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DOING BUSINESS IN PAKISTAN GUIDE

1st Edition

Doing Business in Pakistan

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Pakistan overview

Even for the seasoned exporter, Pakistan is not the easiest proposition due to the procedures that need to be followed, but with the right preparation and the assistance of UK Trade & Investment (UKTI) teams throughout UK and in Pakistan, both those experienced in overseas trade and those who are not, can successfully do business in Pakistan. You may be an exporter looking to sell directly to Pakistani customers or through an agent or distributor in the market. Alternatively, you may be planning to set up a representative office, joint venture or other form of permanent presence in Pakistan.

Pakistan's total area is 796,095 sq km, (source: Government of Pakistan) of which 3% is water. It is bordered by Iran in the south west, Afghanistan to the west and north, China to the north-east and India to the east. Its main geographical features are mountain peaks in the north, including K2; the second highest mountain in the world. There are two sea port cities: Karachi (with two ports – one in Karachi itself, the other at Port Qasim south of the city) in Sindh and Gwadar in Baluchistan.

The central-east part of the country is comprised of the flat, fertile plains of the Indus Valley, which provide the bulk of agricultural produce of the country. To the west, dry rugged mountains dominate the landscape and the south-west is composed of mainly inhospitable plateaux. Barren deserts form much of the south-east and vast plains cover almost a third of the total land area.

Administratively the country is divided into four Provinces, namely Khyber Pakhtoonkhwa, Punjab, Sindh and Balochistan. As their name suggests, the Federally Administered Tribal Areas have different governance arrangements. Punjab has a population of 100 million and contribution of approximately 60% towards the country's GDP through its agriculture and textile industry. Lahore is its largest city and the hub of all activity. Karachi, in Sindh, is the business and financial capital; it is home to the majority of the multi-national and local corporations. Quetta is the largest city of Baluchistan with oil, gas and mining as its most important sectors. Peshawar is the main city and hub of all activity in Khyber Pakhtoonkhwa (KPK). KPK is known for its dry fruits, forestry and tourism.

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British High Commission
Islamabad

Welcome from the British High Commissioner to the Islamic Republic of Pakistan – HE Mr Philip Barton CMG OBE

When I arrived in Islamabad as British High Commissioner in January 2014, I emphasised the personal priority I planned to place on the UK's commercial relationship with Pakistan. Everything I have seen since then – including during visits to Karachi, the country's business capital, to Lahore and to other cities – has reinforced my view that there are significant new opportunities for British business in Pakistan. At the same time, the European Union's GSP+ decision has made European markets more accessible to Pakistani companies.

The commercial relationship has been a major focus of the meetings which have taken place between Pakistan's Prime Minister and the UK Prime Minister. They have agreed a number of things to strengthen our efforts to promote the business relationship, including "Trade Champions" on both sides and a new British Deputy High Commission in Lahore.

So if you are a UK company already doing business in Pakistan and are looking to build new opportunities or are looking at Pakistan for the first time, please do get in touch with our UKTI team.

HE Mr Philip Barton CMG OBE

British High Commissioner to the Islamic Republic of Pakistan

www.gov.uk/government/people/philip-barton

British Deputy High Commission
Karachi

Introduction to the market from the UKTI Director of Trade and Investment Pakistan – Mr John Tucknott MBE

Pakistan is a developing market with a young and growing population of over 190 million people.

It presents plenty of opportunities for UK exports and investment. It is a highly lucrative market for those companies that make the decision to do business here. Over 100 UK companies already have a physical presence in the market, with more seriously considering joining them, and they are earning healthy double digit returns. There is immediate recognition of many British products and brands in Pakistan due to the country's many links with the UK.

The UKTI team in Pakistan – based in Karachi, Lahore and Islamabad, but with a country-wide reach and understanding, stand ready to assist UK companies who wish to investigate trade and investment opportunities. Do please contact us to learn the latest on the myriad opportunities available and to discuss your company's plans for exporting, investing or expansion in Pakistan. We are keen to hear from you about opportunities which might interest UK businesses.

The UKTI team in Pakistan stand ready to help you and you should consider it an open door.

Mr John Tucknott MBE
UKTI Director of Trade and Investment Pakistan
www.gov.uk/government/people/john-anthony-tucknott-mbe

PAKISTAN

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- Latest business news
- Up-to-date travel advice
- Interactive ‘Supporting Organisations’ and ‘Market Experts’ profiles
- Essential contact details
- Listings with links to up-and-coming trade shows
- Links to UK Trade & Investment (UKTI) international trade support services

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About UK Trade & Investment (UKTI)

UKTI is the British Government department that helps UK-based companies succeed in an increasingly global economy. UKTI also helps overseas companies bring their high quality investment to the UK’s economy. UKTI’s range of expert services are tailored to the needs of Individual businesses to maximise their international success. UKTI provides companies with knowledge, advice and practical support.

Through a range of unique services, including participation at selected tradeshows, outward trade missions and providing bespoke market intelligence, UKTI can help you crack foreign markets and get to grips quickly with overseas regulations and business practice.

With headquarters in London, UKTI have professional advisers around the UK and staff across more than 100 countries.

Contact UKTI

Contact your local International Trade Team or Scottish Development International (SDI), Welsh Government (WG) or Invest Northern Ireland (INI) offices to find out more about the range of services available to you.

You can find your nearest International Trade Team at:

www.gov.uk/ukti

General UKTI enquiry number: +44 (0) 207 215 5000
UK Trade & Investment
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London,
SW1H 0ET
United Kingdom

Email: enquiries@ukti.gsi.gov.uk

About International Market Advisor (IMA)

International Market Advisor (IMA) works with British and Foreign Government departments, Embassies, High Commissions and international Chambers of Commerce throughout the world. Our work helps to identify the most efficient ways for British companies to trade with and invest in opportunity-rich overseas markets.

During the last ten years IMA has worked with the British Government's overseas trade and investment department UK Trade & Investment (UKTI), and has written, designed, produced, launched and distributed over one million copies of more than 100 country-specific print and multi-media based reports, guides and publications, including the internationally-recognised 'Doing Business Guide' series of trade publications. These are composed of market and industry sector-specific, multi-format print and digital trade reports, together with some of the internet's most visited international trade websites - all of which are designed to advise and assist UK companies looking to trade with and invest in overseas markets. These reports and guides are then distributed free-of-charge through the IMA and UKTI global networks - over 500 distribution outlets in total. Further distribution takes place at global exhibitions, roadshows, conferences and trade missions, and IMA receives daily requests for additional copies of the guides from these networks and from businesses considering exporting.

Each of IMA's 'Doing Business Guides' is produced in three formats: a full colour, glossy, paper-based brochure; a supporting fully-interactive and updatable multi-media based website; and the website contents available as a free-of-charge downloadable smartphone/tablet app.

The guides' contents focus on the market in question, how to approach that market and the help and support available, and include informative market overviews, plus details of business opportunities, listings with website links to British and Foreign Government support services and essential private sector service-provider profiles.

Sponsoring a 'Doing Business Guide' therefore offers a unique opportunity to positively promote your products and services to high-profile business leaders, specific exporters, investors and effective business travellers who will be actively seeking out service providers to assist them in developing their business interests in the targeted markets.

For more information on IMA please visit our website:

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ABOUT THIS GUIDE

This guide aims to provide a route map of the way ahead, together with signposts to other sources of help.

The main objective of this **Doing Business in Pakistan Guide** is to provide you with basic knowledge about Pakistan; an overview of its economy, business culture, potential opportunities and to identify the main issues associated with initial research, market entry, risk management and cultural and language issues. We do not pretend to provide all the answers in the guide, but novice exporters in particular will find it a useful starting point. Further assistance is available from the UK Trade & Investment team in Pakistan. Full contact details are available in this guide.

Much of the information presented in this guide has been contributed by experts at UK Trade & Investment. The Pakistan Business Guide is intended to provide general business advice and should not be used as a substitute for market research, due diligence or legal and professional services.

The guide is available in four formats:

- Website (www.Pakistan.DoingBusinessGuide.co.uk)
- a 'free' downloadable 'mobile device-friendly' App
- PDF Download (please see the website for more details) and
- this full colour hard-copy Brochure

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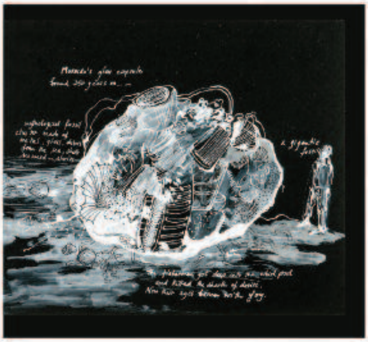
We are recognized for our experience in a wide range of sectors including, inter alia, energy and natural resources; steel and manufacturing; financial institutions and banks; defence and security; technology, media and telecom;

airlines; food and beverages; and dispute resolution.



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For more information on how we can help your business in Pakistan, please contact us.

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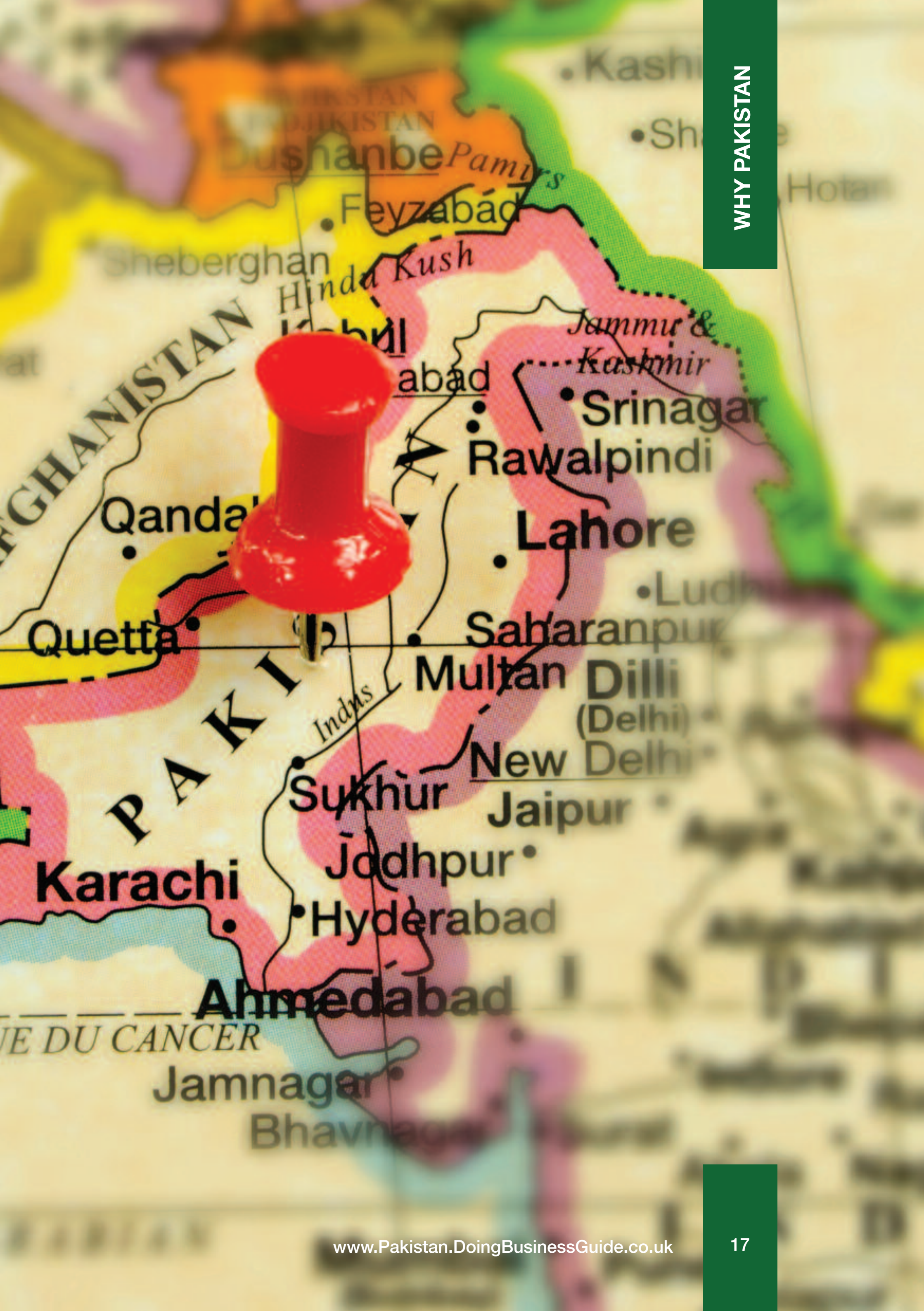
PAKISTAN

Much work is still needed for Pakistan to bring its economy in line with the developed economies of the world.

