**REGISTERATION FRAME WORK IN AZAD JAMMU & KASHMIR.**

As per rules of business 1985, the Department of Industries & Commerce has delegated the powers of registration of Companies, Firms & Societies. In order to materialize the legal status of the Companies willing to operate in Azad Kashmir, the Government of Azad Jammu and Kashmir adapted the Companies Ordinance 1984 through Azad Jammu and Kashmir companies Act 1992. In order to perform the functions, the Corporate Law Authority (CLA) was established in Azad Jammu & Kashmir in 2002 under the chairmanship of the Chief Secretary. For proper implementation of the Companies Ordinance 1984 in AJK, the Director Industries GoAJK has delegated the powers of Ex-Officio Registrar of Companies. All the case of registration of corporate sector of Muzaffarabad and Poonch division are dealt with the office of the Registrar of Companies established at Muzaffarabad. Whereas, the cases of registration of Companies, Firms & Societies belonging to the Mirpur division are dealt with the Office of Deputy Registrar of Companies established at Mirpur.

**Corporate law authority (CLA)**

AJ&K; Govt. has established a Corporate Law Authority as per notification No. 3313-22/95 dated 29/08/1995 for governing and decisions of affairs of companies under section- 11, 12 and 13 of the Companies Ordinance, 1984 (AJ&K; Companies Act, 1992).The authority shall exercise & perform such powers and functions as are conferred on it by or under the said companies act. As per section 7 of Companies’ Ordinance, 1984, all the officer and persons employed in the execution of this Ordinance, shall observe and follow the orders, instructions and directions of Corporate Law Authority. Followings are ex-officio members of the CLA:-

* Chief Secretary Chairman CLA
* Secretary Finance Member CLA
* Secretary Law Member CLA
* Secretary Industries Member CLA
* Registrar of Companies/ Member / Secretary CLA

**REGISTRATION OF COMPANIES IN AJ&K;**

**TYPES OF COMPANIES**

**PRIVATE LIMITED COMPANIES (Section- 2 SUB-SECTIONS- 28)**

Private company means the company which by its articles,

* Restricts the right to transfer its share if any.
* Limits the number of Directors to (50) not including persons, who are in in employment of company.
* Prohibits any invitation to public to subscribe for its shares.

(A private company should have at least two directors.)

**PUBLIC LIMITED COMPANY (Section-2 sub-section-30)**

A public company means a company which is not a private company. A public company can be of two types; (1) Unlisted Company (2) Listed Company at stock exchange. A public company should have at least seven directors.

**STANDARD OPERATING PROCEEDURE FOR REGISTERATION OF COMPANY IN AJK**

**AVAILABILITY OF THE NAME OF COMPANY**

First step towards the registration of company is the availability of name of the company. For this purpose an application is submitted to Registrar/ Deputy Registrar of Companies, as per *(section-37).*No company can be registered by a name identical with that by which a company already exists or nearly resembling with already registered name. Name must not deceptive or inappropriate. No company can be registered with the trade marks registered nationally or internationally.

**Documents Required for the Registration of a Company**

The persons, subscribers seeking for company registration, should provide following documents to Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies:-

**MEMORANDUM AND ARTICLE OF ASSOCIATION (section- 15 & 26 of Companies Ordinance)**

Three copies dually signed by subscribers (directors) of the company & also signed by witness.

*\**Memorandum is the Constitution of the company which have five clauses:-

* Name Clause 2. Registered Office Clause 3. Object Clause
* Liability Clause 5. Capital Clause

\*Articles are the bylaws of the company

**B-         Form 1 ;***( Section- 30 (2) and Rule- 4)*(Two Copies);

*\*This form is the declaration of compliance with the requirements of Companies Act*

**C-         For 21 ;***( Section- 142)*2 Copies;

*\*Shows situation of the registered office of the company.*

***D*–        For 29 ;***( Section- 205)*4 Copies;

*\*Shows particulars of directors, officers, Chief Executive, Secretary, Auditors and Legal Advisors etc. of the company.*

* **CNIC,**copies of directors and witness (Attested);
* **Affidavit** by directors/ subscribers about correctness of documents;
* **Fee**paid challan (as per sixth schedule);

If Deputy Registrar/ Registrar is satisfied that all the legal requirements have been fulfilled, he will register the memorandum under *(section- 30)*& issue Incorporation Certificate under *(section- 32)* of the Companies Act, 1992.

