
RESEARCH PAPER

Cryptocurrency and Blockchain: Assessing the Legal Framework in Pakistan

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ABSTRACT

The rapid global expansion of cryptocurrency and blockchain technologies has raised pressing questions about their regulation in Pakistan. Despite the growing adoption of virtual assets, the legal framework remains fragmented and largely prohibitive. The State Bank of Pakistan (SBP) through its 2018 circular barred financial institutions from engaging in virtual currency transactions, effectively restricting formal market activity. Meanwhile, the Securities and Exchange Commission of Pakistan (SECP) has explored regulatory options for DATPs but has not yet implemented a comprehensive licensing regime. This article aims to assess the existing legal framework governing cryptocurrency and blockchain in Pakistan, highlighting institutional roles, enforcement practices, and the influence of international obligations such as Financial Action Task Force (FATF) compliance. The research adopts a doctrinal approach, analyzing statutory directives, regulatory papers, judicial pronouncements, and enforcement actions to evaluate the strengths and shortcomings of current policy. The findings reveal a de facto prohibition on crypto transactions in the formal financial system, weak consumer protection, and heightened risks of fraud and money laundering. However, recent policy signals indicate a gradual shift toward compliance-based regulation. The study concludes that Pakistan's regulatory future lies in a balanced framework that accommodates innovation while safeguarding macroeconomic stability and financial integrity.

Keywords: Digital Assets, Financial Regulation, Anti-Money Laundering Compliance, Regulatory Institutions, Consumer Protection, Virtual Trading Platforms, Legal Uncertainty.

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INTRODUCTION

In recent years, digital innovation has transformed the global financial landscape, with cryptocurrencies and blockchain technology emerging as disruptive forces in banking, commerce, and governance. While many states have moved toward regulated adoption of these technologies, Pakistan remains at a crossroads. The financial regulators, most notably the SBP, have adopted a

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restrictive approach, cautioning against risks associated with virtual assets. At the same time, the SECP has engaged in exploratory work on DATPs, but no comprehensive regulatory framework has yet been enacted. This divergence creates a legal vacuum that leaves individuals, investors, and institutions uncertain about the status of cryptocurrency and blockchain in the country. The purpose of this article is to assess the current legal and regulatory landscape in Pakistan concerning crypto assets, with a particular focus on institutional mandates, enforcement practices, and international compliance obligations (Rana et al., 2023). The scope extends beyond mere prohibition, examining the policy rationale, enforcement trends, and possible reform pathways. The central research questions guiding this study are: How effective is the existing regulatory stance in addressing risks associated with cryptocurrency? and What reforms could provide a balanced approach to innovation and financial stability in Pakistan?

Methodologically, this article adopts a doctrinal research design, relying on statutory circulars, regulatory position papers, judicial interventions, and enforcement actions as primary materials, while supplementing them with secondary scholarly analysis. The working hypothesis is that Pakistan's current de facto prohibition creates more vulnerabilities than protections, pushing activity underground while denying regulators the oversight they seek. The study anticipates that a compliance-based licensing model, aligned with global best practices and FATF standards, would better serve Pakistan's interests. The significance of this research lies in offering timely insight into an evolving policy debate with implications for financial governance, technological innovation, and consumer protection. The remainder of this article is structured as follows: Section 1 outlines the evolution of Pakistan's regulatory approach; Section 2 discusses institutional roles and enforcement practices; Section 3 evaluates policy challenges and international influences; Section 4 proposes reform models and possible regulatory frameworks; and the conclusion synthesizes findings and highlights the path forward.

CONCEPTUAL AND THEORETICAL FRAMEWORK

This study is grounded in the regulatory theory of financial governance, which posits that effective regulation must balance innovation, stability, and compliance within evolving markets. The concept of "regulatory perimeter" forms the core analytical lens, capturing how the SBP and the SECP delineate lawful financial activities under existing statutes. Drawing on theories of legal pluralism and institutionalism, the framework conceptualizes Pakistan's crypto regulation as a dynamic interaction between formal prohibitions, informal market practices, and international obligations, particularly under the FATF regime. The research assumes that the absence of a coherent legal architecture produces a hybrid governance model, where enforcement relies on overlapping instruments such as the SBP Act 1956, PECA 2016, and AMLA 2010. Theoretically, this approach situates Pakistan's experience within the broader discourse on digital financial regulation in developing economies, where law operates as both an enabler of technological innovation and a tool of macroeconomic risk containment.

