliance that keeps it valid.

Pakistan Market Guide

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A foreign company that wants a presence in Pakistan without incorporating a local subsidiary usually chooses between a branch office and a liaison office. Both are permitted by the Board of Investment (BOI) and then registered with the Securities and Exchange Commission of Pakistan (SECP). They look similar on paper, but they are different legal animals: a branch performs a contract, while a liaison office promotes and liaises and cannot earn revenue.

This guide explains what each may do, the BOI permission, the SECP registration, the fees and timelines, the tax and bank steps that follow, and the compliance that keeps the office valid. It is a practical orientation based on official sources, not legal or tax advice. Confirm the current checklist with BOI, SECP and your advisers before filing.

1. Branch or liaison office: what each may do

	Branch office	Liaison office
Purpose	To meet contractual obligations with public or private sector clients in Pakistan	To promote products, provide technical advice and assistance, explore joint collaboration and promote exports
Scope	Limited to the work in the signed agreement or contract	Promotional and liaison activity only
Commercial or trading activity	Not permitted	Not permitted
Revenue	Can receive contract payments for the permitted work	Cannot earn revenue in Pakistan
BOI fee, first year	USD 3,000	USD 2,000
BOI renewal fee	USD 1,000 per year	USD 500 per year
Typical use	A project, installation, construction or service contract	Market study, supplier liaison, product promotion, export sourcing

Source: Board of Investment, Branch/Liaison Office. Sub-offices cost USD 1,500 for a branch and USD 1,000 for a liaison office. Permission is granted for one to five years and is renewable.

Neither vehicle is a general trading entity. A branch that starts selling outside its contract, or a liaison office that invoices a Pakistani customer, is outside its permission. The consequences can include cancellation of the permission, tax exposure and problems at renewal.

2. Branch, liaison office or subsidiary?

A branch suits a foreign company that has won a specific contract in Pakistan and wants to perform it in its own name. A liaison office suits a company that wants a representative presence, market intelligence and supplier relationships without billing local customers. A private limited company suits a business that will sell, invoice, employ and hold assets in Pakistan on an ongoing basis.

Question	Branch	Liaison	Subsidiary
Can it sign and perform a local contract?	Yes, within the approved contract	No commercial contracts	Yes, within its objects
Can it invoice Pakistani customers?	Only for the approved contract	No	Yes

Question	Branch	Liaison	Subsidiary
Can it employ staff?	Yes, for the permitted activity	Yes, for liaison activity	Yes
Is it a separate legal entity?	No	No	Yes
Can it repatriate profits?	After-tax branch profits, subject to rules	No revenue to repatriate	Dividends and exit proceeds
Best for	A defined project or contract	Promotion and liaison	Ongoing trading and investment

If the business plan includes recurring sales, a local payroll beyond the contract, or a local shareholding, a subsidiary is usually the cleaner structure. Our company registration guide covers that route.

3. Step 1: Board of Investment permission

The application goes to BOI with one original and five copies, plus a soft copy by email. BOI lists the following documents:

- The application form, completed, signed and stamped.
- The parent company's registration certificate and Memorandum of Association, each attested by the Pakistani embassy in the home country.
- A board resolution or authority letter to open the office in Pakistan.
- A company profile.
- The CV and passport (or CNIC) copy of the authorised representative.
- For a branch office, a copy of the contract with the client in Pakistan.

BOI circulates the application to the relevant bodies for comments or no objection certificates and states that permission is issued after seven weeks. The clock starts only when the file is complete; home-country attestation and courier time come before that. Permission can later be cancelled if adverse remarks are reported or a no objection certificate is withdrawn.

The permission defines the office's scope. For a branch, the contract is the anchor: parties, scope, value and duration should match the application. If the contract is extended or replaced, update BOI before the office acts outside the original approval.

