



KHYBER PAKHTUNKHWA

*Post-Reforms Investment
Guide for Industries*

2025

This guide offers a comprehensive look at Khyber Pakhtunkhwa's evolving industries, zones, and opportunities for local and international investors.

"Funded by UK-Aid through the Foreign, Common & Development Office (FCDO), this guide was developed by Associates in Development in collaboration with Sustainable Energy and Economic Development (SEED) project and the Government of Khyber Pakhtunkhwa."

Adam Smith
International



TABLE OF CONTENTS

	List of Abbreviations	3
1	Purpose and Status of this Document	4
2	KHYBER PAKHTUNKHWA AT A GLANCE	5
2.1	Demographics and General Information	5
2.2	Economic Overview	6
2.2.1	Foreign Direct Investment (FDI)	7
2.2.2	Infrastructure	7
2.2.3	Key Industries/Sectors	7
3	INVESTMENT FRAMEWORK	11
3.1	Investment Policy	11
3.2	Investment Framework under the Aasan Karobar Act, 2025	11
3.3	Special Economic Zones & Incentives	13
3.3.1	Integration of SEZ Processes into AKP	13
3.3.2	Overview of KP's Economic Zones	14
3.3.3	Fiscal Incentives	14
3.3.4	Non-Fiscal Incentives	15
4	INVESTMENT PROCEDURE	16
4.1	Setting-up a Business in KP	16
4.1.1	Create an Account on the Aasan Karobar Portal	16
4.1.2	Register or Incorporate Your Business	17
4.1.3	Obtain Required Licenses, Permits, and NOCs	17
4.1.4	Register for Taxes and Utilities	19
4.1.5	Hiring Employees and Ongoing Compliance	19
4.1.6	Importing Machinery and Raw Materials	20

4.2	On-going Compliance and Inspections	21
4.2.1	Digital Compliance Calendar & Reminders	21
4.2.2	Online Filing of Returns/Reports	21
4.2.3	Coordinated Inspections Regime	21
4.2.4	Renewals and Extensions	22
4.2.5	Grievance Management	22
4.3	Dispute Resolution	23
4.3.1	Contractual and Commercial Disputes	23
4.3.2	Labour and Workplace Disputes	24
4.3.3	Tax and Regulatory Disputes	24
4.4	Data Security and Legal Validity	25
5	INTEGRATION WITH FEDERAL RLCOS AND SERVICES	27
6	ANNEXURES	28
6.1	Annex – 1: Participating Regulatory Bodies on Aasan Karobar Portal	28
6.2	Annex – 2: List of Economic Zones/SEZ and Industrial Estates	29

Abbreviations

ADR	Alternative Dispute Resolution
AKP	Aasan Karobar Portal
AOP	Association of Persons
ATIR	Appellate Tribunal Inland Revenue
BCD	Building Control Department
BOD	Board of Directors
BOIT	Board of Investment and Technology
BVL	Business Visa List
CNIC	Computerised National Identity Card
EIA	Environmental Impact Assessment
EOBI	Employees Old-Age Benefits Institution
EODB	Ease of Doing Business
EPA	Environmental Protection Agency
ESSI	Employees Social Security Institution
FBR	Federal Board of Revenue
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEA	General Environmental Assessment
IEE	Initial Environmental Examination
KP	Khyber Pakhtunkhwa
KP-BOIT	KP Board of Investment & Trade
KPEZDMC	KP Economic Zones Development and Management Company
KPITB	KP Information Technology Board
KPRA	KP Revenue Authority
LLP	Limited Liability Partnership
NADRA	National Database and Registration Authority
NOC	No Objection Certificate
NTN	National Tax Number
PKR	Pakistan Rupees
PSQCA	Pakistan Standards and Quality Control Authority
RTO	Regional Tax Office
SCCI	Sarhad Chamber of Commerce & Industry
SDC	Service Delivery Centres
SECP	Securities and Exchange Commission of Pakistan
SEZ	Special Economic Zones
SIDB	Small Industries Development Board
SIE	Small Industrial Estates
SME	Small and Medium Enterprises
SNGPL	Sui Northern Gas Pipelines Limited

Purpose and Status Of this Document

This Investment Guide for Khyber Pakhtunkhwa (KP) has been developed as an aspirational document that illustrates the envisioned investment landscape of the province after the implementation of the Aasan Karobar Act, 2025. It reflects the post-reform scenario, where the legislative, institutional, and procedural reforms introduced under the Aasan Karobar Act are fully operational, and the Aasan Karobar Portal (AKP) is active and fully functional.

The purpose of this guide is twofold: i) for decision-makers and portal developers, it serves as a reference to guide the design of processes, the sequencing of reforms, the required regulatory integrations, and the operationalization of the portal, and ii) once the reforms are in place and the portal is live, this document will serve as a practical step-by-step guide to facilitate investment in KP under the new, streamlined regulatory regime.

At this stage, the guide is a forward-looking framework that articulates the intended investment facilitation environment. It will be formally published and disseminated after the Act has been enacted, the institutional structures are fully established, and the AKP is operational. This distinction is important to ensure that the guide is used appropriately at each stage, first as a planning and development tool, and later as a service-oriented manual for investors.

Khyber Pakhtunkhwa At a Glance

2.1 Demographics and General Information

Official Name	Khyber Pakhtunkhwa
Country	Islamic Republic of Pakistan
Geographical Area	101,741 sq. km
Divisions Districts	07
Capital City	36
Major Cities	Peshawar Mardan, Nowshera, Swat, Abbottabad, D.I Khan, Bannu and Kohat
Population	40,856,097 ¹
Literacy Rate	51.09%
Labour Force	10.3 million ²
Major Industries	Agriculture and Livestock; Gemstones and Minerals; Tourism; Energy and Power Generation; Information Technology; Textile; Light Engineering.
Currency	Pakistan Rupees (PKR).
Climate	The climate of the province varies with elevation. The mountain ranges encounter cold winters and cool summers, whereas the temperature rises towards the south.
Language	English and Urdu (Official); Pashto, Hindko, Saraiki, Kohistani, Dari and Gojri.



1. https://kp.gov.pk/uploads/2025/01/kp_in_fig_2024.pdf
2. Pakistan Labour Force Survey 20-21
3. Pakistan Economic Survey 2023-24
4. <https://kpezdmc.org.pk/node/74>

2.2 Economic Overview

Investment plays a pivotal role in driving growth and energizing the economy. Pakistan posted a GDP growth of 2.38% in FY2024 with the industrial sector posting a positive growth of 1.21% - mainly driven by the manufacturing sector (2.42%) and construction sector (5.86%). However, the process of investment attraction in Pakistan has faced several challenges over the years. Resulting in an average investment to GDP ratio of around 15% (13.14% for FY2024³) as compared to the average of 25% for its regional counterparts India, Sri Lanka and Bangladesh.

Khyber Pakhtunkhwa (KP), a province rich in natural resources and strategic location, offers immense opportunities for investment in its diverse industrial sector. With its growing infrastructure, evolving regulatory regime, and abundant skilled labour, KP is rapidly emerging as a hub for industries. The province has been contributing positively to the GDP of Pakistan (around 10.5% of total GDP historically⁴) and carries the potential for contributing significantly to the economic growth of the country.

2.2.1 Foreign Direct Investment (FDI)

An important contributor to industrial growth is Foreign Direct Investment (FDI), which plays an important role through technology enhancement, human capital development, promoting international trade and creating a more competitive business environment. In Pakistan, FDI has shown an increasing trend over the past few years, reaching around USD 1,901.6 million in FY2024⁵. The country seeks greater foreign direct investment to boost its economic growth, particularly in the power, financial, information and communications, and industrial sectors. KP's vast potential can serve as a catalyst for FDI in Pakistan.

2.2.2 Infrastructure

Located along the China Pakistan Economic Corridor (CPEC) corridor, KP is ideally situated for industrial advancement and trade enhancement with Central Asia. The province boasts key infrastructure projects such as the development of industrial estates, improved road networks, and upgraded power supply systems that support industrial activities. Major industrial zones like the Hayatabad Industrial Estate, Kohat Industrial Estate and Rashakai Special Economic Zone have been instrumental in enabling manufacturing and trade. Additionally, there remains significant potential for further infrastructure advancement and the government has prioritized major transport and power development projects to facilitate industrial growth in the near future.