RESEARCH METHODOLOGY

This research employs a doctrinal and qualitative methodology, focusing on the systematic analysis of legal instruments, policy documents, and institutional practices governing

cryptocurrency and blockchain in Pakistan. Primary data sources include statutory provisions such as the SBP Act 1956, Securities Act 2015, Companies Act 2017, Anti-Money Laundering Act 2010, and the Prevention of Electronic Crimes Act 2016, along with regulatory circulars, position papers, and judicial pronouncements. Secondary materials comprise scholarly articles, comparative studies, and international guidelines issued by bodies such as the FATF and the International Monetary Fund (IMF). The study adopts an interpretive and comparative legal analysis, examining how domestic regulatory responses align or diverge from international best practices, particularly the EU's Markets in Crypto-Assets Regulation (MiCA) and the UAE's Virtual Assets Regulatory Authority (VARA) framework. By identifying institutional gaps, overlaps, and policy inconsistencies, the research aims to evaluate the coherence, adequacy, and future direction of Pakistan's evolving crypto-legal regime. Data interpretation follows a thematic approach, enabling the extraction of patterns related to regulation, enforcement, consumer protection, and innovation governance, thereby providing an integrated understanding of the legal landscape (Khan et al., 2024).

THE LEGAL FRAMEWORK OF FOR CRYPTO IN PAKISTAN?

In Pakistan, cryptocurrency does not have a dedicated statute but is regulated through SBP's 2018 circular, which bars financial institutions from engaging in crypto transactions. The SECP has issued policy papers exploring regulation, but no binding framework exists yet. Courts, such as the Sindh High Court, have directed the government to clarify its stance, highlighting the legal vacuum. Thus, the "law" for crypto in Pakistan is a mix of regulatory directives, judicial pronouncements, and international compliance obligations.

SBP's banking perimeter (de facto prohibition)

The SBP defines and regulates the country's "banking perimeter," i.e., the scope of financial activities that licensed banks, microfinance institutions, and payment service operators are legally permitted to perform. In April 2018, SBP issued a circular explicitly prohibiting all regulated entities from using, holding, trading, transferring value, or facilitating transactions in virtual currencies and tokens, including Bitcoin and other crypto assets. This prohibition does not amount to a legislative ban under criminal law; rather, it confines the restriction to the formal financial system. By cutting off banking, payment, and exchange services, SBP effectively prevents individuals and businesses from accessing cryptocurrency through legitimate financial channels. This makes it impossible to convert local currency into crypto via regulated institutions, thereby forcing activity into informal peer-to-peer (P2P) networks or offshore exchanges (Zeeshan & Hassan, 2025).

The result is a de facto prohibition: while citizens are not directly criminalized for holding or trading crypto, the inability to use banking infrastructure renders large-scale or transparent use impracticable. This regulatory stance reflects SBP's concerns over financial stability, capital flight, money laundering, and terrorism financing risks, which align with Pakistan's obligations under FATF recommendations. However, the side effect is that crypto activity is pushed underground, limiting regulatory oversight and exposing consumers to fraud and scams, without any meaningful legal protection (ud din Qadri et al., 2023).

Implication: Individuals are not expressly criminalized for mere possession, but on- and off-ramps through licensed financial institutions are blocked, creating a de facto prohibition environment (KHAN, 2024).

