PIVRA

Registering a Private Limited Company in Pakistan as a Foreign Investor: SECP Steps, Clearance and Banking

How foreign investors incorporate in Pakistan: SECP filing, documents, security clearance, tax registration, banking and the 60-day share registration step.

Pakistan Market Guide

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A foreign investor who wants to trade, invoice, employ people or hold assets in Pakistan will usually need a local company. The vehicle most use is a private limited company registered with the Securities and Exchange Commission of Pakistan (SECP). The filing is online, but the work around it is not: shareholder documents must be attested abroad, foreign directors face security clearance, tax and employer registrations follow, and the share capital must be registered through a bank if profits are ever to be repatriated.

This guide sets out the full sequence for a foreign-owned private limited company in 2026, including the documents, the points that cause delay, the post-incorporation registrations and the annual compliance that follows. It is an orientation based on official sources, not legal or tax advice. Sector-specific approvals can change the sequence; confirm them before filing.

1. Is a company the right vehicle?

A local company suits a business that will sell, invoice or employ in Pakistan on an ongoing basis. A foreign company performing a single contract may use a branch office, and one that only promotes its products may use a liaison office; both require Board of Investment permission and SECP registration. A representative office is not a trading entity.

Vehicle	Best for	Can it trade and employ?	Main permission
Private limited company	Ongoing business, local contracts, employees, local ownership	Yes	SECP incorporation
Single member company	A single foreign shareholder	Yes	SECP incorporation
Branch office	A specific contract or project for the foreign company	Subject to BOI permission and scope	BOI permission and SECP registration
Liaison office	Promotion, liaison, no commercial activity	No trading	BOI permission and SECP registration
LLP	Professional or advisory firms, where the partners want a separate legal entity	Yes, subject to sector rules	SECP LLP registration

The Board of Investment states that foreign ownership has no upper limit except in specified sectors, and there is no minimum foreign equity requirement (BOI, FAQs). Check the sector before incorporation: some activities restrict foreign ownership, require a local partner or need a separate licence.

2. Company type, members and directors

A private limited company is formed by at least two members and has at least two directors; a single member company has one member and one director. At least one director must be a natural person, and the company must have a registered office in Pakistan. Directors do not have to be shareholders, but foreign directors and shareholders are subject to security clearance.

The memorandum sets out the objects, the authorized capital and the liability of members. The articles govern internal management. For a foreign-owned company, the objects should cover the actual activity

and any adjacent activity the company may need, because a narrow object clause can force an amendment later. The company name must not be misleading or identical to an existing name; SECP checks availability and reserved names.

3. Name reservation and objects

Name reservation and incorporation can be filed as one application. The applicant proposes up to three names in order of preference, selects the sector and principal line of business, sets out the capital structure and registered address, and adds each shareholder and director. SECP may reject a name that is deceptive, prohibited or already taken, so keep a fallback and avoid names that imply a regulated activity the company is not licensed for.

The object clause should be specific enough to satisfy the bank and the regulator, but broad enough to cover the business plan. If the company will import, export, hold a warehouse, employ staff or apply for a sector licence, those activities should be within the objects or clearly ancillary.

4. The SECP portal and digital signatures

Incorporation is filed through SECP's online company registration system. Pakistani citizens verify their national identity card and mobile number. Foreign nationals register with a passport number and verify an email address instead; each person who will sign the application receives a PIN (SECP, online incorporation procedure). The company's authorized representative, directors and subscribers need to sign electronically or through the prescribed process.

Keep the portal credentials, the PINs and the submission receipts. They are the record of who filed what and when, and they matter if a name or document is challenged later.

5. Documents for foreign shareholders and directors

The exact list depends on whether the shareholder is an individual or a company, and on the sector. The core file is:

Person or entity	Documents	Notes
Foreign individual shareholder or director	Attested passport copy, photograph, address proof, email and phone	Name and order must match the passport
Foreign corporate shareholder	Certificate of incorporation, constitutional documents, board resolution, authorized representative's passport and photograph, biodata, power of attorney	Documents certified in the home country and legalized for Pakistan
Ultimate beneficial owners	Ownership chart to natural persons, identity documents, percentage held	Bank and SECP beneficial ownership expectations
Pakistani director or subscriber	CNIC, photograph, address	Where applicable
Registered office	Lease or ownership document, utility bill, address	Must be a real, verifiable address

For a foreign corporate shareholder, SECP asks for the entity's details, the representative's passport copy, photograph and biodata, and an undertaking certified by a public officer or notary in the country of origin and signed by a Pakistani diplomat posted there (SECP, Start your company). The

home-country attestation is usually the slowest step. Start it before the name is approved, and confirm whether the receiving authority accepts apostille or requires consular legalization for your country.