2.2.3 Key Industries/Sectors

Khyber Pakhtunkhwa (KP) is a region of immense economic potential, characterized by its rich natural resources, strategic location, and diverse industrial base. The province is a key player in Pakistan's economy, offering lucrative investment opportunities across various sectors, for both local and foreign investors. Some of the prioritized sectors include⁶:

Agriculture & Livestock

- The province's fertile lands, favorable climate, and extensive irrigation network support the cultivation of a wide range of crops, including wheat, maize, rice, sugarcane, tobacco, and fruits. KP is also a major producer of high-quality fruits such as apples, peaches, cherries, and apricots, which are in demand both domestically and internationally.
- Agriculture is the cornerstone of KP's economy, employing approximately 44% of the province's workforce and contributing around 22% to its GDP⁷.
- High quality tobacco is also produced constituting more than 75% of Pakistan's production. Several leading multinational tobacco companies are operating in the Province with brands sold in global markets.
- Livestock in the province mainly consists of buffalo, cattle, sheep, goat, mules, asses and poultry. Livestock products including meat, milk, bones, fat, hides and skin are generating significant revenues for investors. Livestock sector has a huge export potential as the International Halal Food Market generates a large demand internationally; including Afghanistan, Malaysia, Iran, Indonesia, and Gulf countries.
- Similarly, Fisheries resources of KP are immense which include cold, semi cold and warm water fisheries.

5. Board of Investment Pakistan

6. KP-BQIT Investment Pitchbook 2021

7. <https://www.fao.org/faolex/en>

This facilitates a potential for various agri and food processing industries, such as:

Agro Food Processing: Fruit/Vegetable processing (Pulp, Juices, Nectar, Pickles); Fruit/Vegetable Packing; Biscuits, Bread and Other bakery products; Dairy products; Spices.

Agro Non-Food Processing: Seed processing & distribution; Feed Mills; Composite & other organic fertilizers; Medicinal herb processing; Chip board and Furniture.

Light Engineering: Dates and other food dehydrators; Farm Equipment's and implements; Packaging; Hand pumps/Electric Water motors etc.; Building Materials.

Livestock and Fisheries Processing: Meat processing; Dairy processing; Fish processing; Leather and hides.

Mines & Minerals

Khyber Pakhtunkhwa is blessed with various varieties of metallic and non-metallic minerals, precious and semi-precious stones and several industrial raw materials. This is coupled with the availability of cheap labour and Mineral Testing Laboratories.

- KP has extensive potential of rock salt, gypsum, coal, limestone, silica sand and clay minerals, magnesite, feldspar, dolomite, soapstone and other industrial minerals.
- The Province has large deposits of good quality and varieties of Marble, boasting a reserve of 300 billion tons. Chief among these varieties is Classical Carbonate Marble (mainly in white, gray and other shades) which can be found in Chitral, Buner and Swabi.
- In addition to Marble, KP also has very good quality granite, which exhibit magnificent combination of blue and green shades.
- The province produces a variety of gemstones through the known geological belt having exploration potential covering Chitral, Timergarah, Swat, Shangla, Mardan, Naran and Kohistan. Some of the key gemstones include: World renowned Swat Emerald; Pink Topaz of Katlang; Peridot Ruby; and Sapphire in the Kaghan-Naran Valleys.
- The province is recently experiencing a gold-rush due to recent findings of large scale placer gold deposits alongside river Indus igniting interest from private investors. The provincial government has already auctioned some stretch of the Indus to investors⁸.

Marble Sector

- Marble Reserves in Pakistan: **300 billion tons**
- KP share of Reserves: **85%**
- Key Features: **Multi Coloured, Textured and High Quality**
- Number of Quarries in KP: **500**
- Number of Processing Unit: **2,000**
- Number of Processing Units in KP: **1,500**
- Estimated Number of Skilled Workers in Processing Units: **30,000**

8. Pakistan Council of Research in Water Resources (PCRWR)

This facilitates a potential for various investment opportunities, including: **Marble and Granite processing**; **Gemstone cutting and Jewelry manufacturing**; Development of Mineral based Construction Material; **Industrial Mineral processing**; Metallic Mineral exploration and refinement; and Development of Sustainable Mining Technologies.

Energy and Power

- KP is naturally endowed with large hydel power generation potential (estimated at over 30,000 MW⁹) that serves industrial development and is a viable prospect for investment. The steep slope in Indus, Kunhar, Swat, Panjkora & Chitral rivers & its tributaries provide tremendous opportunities to develop storage as well as run of the river hydel power projects. Besides this there are hundreds of potential sites available in KP where low head and mini/micro hydel projects can be developed.
- Huge deposits of oil and gas have been discovered in Southern KP, mainly in Districts of Karak and Kohat, showing promising signs for petroleum exploration and investment. Key discoveries include the TAL Block (comprising Makori, Makori East, and Mardankhel fields), which is one of the largest hydrocarbon-producing blocks in Pakistan. KP contributes approximately 15-20% of the country's total natural gas production¹⁰ and a smaller but growing share of its oil output. The province's oil and gas reserves are estimated to be in the range of 1.5 trillion cubic feet (TCF) of gas and 1 billion barrels of oil, with significant potential for further exploration in untapped areas¹¹. The government is actively promoting investment in the sector through favorable policies and incentives, making KP a promising region for oil and gas exploration and production.

There is a potential for investors in areas like: Electrical **Equipment and Machinery manufacturing**; Solar Panel and Renewable Energy Equipment production; Oil and Gas Equipment manufacturing; Energy-Efficient and Green Technology manufacturing; **Steel and Heavy Metal Industry** for Energy Infrastructure; **Chemical and Industrial Gas Production**; Construction Materials for Power and Energy Projects; Oil and Gas Refining and Petrochemical Industry.

Tourism

KP has experienced a significant surge in tourism, establishing itself as a premier destination for both domestic and international travelers. The province's diverse attractions, ranging from natural beauty to cultural heritage sites, have contributed to this remarkable growth.

The surge in tourism has significantly bolstered KP's economy. The travel and tourism sector contributed 5.9% to Pakistan's GDP in 2022, supporting approximately 4.2 million jobs nationwide. This upward trend is projected to continue, with visitor spending expected to reach around \$30 billion by 2033¹².

With the booming tourism industry in KP, industrialists and investors have numerous opportunities to capitalize on the growing influx of domestic and international visitors. This can include the Handicraft and Souvenir industry; industries that cater the **Hotel and Hospitality sector** e.g. Textile and Fabric, Furniture, Wellness and Personal Care industry, and **Plastic and Packaging industry**; Packaged Food and Beverage industry; Transport Equipment and Vehicle Assembly; Technology & Digital Tourism.

9. Performance report 2018-20 issued by Energy and Power Department KP

10. Pakistan Bureau of Statistics, 2023

11. Ministry of Energy, Pakistan, 2022

12. <https://www.worldbank.org/en/news/feature/2023/11/01/promoting-responsible-tourism-in-pakistan-s-north>

Science & Technology and Information Technology (IT)

Owing largely to a boom in its youth population, KP is undergoing a digital transformation. This has led to the Provincial Government prioritizing Science & Technology and IT, with rapidly expanding mobile and internet connections and various technology led growth initiatives.

This provides a lot of investment potential for local and foreign investors through different investable projects in IT and associated sectors; Electronics and Hardware manufacturing; Renewable Energy Equipment for IT Infrastructure; Telecommunications Equipment manufacturing; Data Center and Cloud Infrastructure manufacturing; IT Accessories and Peripherals manufacturing; E-Waste Recycling and Component manufacturing; Smart City Infrastructure manufacturing.

Other Key Industries

Khyber Pakhtunkhwa is actively promoting its manufacturing sector, focusing on key industries such as textiles, light engineering, and pharmaceuticals. The province offers a network of industrial zones, export processing zones, and special economic zones, providing robust infrastructure and incentives to attract investors. Following manufacturing industries offer promising investing opportunities in the province.

Textiles: Establishing units for spinning, weaving, and garment manufacturing to tap into local and international markets.

Light Engineering: Setting up facilities for producing machinery, automotive parts, and electrical appliances, leveraging KP's strategic location.

Pharmaceutical: Investing in manufacturing plants for generic and specialized medicines, benefitting from government incentives.