SECP's exploratory stance

Unlike the SBP's outright prohibition for the banking sector, the SECP has taken a more exploratory and consultative approach toward crypto assets. Recognizing the rapid global growth of digital assets and their potential role in financial markets, SECP in 2020 issued a position paper on the regulation of DATPs. This paper outlined possible regulatory models for licensing, supervision, custody, and secondary trading of digital assets, with a strong emphasis on investor protection and anti-money laundering (AML)/counter-terrorism financing (CTF) compliance. Importantly, the SECP acknowledged the distinction between different categories of tokens—such as utility tokens, security tokens, and asset-backed tokens—and considered whether these should fall within the existing securities law framework or under a new bespoke regime. It also highlighted the need for a regulatory sandbox to test innovation in a controlled environment before broad implementation. However, despite these exploratory steps, SECP has not yet enacted binding regulations to bring digital assets under its supervision. As a result, its stance remains policy-oriented and advisory rather than enforceable law. This creates a situation where SECP recognizes the potential of blockchain-based assets but operates cautiously due to systemic risks, capacity constraints, and Pakistan's FATF-driven compliance obligations (Noor, 2024).

AML/CFT baseline

Pakistan's regulatory position on cryptocurrency is heavily shaped by its obligations under the FATF framework. Because virtual assets can provide anonymity, rapid cross-border transfer, and lack of centralized oversight, they pose heightened risks of money laundering (ML) and terrorism financing (TF). Consequently, both the SBP and the SECP frame crypto regulation primarily through an AML/CFT lens. The SBP, in its Financial Stability Reviews, repeatedly warns that cryptocurrencies may undermine the integrity of the financial system if not subject to robust Know Your Customer (KYC), Customer Due Diligence (CDD), and suspicious transaction reporting mechanisms. Similarly, the SECP, in its 2020 position paper, stressed that any future regulation of DATPs must be aligned with FATF's Recommendation 15, which requires jurisdictions to regulate Virtual Asset Service Providers (VASPs) for AML/CFT compliance. Thus, the baseline for any potential legalization or regulation of crypto in Pakistan is AML/CFT compliance. Without integrating global standards such as the FATF "travel rule," local reporting obligations, and sanctions screening, Pakistan risks renewed scrutiny in its ongoing efforts to maintain compliance and avoid blacklisting (Baloch et al., 2023).

THE POLICY TEMPERATURE (2018-2025)

The evolution of Pakistan's policy approach toward cryptocurrency from 2018 to 2025 reflects a tension between regulatory caution, judicial intervention, public demand, and international, the SBP issued a circular prohibiting all banks, microfinance institutions, and payment service providers from dealing in virtual currencies and tokens. This directive, motivated by concerns over volatility, consumer risk, and illicit finance, effectively cut crypto off from the

formal financial system. While individuals were not criminally penalized for holding or trading digital assets, the inability to legally access banking channels constituted a de facto prohibition.

2019–2020: Early Exploration

During this period, the SECP initiated research into the regulation of DATPs. Its 2020 position paper emphasized the importance of AML/CFT compliance and proposed potential licensing frameworks. However, the lack of political consensus and Pakistan's struggle to meet FATF standards prevented concrete regulatory reform (Zahid et al., 2025).

2021–2022: Judicial Pressure and Market Realities

With crypto adoption rising informally, courts began to push for clarity. The Sindh High Court, responding to petitions, directed the government to develop a national framework and sought expert input. Meanwhile, the Federal Investigation Agency (FIA) uncovered multiple scams involving crypto, reinforcing concerns about consumer protection and unlawful financial flows. Despite these developments, regulatory inertia persisted, leaving investors exposed to risks while activity continued underground (Shahzad et al., 2025).

2023: Hardline Position

In January 2023, a senior official from the Ministry of Finance announced before Parliament that cryptocurrency would “never be legalized” in Pakistan. This declaration reaffirmed the government's hard stance, linking prohibition to fears of capital flight, macroeconomic instability, and FATF compliance risks. The statement suggested that policymakers viewed regulation as too costly and politically risky in the short term (Saeed & Sial, 2023).

