Worldwide Personal Tax and Immigration Guide

2017-18

EY

Building a better working world

Preface

Governments worldwide continue to reform their tax codes at a historically rapid rate. Taxpayers need a current guide, such as the *Worldwide Personal Tax and Immigration Guide*, in such a shifting tax landscape, especially if they are contemplating new markets.

The content is straightforward. Chapter by chapter, from Afghanistan to Zimbabwe, we summarize personal tax systems and immigration rules in more than 160 jurisdictions. The content is current on 1 July 2017, with exceptions noted.

Each chapter begins with EY's in-country executive and immigration contact information, and some jurisdictions add contacts from our Private Client Services practice. Then we lay out the essential facts about the jurisdiction's personal taxes. We start with the personal income tax, explaining who is liable for tax and, at some length, what types of income are considered taxable and which rates, deductions and credits apply. A section on other taxes varies by jurisdiction but often includes estate, inheritance, gift and real estate taxes. A social security section covers payments for publicly provided health, pensions and other social benefits, followed by sections on tax filing and payment procedures as well as double tax relief and tax treaties. The immigration sections provide information on temporary visas, work visas and permits, residence visas and permits, and family and personal considerations.

At the back of the guide, you will find a list of the names and codes for all national currencies and a list of contacts for other jurisdictions.

For many years, the *Worldwide Personal Tax and Immigration Guide* has been published annually along with two companion guides on broad-based taxes: the *Worldwide Corporate Tax Guide* and the *Worldwide VAT, GST and Sales Tax Guide*. In recent years, those three have been joined by additional tax guides on more-specific topics, including the *Worldwide Estate and Inheritance Tax Guide*, the *Worldwide Transfer Pricing Reference Guide*, the *Global Oil and Gas Tax Guide*, the *Worldwide R&D Incentives Reference Guide,* the *Worldwide Digital Tax Guide* and the *Worldwide Capital and Fixed Assets Guide.*

Each of the guides represents thousands of hours of tax research. They are available free online along with timely *Global Tax Alerts* and other great publications on ey.com or in our EY Global Tax Guides app for tablets.

Please contact us if you need more copies of the *Worldwide Personal Tax and Immigration Guide*. You can also keep up with the latest updates at ey.com/GlobalTaxGuides, and find out more about the app at ey.com/TaxGuidesApp.

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About EY's Tax Services

Your business will only succeed if you build it on a strong foundation and grow it in a sustainable way. At EY, we believe that managing your tax obligations responsibly and proactively can make a critical difference. Our 50,000 talented tax professionals, in more than 150 countries, give you technical knowledge, business experience, consistency and an unwavering commitment to quality service — wherever you are and whatever tax services you need.

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A. Income tax

Who is liable. Taxation in Pakistan is based on an individual's residential status and not on his or her nationality or citizenship. Expatriates who stay in Pakistan for 183 days or more in a tax year (1 July to 30 June) are considered to be residents for tax purposes. Residents of Pakistan are taxed on their worldwide income regardless of where it is received, while nonresidents are taxed on their Pakistan-source income only. Foreign-source income of an individual who is a resident solely by reason of his or her employment in Pakistan and who is present in Pakistan for a period or periods not exceeding in aggregate three years is exempt from tax unless such foreign-source income is brought into or received in Pakistan by the individual or unless the income is derived from a business of the person established in Pakistan. A resident is exempt from Pakistan tax on foreign-source salary if he or she has paid foreign income tax on such salary income.

Income subject to tax

Employment income. Income from salary is Pakistan-source income if it is earned in Pakistan, regardless of where it is received. Consequently, an expatriate is taxable on such income in Pakistan, regardless of his or her residential status. Taxable income includes directors' fees and all remuneration for employment, subject to allowances and additions for certain non-cash benefits.

Employer contributions to recognized retirement benefit funds, including provident funds (up to certain limits), gratuity funds and superannuation pension funds, do not constitute taxable income for an employee. A gratuity is a lump-sum payment made to an employee at the time of separation from the employer. A gratuity fund is a separately administered fund created for the purpose of making gratuity payments to employees. If they exceed certain specified limits, gratuity payments from unapproved gratuity funds are taxable when received by employees.