**REGISTRATION OF FOREIGN COMPANIES IN AJ&K**

All the Companies belonging to the country other than Pakistan willing to establish their business in Pakistan are treated as foreign companies and it is a legal requirement necessary for them to legalize their business as foreign company under section 451-452 of the Companies Ordinance 1984 by submitting their documents to Securities & Exchange Commission of Pakistan. As the same Ordinance is also adapted in the territory of AJK through Azad Jammu and Kashmir Companies Act 1992, so the same sections of the said Ordinance are also applicable for all those companies belonging other than AJK for legalizing their activities in the territory. It is further clarified that as per Section 451 (1) (e) of the Companies Ordinance 1984, the company shall have to submit the particulars of person resident in AJK on prescribed “Form 42” authorized by the company to interact with this office on behalf of the company. The person so designated termed as resident director or focal person and he will not be the director/shareholder of the company. He will be the employee of the company and authorized to accept services on behalf of the foreign company only.

**STANDARD OPERATING PROCEEDURE FOR REGISTERATION OF FOREIGN COMPANY IN AJK**

Following are the pre-requisite for the registration of foreign companies in AJK.

* True Copy of the **Registration Certificate**issued by the Securities and Exchange Commission of Pakistan (SECP).
* True copy of the **Memorandum & Article of Association**issued by the Security & Exchange Commission of Pakistan.
* Copy of the **Financial Statements.**
* True copy of **Form “29”**issued by the Security & Exchange Commission of Pakistan.
* rue copy of **Form “A”**issued by the Security & Exchange Commission of Pakistan.
* Documents delivered for registration by a foreign company under section 451 (1) (a) and rules 22 & 23 on **Form “38”.**
* Return showing address of the registered or principal office of a foreign company under section 451 (1) (b) and 452 (b) on **Form “39”.**
* Return showing particulars of Directors, Chief Executive and Secretaries of a foreign company under 451 (1) (C) and 452 (C) on **Form “40”.**
* Return showing particulars of Principal Officer of a foreign company under section 451 (1) (d) and 452 (d) on **Form “41”.**
* Return showing particulars of persons resident in AJK authorized to accept services on behalf of a foreign company under section 451 (1) (e) and 452 (e) on **Form “42”.**
* Return showing address of the principal place of business in AJK of a foreign company under section 451 (1) (f) and 452 (f) on **Form “43”.**
* List of places of business established by a foreign company in AJK under section 451 (3) on **Form “45”.**
* **Board Resolution**for the extension of business in AJK.
* **Board Resolution**for nomination of resident director in AJK.
* **Power of attorney**to resident director.
* Copy of the CNIC of Board of Directors of foreign company.
* Copy of the CNIC of resident Director.
* Rent deed (Proof of established office In AJK).
* Under taking regarding correctness of the documents

**REGISTRATION OF PARTNERSHIP FIRMS IN AJ&K**

**DOCUMENTS REQUIRED FOR REGISTRATION OF FIRM**

1. Application for availability of name will be sent to Registrar, Deputy Registrar of Firms.
2. Partnership Deed on Rs. 1000/- / stamp paper registered with registrar (Sub- Judge).

* Form 1 (Application Form) duely filled & signed by the partners and witness must be attached by Notary Public (2 Sets).
* CNIC of the copies of partners and witness (Attested)
* Affidavit about the correctness of papers.
* Paid Fee Challan (Challan will be available in the office of Registrar/ Deputy Registrar of Firms).

**APPLICATION FORM**

Form 1 (section-58) should have following information:-

* Name of Firm.
* Place or principal place of the firm.
* Name of any other places where the firm carries on business.
* Date, when each partners joined the firm.
* Names in full and permanent addresses of the partners.
* Duration of the firm.

\*This form must be signed by all the partners.

**REGISTRATION OF SOCIETIES AS PER SOCIETIES ACT 1860**

**(As adapted in AJ&K)**

**Requirements**

* Application to Registrar/ Deputy Registrar of Joint Stock Companies for availability of name.
* Memorandum and Articles of Association of the Society dually signed by the office bearers of the Society (3 sets).
* Resolution passed by the members of the Society for establishment of Society and appointment of office bearers of the Society.
* List of the office bearers of the Society with their CNIC numbers, address & phone numbers.
* NOC from Deputy Commissioner and AJ&K; Home Department and Agencies.
* CNIC copies of the office bearers of the Society (Attested).
* Affidavit of the President of the proposed Society about the correctness of the documents.
* Affidavit about members/officials not employed in Govt. Sector.
* Rent Agreement (Karaya Nama) of the Registered Office of the proposed society.
* Fee paid challan as per Govt. Notification.

If Registrar is satisfied that all the legal requirements have been fulfilled, he will issue a Registration Certificate.