This gap offers a unique economic opportunity for developed nations like the UK to export its technology, skills and expertise to manage the resources available in Pakistan and generate economic benefits for both countries.

In 2013 bilateral trade in goods and services between the two countries stood at just under £2.3 billion. The UK and Pakistan Prime Ministers have set a target for it to grow to £3 billion by the end of 2015. Trade in goods has grown by an average of 14% up to the end of September 2014 (the figure for trade in services is not yet available). While the £3 billion target is challenging, there are excellent opportunities for both UK and Pakistan companies to contribute to meeting it.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Why Pakistan?

Background

Pakistan's total area is 796,095 sq km (source: Government of Pakistan) of which 3% is water. It is bordered by Iran in the south west, Afghanistan to the west and north, China to the north-east and India to the east. Its main geographical features are mountain peaks in the north, including K2, the second highest mountain in the world. There are two sea port cities: Karachi (with two ports – one in Karachi itself, the other at Port Qasim south of the city) in Sindh and Gwadar in Baluchistan.

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Administratively the country is divided into four provinces, namely Khyber Pakhtoonkhwa, Punjab, Sindh and Balochistan. As their name suggests, the Federally Administered Tribal Areas have different governance arrangements. Punjab has a population of 100 million and contribution of approximately 60% towards the country's GDP through its agriculture and textile industry. Lahore is its largest city and the hub of all activity. Karachi, in Sindh, is the business and financial capital; it is home to the majority of the multi-national and local corporations. Quetta is the largest city of Baluchistan with oil, gas and mining as its most important sectors.

Peshawar is the main city and hub of all activity in Khyber Pakhtoonkhwa (KPK). KPK is known for its dry fruits, forestry and tourism.

Key Facts

Population:
190 million (July 2014 est.)
50% below the age of 25 (2014)
Growth rate: 1.49% (2014 est.)
Urban: 36%

Major Cities:
Sindh: Karachi (Pop. over 20 million), Hyderabad
Punjab: Lahore (Pop. 7.566 million), Multan (Pop. 1.775 million), Faisalabad (Pop. 3.038 million), Rawalpindi (Pop. 2.164 million)
Khyber Pakhtoonkhwa: Peshawar, Mardan
Baluchistan: Quetta, Gwadar
Islamabad (Capital) (Pop. 919,000)

Climate: Generally warm
Summer: 38-48C
End March – Early October
Winter: 0-20C
Mid December – End February
(Temperatures vary across regions so check before travelling)

Literacy Rate: 54.9% (above 15yrs. read & write in Urdu Language)

Official Language: English

GDP (PPP): £336.1 billion (2013 est.)

GDP Growth: 4.1% (2014

Fiscal Year: July 1st – June 30th

Distribution of Family Income (Gini Index): 29.6 (2011)

Budget Revenue: £22.8 billion (2014)

Budget Expense: £31.6 billion (2014)

Budget Deficit: -5.8% of GDP (2014)

Expenditure on Health: 3.1% of GDP (2012)

Expenditure on Education: 2.5% of GDP (2014)

Labour force: 63.8 (2012)

Tax Revenue: 10.6% of GDP (2014)

Inflation (Consumer Prices): 8.6% (2014)

Currency Pegging: USD

(Source: Ministry of Finance; Pakistan Bureau of Statistics; World Bank)

Economic Overview

Pakistan has a population of approximately 190 million; this will continue to grow rapidly in the coming decades. The economy has transformed from a low-skilled agrarian economy to a modern industrial nation. In 2014, the GDP of Pakistan comprised of agriculture (21.1%) industry (20.1%) and services (58.1%). Much work is still needed for Pakistan to bring its economy in line with the developed economies of the world. This gap offers a unique economic opportunity for developed nations like the UK to export its technology, skills and expertise to manage the resources available in Pakistan and generate economic benefits for both countries.

The country's economy has been sluggish in the recent past, bogged down by issues such as floods, terrorism, poor governance and energy shortages. Still it managed to post a growth of between 3-4%.

Although inflation is officially reported around the 8% mark, this fails to capture the true picture, as underemployment remains high and a large portion of the economy is undocumented, hence published research/statistical data is usually not available.

The rural (agricultural) economy has done quite well in the recent past. While the price of inputs has registered a growth, the support prices of agricultural produce have been linked to international markets/pricing system. Favourable weather has resulted in above average cotton, wheat, sugar-cane and rice crops. Pakistan suffers from a current account deficit, in large part due to higher prices of oil imports and lower prices for exported cotton.

The industrial side of the economy continues to be adversely affected by energy shortages. Nevertheless, the country continues to post record export numbers, and foreign exchange remittances from the overseas diaspora community (Pakistani workers etc.) continue to grow, a valuable source of foreign currency for the country.

The State Bank of Pakistan (SBP) is Pakistan's central bank and sets monetary policy. In its latest meeting, the SBP has set the current benchmark interest rate at 9.5% (November 2014). This was as high as 15% in 2009 and stifled private enterprise. Generating revenue is a key weakness of successive Pakistani Governments. Other than direct taxes on salaried persons and the corporate sector very few private businesses, services etc. pay tax.

Pakistan has a very high incidence of indirect taxation in the form of sales tax, excise duty etc. There is a core middle-class and a segment of wealthy Pakistanis who provide a sizable purchasing power for all types of products, expensive and cheap. The size of this segment is estimated at around the PKR45-60 million mark. (The Pakistani Rupee (PKR) currently trades at PKR160 = £1 GBP (December 2014).

Additional and updated country information can be found on the following sites:

- World Bank's Country Profile for Pakistan www.worldbank.org/en/country/pakistan
- IMF Country Information www.imf.org/external/country/pak/index.htm

Population

The population of Pakistan is estimated to be in the region of 190 million with 36% living in urban areas.

Political Overview

Pakistan has experimented with various forms of government including civil, military and a hybrid of both. Since 2008, the country has been led by democratically elected civilian governments; the elections in 2013 saw the first transition from one civilian government to another in the country's history. The President is the Head of State (President Mamnoon Hussain since 9 September 2013); the role is largely ceremonial.

The President is elected by an Electoral College comprising the National Assembly (Lower House of Parliament), the Senate (Upper House of Parliament) and the Provincial Assemblies.

The Prime Minister (Mian Mohammed Nawaz Sharif since 5th June 2013) is the Head of Government and runs the affairs of the State with his Cabinet Ministers. The Prime Minister is elected by a simple majority of the National Assembly.

Pakistan has a large number of ministers and advisers when compared with both developed and other emerging economies.

Each of the four provinces has its own provincial assembly, headed by a Chief Minister. Under a 2010 constitutional reform, the Federal Government has devolved many powers, in areas such as education, social welfare, healthcare, environment, tourism, livestock & dairy development and women's development, to the provincial governments. As a result, it is estimated that 56% of the country's budget is directly controlled by the provinces.

The provinces are further divided into districts for administrative ease which are administered by a District Commissioner. Polls for National Assembly are held after every five years and are due again in the first half of 2018. Senators serve terms of six years, and one-half of the seats in the Upper House come up for re-election every three years (next elections are in the first half of 2015). Provinces are represented in the National Assembly in proportion to the size of their populations.

Pakistan is a developing democracy. Some current day politicians are drawn from families who have been represented in the National Assembly, Senate or local government since independence. Rural politics in Pakistan is largely based on "Baradari" a form of Caste system. The Pakistan Armed Forces remains a major force in the country and has seized power on a number of occasions in the past. It also receives the major portion of the federal budget and maintainsactive interests in commercial areas, land development, manufacturing etc.

Strengths of the market

Pakistan's dynamics do not lend themselves to an arm's length analysis or easy number crunching. The country has suffered tremendously due to under-investment in key infrastructure and corruption. Nevertheless, international companies which operate in the country can vouch for the above-average returns they make for their shareholders.

The foremost strength of the market is the resilience exhibited by the people and the economy. The fertile lands that fall within the geographic area of the country provide its people with food to eat and create employment for close to 50% of its workforce. The major industrial activity – textiles – is also largely dependent on agricultural produce.

Pakistanis have become accustomed to cyclical variations in their economic fortunes; a few years of growth followed by a few years of slump, with the pattern repeating for most of the 60 plus years that the country has been in existence.

A strength of the market is the pool of educated workforce and growing middle class; the people have a reputation for hard work and creative excellence, given the right opportunities and environment.

With good English communication skills (Pakistan is the British Council's largest overseas market for exams services) and expertise in engineering & management disciplines, Pakistan offers a pool of (qualitatively) internationally-competitive manpower.

Pakistan's geographical location is also a strength, allowing overseas businesses to not only draw upon the similarities it shares with its neighbouring markets but also gain access to the central Asian states and Afghanistan. The market is relatively uncluttered when compared to its neighbours.

Investor-friendly laws

In terms of allowing 100% equity and 100% repatriation of profits and creation of bodies to facilitate foreign investors, investor-friendly laws provide traction to any new venture. Foreign investors are generally free to establish and own business enterprises in Pakistan, with the exception of five restricted areas: arms and munitions, high explosives, currency/mint operations, radioactive substances, and new non-industrial alcohol plants.

There are no ownership limits in other sectors of the economy, except for Pakistan's foreign equity limits in banking. There is no minimum investment requirement for manufacturing. There is a $150,000 minimum foreign investment requirement in nonfinancial services (except information technology services), and of $300,000 in agriculture, infrastructure projects, and social services (such as education and health).