For employees, the entire salary amount, including allowances and benefits, is subject to tax, with the following exceptions:

- Free provision of medical treatment and/or hospitalization by the employer to the employee or the reimbursement of medical expenses is 100% exempt, if paid in accordance with the terms of the employment agreement. If not provided for in the employment agreement, a medical allowance up to a maximum of 10% of basic salary is exempt.
- For employer-provided automobiles that are partly for business and partly for personal use, the amount included in salary is 5% of either of the following:
  - — The cost of acquisition of the automobile to the employer.
  - — If the automobile is leased by the employer, the fair market value of the automobile at the beginning of the lease.
- For employer-provided automobiles that are solely for personal use, the amount included in salary is 10% of either of the following:
  - — The cost of acquisition of the automobile to the employer.
  - — If the automobile is leased by the employer, the fair market value of the automobile at the beginning of the lease.
- For employer-provided rent-free accommodation, the notional value of the benefit of accommodation provided by an employer is the amount that would have been paid by the employer if such accommodation was not provided. However, such amount may not be less than 45% of the basic salary of the employee.

Self-employment and business income. All individuals who are self-employed or in business are taxed on their business income.

All income received in Pakistan is subject to tax, unless specifically exempt. Residents are taxed on their worldwide income, while nonresidents are taxed on their Pakistan-source income only.

Investment income. In general, dividends are subject to a withholding tax of 15% for "filers" and 20% for "non-filers." A "filer" is a taxpayer whose name is on the Active Taxpayers' List (ATL) because he or she filed an income tax return. A "non-filer" is a taxpayer whose name does not appear on the ATL. Dividends paid by power generation companies and companies supplying coal exclusively to power generation companies are taxed at a rate of 7.5%.

Interest and profit- and loss-sharing income from investments and deposits, unless otherwise exempt from tax, is subject to a 10% withholding tax for filers or 17.5% for non-filers. However, for a non-filer, if the yield or profit paid is PKR500,000 or less, the rate of withholding tax is 10%. Interest on government securities is taxed at the same rates.

Profit on debt (interest) derived by taxpayers, other than companies, is taxed as a separate block of income at the following rates.

Profit on debt	**Rate (%)**
Not exceeding PKR5,000,000	10
Exceeding PKR5,000,000 but not exceeding PKR25,000,000	12.5
Exceeding PKR25,000,000	15

The withholding tax deducted is offset against the tax determined above.

Income from prize bonds and crossword puzzles is subject to a final withholding tax at a rate of 15% for filers and 25% for non-filers. Income from raffles, lotteries, winnings from quizzes or sales promotions offered by companies is subject to a final withholding tax at a rate of 20%.

Nonresidents are subject to tax on investment income as described in *Rates*.

Taxation of employer-provided stock options. Legislation taxes an employee on stock options granted by an employer or the employer's associate. The grant of an option or a right to acquire shares at a future date does not constitute income at the date of grant. If an option to purchase shares is exercised by the employee, the difference between the market value of the shares on the date of issuance and the amount paid by the employee is subject to tax. If the shares acquired by the employee are subject to a transfer restriction, the employee is subject to tax at the earlier of the time the employee has a free right to transfer the shares or the time the employee disposes of the shares.

In such a case, the difference, if any, between the fair market value of the shares at the time of getting the free title, or at the time of sale of the shares, and the cost to the employee is considered to be part of the taxable salary of the employee.

Capital gains and losses. In general, capital gains resulting from the disposal of capital assets, other than depreciable assets, receive favorable tax treatment if the assets are held longer than 12 months prior to disposal.

For assets held longer than 12 months, only 75% of the capital gain is subject to tax at the normal rates.

These provisions do not apply to capital gains derived from transfers of public company shares, vouchers of Pakistan Telecommunication Corporation, *modaraba* certificates, instruments of redeemable capital, derivative instruments and debt securities (collectively known as "securities"). Capital gains derived from the disposal of securities in the 2018 tax year are taxable at the following rates.

	Securities acquired before 1 July 2016		**Securities acquired on or after 1 July 2016**	
Security	**Filer %**	**Non-filer %**	**Filer %**	**Non-filer %**
Holding period of less than 12 months	15	18	15	20
Holding period between 12 months and 24 months	12.5	16	15	20

Security	Securities acquired before 1 July 2016 Filer %	Securities acquired before 1 July 2016 Non-filer %	Securities acquired on or after 1 July 2016 Filer %	Securities acquired on or after 1 July 2016 Non-filer %
Holding period of more than 24 months, and the security was acquired on or after 1 July 2013	7.5	11	15	20
Security acquired before 1 July 2013	0	0	—	—
Future commodity contracts entered into by members of the Pakistan Mercantile Exchange	5	5	5	5

Capital gains on the sale of immovable property are subject to income tax depending on the holding period for such property. The applicable rates are provided below.

For capital gains on immovable property derived by persons mentioned in Subsection (4) of Section 236C of the Income Tax Ordinance, 2001, the tax rate is 0%, regardless of the holding period.