2024–2025: Signs of a Policy Shift

By 2024–2025, however, the narrative began to soften. Reports emerged of a government-backed crypto council tasked with studying regulatory pathways and engaging international advisors. Discussions began around adopting a compliance-based model, emphasizing licensing, KYC, and reporting requirements for exchanges and custodians. While SBP's 2018 prohibition remained formally in place, the broader policy discourse shifted from outright rejection to cautious exploration of regulation. Thus, between 2018 and 2025, Pakistan's policy “temperature” has moved from absolute prohibition (2018), through judicial nudges and exploratory studies (2020–2022), to a reaffirmed ban (2023), and finally toward tentative openness to regulated adoption (2025). This trajectory underscores the government's struggle to reconcile technological innovation, financial integrity, and international compliance obligations within its legal framework (RAZA & Siddiqui, 2025).

ENFORCEMENT PRACTICE AND MARKET REALITY

While Pakistan's regulatory approach has remained largely prohibitive, enforcement practice reveals a complex interplay between prohibition, circumvention, and consumer vulnerability. The Federal Investigation Agency (FIA) has been the primary enforcement body, tasked with investigating fraud, money laundering, and other illicit activities linked to cryptocurrency use. Several high-profile scams, such as fraudulent investment schemes and mobile

applications funneling funds through offshore exchanges, have been uncovered since 2021. These cases exposed the risks of an unregulated market where individuals are lured by promises of high returns but left with no legal recourse once defrauded. Despite the SBP's ban on financial institutions facilitating crypto, enforcement on the ground faces significant limitations. With no direct criminal statute prohibiting possession or peer-to-peer transactions, individuals continue to buy and trade crypto through informal channels such as peer-to-peer (P2P) networks and international online exchanges. This shadow activity complicates enforcement, as transactions often occur outside the formal banking perimeter, making them difficult to trace. The lack of a dedicated legal framework also means that authorities frequently rely on general provisions of anti-fraud, AML, and cybercrime laws, rather than a crypto-specific statute. In practice, this enforcement gap has produced a dual reality. On the one hand, regulators and investigators warn against crypto's risks, treat it as a prohibited financial activity, and crack down on high-profile fraud cases. On the other hand, the market continues to thrive informally, with Pakistan consistently ranking among the top countries in global cryptocurrency adoption indexes. This paradox highlights the limits of prohibition as a regulatory strategy: rather than eliminating crypto use, it has merely displaced it into unregulated spaces, exposing consumers to greater harm while denying the state effective oversight (Mustafa et al., 2025).

INSTITUTIONAL ROLES & APPLICABLE LAWS

The regulation of cryptocurrency in Pakistan is fragmented, with multiple institutions exercising overlapping mandates. In the absence of a dedicated legislative framework, the legal environment is shaped by existing regulatory powers, policy papers, and judicial pronouncements.

State bank of Pakistan

As the central bank, SBP regulates the monetary system, foreign exchange dealings, and payment service providers. Its 2018 circular barred all regulated entities from facilitating cryptocurrency transactions, thereby drawing the boundaries of the banking perimeter. SBP justifies this stance on grounds of financial stability, consumer protection, and FATF-driven compliance (Ghani et al., 2025).

Securities and Exchange Commission of Pakistan

The SECP has a statutory mandate to regulate securities markets, non-banking financial companies, and collective investment schemes. In 2020, it released a position paper exploring the regulation of DATPs, emphasizing licensing, custody standards, and AML/CFT obligations. However, SECP's proposals remain at the policy stage, with no binding regulations issued to date (Mathlouthi et al., 2025).

Federal Investigation Agency (FIA)

The FIA investigates crimes under the Prevention of Electronic Crimes Act (PECA) 2016, the Anti-Money Laundering Act (AMLA) 2010, and other penal laws. In practice, the agency targets fraud, scams, and unlawful transfers facilitated by cryptocurrencies. Its actions underscore the enforcement gap: crypto is treated as a risk vector under general laws rather than being directly criminalized (Khan et al., 2025).