Plastic and Packaging: Production of eco-friendly, biodegradable packaging solutions to align with sustainability goals.



Investment Framework

3.1 Investment Policy

Khyber Pakhtunkhwa's investment regime has experienced a fundamental transformation over the recent few years. This change has primarily been driven by the KP Board of Investment and Trade (KP-BOIT). The KP-BOIT has developed a number of crucial policies and frameworks to streamline the regulatory landscape for industries, expand the Ease of Doing Business, and bolster investment. These include:

1. The **KP-BOIT Investment Promotion Strategy 2021-2025** which provides a robust investment promotion strategy that consists of numerous measures for investment promotion across key sectors including hydel, tourism, mines and minerals, agriculture and industries.
2. The **KP Industrial Policy 2020** which was spearheaded by the KP Industries, Commerce & Technical Education Department and outlines various policies, frameworks, and incentives for improving and facilitating industry operations in KP, along with providing incentives to attract investments in the sector to get potential returns in the future.
3. The **Commerce and Trade Strategy Khyber Pakhtunkhwa 2020** focused on establishing a robust and integrated Directorate General of Industries, Commerce and Trade (along with KP-BOIT) to support improvement through e-commerce, market reforms, integrated program on skill and entrepreneurial development, integrated institutional approach and ensuring consumer protection by targeted objectives, deliverables and institutional reforms.
4. The **Aasan Karobar Act 2025** which is designed to overhaul all previous frameworks and establish a one-window business facilitation platform to streamline all business registrations, licenses, certifications, and permits (RLCOs) in KP.

3.2 Investment Framework under the Aasan Karobar Act, 2025

The Khyber Pakhtunkhwa Aasan Karobar Act, 2025 (Aasan Karobar means "Easy Business") has overhauled the province's business regulatory framework, replacing a maze of old laws and procedures with a streamlined, investor-friendly regulatory regime. This new law establishes a one-stop institutional and digital mechanism to facilitate all business-related regulatory requirements. Key components of the new framework include:

- **KP-BOIT (Khyber Pakhtunkhwa Board of Investment & Trade):** The province's lead investment promotion agency, which now also serves as the anchor for the one-window system. KP-BOIT houses the physical Ease of Doing Business (EoDB) facilitation center and coordinates policy support for investors. Under the Act, KP-BOIT provides oversight and ensures that the new processes are investor-centric, working closely with all other departments.
- **Aasan Karobar Portal (AKP) & Operating Unit:** The Act mandates the creation of the KP One-Window Business Portal, branded as the Aasan Karobar Portal, as the single digital platform for all business registrations, licenses, certificates, and permits (collectively known as RLCOs). The AKP Operating Unit has a dedicated team managing the portal's day-to-day operations and user support. This unit ensures that online applications are routed to the correct department and that service-level timelines are met. All provincial agencies involved in business regulation are integrated into the AKP's workflows (see Annex 1 for list of integrated bodies). Moreover, it has been made mandatory for the public sector regulators to issue RLCOs only through the portal, bringing all interactions into one transparent system.

- **EoDB Directorate:** The Ease of Doing Business Directorate is a reform and monitoring arm introduced by the Act (operating within KP-BOIT or the relevant department). This directorate is responsible for driving continuous improvements in procedures, managing the implementation of the Act's provisions, and monitoring departmental performance. It sets service level agreements (SLAs) for each type of license/permit – for instance, a construction permit might have a 30-day decision SLA – and the directorate tracks compliance. If delays occur or bottlenecks are identified, the EoDB Directorate intervenes to resolve them and reports progress to the higher authorities.
- **Steering Committee:** To ensure high-level coordination, the Act establishes a Steering Committee on Business Facilitation comprising senior government officials (e.g. Additional Chief Secretary, Secretaries of key departments) and representatives from the private sector. This committee provides oversight and policy guidance for the Aasan Karobar initiative. It meets regularly to review performance metrics (such as application processing times, user feedback, departmental compliance with SLAs) and to resolve inter-departmental issues that may be impeding the investor facilitation process. The Steering Committee's mandate is to keep the whole-of-government approach on track, reinforcing accountability if any department lags in service delivery and recommending further regulatory reforms as needed.
- **One-Stop-Shop Digital Portal:** The Aasan Karobar Portal (AKP) itself is the cornerstone of the new framework. It is an integrated online one-stop-shop that connects businesses with all relevant government departments digitally. Through this portal, an investor can submit one unified application for multiple licenses, make e-payments of fees, and receive approvals digitally, without having to visit multiple offices. The portal operates 24/7 and is accessible worldwide, enabling foreign investors initiate processes remotely. As a result, redundant procedures have been eliminated and approvals that once required dozens of paper forms and in-person visits are now handled through a single interface. The Act stipulates that each integrated department must maintain updated information on the portal (forms, requirements, fee schedules) and process tasks within the portal's workflow engine.
- **RLCO Digitization and E-Payments:** All Registrations, Licenses, Certificates, and other permits (RLCOs) required for doing business in KP are being digitized under the Act. That means application forms are electronic, supporting documents are uploaded online, and approvals are granted in electronic form with digital signatures or security codes. The portal also has a built-in payment gateway where investors can pay all requisite fees online (e.g. registration fees, license fees, taxes) through credit/debit cards or internet banking, and instantly obtain e-receipts. This removes a major friction point (no more standing in bank lines or dealing in cash). The portal is connected to multiple payment options to facilitate smooth e-payments for government dues.
- **Transparency & Accountability Mechanisms:** The new legal framework embeds transparency in every step. All application processing on AKP is trackable in real-time where investors have a personal dashboard to see the status of each submission, the officer it's assigned to, and how much time is left under the SLA. This "track and trace" system, as described by KP-BOIT, means no file can disappear or face undue delays without higher management knowing. The Act also requires departments to publish their processing times and success rates, fostering competition to improve service. The centralized data allows the EoDB Directorate and Steering Committee to generate performance reports and hold departments accountable. An important feature is that the portal logs every action (time-stamped), creating an audit trail to identify where any slowdown occurs. This has improved accountability, as officials are aware that delays will be visible.
- **Grievance Redressal:** To further bolster investor confidence, the Act establishes a robust grievance redressal system. If an investor faces an inordinate delay, unjust rejection, or any difficulty in obtaining an approval, they can lodge a complaint through the AKP's Grievance Portal. Each grievance is tagged to the relevant department and tracked by the EoDB Directorate. The law mandates timely resolution of complaints – e.g. a response or remedial action within a set number of days. Unresolved issues can be referred to the Steering Committee, which has the authority to intervene and direct corrective measures.

- *In practice, this means an investor who feels aggrieved by a departmental decision (or non-response) has a clear, time-bound redressal path outside of the courts. The Act also encourages a culture of responsiveness; departments that consistently attract complaints may be called to explain themselves in Steering Committee meetings. All these measures assure investors that the government is committed to problem-solving and cutting redtape in real time, not just on paper.*

In summary, the Aasan Karobar Act, 2025 creates a modern, unified investment framework in KP. It brings together key institutions (KP-BOIT, AKP Operating Unit, EoDB Directorate, Steering Committee) to collaboratively provide one-window facilitation. By mandating use of the Aasan Karobar Portal for all business regulatory needs, it has eliminated parallel processes and outdated requirements. Investors can now interact with a single system that is efficient, transparent, and legally backed, instead of navigating dozens of offices. The remainder of this guide will detail how to take advantage of this new framework, from setting up a business via the AKP to leveraging incentives and handling compliance, thereby replacing the old procedural playbook with a streamlined digital journey.

3.3 Special Economic Zones & Incentives

Khyber Pakhtunkhwa offers several Special Economic Zones (SEZs) and industrial estates that bring attractive incentives, and the Aasan Karobar Portal has been extended to cover these as well. Investors interested in setting up in an SEZ or government-run industrial zone can now utilize the same one-stop portal for applications and approvals, ensuring a seamless experience. This section outlines the key zones and the incentives available, both fiscal and non-fiscal, and how the AKP facilitates investors in availing these benefits.

3.3.1 Integration of SEZ Processes into AKP

Previously, applying for a plot or unit in an SEZ required separate paperwork to the SEZ management. Under the Aasan Karobar Act, 2025, the goal is to eventually provide a single point of entry through the Aasan Karobar Portal (AKP). The portal is being designed to enable investors to submit their project proposals and required documents digitally for admission into an SEZ.