For capital gains on immovable property acquired on or after 1 July 2016 derived by persons other than those mentioned in the preceding paragraph, the following are the tax rates.

Holding period	Rate (%)
Less than one year	10
Equal to or more than one year but less than two years	7.5
Equal to or more than two years but less than three years	5
Equal to or more than three years	0

For capital gains on immovable property acquired before 1 July 2016 derived by persons other than those mentioned in Subsection (4) of Section 236C, the following are the tax rates.

Holding period	Rate (%)
Less than three years	5
Equal to or more than three years	0

However, provincial governments levy stamp duties on every transaction involving immovable property.

Capital losses may be set off against capital gains only.

The person responsible for registering or attesting to the transfer of immovable property is required to collect, at the time of registration or attestation, advance tax from the seller or transferor of the property at 1% for filers, or 2% for non-filers, of the gross amount of consideration received. Similarly, tax at various rates is also collected from the purchaser or transferee of immovable property. The advance tax is offset against the tax liability of the person from whom tax has been collected. Advance tax is not collected from the federal government, provincial government or local government.

Super tax. The 2015 Finance Act introduced a super tax, which applied for the 2015 tax year to income from all sources, including capital gains of listed securities, and to all persons, including insurance companies, oil and gas and mineral companies, and banking companies. The 2017 Finance Act extended the super tax to the 2017 tax year. To compute taxable income for super tax purposes, business losses carried forward and depreciation carried forward are not taken into account.

The super tax is required to be paid at the time of filing of the income tax return. This tax applies to all types of income, whether taxable under the normal tax regime or the final tax regime at the following rates.

Taxpayer	Tax rate (%)
Banking companies	4
Persons other than banking companies having income equal to or exceeding PKR500 million	3

Deductions

Deductible expenses. Muslim taxpayers may claim a deduction for *zakat* paid (see Section B) in a tax year.

A taxpayer may claim a deduction with respect to any markup paid on a loan meeting either of the following conditions:
- It is sanctioned by a scheduled bank or by a nonbanking finance institution regulated by the Securities and Exchange Commission of Pakistan.
- It is advanced by the government, a local authority, a statutory body or a public company listed on a stock exchange of Pakistan.

To claim the deduction, the loan must be used for the construction or acquisition of a house.

The amount of the above tax deduction may not exceed 50% of the taxable income of the individual or PKR2 million, whichever is lower.

An individual may claim a deduction for tuition fees paid in a tax year if the individual's taxable income is less than PKR1,500,000. The amount of the deduction may not exceed the lower of the following:
- 5% of the total tuition fees paid by the individual
- 25% of the individual's taxable income for the year
- An amount computed by multiplying 60,000 by the number of children of the individual

Allowances. An individual may claim a tax credit for charitable donations, including donations in kind, made by him or her to any of the following:
- A board of education or any university in Pakistan established by or under a federal or provincial law
- An educational institution, hospital or relief fund established or run in Pakistan by the federal government, provincial government or a local government
- A nonprofit organization

To compute the above tax credit, the average rate of tax is applied to the lesser of the following amounts:

- The amount of the donation including the fair market value of any property donated
- 30% of the taxable income of an individual donor

An individual is entitled to an allowance for an investment in shares and insurance for a tax year with respect to the cost of acquiring the following:

- New shares offered to the public by public companies listed on a stock exchange in Pakistan.
- Shares from the Privatization Commission of Pakistan.
- *Sukuks* offered to the public by public companies listed and traded on stock exchange in Pakistan.
- Life insurance premiums paid on a policy to a life insurance company registered by the Securities and Exchange Commission of Pakistan under the Insurance Ordinance, 2000 (XXXIX of 2000), provided that the resident person is deriving income subject to tax under the heading "Salary" or income from business. If the insurance policy is surrendered within two years of its acquisition, the tax credit allowed is deemed to have been wrongly allowed, and the Commissioner Inland Revenue recomputes the tax payable by the taxpayer for the relevant tax years.

Shares acquired by the taxpayer must be held for at least 24 months from the date of acquisition. If the shares are disposed of within 24 months, the tax relief is recaptured in the year when the shares are sold.

To compute the above tax credit, the average rate of tax is applied to the lesser of the acquisition cost of the shares, PKR1,500,000 or 20% of the taxable income of the investor.

Certain resident individuals are entitled to an allowance with respect to premiums paid in an approved pension fund under the Voluntary Pension System Rules, 2005. This allowance is available to individuals who have obtained a valid National Tax Number or a National Identity Card and are not entitled to benefit under any other approved employment pension or annuity scheme.