4. Step 2: SECP registration as a foreign company

Once BOI has given permission, the office must be registered with SECP under section 435 of the Companies Act, 2017 and the Foreign Companies Incorporation Regulations, 2018 (SECP, Foreign Company FAQs). The process has two filings:

1. **Name reservation** on Form Fnc.Form-I, with the BOI approval and the parent company's certificate of incorporation.
2. **Registration** on Form Fnc.Form-II, with the constitutional documents, certificate of incorporation, a board resolution naming a principal officer and an authorised person, that person's consent, the latest annual return, and passport copies of the directors.

Core corporate documents must be certified in the country of origin and authenticated by a Pakistani diplomatic or consular officer, or apostilled where that route applies. Documents not in English need

certified translations.

Two roles matter. The **authorised person** must be resident in Pakistan and able to accept legal process and notices for the company. The **principal officer** need not be resident, but a full address in Pakistan is required. SECP charges a name reservation fee of PKR 200 online and a registration fee for the foreign company, which is lower when filed online.

Foreign directors and principal officers may be subject to security clearance by the Ministry of Interior. Since 2013 SECP has registered foreign companies before clearance is complete, on an undertaking that the directors will be replaced if clearance is refused. Some regulators still require clearance before a licence; plan for the timeline.

5. Step 3: Tax, bank and employer registrations

Registration with SECP is not the end of the setup. The office needs a National Tax Number from the Federal Board of Revenue, sales tax registration where its activity requires it, and withholding tax registration as a payer. A branch is a permanent establishment of the foreign company for tax purposes; its profits are taxed in Pakistan at the applicable corporate rate, and a super tax or surcharge may apply. A liaison office has no revenue, but it still has filing and withholding obligations if it employs staff or pays expenses.

Open a corporate bank account in the office's name. The bank will ask for the BOI permission, SECP certificate, tax registration, board resolution, principal officer identification and the parent company's KYC file. The account is needed for the office's expenses, payroll and any contract receipts.

If the office hires staff, register with EOBI and the provincial social security institution. The principal officer and foreign employees need the appropriate visa and work authorization; BOI's permission letter is part of the file. Our employer registrations guide sets out the payroll obligations.

6. Operating within the permission

A branch may perform the work in its approved contract, employ the staff needed for it, import equipment for it and receive payments for it. It may not use the branch to run an unrelated trading business, hold investments for the group or invoice customers outside the contract. A liaison office may promote, research the market, liaise with suppliers and support exports; it may not book revenue, issue commercial invoices or conclude sales in Pakistan.

Keep the boundary visible in the accounts. Separate the contract revenue, the office costs and any group recharges. A branch that commingles contract receipts with unrelated group income creates a tax and permission problem that is difficult to unwind.

7. Renewal and annual compliance

BOI permission is granted for one to five years and must be renewed. At renewal, BOI asks a branch for valid contracts, income tax returns for the last three years, the latest audited financial statements and proceeds realisation certificates. A liaison office provides an activity report, a receipts and payments statement and proceeds realisation certificates. The renewal file should be built during the year, not in the last month.

SECP requires the foreign company to file its annual return and accounts, and to notify changes of principal officer, authorised person or registered address. Tax returns, withholding statements and employer contributions continue. A foreign company that stops filing can be struck off or penalized, and the principal officer can face personal consequences.

8. Common mistakes

1. **Using a liaison office to invoice.** It cannot earn revenue; the permission can be cancelled.
2. **Treating a branch as a general trading entity.** The branch is tied to its contract.
3. **Filing BOI before the contract is signed.** A branch application needs the contract.
4. **Leaving attestation to the end.** Home-country legalization is usually the longest step.
5. **Assuming SECP registration is automatic after BOI.** It is a separate filing with its own forms.
6. **Forgetting the resident authorised person.** SECP requires one.
7. **Ignoring tax registration.** A branch is taxable even before it invoices.
8. **Missing the renewal file.** Three years of tax returns and audited accounts are requested.