While the current electronic processing capacity within the SEZs is limited, future reforms under the Act aim to gradually integrate SEZ management processes into the portal. This would allow digital submission, tracking, and processing of applications, including approvals such as the Zone Entry Certificate (which formally designates an SEZ enterprise), land allotment letters, 99-year lease agreements, and site possession orders. The portal will also track available plots in each zone (size, location, cost) and offer investors the ability to indicate preferences. Currently, zones such as Rashakai SEZ and Hattar SEZ (the two officially notified SEZs in KP) are being prioritized for eventual integration.

It is important to note that the full electronic interfacing with SEZ committees is part of the post reform vision and will depend on the development of digital processing capabilities within the SEZs themselves. However, coordination with KPEZDMC, a provincial entity, is expected to be integrated with the portal more swiftly and with greater certainty. The Act and portal design also envisage back-end facilitation of federal approvals (e.g., with Pakistan BOI), reducing the need for investors to shuttle documents between Islamabad and Peshawar.

3.3.2 Overview of KP's Economic Zones

KP has established a robust network of industrial zones to attract investment across the province. As of 2024, there are 10 economic zones and 2 Special Economic Zones operational in the province, with 4 new zones and another SEZ in the pipeline. The major zones include (See Annex 2 for a full list of zones and their locations):

- *Rashakai Special Economic Zone (Nowshera): 1000-acre flagship SEZ focusing on mixed industries (electronics, textiles, automotive, etc.), developed under CPEC. It offers prime motorway access and has already seen strong investor response (19 industrial units were under allotment as of early 2024).*
- *Hattar Special Economic Zone (Haripur): 424-acre SEZ adjacent to the long-established Hattar Industrial Estate. Ideal for export-oriented and heavy industries, with on-site power arrangements. Infrastructure like internal roads and utilities are fully in place.*
- *Gadoon Amazai Industrial Estate (Swabi): One of the oldest estates, hosting dozens of manufacturing units (textiles, furniture, chemicals) with available space for expansion.*
- *Nowshera Economic Zone: A general industry zone recently expanded to accommodate more enterprises. It benefits from proximity to Peshawar.*
- *Ghazi Economic Zone (Haripur): A newly completed zone focusing on SME manufacturing, located near Tarbela/Ghazi with cheap land and power available.*
- *Mansehra Economic Zone: Ready for launch, this zone will serve the Hazara region, targeting food processing and mineral-based industries.*
- *Dera Ismail Khan (D.I. Khan) Economic Zone: Strategically located to serve southern KP and link with Punjab, under consideration for development (likely to focus on agro-processing given the region's agri output).*
- *Chitral Economic Zone: Completed in the mountainous Chitral region, aimed at fruit processing, minerals, and tourism crafts, leveraging local resources.*
- *Marble City Buner: A specialized zone for marble and stone processing, with the aim to modernize the mining outputs of Buner district (construction work was pending final land acquisition).*
- *Risalpur Export Processing Zone (Nowshera): A federally designated EPZ where companies (like a large matchstick factory) operate with export incentives.*

The AKP's integration means that applying for a plot or unit in any of these zones is done online, and subsequent interactions like obtaining construction permits within the zone, utility hookups in the zone, and even marking attendance at zone investor meetings can be managed via the portal.

This one-window approach is a first for Pakistan at the provincial level, which will eventually ensure that even the special regimes like SEZs fall under the convenience of the Aasan Karobar umbrella rather than existing as isolated silos.

3.3.3 Fiscal Incentives

Investors in KP's SEZs and industrial estates can avail a range of tax incentives, many of which are processed or recorded via the AKP:

- *SEZ enterprises enjoy a 10-year income tax holiday on profits and gains from the date of commencement of commercial production (per the federal SEZ Act). The portal will help new SEZ entrants obtain the Tax Holiday Certificate in coordination with FBR and BOI.*
- *SEZ enterprises also get duty-free import of capital machinery. The AKP will integrate with Customs Authority and BOI for customs duty exemption on importing machinery.*
- *For industries outside SEZs, the KP government has introduced its own incentives under the Industrial Policy 2020. These include provincial tax reductions (e.g. exemption of provincial electricity duty for new manufacturing units, or rebates on property tax in industrial estates).*
- *The government also offers investment facilitation grants for certain sectors (e.g. matching grants for tourism or IT startups). Moreover, interest free loans are being given to young entrepreneurs under Ehsaas Naujawan Program and Ehsaas Hunar program.*

3.3.4 Non-Fiscal Incentives

In addition to tax breaks, investors in KP benefit from several non-fiscal incentives and facilitation, which the portal likewise helps to deliver:

- **Land on Easy Terms:** Industrial land (in zones) is provided on long-term lease with the option to pay in installments. Through AKP, you can manage your lease payments on schedule and secure all paperwork digitally, making the land acquisition process smoother.
- **Infrastructure Support:** KP's policy promises provision of necessary utilities to the "zeropoint" of industrial estates. Practically, this means electricity, gas, road access, and water are ensured up to the site boundary. The portal coordinates with relevant departments to ensure these connections are prioritized for example, expedited grid connections for SEZs.
- **One-Window Operations Centers:** Each major economic zone has a one-window facilitation office (physically on-site) run by KPEZDMC. Now with AKP, many on-site services (like gate passes, waste management requests, etc.) are being linked to the digital platform as well. Investors can lodge infrastructure maintenance requests or grievances about zone services via the portal's interface, which then get directed to zone management.
- **Skills Development & Labor:** The government often links industrial investors to workforce training programs (through KP TEVTA or NAVTTC). The portal's investor services connect you to these programs so you can hire trained local staff. The government of KP is also subsidizing trainings through TEVTA's On the Job Training Program and the Digital Skills Training Program of KP Information Technology Board (KPITB). Information and application for such schemes will be centralized on AKP.
- **Dedicated Facilitation and Aftercare:** The Act reinforces that KP-BOIT and relevant departments must provide aftercare to investors. As such, each significant investor (especially in an SEZ) may be assigned an Investment Facilitation Officer as a single liaison. AKP keeps a record of your queries and issues – ensuring that the facilitation officer addresses them. Even outside zones, any investor can reach out through the portal's Support Center for help at any stage.

In summary, the AKP integrates the benefits of KP's industrial policies directly into the investment process. It has digitized the "pencil work" of incentives and zone management, from land allotment to tax exemption certifications. The result is a more attractive and convenient proposition for investors.



13. KPEZDMC Economic Zones Profile 2023

14. KP-BOIT Investment Pitchbook 2021

Investment Procedure

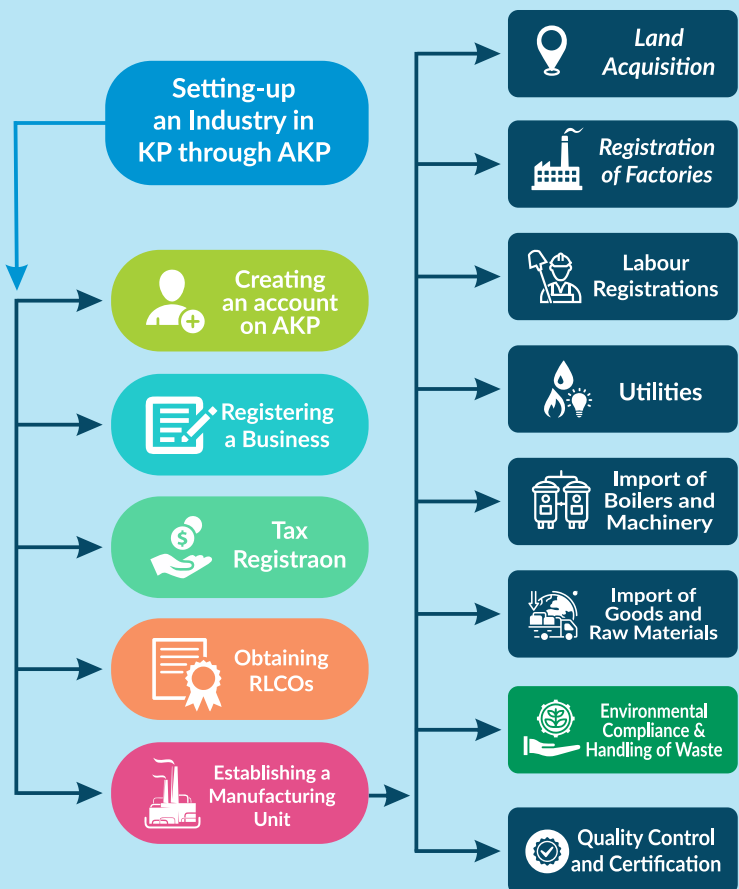
4.1 Setting-up a Business in KP

Under the new one-stop setup, establishing and running a business in Khyber Pakhtunkhwa has become significantly easier. The following is a step-by-step investor journey via the Aasan Karobar Portal (AKP), from the initial registration of a company to getting necessary licenses, and finally to day-to-day operations. Each step corresponds to an integrated digital process on the portal:



4.1.1 Create an Account on the Aasan Karobar Portal

The first step is to sign up on the AKP (business.kp.gov.pk). Both local and foreign investors can register – local entrepreneurs use their national ID (CNIC) and foreign investors can use passport details. The portal will create a secure user profile (with two-factor authentication for login). Once logged in, you have a personalized dashboard to initiate and track all applications. Onboarding wizards guide new users to set up their profile, including business details, contact information, and any existing registrations (if, say, you already have a national tax number or company incorporation, those can be linked).



4.1.2 Register or Incorporate Your Business

The AKP provides an integrated pathway for business registration. You can choose the form of business – e.g. Private Limited Company, Sole Proprietorship, Partnership Firm, or Branch Office and the portal will route your application to the relevant authority. For companies, AKP will link with the Securities & Exchange Commission of Pakistan (SECP) for name reservation and incorporation (the portal facilitates filling out the SECP's online forms). For partnership firms or sole proprietorships, the portal routes to the Directorate of Industries (Registrar of Firms) at the provincial level. All required information (business name, owners' details, capital, etc.) is entered once on a unified form. The AKP would then share the data with the SECP or Registrar as needed, sparing you from duplicate data entry. Outcome: You receive your company incorporation certificate or firm registration certificate digitally through the portal. What used to require lawyers and multiple office visits is now an online submission with automated checks – for example, the system will reject a proposed company name that's already taken, in real time.



4.1.3 Obtain Required Licenses, Permits, and NOCs

Once your business is legally registered, the next step is to secure sector-specific licenses or location-specific permits. For this, the AKP provides a unified application for multiple NOCs.

When you log in and indicate your type of business (e.g. opening a food processing factory, or a textile manufacturing unit, or an IT services office), the portal

automatically lists all the required approvals you may need. For an industrial/manufacturing project, for example, you might need: an Environmental Approval from the KP Environmental Protection Agency, a Construction Permit (building plan approval) from the local municipal authority, a Factory Registration under the labor laws, and perhaps sector-specific certifications (if food, then Food Authority; if pharmaceuticals, then Health department, etc.). Through the portal, you can apply for all relevant RLCOs in one go.

You fill in a master application form that captures your project details (location, land size, number of employees, type of activity) and this information is intelligently reused across applications to different departments. The AKP then distributes the relevant sections to each department's online workflow. This is further explained underneath.



1. **For Environmental Approval:** The portal will submit your Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA) request to the KP Environmental Protection Agency (EPA). You can upload feasibility studies, and the EPA will respond with any queries or issue the approval certificate through AKP.
2. **For Construction Permits:** If you are constructing a facility, the portal channels your building plan drawings to the Local Government authorities or development authority for the area (e.g. PDA in Peshawar). Importantly, digital building plan approval is integrated. You will receive the response of the relevant authority or the construction permit in your AKP account.
3. **For Industry-Specific Licenses:** If your sector requires special licenses (for example, a pharmaceutical manufacturing license, a minerals/mining lease, etc.), the portal provides guidance. In this initial phase, not every specialized sector license is on AKP, but the goal is to integrate more. Where RLCOs are required from Federal entities, the AKP will develop such integrated functionality based on future MoUs with the concerned departments and regulators.
4. **For Operational NOCs:** Some businesses need departmental NOCs to operate (e.g. a Tourism Department NOC for a hotel, or an Agriculture Dept license for a food processing unit). The Act has brought many of these into the ambit of AKP. Through your dashboard you can request, for instance, a tourism license and the portal will forward it to the concerned department for processing.

Outcome: All these approvals, once granted, are delivered as electronic certificates on your AKP dashboard. You are notified by SMS/email. The one-stop portal means you don't have to physically chase each NOC; as the portal will serve as a one-stop shop for investors to obtain registrations, licenses, certifications and permits of various departments required for starting a business in the province". Moreover, the portal's approach ensures transparency – you can see exactly which approvals are pending and with whom, and the law's time-bound processing means you get your NOCs faster than before (no more open-ended waits).

4.1.4 Register for Taxes and Utilities

A critical part of setting up a business is getting tax registrations and utility connections – the AKP assists with both:

- ➔ **Tax Registrations:** If you incorporated a company, you will need to register with the Federal Board of Revenue (FBR) for an Income Tax Number (NTN) and possibly Sales Tax if you deal in taxable goods. Through MoUs with the relevant Federal Authorities, the AKP will aim to integrate these services with the FBR and KPRA's portals.
- ➔ **Utility Connections:** Getting electricity and gas connections used to be a major hurdle for businesses. Now, the AKP has on-boarded the major utilities in the province. You can apply for an industrial electricity connection with Peshawar Electric Supply Company (PESCO) through the portal. The application form and required load details are submitted online, and the progress (survey scheduling, demand notice issuance, meter installation) is updated on your dashboard. Likewise, for natural gas, the portal integrates with Sui Northern Gas Pipelines Ltd (SNGPL) – you apply for a new gas connection digitally. These utility agencies have committed to service standards through formal MoUs. For example, if the electricity inspector and utility company need to inspect your site, they coordinate scheduling via the portal, and you'll get automated notifications. By unifying utility connections into the startup process, KP has significantly reduced the time to get factories powered and running.
- ➔ **Access Industrial Land or Space:** Many investors seek land in industrial estates or Special Economic Zones to set up factories. The Aasan Karobar Portal is integrated with the KP Economic Zones Development & Management Company (KPEZDMC), which manages the province's industrial estates and SEZs. Through AKP, you can browse available plots in various economic zones and apply for land allotment online. For instance, if you are interested in Hattar SEZ or Ghazi Economic Zone, you fill out a land application on AKP, attach your project plan, and this is forwarded to KPEZDMC electronically. The land allotment committee's decisions (plot offer, lease terms) are communicated via the portal – you can even make payments for lease or development charges through e-payment.

This digital process replaces what previously involved numerous visits to offices and manual filings. Similarly, if you prefer a private land or existing building outside a zone, the portal's Digital Land Bank provides information on privately owned industrial land and links to the Revenue department for land title verification and registration processes (some of these services are available through the provincial Land Records Authority systems, which will be eventually integrated with AKP). Essentially, AKP acts as a facilitator whether you choose a government industrial estate or a private site, by guiding you on necessary steps (zoning clearance, land use permissions, registration of deed, etc.) and allowing the processing of these steps through the portal.

4.1.5 Hiring Employees and Ongoing Compliance

Once your business is set up and operational, you will need to manage labor-related registrations and other ongoing compliance. The portal integrates key labor and social protection agencies so that you can fulfill these obligations easily

1. Through AKP, register your employees with the Employees Old-Age Benefits Institution (EOBI) (for pension benefits) and the KP Employees Social Security Institution (KPESSI) (for worker health/social security). Instead of separate visits to these offices, you maintain an online employee register on the portal – adding new hires so that EOBI and Social Security contributions accounts are created for them.
2. If your business is subject to the Shops and Establishments Act or Factories Act, the Directorate of Labour is also integrated. This means factory registrations, renewal of licenses to operate, and labor inspections are coordinated via AKP (see Section 5 for details on inspections). You can submit annual returns or reports required under labor laws through the portal.

3. *Other sectoral compliance: For example, if you run a food processing unit, you might need to renew a food authority license periodically – while the Food Authority isn't listed yet in the initial 16 departments, the portal provides a module to remind and guide you on renewal, and plans to integrate such bodies in the next phase. The Guidelines section of AKP lists all departments and services currently offered and upcoming, so you always know where to handle a compliance task (either directly on AKP or via a linked system).*

Additionally, the AKP dashboard serves as your “digital briefcase” for all licenses and certificates your business holds. These electronic records are stored and can be accessed anytime for reference or for sharing with other authorities/banks. This is extremely useful for day-to-day operations – for instance, if a client or inspector wants to see your valid licenses, you can show the digital certificate or print a copy with a QR code for verification.