To compute the above tax credit, the average rate of tax is applied to the lesser of the following amounts:

- The total contributions or premiums paid by the individual in a tax year
- 20% of the taxable income of the individual, provided that for an individual joining the pension fund at the age of 41 years or above, during the first 10 years, the individual is allowed an additional contribution of 2% per year for each year of age exceeding 40 years, and provided further that the total contribution allowed to such individual may not exceed 50% of the total taxable income of the preceding year

Business deductions. In general, taxpayers may deduct all expenses (excluding personal or capital expenditures) incurred in carrying on a business in Pakistan. Depreciation on fixed assets used in a business is allowed at specified rates.

Rates

Salaried individuals. The following are the tax rates imposed on the taxable income of salaried individuals.

Taxable income Exceeding PKR	Taxable income Not exceeding PKR	Tax on lower amount PKR	Rate on excess %
0	400,000	0	0
400,000	500,000	0	2
500,000	750,000	2,000	5
750,000	1,400,000	14,500	10
1,400,000	1,500,000	79,500	12.5
1,500,000	1,800,000	92,000	15
1,800,000	2,500,000	137,000	17.5
2,500,000	3,000,000	259,500	20
3,000,000	3,500,000	359,500	22.5
3,500,000	4,000,000	472,000	25
4,000,000	7,000,000	597,000	27.5
7,000,000	—	1,422,000	30

Non-salaried individuals. The following are the tax rates imposed on the taxable income of non-salaried individuals and associations of persons.

Taxable income Exceeding PKR	Taxable income Not exceeding PKR	Tax on lower amount PKR	Rate on excess %
0	400,000	0	0
400,000	500,000	0	7
500,000	750,000	7,000	10
750,000	1,500,000	32,000	15
1,500,000	2,500,000	144,500	20
2,500,000	4,000,000	344,500	25
4,000,000	6,000,000	719,500	30
6,000,000	—	1,319,500	35

A rebate of 50% of the tax payable is available to taxpayers 60 years of age or older whose total taxable income (other than income on which deduction of tax is final) in a tax year is PKR1 million or less.

Income charged under the heading "Salary" received by residents in Pakistan for technical or professional services, services as a scientific advisor or consultant, or services as senior management staff of institutions of the Aga Khan Development Network is exempt from tax if such income is brought into or received in Pakistan.

Nonresidents. Income of nonresidents pertaining to Pakistani-source employment, self-employment or business income is taxed at the rates applicable to residents.

Individuals are subject to withholding tax at source on income at the following rates.

Type of income or activity	Rate Filers	Rate Non-filers
Dividends		
General rate	15%	20%
From companies engaged in power generation projects and companies supplying coal exclusively to power generation companies	7.5%	7.5%
In specie	15%	20%

Type of income or activity	Rate Filers	Non-filers
In the form of bonus shares	5%	5%
Distributed by stock funds if the stock fund income in the form of dividends does not exceed income from capital gains	12.5%	12.5%
Received from a money market mutual fund if the amount of the dividend does not exceed PKR2,500,000	10%	10%
Interest paid to nonresidents without a permanent establishment in Pakistan	10%	10%
Fees for technical services and royalties	15%	15%
Prizes from prize bonds, raffles, lotteries and crossword puzzles	15% or 20%	25%
Payments to nonresidents for		
Execution of contracts or subcontracts for construction, assembly or installation projects, including contracts for rendering supervisory activities with respect to such projects	7%	13%
Execution of contracts for payments to nonresident sportspersons	10%	10%
Execution of contracts (other than contracts for the sale of goods or the rendering of or providing services) through a permanent establishment	7%	13%
Passenger transport services	2%	2%
Brokerage fee or commission		
Advertising agents	10%	15%
Life insurance agents if the commission received is less than PKR500,000 per year	8%	16%
All other cases	12%	15%
Export sales proceeds, on receipt	1%	1%
Collection at import stage	6%	9%
Advance tax with respect to functions and gatherings	5%	5%
Advance tax on dealers, commission agents, *arhatis* (for example, middlemen, dealers, wholesalers and distributors) and others	PKR5,000 to PKR10,0000	PKR5,000 to PKR10,000

Type of income or activity	Rate: Filers	Rate: Non-filers
Educational institutions; on the amount of fees	5%	5%
Collection of tax by National Clearing Company Pakistan Limited	10%	10%
Purchase of domestic air ticket	5%	5%
Purchase of international air ticket		
First/Executive Class	PKR16,000 per person	PKR16,000 per person
Economy	0	0
Other	PKR12,000 per person	PKR12,000 per person
Sale or transfer of immovable property	1%	2%
Purchase of immovable property if value is more than PKR4,000,000	2%	4%
Nonbanking transactions of non-filers (for example, demand draft, pay order and special deposit receipt) if total payments for all such transactions in a day exceed PKR50,000	0%	0.6%
Other payments to nonresidents that are not otherwise specified	20%	20%

In general, the withholding taxes on nonresidents are advance taxes that may be offset against the eventual tax liability.

