



NATIONAL UNIVERSITY OF SCIENCES & TECHNOLOGY

Engineering Project Management (OTM-455)

Assignment 3 *Joint Stock Company*

Submission Details

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EPM Assignment 3

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o What is a joint stock company?

Prepare a management brief explaining what a joint stock company is, its different types and the company's registration process.

→ A joint stock company is a business entity characterized by shares of stock that can be bought and sold by shareholders. The liability of the shareholders amounts to how much they have invested in a joint stock company. The term "joint stock" may also be referred to as "limited" or "corporation" depending on the jurisdiction.

→ Types of Joint Stock Companies

The three most common types of joint stock companies, along with their brief description, are discussed in this section.

↳ **Registered Company** is the type that registers with state / local authorities to legally conduct business in a specific organisational form. These companies usually enjoy limited liability; individuals, i.e. shareholders and owners, are shielded from personal liability beyond their investment.

- It has further following kinds:

- Unlimited Company
- Company Limited by Guarantee
- Company Limited by Shares

Limited companies are further characterized by

- Private (Pvt.) Ltd.
 - Public Ltd.
- } Companies

2 **Chartered Company** is the type created under a royal charter from a nation's government and enjoys monopoly rights, tax exemptions, and legal immunity. These are mostly a historic practice; in modern times, most companies are registered.

3 **Statutory Company** is the type formed on orders of Governor General, President, Prime Minister or by the Parliament and as such, they are organized for the public interest.

→ **Registration of a Company**

Following major steps are involved in registration of a joint stock company in Pakistan:

- The company's promoters must apply to the Securities & Exchange Commission of Pakistan (SECP) to make a name reservation. The proposed name must not be identical to an existing company.
- Promoters must submit an online application to SECP e-Service comprising of **memorandum of association, particulars of directors, the office address, and the required fee**. Upon a compliant application, SECP will issue a certificate of incorporation.
- Additionally, the company may need to register with Federal Board of Revenue (FBR), EOBI, etc. depending on the nature of the company.

→ **Conclusion**

Joint stock companies offer a flexible business structure, and the registration of one is streamlined by the SECP in Pakistan.