

**REGISTRATION, LICENSING AND OTHER
LEGAL REQUIREMENTS TO ESTABLISH
A RESTAURANT IN PAKISTAN**



**PREPARED BY:
LEGAL SERVICES Cell**

Updated on March 1, 2009

**Small and Medium Enterprise Development Authority
Government of Pakistan**

www.smeda.org.pk

HEAD OFFICE

6th Floor, LDA Plaza, Egerton Road, Lahore

Tel: (042) 111-111-456, Fax(042) 6304926-7

legal@smeda.org.pk

**REGIONAL OFFICE
PUNJAB**

8th Floor, LDA Plaza,
Egerton Road,
Lahore.

Tel: (042) 111-111-456
Fax: (042) 6304926-7
helpdesk@smeda.org.pk

**REGIONAL OFFICE
SINDH**

5th Floor, Baharia
Complex-II, M.T.Khan
Karachi.

Tel: (021) 111-111-456
Fax: (021) 5610572
helpdesk-khi@smeda.org.pk

**REGIONAL OFFICE
NWFP**

Ground floor
State Life Building
The Mall, Peshawar.

Tel: (091) 9213046-47
Fax: (091) 286908
helpdesk-pew@smeda.org.pk

**REGIONAL OFFICE
BALOCHISTAN**

Banglow No. 15-A
Chaman Housing,
Scheme, Airport, Road,
Quetta.

Tel: (081) 831623, 831702
Fax: (081) 831922 [helpdesk-
qta@smeda.org.pk](mailto:helpdesk-
qta@smeda.org.pk)





TBLE OF CONTENTS

1.	Introduction of SMEDA	03
2.	Role of Legal Services Cell	03
3.	Disclaimer	04
4.	Preliminary	05
5.	Registration of Restaurants	05
6.	Application for Registration	05
7.	Conditions for Registration	05
8.	Certificate of Registration	05
9.	Obtaining of License	05
10.	Renewal of License	06
11.	Power of the Controller to fix rates	06
12.	Rules of Establishment of Restaurant	06
13.	Medical Certificate	07
14.	Cancellation of Registration / License	07
15.	Important Addresses	08



1-INTRODUCTION OF SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy.

Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewellery, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through wide range of publications.

ROLE OF SMEDA LEGAL SERVICES CELL

The Legal Services Cell [LSC] is a part of Business Development Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan and other parts of the world.



LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the Micro Level LSC has developed user-friendly systems, which provide them detail description of the Laws, and Regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs with information pertaining to a registration / licensing and legal requirements to establish a restaurant in Pakistan. Entrepreneurs interested in enhancing their understanding about the procedures can also use the document and documentation required to comply with registration / licensing procedure. For convenience of the readers sample of various forms and fee schedules are also included.

DISCLAIMER

Information in this document is provided only for general information purpose and on an "as is" basis without any warranties of any kind. Use of this information is at the user's sole risk. SMEDA assume no responsibility for the accuracy or completeness of this information and shall not be liable for any damages arising from its uses."



4. PRELIMINARY

The Pakistan Hotels & Restaurants Act, 1976 (hereinafter referred as "the Act") is the law which deals with the registration and control of the Hotels & Restaurants in Pakistan. The Act requires that no owner of restaurant or hotel shall carry on his business without first getting the hotel or restaurant registered and obtaining a licence under the Act.

5. Registration of Restaurant(s)

The Act requires that the owner of every restaurant shall, from the opening of the restaurant, apply to the controller for registration of his restaurant and for determination of fair rates regarding boarding, lodging and other services in such hotel or restaurant and in the case of a hotel also for its classification on payment of prescribed fee.

6. Application for Registration

Application for registration and determination of fair rates shall be made to the controller in **form "G"** together with a certificate of medical fitness in **form "I"** from a registered medical officer of the civil hospital in respect of the staff of the restaurant. The prescribed fee for registration, form "G" and form "I" is annexed herewith as annex "A", annex "B" and annex "C" respectively.

7. Conditions for Registration

For registration of a restaurant, the owner of the restaurant is required to conform to the standard of health, hygiene and comfort which standards have been set out in Schedule II of the act. The Controller may refuse to register a restaurant if it does not conform to the minimum prescribed criteria. The standards provided in Schedule II of the Act are annexed herewith as annex "D".