The 2014 Finance Act introduced higher withholding tax rates for certain payments made to taxpayers who are non-filers (see *Investment income*).

Relief for losses. Business losses, other than losses arising out of speculative transactions, may be carried forward to offset profit in the following six years. Unabsorbed depreciation may be carried forward indefinitely.

B. Other taxes

Net worth tax. Net worth tax has been abolished.

Zakat. *Zakat,* an Islamic wealth tax on specified assets, is levied at a rate of 2.5%. This tax applies only to Muslim citizens of Pakistan.

Estate and gift taxes. The Federal law in Pakistan does not levy estate and gift taxes.

C. Social security

Pakistan offers benefits to employees for death, disability, injury, medical expenses and pensions, as well as academic scholarships for workers' children. Employees earning less than PKR13,000 a month are generally covered by these benefits, with employers making contributions to the government at the following rates.

Benefit	Employer contribution
Employees' Old Age Benefits	PKR780 per month
Provincial Employees' Social Security	6% of monthly salary of up to PKR15,000*
Workers' Children (Education)	PKR100 annually

* No contribution is payable on employee salary in excess of PKR15,000 per month.

Employees are also required to contribute PKR130 per month for Employees' Old Age Benefits.

Pakistan has not entered into any social security totalization agreements.

D. Tax filing and payment procedures

The tax year in Pakistan for all individuals is from 1 July to 30 June. Individuals must obtain special permission from the Federal Board of Revenue in Pakistan to select a different accounting year-end. All salaried individuals (individuals with more than 50% of their income from employment) must file their income tax returns by 31 August following the tax year-end. Non-salaried individuals must file their income tax returns by 30 September following the tax year-end.

Employers must withhold taxes from the salaries of their employees.

Individuals other than employees having taxable income of PKR1 million or more must pay advance tax in four equal installments on 15 September, 15 December, 15 March and 15 June. Tax due after adjustment for both advance tax payments and tax paid at source must be paid with the tax return.

E. Double tax relief and tax treaties

Under Pakistani tax law, residents are taxed on worldwide income. However, a tax credit is generally granted for income from sources outside Pakistan (from both treaty and non-treaty countries), at the lower of the average foreign tax paid or the average Pakistani tax attributable to the foreign income.

Pakistan has entered into double tax treaties with the following countries.

Austria	Jordan	Serbia
Azerbaijan	Kazakhstan	Singapore
Bahrain	Korea (South)	South Africa
Bangladesh	Kuwait	Spain
Belarus	Kyrgyzstan	Sri Lanka
Belgium	Lebanon	Sweden
Bosnia and Herzegovina	Libya	Switzerland
	Malaysia	Syria
Brunei Darussalam	Malta	Tajikistan
Canada	Mauritius	Thailand
China	Morocco	Tunisia
Czech Republic	Nepal	Turkey
Denmark	Netherlands	Turkmenistan
Egypt	Nigeria	Ukraine

Finland	Norway	United Arab Emirates
France	Oman	United Kingdom
Germany	Philippines	United States
Hungary	Poland	Uzbekistan
Indonesia	Portugal	Vietnam
Iran	Qatar	Yemen
Ireland	Romania	
Italy	Saudi Arabia	
Japan		

This list does not include treaties that relate only to shipping and air transport.

Most of these treaties exempt from Pakistani tax any profits or remuneration received for personal services performed in Pakistan in an assessment year if one or more of the following conditions are satisfied:

- The individual is present in Pakistan for less than a specified period (usually not in excess of 183 days).
- The services are performed for, or on behalf of, a resident of the other country.
- The profits or remuneration are subject to tax in the other country.
- If self-employed, the individual has no regularly available fixed base in Pakistan.
- The remuneration is paid by, or on behalf of, an employer who is not a resident of Pakistan.
- The remuneration is not borne by a permanent establishment or a fixed base maintained by the employer in Pakistan.

F. Visas

To promote domestic and foreign investment, enhance Pakistan's international competitiveness, and contribute to economic and social development, Pakistan has a liberal visa policy. The significant aspects of the new visa policy are described below.

Visas on arrival are granted to nationals of 68 countries.

Business visas for a period of up to five years are granted to the investors and businesspersons of 68 countries.

