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Company formation in Pakistan

From CompanyFormationWiki, the free encyclopedia of company formation · Last updated 25 November 2026

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Flag



State emblem

Common form	Private limited company [1]
Registry	Securities and Exchange Commission of Pakistan (SECP) [1]
Minimum capital	None [1]
Directors	1 director (single-member company) or 2 [1]
Local director	Not required [1]
Corporate tax	29% [2]
VAT / sales tax	Sales tax 18% on goods; 15–16% on services (by province) [2]
Typical timeline	Often 3–7 working days online [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Pakistani rupee (PKR)

In short: To set up a company in Pakistan, most founders form a private limited company, registered with the Securities and Exchange Commission of Pakistan (SECP). [1] Minimum capital: none. Corporate tax: 29%. Registration: often 3–7 working days online (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 24 August 2026); company-law details summarise official guidance and can change. Confirm requirements with the Securities and Exchange Commission of Pakistan (SECP) before filing.

Companies in **Pakistan** are incorporated online with the **SECP**. Sales tax on goods is federal, while sales tax on services is collected by the provinces.

Business structures

Most founders in Pakistan form a private limited company, registered with the Securities and Exchange Commission of Pakistan (SECP). [1] Other forms are listed below.

- **Private limited company** – the usual company form for private businesses

Requirements

Minimum share capital in Pakistan (2026): none. Directors required: 1 director (single-member company) or 2. Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: none.
- Directors: 1 director (single-member company) or 2.
- Local residency: not required.
- A registered office address in Pakistan.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Pakistan (2026): often 3–7 working days online. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the Securities and Exchange Commission of Pakistan (SECP).

4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Federal Board of Revenue (FBR).

Taxation

The corporate tax rate in Pakistan in 2026 is 29%. [2] Standard VAT or sales tax: sales tax 18% on goods; 15–16% on services (by province). [2]

Tax	Rate and notes
Corporate income tax	29%
VAT / indirect tax	Sales tax 18% on goods; 15–16% on services (by province)
Withholding tax on dividends to non-resident companies	15%

Ongoing compliance

Annual compliance in Pakistan: Companies file annual financial statements and tax returns with the Federal Board of Revenue (FBR), and keep their details up to date with the Securities and Exchange Commission of Pakistan. [1]

Double tax treaties

Pakistan has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
15%	10%	15%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Pakistan lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Pakistan?

Typical registration time in Pakistan: often 3–7 working days online (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Pakistan?

Minimum share capital in Pakistan: none (as of November 2026).

What is the corporate tax rate in Pakistan in 2026?

The corporate tax rate in Pakistan in 2026 is 29%. See the Taxation section for reduced rates and other taxes.

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

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Pakistan: not required.

What withholding tax applies to dividends paid from Pakistan?

Pakistan withholds 15% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Securities and Exchange Commission of Pakistan (SECP)
- Federal Board of Revenue (FBR)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

1. Official Securities and Exchange Commission of Pakistan (SECP) . Government of Pakistan. Accessed November 2026.
2. Official Federal Board of Revenue (FBR) . Government of Pakistan. Accessed November 2026.
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Source: https://companyformationwiki.com/company-formation/pakistan/
Version: last updated 25 November 2026. Check the online version for later changes.

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