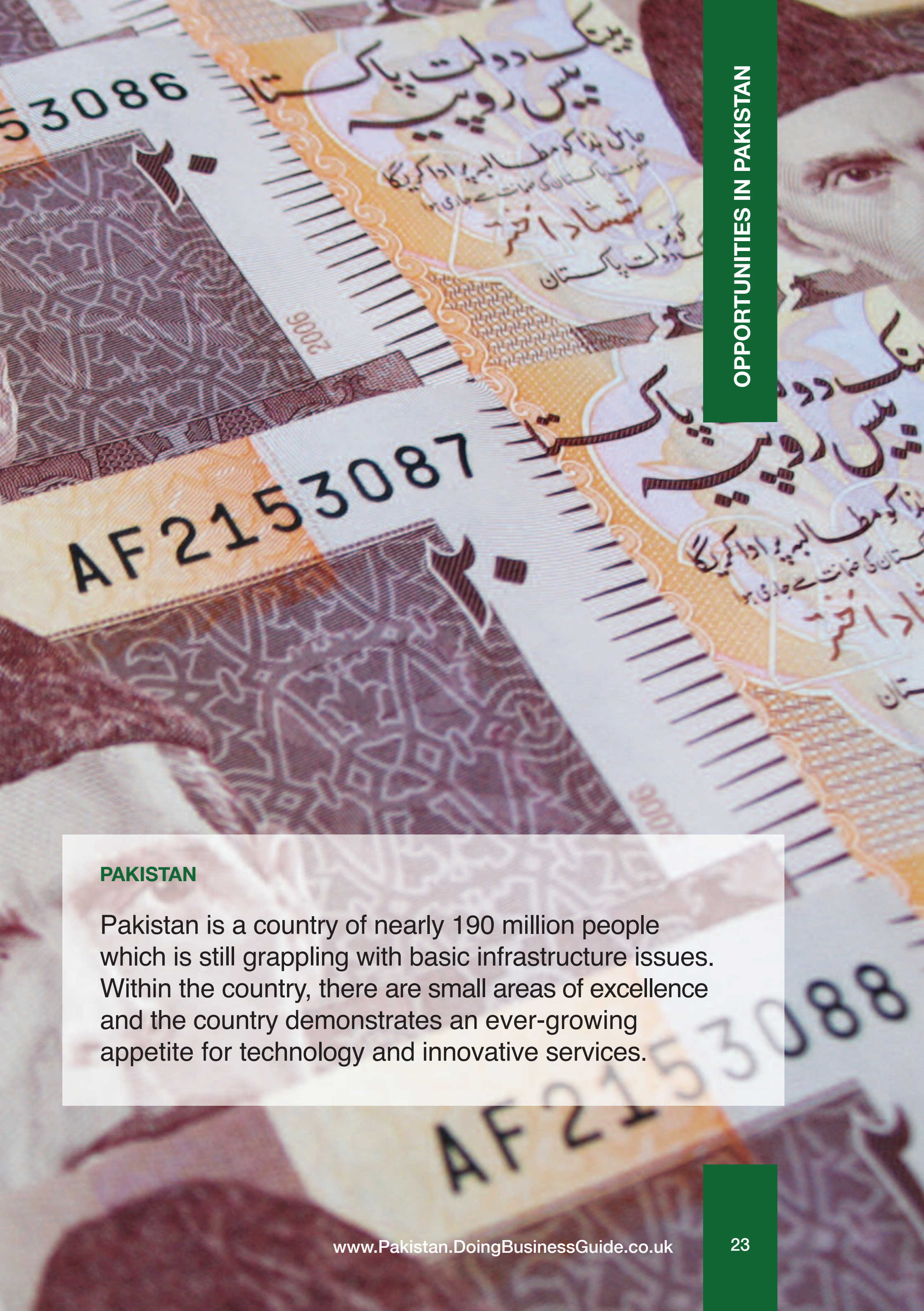
The Government's investment policy allows for full repatriation of capital, capital gains, dividends, and profits with the approval of the SBP. No requirements exist for technology transfer. The law provides for expropriation only upon adequate compensation and prohibits changes in benefits and incentives. Incentives, including tax breaks and first year depreciation allowance, will not be changed in a way to disadvantage foreign investors versus domestic investors. Pakistan has eliminated all local content requirements including those in the automobile sector.

The market exhibits well-developed channels (in some sectors, notably FMCG) and has a very positive perception of goods and services coming in from the west versus from the far-east, although it can be price sensitive.

Trade between UK and Pakistan

In 2013 bilateral trade in goods and services between the two countries stood at just under £2.3 billion. The UK and Pakistan Prime Ministers have set a target for it to grow to £3 billion by the end of 2015. Trade in goods has grown by an average of 14% up to the end of September 2014 (the figure for trade in services is not yet available). While the £3 billion target is challenging, there are excellent opportunities for both UK and Pakistan companies to contribute to meeting it.

Many large British multi-nationals maintain a presence here, notably Unilever, Royal Dutch Shell, Reckitt Benckiser, Standard Chartered Bank, Barclays and GSK, and are market leaders in their respective sectors.



PAKISTAN

Pakistan is a country of nearly 190 million people which is still grappling with basic infrastructure issues. Within the country, there are small areas of excellence and the country demonstrates an ever-growing appetite for technology and innovative services.

Opportunities in Pakistan

Infrastructure

Pakistan is a country of nearly 190 million people which is still grappling with basic infrastructure issues. Within the country, there are small areas of excellence and the country demonstrates an ever-growing appetite for technology and innovative services. The mass market is relatively low-tech and there are tremendous opportunities in infrastructure activities.

Most of the large infrastructure projects, e.g. hydel dams etc. are financed by multilateral agencies such as the Asian Development Bank, World Bank, Islamic Development Bank, International Finance Corporation etc. However, there are medium-sized road, health, construction projects etc. that can be developed by public/private partnerships (PPP). The Government is actively encouraging growth in PPP.

Retail

Pakistan's high volume retail landscape is changing. A growing middle-class wants access to western goods. A number of western high street brands (e.g. Debenhams, Next, Monsoon, Accessorize) have successfully established operations here through franchises. Carrefour is already operating two stores. GSK is the leading pharmaceutical company in Pakistan, selling many of its products available at pharmacies worldwide. Hardware retail is another area that stands to gain market share in the face of competition from mainly single-shop wholesale setups.

Services

Service area opportunities include education, where not only teaching aides but teacher-training programmes, technical education and school linkages/affiliations are in much demand. With 50% of the population under the age of 25, this is a huge opportunity area.

Traffic management, driver training & licensing and traffic law enforcement are areas of latent demand which have a huge potential for foreign intervention. Like any large city in the developing world, traffic congestion is an increasing problem with each passing day.

Engineering consultancy is a stable segment where consultancies already established in the market engage together on the majority of the projects, but there are opportunities for architectural, management and other consultancies to identify a niche locally.

Healthcare

The Pakistan Government spends between 2-3% of GDP on health with the result that there are 0.6 beds/1000 people (2010 est.). Health as a sector offers huge opportunities, from setting up diagnostic laboratories and hospitals to educational/research linkages with local medical schools. There is a thriving private sector in larger cities.

ICT

The Telecoms sector is another area where there has been a huge amount of FDI, and 2003-2008 saw rapid growth. This is a prime example of a situation where the infrastructure (landlines) was not meeting demand. Mobile companies saw it as an opportunity, entered the market and now every strata of society carries a mobile phone. Pakistan now ranks amongst the top ten countries in the world in terms of mobile connections, with over 130 million mobile connections currently active in the market. Opportunities exist for value-added services, billing software, data services etc.

Energy

Energy is another area where there are many opportunities, manifested in various ways such as through PPP for small and medium sized hydel, alternative energy scalable platforms, biogas, lead-acid batteries (which can be exported to regional markets as well), and energy conservation aids, e.g. energy saver lights, PVC windows, door frames, rubbers etc.

Mining also holds potential as current mining operations are basically dependent on dated techniques. Pakistan has large reserves of coal, copper, salt, gold, other precious metals and minerals etc. which require foreign expertise and investment. UKTI Pakistan can share their knowledge base on the sector.

Defence and Security

Defence procurement is a huge area of opportunity. Pakistan has the 7th largest standing army, and supplying provisions and emergency supplies is a huge potential market for companies with relevant products.

Pakistan's security landscape is full of opportunities in terms of "Safe City" technology, detection equipment, security training etc.

Other opportunities

In summary, opportunities in Pakistan do exist but require a hands-on approach to capitalise upon them. Pakistan ranks 128 in the World Bank's "Ease of Doing Business index" (2015), fourteen places higher than India.

Opportunity areas in sectors and sub-sectors exist and your UKTI Pakistan team member can help you identify the most relevant ones. The listed opportunities are by no means exclusive and other areas like financial services, petroleum refining, electricity generation, publishing, industrial chemicals, fertilisers, cement and FMCG offer opportunities of their own.

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Because of the uncertain security situation prevailing in Pakistan and the apprehension of arriving visitors, FSMS Pakistan, in association with **"Meet and Greet Pathfinder Ltd", 5th Floor, Block 1, Elizabeth House, York Road, Waterloo, London SE1 7NJ, UK (MGP for short) (www.meetandgreet-uk.com)** will provide "meet and greet services" for arriving visitors at Karachi, Lahore and Islamabad Airports (to be extended to Peshawar later).

www.meetandgreet-uk.com

Services include (1) facilitation at airports (Meet & Greet) (2) provision of reliable transport and lodging services at top-of-the-line resorts / hotels (3) trip planning (4) online and personal caretaking (5) verification and authentication of personnel and documents (6) legal assistance (7) safe transportation of cash and valuables (8) risk assessment and advisory (9) all services required for physical security complemented by our vast security services network across the country.

SECURITY & MANAGEMENT SERVICES (PVT.) LTD (SMS) & WACKENHUT PAKISTAN (PVT.) LTD (WPPL) together constitute the largest private sector security entity in Pakistan having over 15000 employees. SMS is providing guarding and executive protection services while WPPL provides guarding services as well as Cash-in-Transit services all over Pakistan.

www.smspk.co
www.wppk.co

SMS ELECTRONIC SAFETY SERVICES (PVT.) LTD (SMS ESS) is equipped with state-of-the-art Home Alarms Systems, Remote CCTV and Satellite Vehicle Tracking. Its clientage includes government organizations, diplomatic missions and international agencies, multi-national corporations, etc. SMS ESS provides cost effective and innovative technology solutions with a unique combination of skills, resources and technical knowledge.

www.smsess.co

RESEARCH & COLLECTION SERVICES (PVT.) LTD (RCS) has a proven track record of not only successfully conducting security surveys, basic investigations, verification and legal facilitation for multinational organizations, government and semi-government departments, financial institutions and various private clients but also providing "outsourcing" services so that the entities are free to employ only "core" staff.

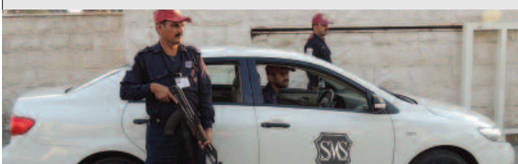
www.rcspk.co

24 hours FSMS "Help Desk" in Karachi, Lahore and Islamabad at 080055911. For calls from outside Pakistan (Karachi +92 21 80055911, Lahore +92 42 80055911 and Islamabad +92 51 80055911). For local emergencies call 080088911, response will be available round-the-clock from the SMS/Wackenhut Control Rooms in Karachi, Lahore and Islamabad.

Email: info@meetandgreet.co
booking@meetandgreet.co
support@meetandgreet.co

Tel: + (92) 21 80055911

URL: www.meetandgreet.co



PAKISTAN

British companies are advised to undertake as much market research and planning as possible. Doing business with Pakistan can be challenging, but taking a strategic approach is the key to making the process manageable.

Preparing to export to Pakistan

Taking a strategic approach

British companies are advised to undertake as much market research and planning as possible. Doing business with Pakistan can be challenging, but taking a strategic approach is the key to making the process manageable. The first step is to spend some time thinking about your company's Pakistan objectives.

The ten questions listed below should help you to focus your thoughts. Your answers to them will highlight areas for further research and also suggest a way forward that is right for your company. You may then want to use this as a basis for developing a formal Pakistan strategy, although this may not be necessary or appropriate for all companies:

Your Aims

- Do you wish to buy from Pakistan, sell to Pakistan or both?
- Do you wish to establish your own company presence in Pakistan, for example through a representative office, limited liability company or joint stock company?
- Do you need to be involved in Pakistan at all?

Your Company

- What are the unique selling points for your product or service?
- Do you know if there is a market for your product in Pakistan?
- Do you know if you can be competitive in Pakistan?
- Do you have the time and resources to handle the demands of communication, travel, product delivery and after-sales service?