Pakistan missions abroad are authorized to grant entry work visas to foreign expatriates on the recommendation of the Board of Investment (BOI) for one year (multiple entry) with the validity extendable on a yearly basis in Pakistan. The BOI processes work visa applications within four weeks and makes recommendations to the Ministry of Interior regarding the authorization of granting visas by concerned missions.

Conversion of business visas into work visas had been discontinued, effective from 11 November 2014. However, conversion of business visas into work visas is again permitted. The conversion of business visas to work visas is processed within four weeks by the BOI.

Pakistan missions abroad have the authority to restrict the grant of visas to nationals of the country where the mission is located. The granting of Pakistan visas to third-country citizens residing in a country and holding a valid residence permit for that country can only be decided by the Ambassador, High Commissioner or the Head of Mission or Consulate.

Details regarding the various types of visas issued by Pakistan are provided below.

Business visas on arrival. Pakistan has a policy of granting visas on arrival (non-reporting) at the airports in Pakistan to foreign investors or businesspersons from 68 countries. Single-entry visas are granted for 30 days on production of the following documents:
- Recommendation letter from the Chamber of Commerce and Industry of the respective country of the visitor
- Invitation letter from a business organization recommended by the concerned trade organization or association in Pakistan
- Recommendation letter by an Honorary Investment Counselor of the Board of Investment posted at Pakistan missions abroad

The following documents must be submitted for a business visa on arrival:
- Invitation letter from the sponsor
- Two latest passport-size photographs
- Photocopy of passport of visitor or employee, including pages with picture and particulars of passport holder
- Certificate of registration of the employer with the Chamber of Commerce and Industry, if any
- Copy of NTN certificate of sponsor
- Copy of registration certificate of company or firm registered in Pakistan
- Exact travel plan of the visitor, including flight details

A prescribed visa fee is payable at the visa counter at the Pakistan International Airport on arrival.

Although the visa on arrival is granted based on production of the required documents, it is suggested that the required documents be filed in advance with the immigration authorities at the airport. Individuals should retain the invitation letter from the sponsor and a copy of the certificate from the Chamber of Commerce and Industry, because the immigration authorities may ask for these documents at the time of arrival.

Currently, the following countries are approved for the purpose of visas on arrival.

Argentina
Australia
Austria
Azerbaijan
Bahrain
Belgium
Bosnia and Herzegovina
Brazil
Brunei Darussalam
Bulgaria
Canada
Chile
China
Hungary
Iceland
Indonesia
Iran
Ireland
Italy
Japan
Jordan
Kazakhstan
Korea (South)
Kuwait
Latvia
Lithuania
Luxembourg
Malaysia
Poland
Portugal
Qatar
Romania
Russian Federation
Saudi Arabia
Singapore
Slovak Republic
Slovenia
South Africa
Spain
Sri Lanka
Sweden
Switzerland

Cyprus	Malta	Thailand
Czech Republic	Mauritius	Turkey
Denmark	Mexico	Turkmenistan
Egypt	Morocco	Ukraine
Estonia	Netherlands	United Arab Emirates
Finland	New Zealand	United Kingdom
France	Norway	United States
Germany	Oman	Vietnam
Greece	Philippines	

Visas are not granted to nationals of countries not recognized by Pakistan. Pakistan does not recognize Israel.

Tourist visas. Tourist visas are issued to foreign nationals of 183 countries (List A) who intend to visit Pakistan for recreational purposes but who intend neither to immigrate to Pakistan nor engage in remunerated activities.

A tourist visa is valid for a maximum period of 90 days. If a foreign national wishes to extend his or her stay in Pakistan beyond this period, to obtain an extension of the visa, he or she must apply to the relevant regional passport office located in their city or the visa desk of the Ministry of Interior (MOI).

Tourist visas generally are not granted to nationals of Bangladesh, Bhutan, India, Israel, Nigeria and Somalia. They are also not granted to members of the Palestinian Liberation Organization. However, temporary visas may be issued to these individuals for certain specific reasons, including visiting relatives or attending weddings or funerals.

Work visas

Permissible activities. A work visa allows the foreign national to exercise employment in Pakistan in the entity for which the visa is granted. Such employment can be exercised for the period for which the visa is valid. A renewal of the visa allows the foreign national to remain employed. The work visa does not entitle the foreign national to work for another employer without submitting a new application and obtaining permission for employment with the other employer. The visa of a foreign national found to be engaged in activities other than employment with the approved employer is canceled and the foreign national is deported.