Financial Monitoring Unit (FMU)

Pakistan's Financial Intelligence Unit, the FMU enforces AML/CFT compliance. Under FATF's Recommendation 15, Pakistan is required to regulate Virtual Asset Service Providers (VASPs). Although no licensing regime has been enacted, any eventual legalization will necessarily integrate FMU oversight to ensure suspicious transaction reporting and compliance with the "travel rule." (Hui et al., 2025)

Judiciary

The courts, particularly the Sindh High Court, have played a facilitative role by directing the federal government to clarify its policy stance. While not legislating, judicial directions carry persuasive authority and underscore the urgency of addressing the legal vacuum (Khan & Ullah, 2024).

Applicable Laws

At present, there is no standalone law on cryptocurrency. Instead, applicable provisions are drawn from:

- SBP Act 1956 (central bank's power over monetary and exchange regulation),
- Securities Act 2015 and Companies Act 2017 (potential scope for tokenized securities),
- PECA 2016 (cybercrime jurisdiction for online fraud),
- AMLA 2010 (anti-money laundering obligations), and
- Foreign Exchange Regulation Act 1947 (FERA) (restrictions on cross-border transactions).

Collectively, these institutions and statutes provide only partial coverage, leaving cryptocurrency in a legal grey zone. Oversight relies on interpretation of existing laws rather than a clear, purpose-built framework, which undermines regulatory certainty for investors and users alike.

CURRENT LEGAL POSITION (AS OF AUG 22, 2025)

The current legal position on cryptocurrency and digital assets in Pakistan are given below.

SBP's Stand Clarified

The SBP has reiterated that its 2018 directive urging regulated entities (banks, microfinance banks, PSPs, etc.) to refrain from engaging in crypto transactions did not deem virtual assets outright illegal. It was a precautionary advisory grounded in the absence of a formal regulatory framework. Meanwhile, work is underway in conjunction with the Finance Division and the Pakistan Crypto Council to craft a comprehensive legal framework (Khan, 2024).

Ban Still in Effect Pending Legislation

Despite ambitious signals, including the creation of a Strategic Bitcoin Reserve and energy allocation for crypto mining, the SBP and the Ministry of Finance continue to affirm that cryptocurrency remains not legal tender and is effectively banned under current rules (Khan, 2024).

New Regulatory Authority in Place

In July 2025, the President promulgated the Virtual Assets Ordinance, 2025, establishing the Pakistan VARA. This independent body has been empowered to license and supervise Virtual Asset Service Providers (VASPs), oversee a regulatory sandbox, issue no-action letters, and ensure Sharia-compliance via an advisory board—though, as an ordinance, it's temporarily valid (120 days) unless ratified by Parliament (Khan & Jiliani, 2023).

Crypto Regulation Approaching Reality

Licensing and regulatory frameworks are nearing implementation. Stakeholder consultations including with banks, exchanges, and mining operators are under way. Issuance of crypto exchange licenses is anticipated by October 2025, pending alignment with FATF and IMF standards (Khan & Usman, 2023).

COMPARATIVE NOTE (WHY POLICY IS HARD)

Crafting a cryptocurrency policy in Pakistan is challenging because it requires balancing financial innovation with systemic risks. Unlike advanced jurisdictions such as the EU (MICA Regulation 2023) or UAE (VARA framework), which have enacted clear licensing regimes, Pakistan faces institutional fragmentation, fragile macroeconomic conditions, and persistent FATF scrutiny. The United States illustrates another layer of difficulty where agencies like the SEC and CFTC contest jurisdiction—highlighting how even mature economies struggle to classify digital assets (Khan et al., 2023). For Pakistan, the stakes are higher: unregulated growth risks money laundering, fraud, and capital flight, while overregulation risks pushing innovation into the informal sector or foreign platforms. The comparative lesson is that crypto regulation is never purely technical; it is deeply political, economic, and institutional, making policy a moving target (Khan & Ximei, 2022).