Your Knowledge

- Do you know how to secure payment for your products or service?
- Do you know where in Pakistan you should start?
- Do you know how to locate and screen potential partners, agents or distributors?

It's unlikely that you will have the answers to all these questions at the outset and these 'knowledge gaps' should form the basis for further research and investigation.

Consultation and bespoke research

You will be able to find out some free information from carrying out desk research. As a minimum, visitors to Pakistan are advised to undertake as much market research and planning as possible prior to their visit. It would also be helpful to consider travelling to the market more than once to establish appropriate contacts and develop a feel for the market in terms of conducting business. Utilise the strengths of the dedicated in-country UKTI Pakistan team prior to your visit to discuss your objectives and the help that you may need. Their services include the provision of market information, validated lists of agents/potential partners, key market players or potential customers, establishing the interest of such contacts in working with the company, and arranging appointments. In addition, they can also organise events for you to meet contacts or promote a company and its products/services.

Help available for you

You can commission a UKTI Overseas Market Introduction Service (OMIS) to help you enter or expand your business in Pakistan. Under this service, UKTI's Trade and Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

Other UKTI services: UKTI assists new and experienced exporters with information, help and advice on entering overseas markets such as Pakistan. These services include:

- An Export Health Check to assess your company's readiness for exporting and help develop a plan of action.
- Training in the requirements for trading overseas.
- Access to an experienced local International Trade Adviser.
- Specialist help with tackling language and cultural issues when communicating with Pakistani customers and partners.
- Advice on how to go about market research and the possibility of a grant towards approved market-research projects.
- Ongoing support to help you continue to develop overseas trade and look at dealing with more-sophisticated activities or markets.
- Information, contacts, advice, mentoring and support from UKTI staff in the UK and their network of staff in Pakistan.
- Support to participate in trade fairs in Pakistan.
- Opportunities to participate in sector-based trade missions and seminars.
- Access to major buyers, local governments and supply chains in Pakistan.
- Advice on forming international joint ventures and partnerships.
- Exploratory visits to Pakistan.
- Alerts to the latest and best business opportunities.

For more information on any of these services, contact your local UKTI International Trade Team. See: www.gov.uk/government/organisations/uk-trade-investment

Private sector assistance

In addition to UKTI services, a wide variety of nonsubsidised private sector advice is available for companies wishing to do business in Pakistan. This ranges from the business services provided by the big international professional services firms to specific services provided by specialist operators. Companies such as PwC, KPMG, Deloitte and HSBC provide reports on the Pakistan economy.

The range of services available from the private sector includes company structuring advice, marketing, website design, partner selection, due diligence, legal services, advice on intellectual property rights and outsourcing. Some consultancies also offer more in-depth assistance on developing a strategy for Pakistan and operational management.

PAKISTAN

Visit the Website and download the free Mobile App

www.Pakistan.DoingBusinessGuide.co.uk

Website and Mobile App features include:

- Latest business news
- Up-to-date travel advice
- Interactive ‘Supporting Organisations’ and ‘Market Experts’ profiles
- Essential contact details
- Listings with links to up-and-coming trade shows
- Links to UK Trade & Investment (UKTI) international trade support services

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Your Transformation Partner

About Us

Abacus Consulting Technology (Pvt) Ltd (or "Abacus") is a leading professional services firm based out of Pakistan, providing management consulting, technology and outsourcing services to a wide range of clientele in the region. The Company was established in 1987 and is today the largest firm of its kind in Pakistan - and among the largest in the region. Our rapid growth and successful business model has earned Abacus a place on the Fast Growth Arabia-500 by the prestigious AllWorld Network. Headquartered in Lahore, Pakistan, Abacus has 12 regional offices in major cities of Pakistan, Saudi Arabia, Afghanistan and UAE, while our footprint extends to 22 countries worldwide spanning three continents where our consultants are providing services.

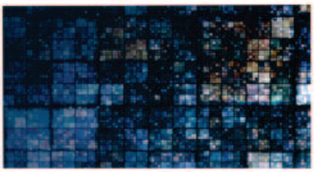
We have a global strength of about 2500 professionals, including 400+ subject area specialist consultants active in multiple fields. In addition to our full-time regular consultants, we have a resource pool of on-call consulting staff whose services can be requisitioned as and when their particular skills are needed. A major strength of Abacus, therefore, is the ability to provide clients with specialist consultants having sound knowledge and wide practical experience in appropriate work environments.

Our Services

Abacus offers a diverse portfolio of consulting, technology and outsourcing solutions featuring more than 50 distinct, though integrated specialized services.

Consulting

Offering a diversified portfolio of consulting services divided into Public Sector Development Consulting and Corporate Consulting Services including Human Capital Solutions, Corporate Finance and Strategy Consulting, Business Transformation Solutions and Information Technology Solutions.



Technology

Shaping the future through revolutionary technologies, industry best practices and strategic alliances with global technology leaders. The services under Technology are broadly classified as Application Development and Management Services, SAP ERP Solutions, SAP Mobile Solutions and Financial Sector Solutions.

Outsourcing

Providing cost-effective, flexible and scalable solutions to clients while preserving and enhancing their core business competencies. Under this vertical, we provide services which include Business Process Outsourcing, Contact Centre Services, Human Resource Outsourcing and Abacus Learning Services.

Industries

Abacus combines the unique blend of highly specialized competencies and experience in a wide spectrum of industries. Abacus' Industrial Taxonomy comprises eight Industries (including Energy & Utilities, Telecom & Technology, Industrial Goods & Services, Consumer Goods, Consumer Services, Metals, Materials & Chemicals, Financial Services and Government), which are in turn divided into 39 sectors.

Our Strategic Partners

SAP | Correspondent of MERCER | FRAGOMEN | ORACLE UNIVERSITY | exelsys

AbacusConsulting
Your Transformation Partner

Our Global Footprint

Pakistan | UAE | KSA | Kenya | Ghana | Nigeria | Malaysia | Singapore | Thailand | Bangladesh | Jordan | Yemen |Tunisia | Mauritius
Afghanistan | Iraq | Qatar | Bahrain | Myanmar | Cambodia | Kuwait | Austria

What Makes Us Different

The business value offered by Abacus has a deep scale, is industry focused and technology driven with a world class delivery capability. The aim is to help the clients realize their dream of being the market leader. Our strengths include:

- Regional scale and offshore delivery capability
- Integrated end-to-end services: strategy to implementation and operation
- Deep industry expertise and knowledge of industry processes
- Leading-edge solutions and tailored service offerings
- Rich technology skills
- Strategic alliances with leading global technology vendors
- Premier client list and pristine track record
- Continual investment in innovative solutions, people development and intellectual capital

Doing Business in Pakistan

Your decision to do business in Pakistan is likely to be a part of a long term strategy. You may be interested in establishing a new venture in Pakistan, or acquiring an existing business, or your intention may simply be to strengthen your ongoing business with or within the country. Whether you are a foreign investor or a local one, a new entrant on the Pakistani horizon or an experienced veteran, Abacus can provide you with useful guidelines, and keen insights as well as specific, project related strategic advice on doing business in Pakistan and doing it correctly and profitably.

A wide range of issues must be considered and weighed before a balanced decision can be taken about doing business in Pakistan. Abacus can help you answer all your fundamental questions so that you start off on the right foot.

- *What is the market really worth to you?*
- *How can you realize market potential?*
- *Where should you locate your business?*
- *Which business model would maximize value?*
- *What corporate vehicle should you adopt?*
- *What fiscal incentives are available to you?*
- *What are the tax implications?*
- *How do you manage the investment process?*
- *How to finance your venture?*
- *How will you recruit and remunerate your people?*
- *What statutory obligations require compliance?*
- *What systems, tools and resources do you need?*
- *How are you responding to changes in the market?*
- *Does your investment have adequate controls?*
- *What risks do you face and how to mitigate them?*
- *What is your next goal and how to achieve it?*

Abacus House, 4 Noon Avenue, Main Canal, Lahore 54600,Pakistan.
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PAKISTAN

Depending on the size and scale of your UK business there are various channels available to access the market. UK entrepreneurs and investors capable of delivering required services, either as a consortium of companies or on their own, will find many chances to intervene in the infrastructure-level opportunities.

How to do business in Pakistan

Channel options

Depending on the size and scale of your UK business there are various channels available to access the market.
UK entrepreneurs and investors capable of delivering required services, either as a consortium of companies or on their own, will find many chances to intervene in the infrastructure-level opportunities.

For SME-sized organisations there are several options in terms of channels: self-presence, JV's, wholesalers & distributors, brokers (for capital projects), and agents/representatives. Networking and relationships pervade all facets of Pakistani life including business. Choosing the right channel and/or partner for your in-market presence is important, as it is in any market.

Smaller (local) businesses may opt to invest in a relationship with a Western supplier because that would improve their business/social standing. However, beware of such win-lose relationships. UKTI Pakistan can help you unravel the mystery because of its local knowledge and understanding of the needs of UK businesses. The market is very price-focused, but quality sells.

English is widely understood and is the medium of communication in most medium to large-sized Pakistan companies. Many smaller companies normally have no issues with communication in English; UKTI Pakistan can assist you with any language problems you encounter.

Commercial samples and temporary imports

Imports are handled under the Harmonized Coding System and the Government permits temporary import of legally importable, commercial samples. However, a bank guarantee or indemnity bond equivalent to the value of the item must be provided to the Pakistan customs authorities as a reassurance that the items will be re-exported. Import fees, where required, must be paid, although this will be refunded on re-export. The recommendation would be to avoid going through this process unless absolutely essential.

Some imported goods, which are to be used solely for display purposes or at fairs, exhibitions, meetings or similar events in Pakistan – and which the Director of Trade, Industry and Customs considers to be samples – may be imported free of duty, provided they are subsequently re-exported. Other samples may be liable to duty.

Terms of payment

Most UK banks can provide advice on payment. Generally speaking, any of the customary methods of payment used in international commercial transactions can be used when doing business with Pakistan companies. However, the standard method is an irrevocable letter of credit.

Gateways/Locations – Key areas for business

Depending on your product or service you may need to consider travelling to one of the following three cities to conduct business:

- Karachi (Sindh)
- Lahore (Punjab)
- Islamabad (Federal Area)

The province-wide (general) breakdown of industry is given below:

Punjab – Cement, oil and gas, renewable energy, steel manufacturing, leather, textiles, automotive, education, IT, sports goods, machinery, electrical appliances, surgical instruments, metals, bicycles and rickshaws, paper and paperboards, fertilisers, telecom, agricultural produce.

Sindh – Oil and gas, coal, renewable energy, ports and shipping, tourism, textiles, steel, leather, IT/telecommunication, construction, education, financial service, surgical instruments, textiles, IT, automotive, agricultural produce and fisheries.

Baluchistan – Exploration, oil and gas, mining, ports and shipping, agriculture produce and fisheries.

Khyber Pukhtoonkhwa – Food processing, mining, agricultural produce.

Market entry and start-up considerations

In general, companies can choose their local structure according to their own specific requirement: branch office, subsidiary or joint venture.

The difference will be in the amount of paperwork involved. Branch offices are the easiest to incorporate and can conduct most activities that a company conducts in its home country.

Updated information can be obtained from the following sites:

- Pakistan Board of Investment: www.boi.gov.pk
- Security & Exchange Commission: www.secp.gov.pk (Company registrations etc.)
- Punjab Board of Investment: www.pbit.gop.pk

Customs and regulations

Customs duties

Tariffs change on a yearly basis therefore check the below link for most recent updates: www.cbr.gov.pk

The maximum import tariff rate is at 35% which basically applies to a few products that the government is actively discouraging. You should expect to pay sales tax at 16% (currently), excise duty at 1%, plus port charges, clearance charges, transportation and additional duties (in cases of certain products) on top of the customs tariff.