No written policy allows a foreign national to begin work in Pakistan while his or her application for a work visa is in process. However, as a result of the liberal policy followed by Pakistan, no serious exception is taken for beginning work before the issuance of a work visa if the foreign national has a valid business visa and if his or her application for a work visa is ultimately approved and business visa conversion instructions are issued by the MOI.

Documents required. Five sets of the following documents must be submitted for employees with respect to applications for work visas and work visa extensions:

- Properly completed application signed by the person authorized by the employer.
- Employment contract signed by both parties or job letter stating the term, designation and salary.
- Latest passport-size photographs of employee.
- Photocopy of passport of employee, including pages with the picture and particulars of the passport holder. A copy of the visa

page is also required if the person is already in Pakistan. The visa page is not required if the person is not in Pakistan.

- Local and international address of the applicant.
- Qualification.
- Professional experience.
- Certificate of incorporation or certificate of registration, if the entity is a local company or a subsidiary of a nonresident company in Pakistan, or a permission letter issued by the BOI to a foreign company for opening the branch office where the applicant will be employed.
- National tax number of entity for which the employment will be exercised.
- Power of attorney in favor of the person or firm authorized to represent the entity with respect to the handling of the visa applications.
- Company's profile.
- Processing fee of USD100 (or equivalent in PKR) per applicant for a one-year work visa, or USD200 (or equivalent in PKR) for a two-year work visa, payable in the form of a money order or demand draft made out to Board of Investment, Government of Pakistan.

The following documents must be submitted for an accompanying spouse and children with respect to applications for work visas and work visa extensions:

- Five latest passport-size photographs.
- Five sets of photocopies of passports of spouse and children, including pages with the picture and particulars of the passport holder. Copies of the visa page are also required if the person is already in Pakistan. If the person is outside Pakistan, copies of the visa page are not required.
- Power of attorney in favor of the person authorized to represent the entity with respect to the handling of the visa applications.

Applications. Applications for work visas and family visas are initially filed electronically with the BOI in Pakistan by the person authorized by the employer, who could be the principal officer or the head of Human Resources of the employer in Pakistan or any consultant. After e-filing, all documents must be filed in person along with the visa processing fee. After the work visa and family visa are approved by the BOI, if the foreign national is already in Pakistan on a business visa and his family is also already in Pakistan on any visa, a further application is filed with the MOI by the employee and his or her family for the issue of instructions to the concerned Passport Office for endorsement of the visas on the passports. If the foreign national is not in Pakistan, the work visa approval is sent to the concerned Pakistan Embassy, Mission or Consulate Office located in the country of the foreign national.

Although no requirement exists for the presence of a registered entity in Pakistan for the issuance of a business visa, the presence of a registered entity in Pakistan where the employment will be exercised is essential for the issuance of a work visa.

Business visas

Permissible activities. An approved list of activities that could be carried out by a foreign national visiting Pakistan on a business visa has not been issued. However, the following are permissible activities:

- Attend business meetings
- Negotiate and sign contracts
- Attend exhibitions, displays, conferences, symposiums, workshops and similar events
- Conduct training of short duration
- Deliver lectures, make presentations and engage in similar activities
- Provide technical services of short duration, including removal of faults during the warranty period of equipment supplied by foreign suppliers, installation of software, troubleshooting to correct faults in software, software training and transfer of technical know-how
- Visiting project sites to obtain information, technical specifications or material required for executing a contract for the supply of goods or providing of technical or consultancy services to an entity in Pakistan
- Setting up of a branch office or a local company for doing business in Pakistan
- Hiring of local personnel for utilizing their services in a Pakistan project or a Pakistan entity
- Inspection of the goods that the entity intends to purchase from Pakistan

Category A countries. Business visas may be issued to nationals of the 68 countries that currently appear on the Category A list for business visas (non-reporting).

Pakistan missions abroad are authorized to issue five-year (multiple entry) non-reporting business visas within 24 hours to businesspersons of 68 Category A countries with a duration of three months for each stay, on production of any of the following documents:

- Recommendation letter from Chamber of Commerce and Industry of the respective country of the visitor
- Invitation letter from a business organization recommended by the concerned trade organization or association in Pakistan
- Recommendation letter by an Honorary Investment Counselor of the BOI posted at a Pakistan Mission abroad
- Recommendation letter from a Pakistani Commercial Officer posted in Pakistan High Commissions, Embassies or Consulates-General abroad

Other countries. Ambassadors, High Commissioners or Heads of Missions from Pakistan missions abroad may issue one-month entry visas to nationals or legal residents of the 68 countries where the missions are located if either of the following conditions is satisfied:

- The applicant belongs to a company of international repute.
- The requirement described above for Category A countries with respect to valid sponsorship from Pakistan is satisfied.

