

F. No. 1(1)MOS/ Chairman/BOI/2018-SBP

Prime Minister's Office  
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Minister of State /  
Chairman

Islamabad, May 14, 2018

Subject:- **FACILITATION OF NEW COMPANIES FOR REGISTRATION OF EQUITY WITH THE SBP**

Dear Sir

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

As you know, the Board of Investment (BOI) is mandated to facilitate new and existing, local and foreign investors in Pakistan. We are focused on doing so. In particular, we are keen to strengthen the entrepreneurial ecosystem for startups. We want to facilitate new companies to the utmost as they start their business, while ensuring that the interests of the state of Pakistan and its economy are protected, and fraud is prevented.

**Registration of equity with SBP**

We wish to explore with the SBP ways of making registration of equity with the SBP simpler and faster for investors, while ensure that the process remains equally if not more secure than before.

We understand that the following documentation is required to be submitted for registration of equity with the SBP, according to the SBP F.E. Manual, Chapter 20, Para 7, & F.E. Circular No. 6 of 2017:

1. Customer Letter (Dividend designation clause in terms of Chapter 14 Para 16 of F.E Manual 2017, also needed);
2. Appendix V-95 in triplicate (sample to issue shares on face value & premium is provided);
3. Original Proceeds Realization Certificate, or in case of Foreign Currency Equity Certificate, showing equity deposit is required;
4. Certified True Copy (CTC) of Memorandum & Articles of Association;
5. CTC of Certificate of Incorporation;
6. CTC of updated/ latest Form 3, Form A & Form 29;
7. Formal Share Purchase Agreement or equivalent between the Investor & Investee;
8. Business profile containing ownership, organization/group, locations, markets and products;
9. Promoters'/ Directors' names, addresses, national ID/passport numbers & country of domicile;
10. Certificate of Incorporation or equivalent issued/acknowledged by the relevant authority;

11. Memorandum & Articles of Association or equivalent registered with the relevant authority;
12. Annual Audited Financial Statements with Auditors' report & notes thereon for the last year;
13. Pattern of Shareholders (name, national identity number & shares held) or equivalent; and
14. Related Party details including beneficial ownership with aforementioned documents if any.

All of these documents are required to be submitted in physical form. They also need to be Certified True Copies. This considerably elongates the process of registration of equity, and the investor is under a significant burden to provide all the documentation.

### **Exploring acceptance of digitally signed documents**

If it was possible for the SBP to accept digitally signed documents (even if they were subsequently printed on paper and submitted to them), the process would become much simpler.

As you are aware, the Electronic Transactions Ordinance 2002 allows for digitally signed documents to be accepted as validly signed. Technology exists that qualifies under the law, and is being presently implemented at a number of commercial banks. In fact, technology providers claim that it is easier to fake a paper document than an electronic document. They are happy to work with SBP to allay any concerns.

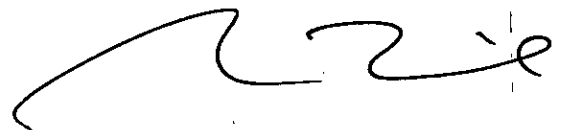
### **Next steps**

Please let us know your thoughts on this issue. It will be very helpful if you can lay out a roadmap as to how we can make progress to facilitate new companies in registration of equity with the SBP.

Thank you for looking into this.

With warm regards,

Yours sincerely



( NAEEM Y. ZAMINDAR )

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