Import controls

Currently there is a list of banned items and origins which is available on the following sites: www.cbr.gov.pk & www.commerce.gov.pk

Exports and imports to and from Israel are prohibited. The export of specific antiquities may require a permit. If in doubt, contact UKTI Pakistan to help you with the information.

Double Taxation Agreement

Pakistan and UK have a Double Taxation Agreement in force. Hence, taxes/duties paid in Pakistan can be claimed back in the UK.

Legislation and Local Regulations

Investment Promotion & Protection Agreements (IPPAs)
IPPAs are designed to encourage investor confidence by setting high standards of investor protection applicable in international law. Key elements include provisions for equal and non-discriminatory treatment of investors and their investments, compensation for expropriation, transfer of capital and returns, and access to independent settlement of disputes.

Full details of the UK/Pakistan IPPA, and contact points for any queries can be found on the FCO pages of the gov.uk website: www.gov.uk/government/organisations/foreign-commonwealth-office

Salient features of Pakistan's foreign investment policy:

- All economic sectors are open to foreign direct investment (FDI)
- 100% foreign equity is allowed on repatriation basis
- tax/tariff incentives packages are available
- remittance of royalty, technical and franchise fee, capita, profits, dividends are allowed

Anti-Dumping and Countervailing
As a member of the World Trade Organisation (WTO), Pakistan can apply anti-dumping or countervailing duties to products which are sold in Pakistan for less than they sell in the country of origin, in order to gain market share or undermine an existing or emerging industry in Pakistan. These additional duties are imposed on a temporary basis to counteract the effects of an unfairly low price or an unfair subsidy to the producer.

An example of an unfair subsidy would be government grants, capital loans, favourable loan guarantees, export rebates, and tax incentives. These duties can only be imposed if the imported goods have caused, or are likely to cause, material harm to the Pakistani domestic market.

Taxes
Due to the annualised changes in the taxation regime, updated information can be found on the following site: www.cbr.gov.pk

Current corporate tax rate is 33%.

Responding to Tenders

There are no set rules with reference to responding to tenders. As a general guidance, because of the response time-frame & after-sales servicing requirement, local agencies get preferential treatment. Public sector enquiries are floated through PPRA (www.ppra.org.pk).

However, as a guidance this site may not be updated to show the current public sector procurement.

Defence procurement is also via the tendering process conducted by the following agency:

Directorate General Defence Purchase (DGDP)
Ministry of Defence
Defence Production Division
Pak Secretariat No.11
Rawalpindi

Tel: + 92 51 563324
Fax: + 92 51 563631

Recruiting and Retaining Staff

Unless recruiting for a speciality trade, un-skilled, semi-skilled and skilled labour is abundantly available. The concept of specialisation in management terms is a new one to the market and many people have a generalised skill set. In recent years recruiters are increasingly being employed to filter and support the selection process of management staff. For blue-collared jobs an advert in the local language press is the usual route taken.

Documentation

The following documents are required for imports and exports:

Commercial invoice –
Two copies should be included.

The invoice should provide exact details of the shipment, including:

- Number of packages
- Marks, prices and description of goods
- Quantity
- Place of origin
- Freight and insurance
- Any other information to facilitate customs clearance

It is advisable to obtain insurance certificates and letters of credit (L/C). A Bill of Lading is required to allow cargo clearance. Certificates of Origin are only required if the imports require additional processing in Pakistan.

Facsimile signatures are not acceptable and will be rejected by Pakistan Customs.

Permit applications under the Dutiable Commodities Ordinance require one additional copy of invoice and Bill of Lading.

Labelling and Packaging Regulations
These requirements are handled by several departments/ministries. Pakistan Standards and Quality Control Authority (www.psqca.com.pk) is the custodian of standards & quality requirements. The Ministry of Health is concerned with labelling requirement of drugs, cigarettes etc. and the Ministry of Food Agriculture and Livestock (MINFAL) is responsible for labelling of foodstuffs.

In general, labelling in English and Urdu is required on all consumer products and needs to be approved by the relevant ministry/department.

As a minimum, labels need to provide the following:

- Brand name
- Ingredient list
- Manufacturer details (address)
- Importer's name & address
- Date of manufacturing
- Date of expiry
- Batch no.
- Contents (in gms/mls)
- Halal certification (in case of animal-derived foodstuff or artificial preservatives/colourings etc.)

Intellectual Property Rights

Intellectual Property was mainstreamed in Pakistan in 2005. Although enforcement remains a weak area, brands etc. can be registered with IPO Pakistan: www.ipo.gov.pk

PAKISTAN

Over the last ten to fifteen years, Pakistan has made a concerted effort to liberalise its international trade. Much has been done in recent years to improve the business climate in Pakistan.

BUSINESS ETIQUETTE, LANGUAGE & CULTURE

Business etiquette, language & culture

What to wear

In government offices and multi-national corporations, banks etc. the normal attire for (high level) males is western. In all other offices "business casual" (trousers & shirt) is the norm. In formal meetings at the strategic level, "business formal" (i.e. jacket, tie, trousers) is the recommended attire.

Use common sense in terms of dressing. Most dress-codes that apply to office wear in the UK apply in Pakistan too; dress soberly (no figure-hugging clothes) and avoid flamboyant wear.

For females the attire is business casual, preferably "shalwar kameez", with or without a dupatta (a piece of thin cloth draped around the neck or used to cover the head). In higher level business environments, discrete western wear with loose, long tops covering arms and long skirts or trousers works well. Although there is no need for a headscarf or a dupatta, a headscarf is definitely essential if sight-seeing a holy place.

Greetings

The normal way to greet is to say "Hello Mr …" followed by a firm handshake. An accompanying smile usually serves to help. It is the convention to use the right and not the left hand when shaking hands and passing or receiving anything. For a woman, shaking hands with males is discretionary.

Expect to be offered tea, coffee or light refreshment – and the preferable response would be to accept, although a refusal will not be seen as a sign of disrespect in an urban setting.

Food and drink

All meat served in the country will be "Halal" which – other than the way the animal is butchered – signifies nothing else. Pork is banned in the country because of religious considerations. Alcohol is officially banned for Pakistanis, but overseas visitors can get alcohol from large hotels where they are resident, to be consumed on the premises only.

Ramadan

Once every twelve months of the Islamic Calendar, Muslims observe the month of Ramadan and fast. It is wise not to plan a business trip during the month. With reduced office working hours in Government and the private sector, it is difficult to get appointments.

Language

English is the official language to conduct business in Pakistan.

Meetings and presentations

Most strategic-level meetings happen after 10.00am, and it would be best to set your meetings soon afterwards while attendees are still fresh.

If possible, schedule meetings at least three to four weeks in advance. Since people want to know whom they will be meeting, provide details on titles, positions, and responsibilities of attendees ahead of time. Pakistanis in public offices have little sense of urgency about time and dislike being hurried. Meeting start times may therefore vary – be prepared for meetings to be cancelled or postponed at short notice. Curb the tendency to display your displeasure until you have a relationship on the ground.

Business cards are exchanged after introduction because your host will assess your standing within your company and decide their strategy on conducting the meeting. Visitors should make themselves familiar with local customs before travelling (UKTI Pakistan can help), and care should be taken to respect Muslim conventions.

Photography of sensitive installations, e.g. bridges, airports etc. is prohibited. If in doubt, it's better to ask than regret later!

Third party introductions can be very helpful as a starting point to build a trusting relationship. In Pakistani business culture, the respect a person enjoys depends primarily on his or her age and status. It is crucial to treat elderly people with the greatest respect. Showing status is important since people will take you more seriously.

What are the challenges?

Overview

Over the last ten to fifteen years, Pakistan has made a concerted effort to liberalise its international trade. Much has been done in recent years to improve the business climate in Pakistan.

Areas that you may need to watch out for include (but are not limited to) weak property rights, government intervention with the market in some key commodities, and poor legal enforcement. In addition, red tape is still excessive and corruption high. There is much room for improvement in physical infrastructure and reforms to regulatory regimes governing many sectors, thereby lifting further the impediments to domestic and foreign investment, but this is nothing that exporters won't find elsewhere in other emerging economies.

How to invest in Pakistan

The Government of Pakistan welcomes all types of foreign investment, be it equity investment, transfer of technology, joint ventures, subcontracting or third country participation. Comprehensive information can be obtained from the Pakistan Board of Investment.

Financial Assistance

Full details on incentives provided by the Government of Pakistan can be found at the Pakistan Board of Investment. These are primarily in the form of tax holidays and exemptions. www.boi.gov/pk

Entry requirements

Getting to Pakistan

There are three main international airports in the country. All three are served by direct flights of Pakistan International Airlines from Heathrow (and there are direct flights from other UK cities too). There are several Gulf carriers as well (including Etihad, Emirates, Qatar Airways,) which route their flights from the UK, through their respective hubs, to these airports. Other than these there is a scattering of other carriers, e.g. Turkish, Thai etc, which fly to one or all of the following airports:

- Quaid-e-Azam International, Karachi
- Benazir Bhutto International Airport, Islamabad
- Allama Iqbal International Airport, Lahore

All airports are within close proximity (25-45 mins drive) to their respective city's business areas. Karachi & Lahore airports are relatively newer and offer good standard of service to passengers; Islamabad airport is smaller and dated. A new Islamabad airport (Gandhara International Airport) is in the construction phase and should be open for business sometime in 2015/16.

Travelling to and from the Airport

Pearl Continental, Avari, Marriott, Movenpick and Serena are the major hotels in Pakistan and provide a courtesy transport service to and from the airport, on request. It is recommended that you ask your hotel to arrange this service for you.

Visas

British citizens require entry visas. As well as a single-entry business visa there is also a multiple-entry two-year visa. Latest details on the type and application requirement of Pakistani visas can be obtained from the Pakistan High Commission, London web site: www.phclondon.org

FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice please visit the FCO Travel section pages on the new gov.uk website: www.gov.uk/foreign-travel-advice

Money Affairs

There is a limit on the amount of currency that can be brought in and taken out of the country. Speak to UKTI Pakistan or your travel agent before your journey to find out the updated information.

Credit cards are becoming more widely accepted. To exchange your foreign currency it would be a good idea to do so at a local Forex dealer in the city (your host may help you with that).

PAKISTAN

Pakistan is a symbol of diversity with respect to its varied culture, climate, languages and geographical terrain. The country covers an area of 803,940 km^2 and comprises of four provinces: Sindh, Punjab, Balochistan, and Khyberpakthunkhawa. Pakistan is the sixth most populous country in the world with an estimated population of 184.35 million, median age of 22 and a labour force of 60.52 million of which 3.5 million are unemployed.

ABRAHAM & SARWANA ابراهیم اینڈ سروانہ
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Legal Aspects of Doing Business in Pakistan

Introduction

Pakistan is a symbol of diversity with respect to its varied culture, climate, languages and geographical terrain. The country covers an area of 803,940 km^2 and comprises of four provinces: Sindh, Punjab, Balochistan, and Khyberpakthunkhawa. Pakistan is the sixth most populous country in the world with an estimated population of 184.35 million, median age of 22 and a labour force of 60.52 million of which 3.5 million are unemployed.

Before independence in 1947, Pakistan was a part of the British Empire and the laws promulgated during the colonial days were based on principles of English common law which practice has continued. Pakistan courts follow the principle of stare decisis; decisions of the English Courts and the Commonwealth countries possess persuasive value and are referred to by the courts for deciding commercial cases. The judicial hierarchy is similar to the English system, the District Court as the original trial court, High Court of the Province as the court of appeal and the Supreme Court of Pakistan is the final court of appeal.

