Thesis:

Towards a More Enabling Environment for Startups in Pakistan: Lessons for Legal Reform

A thesis submitted in fulfillment of the requirements for the Award of the degree of LLB.

Supervised By:

Dr. Sohaib Mukhtar

Submitted By:

Mashif Mahboob

01-177182-025

Law Department

Bahria University (Islamabad Campus)

Dated: 07-June-2023

Table of Contents

ABSTRACT: 2

INTRODUCTION: 3

RESEARCH METHODOLOGY 4

RESEARCH OBJECTIVES: 5

RESEARCH QUESTIONS: 5

LITERATURE REVIEW: 5

CHAPTER 1: LEGAL FRAMEWORK FOR STARTUPS IN PAKISTAN: 7

COMPANY REGISTRATION AND FORMATION REQUIREMENTS: 8

SOLE PROPRIETORSHIP 8

PARTNERSHIP OR ASSOCIATION OF PERSONS 8

COMPANY: 9

PRIVATE COMPANY (PVT. LTD) 9

SINGLE MEMBER COMPANY (SMC) 10

LIMITED LIABILITY PARTNERSHIPS 10

COMPLIANCES: 10

TAXATION: 11

OTHER DEDUCTIONS 11

TAX INCENTIVES: 12

INTELLECTUAL PROPERTY PROTECTION FOR STARTUPS 12

COPYRIGHT 12

PATENT: 13

TRADEMARK: 13

OTHER IP PROTECTIONS: 13

AMENDMENTS TO COMPANY LAW, MADE FOR RECOGNITION OF START-UPS 14

VENTURE CAPITAL AND PRIVATE FUNDS:....14

FOREIGN INVESTMENT LAWS 15

ADDITIONAL LAWS IN RELATION TO START-UPS: 18

CHAPTER: 2. GOVERNMENT INSTITUTIONAL POLICIES FOR SUPPORTING STARTUP ECOSYSTEM....19

CHAPTER 3: RECENT REFORMATIONS UNLEASHING OPPORTUNITIES FOR STARTUPS: 21

CHAPTER: 4 COMPARATIVE ANALYSIS WITH ENABLING STARTUP POLICIES OF OTHER JURISDICTIONS: 23

CHAPTER: 5 MAIN ISSUES IN STARTUP LAWS:....24

RECOMMENDATIONS: 28

CONCLUSION:....30

BIBLIOGRAPHY: 31

Abstract:

This thesis aims to investigate the legal and regulatory barriers faced by startups in Pakistan and conduct a comparative analysis of startup laws in Pakistan and other emerging markets. By exploring the specific challenges hindering the growth of startups and examining successful legal frameworks from other countries, this research seeks to provide recommendations for legal reform. The study aims to contribute to the development of a more enabling environment for startups in Pakistan by addressing complex registration processes, funding and investment restrictions, intellectual property protection challenges, compliance burdens, and regulatory ambiguities. By identifying lessons and best practices, this research aims to offer actionable insights for policymakers and stakeholders to support the growth of startups, foster innovation, and drive economic development in Pakistan.