Translations must be certified. A document that is accurate in substance but inconsistent in spelling, date or company name will be returned. Build a single data sheet with the exact legal name, registration number, address, directors and shareholders, and use it for every form.

6. Filing, fees and the registered office

The application is filed with the memorandum and articles, the registered office details and the subscriber and director information. SECP fees depend on the authorized capital and the filing type; check the current fee schedule before budgeting. The registered office must be in Pakistan and capable of receiving notices. A virtual or mail-forwarding address may satisfy the form but create problems at the bank and in a regulatory inspection.

After incorporation, the company receives its certificate of incorporation and a company registration number. Check the certificate immediately: the name, the date, the company type and the authorized capital must match the application. A correction later is possible but adds time.

7. Security clearance for foreign directors and shareholders

Foreign directors and shareholders are subject to security clearance by the Ministry of Interior. Since 2013, SECP has incorporated companies with foreign investment and recorded foreign directors without waiting for clearance, on an undertaking that the registration will be cancelled or the directors replaced if clearance is refused (SECP press release, 12 March 2013). The clearance can still take time, and some sector regulators require it before a licence.

In 2026 SECP eased the licensing process for companies with foreign sponsors or directors in regulated financial services: licensing applications can be submitted on a self-declaration undertaking, without prior security clearance at the application stage, while the appointment of a foreign director remains subject to clearance and the company must replace a director whose clearance is refused (Profit, 9 June 2026). That relief is sector-specific; do not assume it applies to every activity.

Plan major commitments, bank facilities and regulatory applications around the clearance status. A company can be incorporated before clearance, but a licence, a bank account or a government contract may not move until it is confirmed.

8. Tax and employer registrations

The SECP application carries information to the Federal Board of Revenue (FBR), which is mandatory, and can also pass details to the Employees' Old-Age Benefits Institution (EOBI) and provincial social security institutions. After incorporation, the company completes its tax profile with FBR, obtains a National Tax Number, registers for sales tax where its activities require it, and registers as an employer where it hires staff. Sales tax on services is administered by the provincial revenue authority.

Do not wait for the first invoice to register. A company that imports, pays professional fees or employs staff will need the tax registration, withholding set-up and employer registrations early. Our regulatory checklist maps the authorities, the tax guide covers the tax profile and the employer registrations guide covers EOBI, social security and payroll.

9. Bank account, capital and share registration

Share capital from abroad comes in through the banking system. The company designates a bank (an Authorised Dealer) to register the shares issued to non-resident shareholders and, later, to remit dividends and disinvestment proceeds. Since May 2026, commercial banks handle this registration and report non-resident shareholdings monthly through the Non-Resident Shareholding Registration System (SBP, FE Circular 2 of 2026, Annex A).

The company should register the shares within 60 days of issue or transfer, through its designated bank, with the proceeds realisation certificate, board resolution, constitutional documents, audited accounts where applicable, the undertaking on beneficial ownership and any required tax certificate. The bank's share registration unit issues the registration letter. Without it, a later dividend or disinvestment remittance can be blocked.

Open the corporate bank account early, but do not expect it to be instantaneous. National Bank's five-day decision rule applies to a complete application; the company still needs the SECP certificate, tax registration, board resolution, ownership chart and KYC documents. Our corporate bank account guide sets out the file.

10. How long it takes

SECP processes complete online applications quickly, often on the same working day if filed before the cut-off. The overall timeline is set by the steps around it.

Stage	Typical timing	What drives it
Name reservation and incorporation	Days, if documents are complete	Name objections, attestation, portal signatures
Home-country attestation	One to several weeks	Notary, foreign ministry, Pakistani mission, courier
Security clearance	Weeks to months	Ministry of Interior processing; sector requirements
Tax and employer registration	Days to weeks	FBR profile, sales tax, EOBI and provincial social security
Bank account	One to several weeks	KYC, ownership chart, business rationale
Share registration	Within 60 days of issue	Bank's share registration unit and documents
Sector licence	Varies widely	Regulator, technical file, inspections

11. Annual compliance

Incorporation creates ongoing obligations. A private company must file its annual return and financial statements with SECP, hold board and general meetings as required, maintain statutory registers, file tax returns and withholding statements with FBR, and keep the beneficial ownership information current. A company that stops filing can be struck off or penalized; a company that changes directors or shareholders must update the record.

Build a compliance calendar at incorporation: annual return, audited accounts, tax return, sales tax returns, withholding statements, EOBI and social security contributions, and any sector reporting. A

local company secretary or accountant can run it, but the directors remain responsible.