4.1.6 Importing Machinery and Raw Materials

If your business involves importing capital equipment or raw materials, the portal will streamline key approval steps in the near future. While Pakistan does not require a general import license, certain imports such as plant and machinery for industrial projects or controlled chemicals may require permissions or qualify for duty/tax exemptions. Procedures for such imports will be governed by MoUs to be entered into between the AKP and concerned federal entities. The aim is to enable businesses to apply for duty exemption certificates directly through the AKP portal where eligible (for instance, enterprises in SEZs enjoy duty-free import of machinery). These MoUs will facilitate digital integration with federal bodies like Pakistan Customs/FBR and the Board of Investment (BOI) for streamlined issuance of exemption letters.

Quality Certifications and Other Support Services

To enhance competitiveness, many businesses seek certifications (ISO quality management, product certifications, etc.) or government support programs (export rebates, training subsidies).

The investor portal includes information on such services. While these may be outside the regulatory “must-haves”, the AKP Support Center can facilitate connections to organizations like SMEDA (Small & Medium Enterprise Development Authority) for technical support, or certification bodies for ISO standards. In the future, the plan is to integrate even these ancillary services into AKP so an investor truly has a one-stop experience for all needs from inception through growth.

Overall, from step 1 (registration) to step 8 (ongoing operations), the investor journey in KP is now largely managed through a single digital window. The portal's unified applications and automated workflows have cut down duplication, saved time, and introduced clarity. The next sections will delve into special how compliance and dispute resolution are handled in this new landscape.

4.2 On-going Compliance and Inspections

This section explains how businesses manage ongoing regulatory obligations (renewals, filings, inspections) digitally via the AKP, and how the system handles inspections and grievances in a coordinated way.

4.2.1 Digital Compliance Calendar & Reminders

Once you have obtained your various licenses and permits through the portal, the AKP effectively becomes your compliance manager. The portal automatically creates a compliance calendar for your business based on the approvals you hold. For example, if your environmental approval needs renewal every 5 years, or your fire safety certificate every year, the portal will list those deadlines. Well in advance of a due date, the system sends you reminders (email/SMS and dashboard alerts). This way, businesses no longer miss renewal dates or fall out of compliance unknowingly. You can then submit renewal applications through AKP just like the initial application, with even fewer clicks (since your data is already saved, often it's just confirming no major changes and paying the renewal fee online).

4.2.2 Online Filing of Returns/Reports

Several regulations require periodic filings – annual company returns to SECP, tax returns to FBR, quarterly environmental monitoring reports to EPA, etc. While the actual tax return filing (for instance) might still be done on FBR's portal, the AKP acts as a central hub of information. It can single-sign-on or link you to the relevant portal and pre-fill known information. For provincial filings – e.g., if you must submit a labour census or a factory output report to the Industries Department – AKP provides an online form to do so. Over time, more of these filings are being consolidated. The vision is that an entrepreneur can log into AKP and handle *all* their regulatory paperwork from one dashboard, rather than maintaining separate accounts with every agency.

4.2.3 Coordinated Inspections Regime

A major pain point for businesses historically was uncoordinated inspections by multiple agencies (labour, environment, safety, etc.), often with overlapping checks. The new system addresses this by introducing a coordinated inspections regime:

- *Inspections by various agencies are scheduled and managed through the AKP's Inspections Module. Businesses are typically notified through the portal about upcoming inspections. Surprise raids are minimized except in high-risk cases.*
- *Different departments' inspectors (e.g. from Labour, EPA, Electric Inspectorate) can coordinate joint visits if applicable. For instance, if a factory needs an annual inspection for both environmental compliance and workplace safety, the portal can schedule a single combined visit. This reduces disruption to the business and fosters efficiency.*
- *Inspectors use tablets or the web portal to record their findings during visits, directly into the AKP system. Checklists are standardized and uploaded in advance, so businesses also know the scope of inspection. Once an inspection is done, the report is attached to the business's profile. If any compliance issue is found, the business can respond or rectify and upload proof of compliance.*
- *The portal sends automated alerts for any required corrective actions and allows businesses to request a re-inspection after addressing the issues.*
- *Notably, this approach increases transparency because each inspection is logged, and the business can provide feedback on it. The government can monitor if any inspector is visiting too often or deviating from procedure. The accountability introduced here means that inspections are only done for compliance improvement rather than harassment. It is in line with the ease-of-doing-business ethos: ensure regulations are followed but in a business-friendly manner.*

4.2.4 Renewals and Extensions

Many licenses (such as a tourism license, factory operating license, liquor permit for hospitality, etc.) have expiration dates. Through AKP, the renewal process is streamlined. A renewal application often is as simple as confirming that previous information is still valid or noting changes, and paying the fee. Because the initial issuance was digital, the renewal is basically an update of the same record. You receive the renewed license digitally without any gap. If a license requires a new NOC for renewal (for example, perhaps a building fitness certificate annually), the portal will prompt and integrate that too.

This integrated renewal prevents scenarios where a business's license quietly lapses due to bureaucratic delays. The system actively facilitates you to stay compliant. However, in cases where the original issuance was not digital, the existing license holders will digitally onboard their current licenses through a one-time data entry process on the Aasan Karobar Portal (AKP), where the license holder will submit key license details for verification and digital migration. Once verified, these licenses will be treated as digital records within the system, allowing seamless renewals and updates moving forward.

4.2.5 Grievance Management

Despite the best efforts, there might be times an investor faces a problem; an application stuck beyond the SLA, an inspector behaving improperly, or any other issue. The Aasan Karobar system has a built-in grievance redressal mechanism to handle such situations promptly:

- *Grievance Portal: On your AKP dashboard, there is a section to file a grievance or complaint. This is a simple form where you select the relevant service or department and describe the issue. For example, "Building permit application no. ABC123 has been pending beyond the 30-day limit" or "Inspector from Department X visited without scheduling via AKP" etc.*
- *Tracking & Resolution: Once submitted, the grievance is logged and a ticket ID is generated. The concerned department's nodal officer is notified through the system. The EoDB Directorate also monitors all open grievances. The law stipulates time frames for response – e.g., the department might have 7 days to respond with a resolution or explanation.*
- *Escalation: If a grievance is not addressed in time or satisfactorily, it automatically escalates to higher authorities. Initially, this could be the head of the department or the Deputy Commissioner of the area (for local issues). Beyond that, unresolved cases can be escalated to the Steering Committee on EoDB. This high-level committee can call in departmental heads to explain persistent issues and can direct remedial action. In serious cases, matters could even be referred to the Chief Secretary or the Chief Minister for intervention, but the goal is to resolve issues well before that level.*
- *Outcomes: The outcomes of grievances could range from expediting a pending approval, to disciplining an official, to clarifying a process if an investor misunderstood something. All outcomes are fed back into the AKP – you will see the status of your complaint (e.g. "Resolved – License issued on 5 May" or "Rejected – Explanation given").*
- *Analysis: The system also keeps a log of complaints to analyze systemic issues. For instance, if multiple investors complain about a particular permit taking too long, the EoDB Directorate will take note and investigate whether a certain process needs further streamlining or if a particular office is causing delays. This continual feedback loop helps in policy and regulatory refinement over time.*

Case Example: Imagine you applied for a restaurant license via AKP and it's supposed to be issued in 15 days. Day 16 and it's still under review. In the past, you'd have to chase the office or use personal contacts. Now, on day 16 you file a grievance on AKP. Within a day, the department responds, perhaps "Delay due to additional field verification, license will be issued by day 18" – and indeed by day 18 you get it. In another scenario, if an inspector comes outside the AKP system, you report it; the Labour Department checks and finds that an old practice was followed, they then issue instructions to all inspectors to always schedule via AKP and perhaps take action against the deviation. The net result is a more predictable, rule-based compliance environment.