9. Setup checklist

- Vehicle chosen: branch, liaison office or subsidiary.
- Contract or liaison purpose documented.
- Parent company documents attested and translated.
- BOI application with one original, five copies and soft copy.
- BOI permission received and scope checked.
- SECP name reservation and registration filed.
- Resident authorised person and principal officer appointed.
- Security clearance tracked where required.
- FBR, sales tax and withholding registration completed.
- Corporate bank account opened.
- Office lease and registered address in place.
- EOBI and provincial social security registration if hiring.
- Visas and work authorization for foreign staff.
- Renewal and annual compliance calendar created.

10. How PIVRA can help

PIVRA prepares step-by-step registration and licensing guidance and market entry roadmaps that compare branch, liaison and subsidiary routes. We coordinate the BOI and SECP file, the attestation sequence and the post-registration registrations, working alongside your lawyers and accountants. Request a quote.

Sources

All sources accessed 24 October 2026. Fees and timelines are as published by BOI and SECP and may change.

Board of Investment, Branch/Liaison Office.

SECP, Foreign Company FAQs.

SECP, procedure for registration of a branch or liaison office.

Companies Act, 2017, section 435; Foreign Companies Incorporation Regulations, 2018.

Income Tax Ordinance, 2001; Sales Tax Act, 1990; Employees' Old-Age Benefits Act, 1976; provincial social security laws.

SECP press release on security clearance for foreign investors, 12 March 2013.

Board of Investment, FAQs.

Questions and answers

Can a liaison office in Pakistan earn revenue?

No. A liaison office may promote products, provide technical advice and assistance, explore joint collaboration and promote exports, but it cannot carry out commercial or trading activity or invoice Pakistani customers.

Can a branch office trade in Pakistan?

No, not generally. A branch is limited to the work in its approved contract with a public or private sector client. Unrelated trading or invoicing outside the contract is outside the permission.

How much does BOI permission cost?

The BOI fee for the initial one-year permission is USD 3,000 for a branch office and USD 2,000 for a liaison office, payable in US dollars or the rupee equivalent. Renewal is USD 1,000 a year for a branch and USD 500 for a liaison office. SECP fees are separate.

How long does it take?

BOI states that permission is issued after seven weeks once the application is complete and circulated to the relevant bodies. Home-country attestation, SECP registration, tax registration and the bank account add time.

Should I open a branch, liaison office or subsidiary?

A branch suits a specific contract, a liaison office suits promotion and liaison without revenue, and a subsidiary suits ongoing trading, invoicing and employment. If the business will sell locally on a recurring basis, a company is usually the cleaner route.

Do I need a resident in Pakistan?

Yes. SECP requires an authorised person who is resident in Pakistan and can accept legal process and notices. The principal officer need not be resident, but a full address in Pakistan is required.

What documents does BOI require?

The application form, the parent company registration certificate and Memorandum of Association attested by the Pakistani embassy, a board resolution or authority letter, a company profile, the representative CV and passport, and for a branch, the contract with the Pakistani client.

What are the SECP forms?

Name reservation is filed on Form Fnc.Form-I and registration on Form Fnc.Form-II, with the BOI approval, constitutional documents, board resolution, principal officer and authorised person details, latest annual return and director passports.

What tax registrations follow?

The office needs a National Tax Number, sales tax registration where required and withholding tax registration. A branch is a permanent establishment and its profits are taxed in Pakistan; a liaison office has no revenue but still has filing obligations if it employs staff.

What is required at renewal?

A branch provides valid contracts, income tax returns for the last three years, audited financial statements and proceeds realisation certificates. A liaison office provides an activity report, receipts and payments statement and proceeds realisation certificates.

Can the office employ staff and import equipment?

Yes, for the permitted activity. Register with EOBI and provincial social security, obtain the right visas and work authorization for foreign staff, and keep imports and contract receipts within the approved scope.

How do I change the principal officer or close the office?

Notify SECP of changes to the principal officer, authorised person or registered address. Closure requires BOI and SECP steps, tax clearance and a final compliance file; take advice before stopping filings.