The Council of Islamic Ideology and the Federal Shariat Court have examined all the commercial statutes in the Pakistan Code and found them to be substantially in consonance with Shariah and recommended minor amendments in a few laws. For example, in the Evidence Act, two special sections have been added; one provision to mandate that all agreements relating to financial or future obligations must be attested by two males or one male and two female witnesses, and the other to permit the Court to allow production of any evidence that may have become available because of modern scientific devices or techniques.

In the Sale of Goods Act, 1930 which incorporates the English principle of caveat emptor, a section has been added which states that the seller shall be under an obligation to inform the buyer of any defect in the goods sold at the time of the contract, except in a case where the defect is obviously known to the buyer.

Investment Policies

Investor friendly policies have been formulated to create an environment with an emphasis on opening up the economy and marketing the potential for foreign investment. Various incentives include full repatriation of capital, capital gains, dividends and profits.

Foreign investment is also protected by:

- Foreign Private Investment (Promotion & Protection) Act, 1976; and
- Protection of Economic Reforms Act, 1992.

The current democratically elected government has attracted and facilitated foreign investors among others from China, United States of America, United Kingdom, Italy and Russia. As of April 2014, 420 new companies have been registered with the Securities and Exchange Commission of Pakistan (SECP) raising the corporate portfolio to 63,238. Foreign companies and associations are on top of the list of newly registered companies. Foreign investment has been directed through 20 new companies that include trading, construction, healthcare, IT, mining, real estate development, services, pharmaceuticals, food and beverages and tourism sector.

Incentives

Incentives for both foreign and local investors include:

- 5% custom duty chargeable on import of plant, machinery and equipment not manufactured locally; and

- Sales tax at zero-rate on import of plant, machinery, and equipment which includes locally manufactured plant, machinery and equipment.

Import and Exports

Any person registered with the income tax department who has a bank account with a local bank may export and import goods in any quantity except for certain specified items and agricultural produce.

The list of items that cannot be imported in the country are few and limited to the following:

(a) anti-Islamic, obscene or subversive literature
(b) hazardous wastes as defined and classified in Basle Convention
(c) any edible product not fit for human consumption
(d) factory rejects and goods of job lot, stock lot, or substandard quality excluding the specified goods; and
(e) high explosive, radioactive substances, etc.

In certain cases the negative list also specifies the countries from where the goods cannot be imported or if imported the limitation therein.

Customs Duties and Sales Tax

Customs duties and sales tax are payable on imports of all goods (varying according to nature of goods). The importer has also to pay income tax at the rate of 4% on the total value of imported goods towards his full and final liability of income tax. No income tax is however payable on goods imported by an industrial concern that maintains proper books of account and files tax returns with the income tax department.

Board of Investment (BOI)

To facilitate foreign and local investors the Government of Pakistan has established a Board of Investment (“BOI”) to act as a “one-stop shop” and thereby facilitate contracts between potential investors and all government agencies. The 2013 Investment Policy aims to achieve FDI inflows to US$ 2.5 billion in 2014.

Export Processing Zone (EPZ)

The country also has Export Processing Zones (EPZ) where the investors enjoy:

- 100% ownership rights
- 100% repatriation of capital and profits
- No minimum or maximum limit for investment
- Duty-free imports of machinery, equipment and material
- No sales tax on input goods, including electricity and gas bills
- Obsolete/old machinery can be sold on the domestic market of Pakistan after payment of applicable duties and taxes
- No excise duty and no custom duty on cement, steel, and any other material used in construction of buildings
- Foreign exchange regulation of Pakistan is not applicable
- Defective goods/waste can be sold in the domestic market after payment of applicable duties, at a maximum of up to 3% of total value of export
- Domestic market of Pakistan is available on the same conditions as for imports of other countries
- Only EPZ are authorised to collect presumptive tax at the time of export of goods at 1% (as revised on 1 July 2005), which would be final tax liability; and
- Production orientated labour laws, e.g. labour strikes are prohibited.

Work Visa

The sponsor/company registered in Pakistan, may apply for work visa by manually submitting the prescribed visa application form with the Board of Investment. In case views/comments/ report are not received within the stipulated period of 4 weeks from the stakeholders, BOI issues recommendation for the grant of work visa to the Ministry of Interior for issuance of visa advice to Pakistan missions abroad/regional passport offices in Pakistan.

The visa application takes approximately 4 weeks to process. The work visa is issued for one year (multiple) validity, extendable on yearly basis. The maximum period that the visa is issued for is 2 years.

Taxation

Tax on income is governed by the Income Tax Ordinance, 2001. The Federal Government prescribes the rates of taxes in the annual budget in June every year. The rates prescribed for companies and individuals and for the Tax Year 2014 (Financial Year: 1 July 2014 to 30 June 2015) are as follows:

Companies

The rate of tax imposed on the taxable income of a company is 34% except a banking company which shall be 35%.

The rate of tax for a small company is 25%.

A “Small Company” means a company registered on or after the first day of 1 July 2005 under the Companies Ordinance, 1984 which, (i) has paid-up capital plus undistributed reserves not exceeding 25 million Rupees; (ii) has employees not exceeding 250 any time during the year; (iii) has annual turnover not exceeding 250 million Rupees; and (iv) is not formed by the splitting up or the reconstitution of a company already in existence.

Salaried Taxpayers

The rate of tax on the income of salaried persons is as follows:

Salary income up to Rupees 400, 000 per annum is free of tax.

From Rs.400, 001 to Rs.750, 000 the rate is 5% on excess over Rs. 700, 000.

The rate of tax increases as the income increases.

From Rs.4,000,001 to Rs.7,000,000 the tax is Rs. Rs.600,000 + 27.5% of excess over Rs.4,000,000.

On salary over Rs.7, 000, 000 the tax is Rs.1, 425, 000 + 30% of excess over Rs.7, 000, 000.

Double Taxation

Pakistan signed an agreement for the Avoidance of Double Taxation Treaty with the United Kingdom in 1955. The Income Tax Ordinance, 2001 and the rules aid in overcoming the technical hitches to ensure avoidance of double taxation and where appropriate provide relief from tax payable under the Ordinance.

Withholding Taxes

The Income Tax Ordinance, 2001 requires a payer to deduct and deposit tax at source from payments made to certain recipients. Withholding tax is payable on payment of salaries, payments to non-residents for technical services, payments for execution of contracts, supply of goods and services.

Law of Contract

The Contract Act, 1872 enacted by the British Parliament is based upon the general principles of English common law. Besides chapters on formation of contracts, voidable contracts and void agreements, performance of contracts, consequence of breach of contract, it includes provisions relating to indemnity and guarantee, bailment and pledges and agency.

Transfer of Property

The Transfer of Property Act, 1882 deals with transactions relating to transfer of immovable property including sales, leases, mortgages, charges and transfers of actionable claims. All transfers of immovable property are subject to stamp duty and must be registered with the Registrar of Conveyances under the Registration Act.

Sale of Goods

The Sale of Goods Act, 1930 ("SOGA") contains provisions relating to the formalities of the contract of sale, the price, conditions and warranties, implied terms and conditions and transfer of title. It also provides the rights of unpaid seller against the goods, namely; unpaid seller's lien, stoppage in transit and suits for breach of sale contracts.

SOGA, except for one amendment, is in its original form and has not been up-dated by a modern statute like that of UK Supply of Goods and Services Act 1982. The supply of services is governed by the law of contract. The only amendment in SOGA is the addition of the obligation of the seller to point out the defects in the goods to the buyer.

Company Incorporation and Administration

Any person whether a national or a foreigner can incorporate a company under the Companies Ordinance 1984 by filing the requisite documents with the Securities & Exchange Commission of Pakistan ("SECP).

Incorporation includes preparing charter documents i.e. Memorandum of Association and Articles of Association, registering the company and issuing a prospectus.

The procedures framed under the Ordinance permit seven or more persons to form a public company and two or more persons to form a private company. A company can take four forms: limited by shares; limited by guarantee; unlimited; or association not for profit.

Documents required to be filed for a limited company include: (a) Form 1 – Declaration of compliance with the pre-requisites for the formation of a company; (b) Form 21 – Notice of situation of registered office of the company; (c) Form 29 – Particulars of first directors of the company. For the incorporation of a public company additional documents are (i) Form 27 – List of persons consenting to act as directors; (ii) Form 28 – Consent of Directors.

If all documents are in order, it takes five to ten days to register a company.

Liability

Liability of members depends on the type of the company: for members of a company limited by shares, the liability is limited to the number of shares he holds; for member of a company limited by guarantee, it is limited by the memorandum of association as to the amount which each member respectively undertook to contribute to the assets of the company in the event of it being wound up. Members of unlimited companies have unlimited liability unless they cease to be a member.

Meetings

Under the Ordinance, an Annual General Meeting (AGM) must be held within 18 months from the date of the companies' incorporation, after which, at least once every calendar year and within four months of the closing of its financial year, with a maximum limit of 15 months after its last AGM.

Notice is sent to the shareholders at least 21 days before the date of the AGM and for a listed company it is required to be published in a daily newspaper in English and daily newspaper in Urdu both being circulated within the province in which the company is listed with the stock exchange. All other general meetings other than the AGM are called extraordinary general meetings. Members may participate in the meeting either personally or through proxies.

Directors

The members elect directors in a general meeting. The office is held for a period of three years unless he resigns, is disqualified or otherwise ceases to hold office. Causal vacancy may be filled by the directors which shall be for the remainder of the term of the director in whose place he is appointed. The directors by resolution may (a) issue shares and issue debentures; (b) borrow moneys; (c) grant bonuses to employees; (d) approve half yearly or periodical accounts; and (e) declaration of interim dividends.

Branch Office

A foreign company has the option of establishing a branch office under Part XIV of the Companies Ordinance, 1984.

Within 30 days of its establishment of its place of business, the company should file the following documents with SECP:

- Certified copy of the company's Memorandum of Association and Articles of Association.
- Full address of company's registered or principal office.
- List of directors, chief executive, and secretary of the company.
- Return showing the name and all particulars including nationality of the principal officer of the company in Pakistan.
- Name and particulars of persons resident in Pakistan authorised to accept service on behalf of the company.
- Full address of office of the company which is deemed the principal place of business in Pakistan.

A foreign company shall annually submit to the SECP copies of the balance sheet, profit and loss account of the head office and the branch office together with a list of Pakistani members and debenture holders and the place of business of the company in Pakistan. Documents should be filed within 45 days from date of submission of such documents or returns filed with the public authority of incorporation or within a period of six months of the date up to which the accounts are made.

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Under Section 454 of the Companies Ordinance, a foreign company shall maintain:

- At its principal office or the only place of business in Pakistan, a register of Pakistani members, debenture holders, directors and officers. This register is open for public inspection and copies may be supplied upon request.
- The country in which the company is incorporated in must be stated in every prospectus inviting subscriptions or debentures in Pakistan.
- Exhibit outside each place of business the company name and country in which company is incorporated.
- Mention on each official document and official communication the name of the company and of the country in which the company is incorporated.

A foreign company at its registered office shall maintain proper books of account showing:

- All sums of money received and spent and matters concerning these incomings and outgoings.
- All sales and purchases of goods.
- All assets and liabilities of the company.

Books of accounts of preceding 10 years shall be preserved in good order. The general requirements with respect to filing and maintenance of accounts and audit are almost identical for both local and foreign company. Private limited companies are only required to file an annual general return with regard to the company members and directors.

Liaison Office

A liaison representative or project office may also be set up by a foreign company. This shall have to be registered with the Board of Investment. Such offices are set up for promotion of export, to provide technical and market advice on products and to collect market information.

They are not allowed to undertake any commercial or trading activity. After registration with the Federal Board of Revenue (Income Tax Department) and opening a bank account with a local bank any company can commence activities in Pakistan.