Nationals from a third country of origin. Visa applications of persons belonging to a third country of origin are subject to greater scrutiny and may be granted only by the Ambassador, High Commissioner or the Head of Mission or Consulate.

Extensions. The following documents must be submitted for a business visa extension:

- Two sets of the properly completed application signed by the applicant.

- Two latest passport-size photographs.
- Two sets of photocopies of the visitor's passport, including pages with the picture and particulars of the passport holder, and the visa page.
- Invitation letter from the employer.
- Documents showing substantial investment, exports or imports during the preceding year.
- Business documents, such as a letter from the Chamber of Commerce and Industry (CCI) or Registrar of Companies, partnership deed or articles of association, or, in special cases only, a copy of CCI membership documents. Extension of a visa beyond one year is granted by the Ministry of Interior on production of the requisite business documents.

Applications. The application for a business visa must be filed by the applicant with the Pakistan Mission or Visa Consulate in the country of the applicant.

Family visas. A family visa entitles the spouse and children to stay with the foreign national who is entitled to exercise employment in Pakistan based on a work visa. A spouse who wants to exercise employment for remuneration needs the approval of the Board of Investment.

G. Application for citizenship by investors

To encourage foreign investment in Pakistan, the government allows foreign investors to apply for Pakistani citizenship. Nationals of countries recognized by Pakistan may receive Pakistani citizenship by making a one-time investment of at least USD750,000 in tangible assets and USD250,000 (or the equivalent in a major foreign currency) in cash on a non-repatriable basis (that is, the funds may not be taken out of Pakistan). The amount must be brought into Pakistan through normal banking channels, must be converted into rupees and may not subsequently be remitted through the free market. Citizenship is also subject to the fulfillment of the general conditions for Pakistani citizenship and the security situation in Pakistan.

H. Family and personal considerations

Family members. Family members of working expatriates may reside with the expatriates in Pakistan. Family members must obtain their own work visas if they plan to work in Pakistan or stay in Pakistan with their family.

Children of expatriates do not need student visas to attend school in Pakistan.

Driver's permits. Expatriates may not drive legally in Pakistan with their home country driver's licenses. However, they generally may drive legally in Pakistan with international driver's licenses.

Pakistan does not have driver's license reciprocity with any other country. Therefore, a home country driver's license may not be automatically exchanged for a Pakistani driver's license.

To obtain a driver's license in Pakistan, an applicant must submit an application form, a copy of his or her passport, a copy of his or her foreign driver's license and two passport-size photographs to the license-issuing authority. The license-issuing authority then examines all the documents and, at its discretion, may grant exemption to the applicant. If the license-issuing authority grants an exemption to an applicant, the applicant is issued a driver's license in one day on payment of the required fee. If the license-issuing authority does not grant an exemption, an applicant must acquire a learner's permit. About six weeks after obtaining a learner's permit, an applicant must take physical and verbal tests. If the applicant passes the tests, a driver's license is issued on payment of the required fee.

I. Other matters

Overstay surcharge. An overstay surcharge is imposed on foreigners who overstay the duration of their visas.

The following are the amounts of the surcharge for foreign nationals other than Indian nationals and nationals of Pakistani origin.

Period of overstay	Overstay surcharge (USD)
Up to 2 weeks	0
More than 2 weeks and up to 1 month	50
More than 1 month and up to 3 months	200
More than 3 months and up to 1 year	400

In addition to imposing the above surcharge, the Ministry of Interior (MOI) may exercise its powers of externment (deportation) and any of its other powers with respect to the overstaying individual. No surcharge is imposed on holders of diplomatic passports.

The following are the amounts of the surcharge for foreign nationals of Pakistani origin.

Period of overstay	Overstay surcharge (USD)
Up to one month	0
More than 1 month and up to 6 months	40
More than 6 months and up to 1 year	80
More than 1 year	200 per year

Overstay charges are not condoned.

In addition to imposing the above surcharge, the MOI may exercise its powers of externment and any of its other powers with respect to the overstaying individual. No surcharge is imposed for children up to 12 years of age, and a 50% surcharge is imposed for children over 12 years of age, but not older than 18 years of age.

For Indian nationals, a surcharge of PKR40 per day is imposed for any period of overstay.

Indians working for certain international organizations and multinational companies. Indian passport holders working for the World Bank, Asian Development Bank, International Monetary Fund, the United Nations or multinational companies may obtain a visa under an expedited procedure from the respective Ambassador to Pakistan after clearing with the link offices (the office of the employer of the Indian national).