

Engineering Development Board
Ministry of Industries and Production
Government of Pakistan

MAJOR REQUIREMENTS FOR COMPANIES IN USED VEHICLE IMPORT BUSINESS

The following criteria and guidelines have been development by Engineering Development Board (EDB) for registration of importers of used cars.

1. Eligibility and Corporate Requirements

- **Company Incorporation:** The importer must be a legal entity incorporated under the Companies Act, 2017. Individual proprietorships or unregistered entities are not eligible for commercial import licenses.
- **Principal Line of Business:** The Memorandum and Articles of Association (MOA/AOA) must explicitly state that the import of motor vehicles (or systems/parts) is the company's principal business activity.
- **Tax Compliance:** The company must hold a valid National Tax Number (NTN) and be an active filer with the Federal Board of Revenue (FBR) for Sales Tax.
- **EDB Registration:** Every commercial importer must obtain a formal Registration Certificate from the EDB before initiating any imports.

2. Financial and Banking Standards

- **Minimum Paid-up Capital:** The paid-up capital may be mentioned in the registration documents submitted to SECP. Companies must meet a minimum paid-up capital requirement as and when determined by the Federal Cabinet.
- **Requirement to use Regular Banking Channels:** All import transactions for vehicles and parts, including the payment of duties and the purchase of vehicles abroad, must be conducted through authorized banking channels in Pakistan to ensure transparency and prevent money laundering.

3. After-Sales Service and Parts Infrastructure

A core requirement of the Notification is ensuring the long-term viability of the imported vehicle for the consumer.

- **Service Network:** Importers must establish or partner with a robust network for after-sale services. This includes having dedicated or outsourced 3S (Sales, Service, Spare Parts) facilities across the country mentioned in the registration form.

- **Spare Parts Assurance:** The importer must provide a firm written assurance that genuine spare parts will be available throughout the anticipated useful life of the imported vehicle all across Pakistan.
- **Technical Staff:** Facilities must be equipped with trained technicians and diagnostic tools and spare parts for the respective model.

The major importers may have common registered branches for sales of vehicles, provision of spare parts and after sales service.

4. Technical Compliance and Inspection Protocols

- **Pre-Shipment Inspection (PSI):** Importers must engage accredited bodies to certify each vehicle before it leaves the country of origin.
- **Certification Requirements:** The PSI certificate must verify the vehicle in accordance with the conditions laid out in Notification No. EDB/Auto/Import/WP-29/2025 dated 30th September 2025.
- **Post-Shipment Inspection (Post-SI):** Upon arrival in Pakistan, vehicles are subject to a third-party inspection at an EDB-designated facility at the importer's cost to ensure the the imported vehicle is in same condition by the same company doing PSI in the country of origin of the vehicle.
- **Registration of PSI Companies.** The PSI Companies are required to be registered with Engineering Development Board (EDB)

5. Reporting and Transparency

- **Inventory Record Keeping:** Importers must maintain a complete digital record of all imported vehicles, including VIN/Chassis numbers, engine numbers, and inspection reports.
- **Certificate of Conformity (CoC):** For every vehicle sold, the importer must issue a CoC (in English and Urdu) declaring that the vehicle conforms to Notification No. EDB/Auto/Import/WP-29/2025 dated 30th September 2025.
- **Traceability:** The EDB may require an online reporting system where importers upload import data to allow for instant verification via QR codes or a central database.

Engineering Development Board reserves the right to add any additional condition in the criteria mentioned above, as per changing market conditions