8. Certificate of Registration

On receipt of an application for registration, the controller may make such enquires and seek such additional information as he may consider necessary and conduct inspection of the premises of the restaurant. If the controller is satisfied that the restaurant conforms all the requirements then controller directs the owner thereof in writing to deposit the registration fee as specified in a scheduled bank and to submit the bank receipt to the controller within fifteen days of such direction. Upon receiving the bank receipt the controller shall issue registration certificate in form "L" for a restaurant.

9. Obtaining of License

After getting registration as mentioned above, the owner of restaurant is also required to obtain a license from the Controller on payment of prescribed fee. The prescribed license fee for restaurants is annexed herewith as annex "E".



10. Renewal of License

A license granted shall, unless sooner suspended or cancelled, remain in force for a period of one year from the date of issue and may be renewed for a period of one year at a time on payment of the prescribed fee. The owner of a restaurant may apply to the controller for the renewal of a licence at least fifteen days before the date of its expiry failing which his licence shall stand cancelled on such date.

Note: Although the law prescribes registration of a restaurant as a first step and then issuance of license; however, in practice both the registration license are issued at the same time by the same authority. Therefore on receipt of an application for registration, the controller may make such enquires and seek such additional information as he may consider necessary and conduct inspection of the premises of the restaurant. If the controller is satisfied that the restaurant conforms all the requirements then controller directs the owner thereof in writing to deposit the registration and licence fees as specified in a scheduled bank and to submit the bank receipt to the controller within fifteen days of such direction. Upon receiving the bank receipt the controller shall issue registration certificate in form "L" and issue a licence in form "N" for a restaurant.

11. Power of the Controller to fix Rates

The controller may fix fair rates for food, drinks and any other service provided in a restaurant having regard to the location, the standard and variety of food, drink and services and other relevant factors. The fair rates once fixed shall remain in force until revised by the controller by his own or on the application by the owner of the restaurant. The fair rates chargeable in a restaurant shall be displayed in a conspicuous manner at the reception and all bill counters, in the office of the manager and shall also be mentioned in the menu cards indicating the rates of each item of food, drinks, service charges, taxes and the consolidated rates for the full menu with prescribed courses and dishes. No owner shall charge a customer any amount in excess of the fair rates.

12. Rules of Establishment of Restaurant

The owner of a restaurant is also required to prepare the rules of the establishment in respect of his restaurant conforming with the provisions of the Act and the rules made thereunder and get them approved by the Controller. The owner have to submit these rules to the controller within thirty days of the registration of his restaurant. These rules of the establishment shall be displayed in a conspicuous manner in the office and the hall and rooms of every restaurant.



7

13. Medical Certificate

The owner or manger of a restaurant shall also furnish to the controller a certificate of medical fitness in form “T” in respect of every new employee within a week of his employment.

14. Cancellation of Registration / License

The registration and licence of a restaurant may be cancelled or suspended by the controller if-

- (a) its owner is declared insolvent by a competent court ;
- (b) its business is wholly or partly discontinued or suspended without the approval of the Controller, except where such suspension or discontinuance is for the purposes of making repairs, improvements. renovations or expansion or, in the case of seasonal business, for the period of the slack season, and the fact of such suspension or discontinuance in each case has been duly reported to the Controller in advance;
- (c) its owner or any person acting on his behalf contravenes any of the provisions of this Act or the rules or orders made thereunder;
- (d) it ceases to conform to the requirements of registration under section 5 or, in the case of a hotel, to the prescribed minimum criteria for the class assigned to it; or
- (e) its owner fails to enter the names and other particulars of guests in the prescribed register.



8

15. IMPORTANT ADRESSES

1. Deputy Controller for Hotels & Restaurants 1st
Floor, Shafi Court Building,
Mereweather Road, Civil Lines,
P.O. Box 7448
Karachi
Tell: 021-9202972

2. Deputy Controller For Hotels & Restaurants 24-C,
Canal Park, Gulberg-II, Near Edhi Homes, Lahore
Tel: 042-5757568

3. Pakistan Restaurants & Caterers Association
Lyric Bar B.Q.,
Garden Road,
Karachi
Tel: 021-7737738



ANNEX "A"

REGISTRATION FEE FOR RESTAURANT

	Seating capacity of not more than 50 persons		Seating capacity of above 50 persons	
	With A.C.	Without A.C.	With A.C.	Without A.C.
In Karachi, Hyderabad, Bhawalpur, Lahore, Rawalpindi, Islamabad, Peshawar, Quetta Karachi, Sukkur, Multan, Faisalabad, Murree, Swat &	5000	2500	10000	5000
Other places	1500	800	3000	1500