In sum, businesses keep on top of their obligations through automated reminders and can concentrate on operations rather than paperwork. Inspections become a constructive process, not an ordeal, because of coordination and transparency. And any grievances can be addressed through a clear, time-bound process rather than ad hoc pleas. This comprehensive approach ensures that the ease of doing business is not just at the entry point but sustained throughout the business's life in Khyber Pakhtunkhwa.

4.3 Dispute Resolution

Despite best efforts in facilitation and compliance, businesses may sometimes encounter disputes – be it with other businesses, government agencies, employees, or financial institutions. Recognizing this, Khyber Pakhtunkhwa has strengthened its dispute resolution mechanisms in parallel with the Aasan Karobar initiative. This section outlines the avenues for resolving various types of disputes, both through digital facilitation and offline forums, available to businesses operating in KP.

4.3.1 Contractual and Commercial Disputes

For disputes arising out of business contracts (e.g. with a supplier, client, or partner), KP now offers the option of specialized commercial courts and promotes alternative dispute resolution (ADR):

- *The Government of KP has established Commercial Courts at the district level to handle business-to-business disputes and contractual claims swiftly. These courts are dedicated to commercial cases, meaning judges are more familiar with business law and aim to dispose of cases faster than ordinary courts. According to KP's ease-of-business updates, commercial courts have been set up for speedy enforcement of contracts. If you have a contract dispute (say a supplier didn't deliver goods paid for), you can file a case in a commercial court which is bound to follow tighter timelines for case management.*
- *Alternate Dispute Resolution (ADR): The province encourages ADR methods like arbitration and mediation. There are arbitration centers and mediation facilities (some run in collaboration with local chambers of commerce or bar councils) where businesses can resolve issues out of court. The legal framework (including a provincial ADR Act or adoption of federal ADR laws) gives mediated settlements legal recognition.*

4.3.2 Labour and Workplace Disputes

If a dispute arises with employees or on labor rights (for example, a wage dispute, wrongful termination claim, or an industrial relations matter), there are specific forums:

- *Labour Courts:* KP has labor courts established under the Industrial Relations Act. These courts hear cases related to employment issues, trade unions, and workers' rights. If your business faces a strike or a dispute with employees, these courts provide a legal avenue.
- *Labour Department Resolution:* Many labor disputes can first be handled through the Labour Department's dispute resolution mechanisms. For instance, if an employee files a complaint about non-payment of overtime, the Labour Inspector or Labour Officer might call the company for a reconciliation meeting. The Aasan Karobar portal assists here by maintaining records of your compliance (contracts, wage payments, EOBI contributions, etc.), which can quickly demonstrate if a claim is unfounded or not. The portal can also be used to communicate with the Labour Department – for example, if an employee lodges a complaint on AKP (since workers too can use a public grievance portal for labor issues), you as an employer can respond through the system.
- *Workplace Safety Disputes:* If there is a disagreement arising from a safety inspection (say you disagree with an inspector's order to shut down a machine), the portal logs the inspection report as noted. The Factories Act also provides boards of appeals in some cases. With the digital trail on AKP, such appeals are easier to support with evidence (photos, documents uploaded from both sides).

4.3.3 Tax and Regulatory Disputes

Sometimes businesses might dispute a tax assessment or a penalty imposed by a regulator:

- *Tax Appeals:* If it's a federal tax (income tax or sales tax by FBR), the usual route is to file an appeal with the Commissioner of Appeals or the Appellate Tribunal. While those processes aren't handled by AKP (since they're judicial in nature), the portal can provide guidance on where and how to file. Moreover, KP's Revenue Authority (for provincial taxes on services) has its own appeal system – an appellate forum within the authority and then the tribunal. The AKP provides links to the KPRA's online system, where available, to file appeals or at least to lodge an initial review request.

4.4 Data Security and Legal Validity

In a fully digital business facilitation regime, ensuring the security of data and the legal validity of electronic documents is paramount. The Aasan Karobar Act, 2025 and its associated rules put strong emphasis on these aspects so that investors can trust the system. This section highlights how the AKP safeguards your information and guarantees that digital approvals are legally equivalent to traditional paper documents.

Legal Equivalence of Electronic Documents:

The Act explicitly confers legal status on all electronically issued RLCOs. Any license, certificate, permit or letter issued through the Aasan Karobar Portal is deemed legally valid and enforceable as if it were a physical document with official signatures and seals. This means, for example, an e-certificate of incorporation or an eNOC from the EPA carries the same weight in court or in any official verification as a hard copy would.

Digital Signatures and Authentication: To ensure that electronic approvals are tamper-proof, the system employs secure digital signatures or certifications by the issuing authority. Each approved document on AKP is either digitally signed by the relevant official (using a secure digital certificate) or at least stamped with a unique QR code/serial number that links back to the AKP database for verification.

Data Security and Privacy: The portal handles sensitive corporate and personal data (passport numbers, financial info, etc.), so it is designed with robust security protocols:

- All data transmission on the AKP is encrypted using HTTPS/SSL protocols. When you submit documents or payments, they are protected from interception.
- The data is stored in secure servers (likely in a government data center or cloud with strong firewalls). Access to the data is permission-based – an official can only see the applications relevant to their department.
- The system undergoes regular security audits (both by KPITB and independent experts) to test for vulnerabilities. Given that KPITB (the IT Board) co-developed the portal, they follow international best practices for e-government security.
- Backups are maintained to prevent data loss. In case of any technical outage, there are disaster recovery procedures to restore services quickly.
- User-side security: Investors are advised to keep their login credentials confidential. The portal supports two-factor authentication (like OTPs sent to your phone or email for critical actions, e.g. submitting an application or making a payment) – this prevents unauthorized access even if a password is compromised.

Confidentiality: The Act and related regulations include confidentiality clauses – the information you submit through AKP is to be used only for the intended regulatory purposes and cannot be shared arbitrarily. Only in legally permitted scenarios (such as a court order or a law enforcement need) can data be accessed beyond the scope of service delivery.



Audit Trails and Integrity: Every application and approval in AKP carries a complete audit trail. This means one can trace:

- When and by whom the application was submitted.
- Which officer reviewed it, when, and what action they took (approved, queried, etc.).
- Time stamps for every stage. These audit logs ensure the integrity of the process – if there's any dispute or suspicion of wrongdoing, the log can be examined. It becomes virtually impossible for an official to, say, alter an approval date or edit your submitted data without leaving a trace. If a document is edited (say you applied for a correction), the system keeps previous versions on file. This protects both the investor and the government from fraud and errors.

Legal Evidence: In case of legal proceedings, the electronic records from AKP are admissible as evidence under the law (aligned with Pakistan's electronic transactions laws). If needed, the portal can produce a certified record of a license issuance or an application trail to present in court. The Act has provisions to designate the electronic records as officially certified records, often with the Secretary of the concerned department or the KP-BOIT acting as the certifying authority for the data if a court so requires. Practically, however, the digital certificate itself with its verification is usually sufficient proof of authenticity.

Security of Payments: The e-payment component is secured through banking gateways compliant with the State Bank's standards. Payment information (like card details) isn't stored on AKP servers; it's handled by secure payment processors. The portal simply receives confirmation of payment. This ensures that financial data security is in line with banking sector requirements.

Integration with Federal RLCOs and Services

The Aasan Karobar Act, 2025 provides the legal foundation for integrating Federal Registrations, Licenses, Certificates, and Other Permits (RLCOs) into the Aasan Karobar Portal (AKP) through structured institutional arrangements. This future coordination is envisioned through two mechanisms:

5.1 Mapping of Federal RLCOs into a Unified National Registry

As part of the inception phase, the Technical Reforms Unit within the EoDB Directorate will engage with federal counterparts to map and include all provincial RLCOs into a National Registry established by the Federal Aasan Karobar Act (forthcoming). This national registry aims to harmonize business-related approvals across tiers of government, reduce duplication, and enable a seamless user experience across provincial and federal systems. The Unit will also have the power to engage with Federal entities to enhance EoDB in general, which may include creation of new protocols and procedures.

5.2 MoUs for Operational Integration of Federal Services into AKP

The Act authorizes the KP-BOIT as the Lead Agency, to enter into Memoranda of Understanding (MoUs) with entities outside the purview of the provincial law—including federal ministries, statutory regulators, and autonomous bodies—to enable functional integration with the AKP.

These MoUs will define protocols for data-sharing, workflow alignment, and user experience coordination, allowing federal services to be accessed, initiated, or tracked through AKP.