Acquiring a Company

A public or private Pakistani company may be acquired in two ways (1) by purchasing all its shares; or (2) purchasing majority shares in the company.

Acquisitions are regulated by the Listed Companies (Substantial Acquisition of Voting Shares and Takeover) Ordinance, 2002 (Acquisition Ordinance). This ensures all investors a fair and equal opportunity with a transparent system for substantial acquisition of voting shares and takeovers of listed companies.

Section 4 of the Acquisition Ordinance provides that, any person who acquires voting shares which would entitle the acquirer to more than 10% voting shares in a listed company shall disclose the aggregate of his shareholding in that company to the said company and to the stock exchange on which the voting shares of the company are listed within two working days of the receipt of intimation of allotment of voting shares or acquisition of voting shares. Any acquirer may acquire additional voting shares in any period of 12 months after acquisition of voting shares of more than 10% without making a disclosure in case the total acquisition does not exceed an aggregate of 25%.

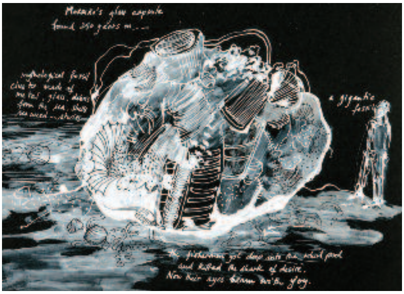
Section 5, stipulates that no person may, directly or indirectly, acquire voting shares which (taken together with voting shares, if any, held by such person) would entitle such person to more than 25% voting shares in a listed company or control of a listed company, unless such person makes a public announcement of offer to acquire voting shares or control of such company in accordance with the procedure laid down in statute and, before making the said announcement, such person has made a disclosure in the manner specified in Section 4.

The Securities and Exchange Commission of Pakistan (SECP) is the regulator empowered to enquire into any complaints received from investors holding not less than one-tenth of the total voting shares in the target company.

In case of breach of any of the provisions of the SECP Act or refusal or failure to comply with any order or direction, SECP may, after giving the person an opportunity of being heard, impose a penalty up to Rs.1 million and in the case of continuing default a further sum of Rs.10, 000 for every day after issue of such order.

Competition Law

The Competition Act 2010 has been enacted to provide free competition in all economic and commercial activities, to improve economic efficiency and to protect consumers from anti-competitive behaviour. The law seeks to prohibit abuse of market dominance, certain types of anticompetitive agreements, deceptive market practice, and mergers of undertakings that substantially reduce competition.



Competition Commission of Pakistan (CCP)

The Competition Commission of Pakistan has been established as a quasi-judicial, quasi-regulatory law enforcement agency with a specialised umbrella jurisdiction over the economy as a whole. Its duty includes ensuring free competition in all spheres of commercial and economic activities and to prevent or eliminate anti-competitive behaviour.

Adopting a "carrot and stick" approach – the Competition Act provides for higher fines combined with imprisonment for non-compliance; on the other hand, the carrot is sweetened with sophisticated leniency powers with no fine or imprisonment under certain circumstances.

The Competition Commission of Pakistan has legal powers to conduct searches and inspections in order to maintain the high standard of evidence for unearthing secret cartels.

Intellectual Property

Pakistan is a signatory to the Agreement on Trade Related Intellectual Property Rights, 1994.

Copyright

Pakistan is a member of the Berne Copyright Convention (1886) and the Universal Copyright Convention (1952); accordingly, all members of these convention countries enjoy the same rights as Pakistan nationals.The Copyright Ordinance, 1962 offers protection to literary, dramatic, musical and artistic works which include works of photography, cinematographies and all recordings. The protection of ownership of the copyright including computer programs and compilation of data under the Ordinance is limited to the author or publisher who is granted protection against possible infringement, provided the work has been registered with the Registrar of Copyright. The "owner of copyright" can avail both civil remedies and criminal prosecution. The works of international organisations and foreign works are specifically protected under Sections 53 and 54 of the Ordinance.

Trademarks

The Trade Marks Ordinance, 2001, has widened the scope of the law by including services marks, domain names, unfair competition, and misleading advertisements. Any person claiming to be the proprietor of a trademark used or proposed to be used by him may apply for the registration of the mark in the Register of Trade Marks. The period of registration is 10 years from the date of the application and may be renewed at the expiration of the 10 year period for another 10 years on payment of the requisite fee.

In the case of infringement, the proprietor of the trademark is entitled to relief by way of injunction, damages, accounts and any other relief the court may deem fit. Applicants from a country signatory to the Paris Convention that apply for registration of the same mark within six months of such application are accorded priority in the registration of the mark.

Patent and Design

Under the Patents Ordinance, 2000 the term of the patent is 20 years from the date of filing and priority can be claimed within 12 months from the date of application filed in any one of the World Trade Organization member countries.

Labour Laws

Numerous laws have been enacted for the protection of workers, some significant statutes are stated below.

Industrial Relations Act, 2012

The Federal Government on 14 March 2012 enacted the Industrial Relations Act, 2012. The Act applies to all persons employed in any establishment or industry in the Islamabad Capital Territory or establishments carrying on business in more than one province.

The National Industrial Relations Commission has also been established under the Act to:

- Register industry-wise trade unions in the Islamabad Capital Territory and federation of such trade unions and trans-provincial trade unions and federations at the national level

- Determine a collective bargaining agent amongst industry-wide trade unions, and federation of such trade unions at the national level

- Adjudicate and determine the industrial disputes which in the opinion of the Government are of national importance and are referred to it by the Government. The law also defines unfair labour practices on the part of workmen and employers that entail punitive action.

All four provinces have also enacted similar industrial relations acts to regulate trade union activities and resolution of disputes between employers and employees.

Industrial and Commercial Employment (Standing Orders) Ordinance, 1968

This statute provides several rights and benefits to the working class. Section 2(i) of the Ordinance defines a workman as ‘any person employed in any industrial or commercial establishment to do any skilled or unskilled, manual or clerical work for hire or reward.

The law provides that:

- Every workman at the time of his appointment, transfer, or promotion shall be provided with an order in writing showing the terms and conditions of his service.

- The employer shall have all permanent workman employed by him insured against natural death and disability, and death and injury arising out of contingencies which are not covered by the Workmen’s Compensation Act, 1923.

- Every employer making profit in any year must pay to the workmen who have been in his employment in that year for a continuous period of not less than 90 days a bonus in addition to the wages payable to such workmen in accordance with the prescribed formula.

- Where the workmen are laid-off on account of failure of plant or stoppage of work due to fire, breakdown of machinery, stoppage of power supply, epidemic and civil commotion, etc. the employer shall pay them one-half their daily wages during the first 14 days as compensation and, in case of lay-off for an indefinite period, their services may be terminated by giving them due notice or pay in lieu thereof.

- The services of a workman shall not be terminated, nor shall a workman be removed, retrenched, discharged, or dismissed from service except by an order in writing which shall explicitly state the reason for the action taken. A workman is aggrieved by such termination or removal, he may approach the Labour Court for redress of his grievance, including that of reinstatement.

- The employer may dismiss a work man from service for misconduct by following the procedure prescribed in Standing Order Number 15.

- Where a workman resigns from service or his services are terminated by the employer, for any reason other than misconduct, he shall receive, in addition to other benefits that he may be entitled to under the law or in accordance with the terms of his employment or any custom, usage, or, any settlement or an award of a Labour Court, gratuity equivalent to 30 day's wages, calculated on the basis of wages admissible to him in the last month of service for every completed year of service or any part thereof in excess of six months.

  However, where the employer has established a provident fund to which both the employer and workman contribute, no such gratuity shall be payable. In such event, a workman shall be entitled to receive the amount standing to his credit in the provident fund, including the contribution of the employer to such fund, even if he resigns or is dismissed from service.

- Where any workman is to be retrenched and belongs to a particular category of workmen, the principle of first come, last go shall be followed.

Employees' Old Age-Benefit Act, 1976 (Pension)

The Employees' Old Age-Benefit Act, 1976 stipulates that every employer of an establishment wherein five or more persons are employed by the employer directly or through any other person or were so employed on any day during the preceding twelve months shall pay contribution every month at the rate of 5% of the employee wages and the employee shall contribute 1% of his monthly wages to Employees Old Age Benefit Institution.

Only the owner, the directors and the person who has ultimate control over the affairs of the industry or establishment are excluded. On attaining the age of 60 years or 55 years, in the case of a female or early retirement or on account of invalidity, the insured person is paid a monthly pension calculated on the basis of the number of years of insurable employment which shall not be less than Rs. 2,000 per month.

Workmen's Compensation Act, 1923

Workmen's Compensation Act, 1923 provides for compensation for personal injury suffered by a workman by accident arising out of and in the course of his employment and according to the nature of injury and the percentage of loss of earning capacity specified in the schedule. The Workmen's Compensation Commissioner decides disputes relating to delay, non-payment, or any dispute in respect of payment.

Social Security Ordinance, 1965

The provisions of the Ordinance are applied by notification by the provincial governments except in the Sindh Province where it is applicable to the employees, earning wages up to Rs.10,000 per month, of all establishments in the province where five or more persons are working.

All employees and their family and dependents are entitled free medical treatment during sickness and wages for a period of up to six months during absence of work. The employer is required to pay to the Institution contribution on the wages paid at the rate of 6% per month.

Minimum Wages

The minimum wage for unskilled workers in all the provinces is Rupees 10,000 per month from 1 July, 2013.

Managerial Staff

The services of employees who fall beyond the category of workmen are governed by the law of master and servant in accordance with the terms of their employment.

Information, Communication Technology

Pakistan has one of the highest development rates in mobile telephone sector. At the end of 2013 there were 132 million mobile phone users which are increasing at a very fast rate.

Plant, machinery, and equipment of information technology projects are importable at customs duty of 0%, if not manufactured locally and as certified through the Federal Board of Revenue by the Facilitation Committee of the Board of Investment Islamabad, which includes 'telecommunication, i.e., email/internet/electronic information services, cellular mobile telephone services, fax services, voice mail services, card pay phone services etc.'

In April 2014 the Federal Government granted 3G and 4G licenses to China Mobile, Mobilink, Telenor, and Ufone and earned non tax revenue of $1.11 billion from the four foreign entrepreneurs competing for business in the mobile phone sector. The new technology will give impetus to branchless banking and mobile banking business and applications.

Banking Law

The State Bank of Pakistan ("SBP"), the Central Bank, regulates the credit system, issues bank notes and keeps reserves to secure monetary stability. SBP issues circulars and prudential regulations for banks to regulate their credit and risk exposures. It also prescribes guidelines for loan facilities, and sets criteria for management.

All banks in Pakistan have switched to electronic banking which includes phone and internet banking and ATMs.

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Banker's Lien

Under the provisions of the Contract Act all bankers have a right to retain as security for a general balance of account any goods bailed to them unless agreed to the contrary.

Letters of Credit

INCOTERMS 2010 are used in all contracts relating to import and export of goods.

Islamic Banking

Pursuant to the Government's decision the banks shifted the banking system to Islamic modes of financing from 1 January 1985 which are (i) Purchase of goods by banks and their sale to clients at appropriate mark-up and price on deferred payment basis; (ii) Purchase of trade bills; (iii) Purchase of movable or immovable property by banks from clients with buy-back agreement; (iv) Leasing; (v) Hire-purchase; (vi) Musharika or profit and loss sharing; (vii) Equity participation and purchase of shares; and (viii) Rent sharing etc. The charge of mark-up was challenged in the High Court as un-Islamic on the ground that it was another name for interest; however, the Court held that mark-up referred to in the various modes of financing is based upon agreement between the parties and therefore cannot be equated with interest.

