

Press Release

Balochistan Assembly Abolishes Stamp Duty on Memorandum and Articles of Association of Companies

Islamabad – November 16, 2006: The Provincial Assembly of Balochistan has passed the Stamp Amendment Bill, 2006, on November 01, 2006 abolishing the stamp duty on Memorandum and Articles of Association of companies.

As proposed by the SECP, the stamp duty on companies has already been abolished by the provincial governments of Punjab, N.W.F.P and Sindh. As a result of its continuous efforts, the provincial government of Balochistan has also now acceded to the Commission's proposal for abolition of stamp duty in the province.

The stamp duty now remains applicable only in the Islamabad Capital Territory (ICT), while the SECP has already initiated deliberations with the Commissioner, ICT to abolish stamp duty on the Memorandum and Articles of Association to further facilitate incorporation of companies and to accelerate business activities in the region.

Previously, the promoters of companies had to face a lot of practical difficulties to fulfill this requirement. This is yet another facilitative measure taken by the SECP to reduce the number of steps, time as well as costs in the company formation process, so as to make it more convenient for promoters.

Abolition of stamp duty in Balochistan will further encourage corporatization of businesses, having healthy impact on the economic growth and development of the corporate sector. The incorporation of new businesses not only attracts investment by the general public in corporate sector but also creates employment opportunities which will contribute for the development of economy.