

**Prime Minister's Office**

**Board of Investment**

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**PROPOSED REFORM ACTIONS FOR 5<sup>TH</sup> PLAN OF DB REFORM DRIVE**

<b>Short-term reform Actions</b>	<b>Medium to long-term reform Actions</b>	<b>Responsible Agency</b>
<b>FEDERAL</b>		
<b>STARTING A BUSINESS</b>		
<ol style="list-style-type: none"> <li>1. Clarify the business start-up processes to the public and explore ways to increase the uptake of online registration for those institutions that provide the option.</li> <li>2. Ensure availability of online fee payment facility in Punjab Sindh</li> </ol>	<ol style="list-style-type: none"> <li>3. Explore ways to simplify the registration for sales tax by eliminating the physical inspection at the business location and the biometric appointment.</li> <li>4. Merge STRN and NTN and introduce a unique business identification number.</li> </ol>	<p>SECP, Govt of Sindh, Govt of Punjab</p>
<b>TRADING ACROSS BORDERS</b>		
<ol style="list-style-type: none"> <li>1. Analyze port processes to eliminate duplicate regulatory activities and shorten the time to export and import.</li> <li>2. Review and improve the Customs risk management system to achieve greater efficiency.</li> <li>3. Reduce the processing time for the issuance of the bill of lading.</li> </ol>	<ol style="list-style-type: none"> <li>4. Improve the system of the electronic issuance of I-Form and Form-E.</li> <li>5. Introduce a smart examination system for red channel consignments.</li> <li>6. Take administrative measures to discourage use of port as a free storage area.</li> <li>7. Deploy active business intelligence and data analytics tools.</li> <li>8. Implement the Port Community System (PCS).</li> <li>9. Implement the Pakistan National Single Window System (PNSW).</li> </ol>	<p>FBR, Govt of Sindh, Ministry of Maritime Affairs, Port Qasim Authority</p>
<b>GETTING CREDIT</b>		
<ol style="list-style-type: none"> <li>1. Operationalize the secured transactions framework by adopting regulations for the ST Act.</li> <li>2. Extend the information covered by credit reporting service providers to include data from retailers or utilities.</li> <li>3. Implement a unified geographically notice- based, searchable electronic secured transactions registry under the ST Act.</li> </ol>	<ol style="list-style-type: none"> <li>4. Consider amending the secured transactions legal framework to implement a unified or integrated system.</li> <li>5. Amend the Corporate Rehabilitation Act 2018 to introduce automatic stay, as well as time limits for its duration in reorganization proceedings.</li> <li>6. Amend the Companies Act to assure secured creditors are paid with priority in liquidation.</li> <li>7. Implement an awareness-raising campaign and capacity building activities on the new tools introduced by the ST Act.</li> </ol>	<p>SBP, SECP, Ministry of Finance</p>

Short-term reform Actions	Medium to long-term reform Actions	Responsible Agency
<b>PAYING TAXES</b>		
<ol style="list-style-type: none"> <li>1. Ensure that e-payment is available in practice for corporate accounts to provide all types of companies with the option to pay Corporate Income Tax and GST through the FBR electronic platform.</li> <li>2. Conduct a review of the tax forms and documentary requirements and streamline the process to file and pay GST while continuing to improve STRIVE.</li> <li>3. Plan an outreach campaign to familiarize taxpayers with new systems and tax reforms.</li> <li>4. Review and streamline internal processes at FBR for GST refunds to reduce processing time and introduce good financial management practices.</li> </ol>	<ol style="list-style-type: none"> <li>5. Extend e-filing and e-payment services for all taxes and contributions, including social security and pension contributions as well as provincial taxes.</li> <li>6. Conduct a feasibility study of merging the filing and payment of taxes with the same tax base.</li> <li>7. Strengthen risk-based categorization, improve efficiency, and monitor performance indicators to make sure that targets are met for GST and CIT audits (selection targets, and audit length).</li> </ol>	FBR
<b>RESOLVING INSOLVENCY</b>		
<ol style="list-style-type: none"> <li>1. Enact secondary legislation to facilitate the operationalization of the Corporate Rehabilitation Act, including a regulatory framework for professional insolvency practitioners.</li> </ol>	<ol style="list-style-type: none"> <li>2. Create an insolvency registry where information about insolvency cases can be accessed.</li> <li>3. Introduce special simplified procedures for Small and Medium Enterprises (SMEs) insolvency.</li> <li>4. Extend the possibility of granting post-commencement financing to non-administration proceedings.</li> <li>5. Revise the Corporate Rehabilitation Act to enhance creditors' rights in insolvency proceedings.</li> <li>6. Extend the power to assume or reject executory contracts to debtor-in-possession rehabilitation and liquidation procedures.</li> <li>7. Incorporate a pre-packaged restructuring option to the Corporate Rehabilitation Act to enable the fast and swift court processing of out of court restructurings.</li> <li>8. Improve the judicial capacity to handle insolvency cases.</li> </ol>	SECP, M/o Law
<b>PROTECTING MINORITY INVESTORS</b>		
	<ol style="list-style-type: none"> <li>1. Require independent review of related-party transactions before they take place in the Companies Act or the Listed Companies Regulations.</li> <li>2. Require the immediate public disclosure of related party transactions.</li> <li>3. During a related party transaction, allow shareholders to hold directors (both interested and disinterested) liable also for unfair or prejudicial and not only negligent related party transactions.</li> <li>4. Give courts authority to cancel unfair related party transactions.</li> <li>5. Allow the plaintiff to question the defendant and witnesses at trial directly.</li> <li>6. Allow plaintiffs to recover legal expenses from the company.</li> <li>7. Require shareholder approval when issuing new shares or new</li> </ol>	SECP