10

ANNEX "B"

APPLICATION FOR REGISTRATION OF A RESTAURANT

1. Name of the restaurant _____
2. (i) Year of establishment _____
 (ii) Exact date of commission in respect of new restaurant commissioned on or after the 1st January, 1977 _____
3. (i) Address _____
 (ii) Telegraphic address _____
 (iii) _____ Te
 lex number _____
 (iv) _____ Te
 lephone numbers, if any _____
4. Location:
 (i) Province _____
 (ii) Town _____
 (iii) Street _____
5. Nature of ownership (please state whether proprietorship, partnership, cooperative, company etc.) _____
6. Name of owner with parentage _____
7. (i) full address of owner _____
 (ii) telegraphic address of owner; and _____
 (iii) _____ tel
 ephone number, if any. _____
8. Name of manger with parentage _____
 (i) address _____
 (ii) _____ tel
 ephone numbers, if any. _____
9. Size
 (i) total area _____
 (ii) area of the kitchen _____
 (iii) area of the pantry _____
 (iv) area and seating capacity of the dining hall _____
10. Costs:
 (i) cost of furniture and fixtures _____
 (ii) cost of equipments _____
 (iii) annual rent _____
 (iv) working capital _____
 (v) total investment _____
11. Furniture and fixtures (please give details separately for the dining hall and the kitchen) _____
12. Facilities available on the premises _____

- (i) reception/bill counter; _____
- (ii) telephone; _____



11

- (iii) air-conditioning or cooling and heating according to local conditions and weather; _____
- (iv) cloak room; _____
- (v) toilet; _____
- (vi) car park (please indicate capacity) _____
- (vii) entertainments _____

13. _____ Type of cuisine offered

14. Class of majority of guests (please indicate whether mostly foreigners or Pakistanis) _____

15. _____ Employees

Category	Total number	Professionally trained	Not professionally trained but experienced	Apprentices	English knowing
Manager					
Reception					
Billing					
Cooks					
Bearers					
Others					

16. Rates charged:

(i) immediately before the 1st January, 1977 _____

(ii) Present with date from which prescribed _____

Place.....

Date.....

Signature of applicant.....

Name of applicant.....

Designation of applicant.....



ANNEX "C"

**CERTIFICATE OF MEDICAL FITNESS FOR EACH MEMBER OF THE
STAFF OF A HOTEL AND RESTAURANT**

Dated.....

Medical Fitness Certificate

I hereby certify that I have fully examined Mr./Mrs./Miss.....an employee/apprentice or candidate for employment in hotel/restaurant as and am satisfied that he/she has no disease contagious or otherwise, constitutional weakness or infirmity of mind or body except

I do not consider this a disqualification for the job performed by him/her.

He/She is not suffering from any communicable disease.

Signature of Medical Practitioner Registration No.....

Name.....
Official seal

Signature of person examined

ANNEX "D"

**STANDARDS OF HEALTH, HYGIENE AND COMFORT FOR THE
REGISTRATION OF A RESTAURANT**

(i)

(ii)

(iii)

(iv)

(v)

(vi)

(vii)

(viii)

(ix)

(x)



environment.

It shall have seating capacity for at least ten persons at a time at a minimum of three tables.

A wash basin with soap and clean towel and a toilet for customers in clean and working condition with modern sanitary fittings shall be provided at all times.

Kitchen shall be separate from the dining room.

Heating and cooling arrangements shall be available according to conditions and the weather.

Serving staff shall wear clean uniforms while on duty.

The manager shall be professionally trained and have a working knowledge of English language

There shall be good quality crockery, cutlery, glassware, tableware and linen in the restaurant.

Kitchen shall be properly equipped, hygienically clean and well-maintained with clean cooking utensils.

The restaurant shall be anti-fly and anti mosquito proofed.



ANNEX “E”

LICENCE FEE FOR RESTAURANTS

	Seating capacity not more than 50 persons	Seating capacity of above 50 persons		
	With A.C.	Without A.C.	With A.C.	Without A.C.
In Karachi, Hyderabad, Bhawalpur, Lahore, Rawalpindi, Islamabad, Peshawar, Quetta Karachi, Sukkur, Multan, Faisalabad, Murree, Swat & Quetta	2500	1300	5000	2500
Other places	1300	800	2500	1300