The banking system in practice is substantially similar to the conventional banking but with some Shariah features.

A foreign investor need not worry about the form because the modes of financing and loans are not very different and especially in foreign trade all banks follow the international banking procedures and practices.

For the standardisation and harmonisation of Shariah practices in Islamic banking industry of Pakistan, SBP has issued essentials of permissible modes of Islamic banking and finance in Pakistan.

Moreover, SBP has also allowed use of AAOIFI Shariah standards wherever SBP essentials are not available. AAOIFI is the global standard setting body which issues accounting, governance and Shariah standards which are followed by majority of jurisdictions offering Islamic banking and finance.

Arbitration

Arbitration Act 1940
The Arbitration Act, 1940 is based upon the provisions of the English Arbitration Act of 1934, with some changes. After the insertion of Section 26-A in 1981, the arbitrator is now required to state reasons for the award in sufficient detail to enable the court to consider any question of law arising out of the award. The act applies to: (1) arbitration without the intervention of court; (2) arbitration through the court when no suit is pending; (3) arbitration in suits and (4) statutory arbitrations. The arbitration agreement must be in writing, but it need not be signed; however, it must be acknowledged. An unsigned document containing the terms agreed to by both parties is sufficient.

Arbitrators

The arbitrator is required to render his award within four months from the date of entering the reference which may be extended by the court or by consent of the parties. The arbitrator conducts the proceedings in accordance with procedure laid down in the Arbitration Act and the general procedures of the Civil Procedure Code.

Arbitral Awards

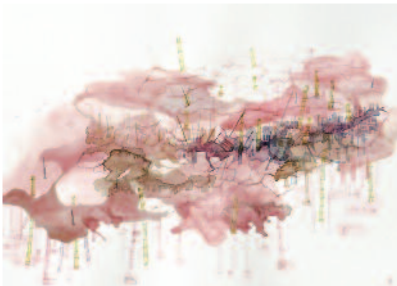
If the award debtor fails or refuses to honour the award the successful party may file the award in court to make it Rule of Court. After hearing the parties the court will pass a decree in terms of the award, such decree is executed like any other decree of the court. An award may not be set aside except where (i) arbitrator has misconducted himself or the proceedings; (ii) award has been made after a court order superseding an award; or (iii) award has been improperly procured or is otherwise invalid. After the award has been made Rule of Court, it shall be enforced like any other decree (final judgment) of the court.

Enforcement of Foreign Awards

Pakistan signed the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1958. The New York Convention was translated into statute in 2011 as the 'Recognition an Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act, 2011'. Consequently, an award made in a state signatory to the New York Convention can now be enforced in Pakistan.

Section 4(2) of the Recognition an Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act, 2011, provides that in the presence of an arbitration agreement the Court has no discretion and it is obliged to stay the proceedings and direct the plaintiff to proceed to arbitration in accordance with the agreement except where the arbitration agreement falls within the three specified classifications; namely, that the arbitration agreement is (i) null and void; (ii) inoperative; or (iii) incapable being performed. There are several judgments wherein the High Court of Sindh has stayed court proceedings and directed the plaintiff to seek his remedy by referring the dispute to international arbitration in accordance with the agreement.

Disclaimer: This is a brief overview of the legal principles applicable to most business transactions or activities in Pakistan. The intention is to provide only a brief insight into the legal aspects and reference should be made to qualified Pakistani lawyers for any particular transaction or business.



Resources:

Contact Details

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If you prefer to contact UKTI Pakistan direct, please be aware that UKTI has three offices: Karachi, Lahore and Islamabad. The main UKTI Pakistan office is in Karachi.

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Current members of UKTI Pakistan are:

John Tucknott
(Karachi – john.tucknott@fco.gov.uk): Deputy High Commissioner / Director UKTI Pakistan / UK Trade Champion for Pakistan.

(Currently vacant – please contact Waqar Ullah in Lahore details below): Power including renewable energy, Construction (including infrastructure), Rail, Ports and Airports, Regeneration.

Jason Mumtaz
(Islamabad – jason.mumtaz@fco.gov.uk): Defence and Security, Oil & Gas, Aerospace, Automotive, Chemicals, Marine.

Waqar Ullah
(Lahore – waqar.ullah@fco.gov.uk): Education & Healthcare (Northern Pakistan), Agri-tech, Food and Drink, Water and Environment.

Tazkia Abbas
(Karachi – tazkia.abbas@fco.gov.uk): Education (Southern Pakistan), Creative Industries, Financial, Professional and Business Services, Information Economy (i.e. digital technologies (including data, cloud, software, communications and electronics and Smart Cities).

Saima Anjarwala
(Karachi – saima.anjarwala@fco.gov.uk or saima.anjarwala@fconet.gov.uk): Healthcare (Southern Pakistan), Consumer and Retail, Life Sciences, Science and Innovation.

Useful Links

Essential reading for exporters:
Find out more at:
www.gov.uk/browse/business/imports-exports

Country information:
BBC website:
http://news.bbc.co.uk/1/hi/country_profiles/default.stm

FCO country profile:
www.gov.uk/foreign-travel-advice/pakistan

Culture and communications:
CILT – National Centre for Languages – Regional Language Network in your area:
www.cilt.org.uk/workplace/employer_support/in_your_area.aspx

Kwintessential culture guides:
www.kwintessential.co.uk

Customs & regulations:
HM Revenue & Customs:
www.hmrc.gov.uk

Import Controls and documentation (SITPRO): www.sitpro.org.uk

Pakistan Federal Board of Revenue:
www.cbr.gov.pk

Economic information:
Economist: www.economist.com/countries

Ministry of Finance – Government of Pakistan: www.finance.gov.pk

Export control:
Export Control Organisation:
www.gov.uk/government/organisations/export-control-organisation

Export finance and insurance:
UK Export Finance (formerly Export Credits Guarantee Department, ECGD):
www.gov.uk/government/organisations/uk-export-finance

Intellectual Property:
Intellectual Property Office:
www.ipo.gov.uk

Market access:
Market Access Database for Tariffs (for non-EU markets only): http://madb.europa.eu/mkaccdb2/indexPubli.htm

Standards and technical regulations:
British Standards Institution (BSI):
www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport

National Physical Laboratory:
www.npl.co.uk

Intellectual Property Office:
www.ipo.gov.uk

Trade statistics:
National Statistics Information:
www.statistics.gov.uk/hub/index.html

UK Trade Information:
www.gov.uk/government/organisations/uk-trade-investment

Travel advice:
FCO Travel: www.gov.uk/browse/abroad

Healthcare abroad:
Travel health: www.travelhealth.co.uk

International trade:
Imports and Exports:
www.gov.uk/browse/business/imports-exports

UK Trade & Investment:
www.gov.uk/government/organisations/uk-trade-investment

Additional Useful Links

UK Trade & Investment:
www.gov.uk/government/organisations/uk-trade-investment

Foreign & Commonwealth Office:
www.gov.uk/government/organisations/foreign-commonwealth-office

British Council:
www.britishcouncil.org

Trade Tariff:
www.gov.uk/trade-tariff

Middle East Association:
www.the-mea.co.uk

British Chambers of Commerce:
www.britishchambers.org.uk

IoD (Institute of Directors):
www.iod.com

CBI (Confederation of British Industry):
www.cbi.org.uk

Institute of Export (IOE):
www.export.org.uk

British Expertise:
www.britishexpertise.org

Department for Business, Innovation & Skills (BIS):
www.gov.uk/government/organisations/department-for-business-innovation-skills

UKTI e-exporting programme:
www.gov.uk/e-exporting

Trade Shows

A trade show is a method of promoting a business through the exhibition of goods and services, an organised exhibition of products, based on a central theme, where manufacturers meet to show their products to potential buyers.

Taking part in overseas exhibitions is an effective way for you to test markets, attract customers, appoint agents or distributors and make sales. UKTI's Tradeshow Access Programme (TAP) provides grant support for eligible SME firms to attend trade shows overseas.

Participation is usually as part of a group, a great advantage for inexperienced businesses, and is usually led by one of UKTI's Accredited Trade Association (ATOs). ATOs work with UKTI to raise the profile of UK groups and sectors at key exhibitions.

10 Times (previously BizTradeShows.com) online database:
www.10times.com

British Expertise Events:
www.britishexpertise.org

EventsEye.com online database:
www.eventseye.com

UKTI Pakistan related events:
www.events.ukti.gov.uk

UZBEKISTAN
TAJIKISTAN
TURKMENISTAN
CHINA
GILGIT
BALTISTAN
AFGHANISTAN
FEDERALLY ADMINISTRATED TRIBAL AREAS
NORTH-WEST FRONTIER PROVINCE
PUNJAB
BALOCHISTAN
SINDH
IRAN
INDIA
Arabian Sea
Lasht
Chitral
Gilgit
Skardu
Mingaora
Mardan
Peshawar
Islamabad
Rawalpindi
Sialkot
Gujranwala
Wana
Sargodha
Lahore
Dera Ismail Khan
Faisalabad
Zhob
Chaman
Khost
Quetta
Dera Ghazi Khan
Multan
Sibi
Bahawalpur
Nok Kundi
Dalbandin
Surab
Jacobabad
Rahimyar Khan
Khuzdar
Larkana
Sukkur
Panjgur
Dadu
Nawabshah
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PAKISTAN GUIDE

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A range of UK Government support is available from a portfolio of initiatives called Solutions for Business. The "solutions" are available to qualifying businesses and cover everything from investment and grants through to specialist advice, collaborations and partnerships. UK Trade & Investment is the government organisation that helps UK-based companies succeed in the global economy and also helps overseas companies bring their high-quality investment to the UK's dynamic economy - acknowledged as Europe's best place from which to succeed in global business.

UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British Embassies and other diplomatic offices around the world. UKTI provides companies with the tools they require to be competitive on the world stage.

Doing Business in Pakistan Guide Quick Facts

Full Name: Islamic Republic of Pakistan

Area: 796,095 sq km

Population: 196,174,380 (July 2014 est.)

Capital: Islamabad

Languages: Punjabi 48%, Sindhi 12%, Saraiki (a Punjabi variant) 10%, Pashto (alternate name, Pashtu) 8%, Urdu (official) 8%, Balochi 3%, Hindko 2%, Brahui 1%, English (official; lingua franca of Pakistani elite and most government ministries), Burushaski, and other 8%

Religion: Muslim (official) 96.4% (Sunni 85-90%, Shia 10-15%), other (includes Christian and Hindu) 3.6% (2010 est.)

Life expectancy (at birth): 67.05 years

Government: federal republic

Legal System: common law system with Islamic law influence

Currency: Pakistani rupees (PKR)

Exchange Rate: 1 PKR = £0.0065 GBP / $0.0099 USD

GDP Per capita: $3,100 (2013 est.)

Natural resources: land, extensive natural gas reserves, limited petroleum, poor quality coal, iron ore, copper, salt, limestone

Value of Exports: $25.05 billion (2013 est.)

Exports – commodities: textiles (garments, bed linen, cotton cloth, yarn), rice, leather goods, sports goods, chemicals, manufactures, carpets and rugs

Value of Imports: $39.27 billion (2013 est.)

Imports – commodities: petroleum, petroleum products, machinery, plastics, transportation equipment, edible oils, paper and paperboard, iron and steel, tea

Local Time: UTC+5

Dialling Code: +92

Climate: mostly hot, dry desert; temperate in northwest; arctic in north

Natural hazards: frequent earthquakes, occasionally severe especially in north and west; flooding along the Indus after heavy rains (July and August)

Internet Domain: .pk

National symbol(s): star and crescent

Source – CIA World Factbook, Google Currency Conversion