Short-term reform Actions	Medium to long-term reform Actions	Responsible Agency
	members. 8. In case of limited liability companies, require the buyer to make a tender offer to all shareholders when acquiring 50% of the company. 9. Increase the protection of investors by requiring disclosure of management compensation. 10. Allow shareholders owning 5% of shares or members representing 5% of the capital put items on the meeting agenda for both listed and limited liability companies.	
<b>PROVINCIAL</b>		
<b>KARACHI</b>		
<b>DEALING WITH CONSTRUCTION PERMITS</b>		
1. Improve pre-screening of construction permit applications and abide by the published time objectives. 2. Increase the transparency of the construction permit approval process by releasing and proactively informing the public on the documents needed for the issuance of a building permit. 3. Re-engineer business processes for all construction types to centralize the obtaining of all NOCs from the required agencies.	4. Link the systems of SBCA with those of the land management authorities to expedite the obtainment of the proof of ownership. 5. Introduce a risk-based system for construction approvals and inspections based on the buildings' essential features and intended use. 6. Consider allowing authorized panel of private firms to sign-off on the completion certificate, while ensuring the quality of professional qualifications.	Sindh Govt, SBCA
<b>GETTING ELECTRICITY</b>		
1. Undertake a detailed study of the application process to understand the bottlenecks. 2. Provide option to pay connection fees and security deposits in installments. 3. Ensure following the time limits of NEPRA for procedures to connect to the electricity grid.	4. Increase the availability of material at the utility companies. 5. Enforce internal wiring inspection and streamline its procedure. 6. Roll out the full online application system, with an e-payment option. 7. Introduce a Geographic Information System (GIS) for the electricity distribution network. 8. Obtain excavation permit on behalf of clients in Karachi. 9. Invest in smart meters.	Sindh Government, NEPRA, K-Electric