For instance:

- **Business registration and annual filings:** While actual filings (e.g., SECP or FBR returns) may still occur on federal portals, AKP will serve as a central hub—using single sign-on features, linking investors to the correct platform, and pre-populating known data to ease duplication, where possible.
- **Tax and Customs Incentives:** Duty exemption certificates for SEZ-based enterprises, processed by FBR and BOI, will be facilitated through AKP once integrated via MoUs—allowing investors to submit exemption requests digitally and track their status.
- **Standards and Certifications:** Entities like the Pakistan Standards & Quality Control Authority (PSQCA) will be gradually engaged to allow digital application routing and certification tracking for relevant equipment or goods.
- **Social Protection Registrations:** Integration with EOBI will enable digital employee registration for pension benefits.

Where full integration is not yet possible, AKP will continue to serve as an informational and navigational bridge—guiding businesses to the appropriate federal channels, listing required documentation, and offering AKP Support Center assistance until such services are on-boarded. This dual strategy of long-term registry harmonization and near-term MoU-based service integration ensures that KP's business facilitation ecosystem remains aligned with national objectives while delivering immediate convenience to investors.



ANNEXURES

6.1 Annex – 1: Participating Regulatory Bodies on Aasan Karobar Portal

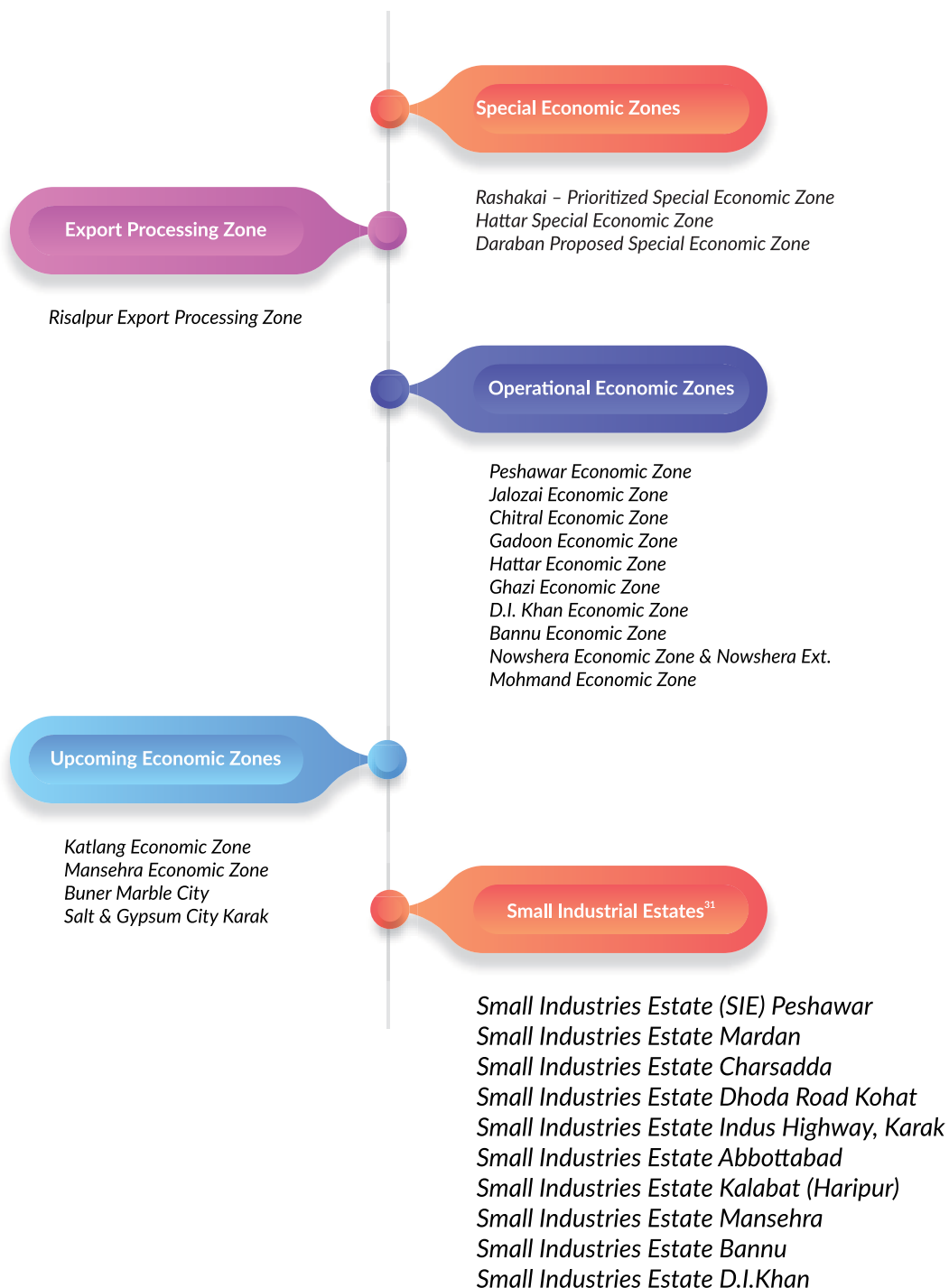
(List of departments/agencies integrated into the one-window AKP, as of 2025)

- *Khyber Pakhtunkhwa Board of Investment & Trade (KP-BOIT): Lead investment facilitation agency and portal owner/operator.*
- *Directorate of Industries, Commerce & Technical Education (Registrar of Firms): For partnership firm registration and related industrial permissions.*
- *Securities & Exchange Commission of Pakistan (SECP): Federal company registry integrated for incorporation of companies.*
- *Local Government (LGE&RDD), Khyber Pakhtunkhwa: Handles municipal licenses, building plan approvals, and trade licenses at city/district level.*
- *Khyber Pakhtunkhwa Economic Zones Development & Management Co. (KPEZDMC): Manages industrial estates/SEZs; integrated for land allotment and NOCs in zones.*
- *Inspectorate of Electricity, Energy & Power Dept.: Responsible for safety certification of electrical installations in factories.*
- *Directorate of Labour, Khyber Pakhtunkhwa: Oversees factory registrations, labor welfare, and workplace safety compliance.*
- *Peshawar Electric Supply Company (PESCO): Power distribution company for most of KP; integrated for new electricity connections and load upgrades.*
- *Sui Northern Gas Pipelines Limited (SNGPL): Gas utility integrated for provisioning new industrial/commercial gas connections.*
- *Environmental Protection Agency (EPA), KP: Issues environmental approvals (IEE/EIA NOCs) and monitoring of environmental compliance.*
- *Federal Board of Revenue (FBR): Federal tax authority; linked for NTN registration and sales tax (on goods) registration, and e-payment of federal taxes.*
- *Excise, Taxation & Narcotics Control Dept, KP: Handles provincial taxes like property tax, professional tax, vehicle excise relevant to businesses.*
- *Khyber Pakhtunkhwa Revenue Authority (KPRA): Provincial tax authority for Sales Tax on Services; integrated for service tax registration and filings.*
- *Employees Old-Age Benefits Institution (EOBI): Federal pension fund for private employees; integrated for employer registration and employee contributions.*
- *KP Employees Social Security Institution (KPESSI): Provincial social security for employees' healthcare; integrated for employer registration and managing contributions.*
- *Workers Welfare Fund (WWF): Federal fund for labor welfare (housing, schools, etc.), applicable to large firms; covered via portal for registration and dues.*

*Note: Additional entities are continually being on-boarded. For example, discussions are ongoing to integrate the KP Food Safety Authority, Tourism Authority, Mines & Minerals Department, etc. As the AKP expands, the goal is to have all agencies that issue any business-related approval accessible through the portal.



6.2 Annex – 2: List of Economic Zones/SEZ and Industrial Estates



¹³ https://small_industries.de.kp.gov.pk/page/list_of_industrial_estate_centres_and_projects

GOVERNMENT OF KHYBER PAKHTUNKHWA BOARD OF INVESTMENT

34- The Mall,
State Life Building (Ground Floor),
Peshawar Cantt,
Khyber Pakhtunkhwa, Pakistan.

+92-91-9210791
+92-91-9210792
+92-91-9210793

invest@kpboit.gov.pk

www.kpboit.gov.pk

<https://business.kp.gov.pk>