12. Common mistakes

1. **Filing before the ownership structure is settled.** Changing shareholders or objects after incorporation adds cost and delay.
2. **Using a name that implies a regulated activity.** The regulator may refuse the licence even though SECP accepted the name.
3. **Skipping home-country legalization.** A passport copy or corporate document that is not properly attested will be returned.
4. **Assuming security clearance is automatic.** It is a separate process and can gate the bank, licence or contract.
5. **Forgetting the tax and employer registrations.** They are not part of the SECP certificate.
6. **Injecting capital before the bank and share registration are ready.** The money arrives, but the investment is not registered for repatriation.
7. **Treating the registered office as a formality.** A virtual address can fail bank and regulatory verification.
8. **Ignoring annual compliance.** Late filings and unchanged records create penalties and can block a future transaction.

13. Incorporation checklist

- Vehicle chosen: private company, single member company, branch, liaison office or LLP.
- Sector ownership and licence rules checked.
- Three names and a fallback ready; objects drafted.
- Shareholders, directors and beneficial owners mapped to natural persons.
- Passports, photographs, address proofs and corporate documents collected.
- Home-country attestation or apostille route confirmed.
- Registered office lease or ownership document ready.
- SECP portal accounts and PINs set up for every signatory.
- Authorized capital and fee budget agreed.
- Security clearance tracked; sector regulator pre-application done.
- FBR, sales tax, EOBI and provincial social security registrations planned.
- Bank selected; share registration and 60-day window understood.
- Annual compliance calendar created.

14. How PIVRA can help

PIVRA prepares step-by-step registration and licensing guidance for the company and sector, coordinates the document file, maps the post-incorporation registrations and works alongside your lawyers, accountants and bank. We do not replace legal or tax advice, and we do not promise a licence or an account. Request a quote.

Sources

All sources accessed 24 October 2026. Requirements change; confirm the current checklist with SECP, BOI, FBR and your bank before filing.

SECP, stepwise procedure for online company incorporation.

SECP, Start your company.

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

Profit, SECP allows self-declaration for licensing applications by firms with foreign sponsors or directors, 9 June 2026.

Board of Investment, FAQs on foreign equity.

State Bank of Pakistan, FE Circular No. 2 of 2026, Annex A on non-resident share registration.

SECP, annual returns.

Companies Act, 2017, and Companies Regulations, 2024, as amended.

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

Questions and answers

Can a foreigner own 100 percent of a company in Pakistan?

In most sectors, yes. The Board of Investment states that there is no upper limit on foreign equity except in specified sectors and no minimum foreign equity requirement. Check the sector rules before incorporation.

How many members and directors does a private limited company need?

A private company is formed by at least two members and has at least two directors. A single member company has one member and one director. At least one director must be a natural person, and the company must have a registered office in Pakistan.

Do foreign directors need security clearance?

Yes. Foreign directors and shareholders are subject to clearance by the Ministry of Interior. Since 2013 SECP has incorporated companies with foreign investment on an undertaking to replace a director or cancel the registration if clearance is refused. Some sector regulators still require clearance before a licence.

Can I register a company in Pakistan without visiting?

Yes. Foreign nationals register on the SECP portal with a passport number and email, and sign the application electronically. Some documents must be certified in the home country and legalized for Pakistan, so allow time for that step.

What documents does a foreign shareholder need?

An attested passport copy, photograph, address proof and contact details for an individual. A corporate shareholder needs its certificate of incorporation, constitutional documents, board resolution, representative passport and photograph, biodata, power of attorney and a certified undertaking. A certified translation is required for documents not in English.

How does name reservation work?

Name reservation and incorporation can be filed together. The applicant proposes up to three names, selects the sector and line of business, sets the capital structure and registered address, and adds shareholders and directors. SECP may reject a deceptive or unavailable name.

How long does incorporation take?

SECP processes complete online applications quickly, often the same working day if filed before the cut-off. The overall timeline is set by home-country attestation, security clearance, tax registration, the bank account and any sector licence, which can take weeks or months.

Is there a minimum capital requirement?

There is no general minimum foreign equity requirement, but SECP fees depend on authorized capital and some sectors or regulators impose capital requirements. Confirm the sector rule and the current SECP fee schedule before filing.

What tax registrations follow incorporation?

The company completes its FBR profile and obtains a National Tax Number, registers for sales tax where required, and registers as an employer for EOBI and provincial social security if it hires staff. Sales tax on services is administered provincially.

How do I bring capital in and register the shares?

Capital comes through the banking system. The company designates an Authorised Dealer, which registers shares issued to non-resident shareholders and later handles dividends and disinvestment. Since May 2026 banks report non-resident shareholdings monthly, and the registration should be initiated within 60 days of issue or transfer.

What annual compliance applies?

A private company files an annual return and financial statements with SECP, maintains statutory registers, holds board and general meetings, files tax and withholding returns with FBR, and keeps beneficial ownership information current. Late filing can lead to penalties or strike-off.

Should I register a company or a branch office?

A local company suits ongoing trading, invoicing and employment. A branch is for a specific contract or project of the foreign company, and a liaison office is for promotion only; both need Board of Investment permission and SECP registration.