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<b>REGISTERING PROPERTY</b>		
<ol style="list-style-type: none"> <li>1. Strengthen service standards and time limits and make them publicly available online in Karachi.</li> <li>2. Increase transparency by publishing statistics on land disputes in Karachi.</li> <li>3. Increase awareness-raising efforts on recent reforms and clarify the legal requirements to avoid over-compliance and close implementation gaps.</li> <li>4. Establish a dedicated and independent mechanism to track and deal with complaints related to property registration and cadaster in Karachi.</li> <li>5. Fully automate the process of paying stamp duties in Karachi.</li> <li>6. In Karachi, ensure full automation of the procedure to obtain the sales certificate (NOC).</li> <li>7. In Karachi, review land-related procedures at the Board of Revenue to identify bottlenecks and explore ways to streamline the deed execution, registration, and scanning processes.</li> </ol>	<ol style="list-style-type: none"> <li>8. Achieve full digitalization of ownership records and cadastral plans and continue improving the GIS system in Karachi</li> <li>9. In Karachi, establish a single-client-facing agency for land administration and integrate the databases and systems for land registration and cadaster.</li> <li>10. Provide training for land registry and cadaster staff after the introduction of the new land administration system in Karachi.</li> <li>11. Reduce the time to obtain decisions on land disputes from the district courts.</li> </ol>	<p>Government of Sindh, Sindh Revenue Board</p>
<b>ENFORCING CONTRACTS</b>		
<ol style="list-style-type: none"> <li>1. Conduct an in-depth assessment of court processes as well as the legal framework for handling commercial cases to identify and address the underlying causes of delays.</li> <li>2. Consider the creation of specialized commercial courts, divisions or benches.</li> <li>3. Introduce case management practices to address delays during the trial process – such as limiting excessive adjournments and enforcing time standards.</li> <li>4. Promotion of ADR system</li> </ol>	<ol style="list-style-type: none"> <li>5. Introduce pretrial conferences as a critical element of case management.</li> <li>6. Support the introduction of electronic filing of initial complaints and other court automation elements in commercial cases.</li> <li>7. Strengthen efforts to promote mediation and conciliation.</li> <li>8. Evaluate increasing the minimum amount, a claim must have to trigger the original jurisdiction of the Sindh High Court.</li> <li>9. Provide continuous training to judges with jurisdiction over commercial matters.</li> </ol>	<p>Ministry of Law, Govt of Sindh, Sindh High Court</p>
<b>PROVINCIAL</b>		
<b>LAHORE</b>		
<b>DEALING WITH CONSTRUCTION PERMITS</b>		
<ol style="list-style-type: none"> <li>1. Improve pre-screening of construction permit applications and abide by the published time objectives.</li> <li>2. Re-engineer business processes for all construction types to centralize the obtaining of all NOCs from the required agencies.</li> <li>3. Roll-out the e-permit system in Lahore to all types of buildings and allow for e-payments.</li> </ol>	<ol style="list-style-type: none"> <li>4. Link the systems of LDA with those of the land management authorities to expedite the obtainment of the proof of ownership.</li> <li>5. Introduce a risk-based system for construction approvals and inspections based on the buildings' essential features and intended use.</li> <li>6. Consider allowing authorized panel of private firms to sign-off on the completion certificate, while ensuring the quality of professional</li> </ol>	<p>Govt of Punjab, LDA, WASA</p>

Short-term reform Actions	Medium to long-term reform Actions	Responsible Agency
	qualifications. 7. Introduce legislation in Lahore on possible defect liability and introduce liability insurance requirement in both cities.	
<b>GETTING ELECTRICITY</b>		
1. Undertake/Share a detailed study of the application process to understand the bottlenecks. 2. Provide option to pay connection fees and security deposits in installments - and consider cross subsidizing connections. 3. Ensure following the time limits of NEPRA for procedures to connect to the electricity grid.	4. Increase the availability of material at the utility companies. 5. Enforce internal wiring inspection and streamline its procedure. 6. Roll out the full online application system, with an e-payment option. 7. Introduce a Geographic Information System (GIS) for the electricity distribution network. 8. Invest in smart meters.	Govt of Punjab, LESCO, NEPRA
<b>REGISTERING PROPERTY</b>		
1. Increase awareness-raising efforts on recent reforms and clarify the legal requirements to avoid over-compliance and close implementation gaps. 2. Fully automate the process of paying stamp duties in Lahore. 3. In Lahore, integrate databases further by linking PLRA and Excise and Taxation Department's systems to check property tax liabilities automatically.	4. Achieve full digitalization of ownership records and cadastral plans and continue improving the GIS system in Lahore. 5. Reduce the time to obtain decisions on land disputes from the district courts	Govt of Punjab, PLRA
<b>ENFORCING CONTRACTS</b>		
1. Conduct an in-depth assessment of court processes as well as the legal framework for handling commercial cases to identify and address the underlying causes of delays. 2. Consider the creation of specialized commercial courts, divisions or benches. 3. Introduce case management practices to address delays during the trial process – such as limiting excessive adjournments and enforcing time standards. 4. Promotion of ADR system	5. Introduce pretrial conferences as a critical element of case management. 6. Support the introduction of electronic filing of initial complaints and other court automation elements in commercial cases. 7. Strengthen efforts to promote mediation and conciliation. 8. Evaluate increasing the minimum amount, a claim must have to trigger the original jurisdiction of the Sindh High Court. 9. Provide continuous training to judges with jurisdiction over commercial matters.	Ministry of Law, Govt of Punjab, Lahore High Court

**Note: Short Term- 6 Months**

**Medium Term- 1 to 2 Year**

**Long Term- 2 to 3 Years**

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