OPTIONS FOR A WORKABLE PAKISTANI FRAMEWORK

Designing a workable legal and regulatory framework for cryptocurrency in Pakistan requires a careful balance between innovation, financial stability, consumer protection, and compliance with international standards. A pragmatic starting point would be to introduce a tiered licensing regime for Virtual Asset Service Providers (VASPs), such as exchanges, custodians, brokers, and wallet providers. Licensing should be conditional on local incorporation, minimum capital requirements, independent audits, and board-level oversight of risk and anti-money laundering (AML) systems. This would help ensure only credible players operate in the market while building supervisory capacity gradually. At the heart of any framework must be robust AML/CFT safeguards to meet FATF standards. Regulated entities should conduct strict Know-Your-Customer (KYC) checks, report suspicious transactions, comply with the travel rule, and adopt on-chain monitoring tools to detect illicit activity. This would not only address international concerns but also protect Pakistan from capital flight, terrorist financing, and money laundering risks. Since Pakistan's external account is highly vulnerable, the SBP should also retain authority over foreign exchange flows by imposing caps, approvals, or designated channels for crypto-to-fiat conversions (Khan et al., 2022).

A key reform is to establish a clear taxonomy of digital tokens distinguishing between payment tokens, utility tokens, stable coins, and security tokens. This clarity would allow the SECP to regulate security tokens under existing securities laws, while leaving payments and exchange oversight to the SBP and a dedicated VARA. Alongside classification, strict rules on custody are needed, requiring segregation of client assets, cold storage thresholds, proof-of-reserve attestations, and insurance mechanisms to protect consumers in case of insolvency or fraud. Consumer protection should be central to the framework. Exchanges must be required to publish risk disclosures, maintain transparent fee structures, establish 24/7 complaint redress mechanisms, and disclose procedures for listing and delisting tokens. To safeguard financial stability, leveraged trading and derivatives could be restricted to qualified investors, while ordinary retail users are limited to spot trading. At the same time, cybersecurity standards need to be enforced through penetration testing, encryption protocols, disaster recovery planning, and mandatory reporting of data breaches (Khan, 2022).

A regulatory sandbox could provide a low-risk environment for innovation by allowing pilot projects under close supervision. This phased rollout would enable regulators to monitor risks, adjust rules, and build expertise before scaling. In addition, specialized frameworks for stable coins could be introduced, requiring issuers to maintain one-to-one reserves in safe assets and subject themselves to monthly audits. Tax clarity is equally important—Pakistan must decide whether to treat crypto gains as capital income, business income, or speculative income, and ensure that exchanges withhold applicable taxes and share transaction data with the Federal Board of Revenue. Since crypto regulation cuts across multiple domains, institutional coordination will be essential. A joint taskforce involving the SBP, SECP, Financial Monitoring Unit (FMU), Federal Investigation Agency (FIA), and Pakistan Telecommunication Authority (PTA) should oversee licensing, investigations, and crisis management. Given Pakistan's socio-political context, the framework should also integrate Sharia governance mechanisms, with an advisory board to assess product compliance and reassure stakeholders about the ethical legitimacy of digital assets. Public education campaigns on fraud, scams, and safe practices could further reduce risks for retail participants (Usman, 2021).

Finally, Pakistan should view crypto regulation as part of a long-term digital finance strategy. The framework should be compatible with a future central bank digital currency (CBDC) and explore blockchain applications in governance such as land registries, customs clearance, and post-trade settlement in capital markets. To transition smoothly from prohibition to regulation, the government could publish a phased roadmap: beginning with sandbox pilots, moving to conditional licenses, and eventually issuing full licenses once supervisory systems mature. In essence, a workable Pakistani framework would neither allow unchecked speculation nor shut the door on innovation. By focusing on licensing, AML/CFT, custody, consumer protection, and gradual integration into the financial system, Pakistan can move from its current *de facto* ban toward a robust and future-ready regime (Abdelrehim Hammad et al., 2021)

BLOCKCHAIN BEYOND CRYPTO: PUBLIC-SECTOR USE CASES

While cryptocurrency dominates debates on blockchain in Pakistan, the technology's potential goes far beyond digital money. Blockchain's core features immutability, transparency,

and decentralization—can address chronic governance challenges such as corruption, inefficiency, and lack of public trust. One promising use case is land and property registration. Pakistan has long struggled with fraudulent transfers, multiple claims over the same plot, and missing records. A blockchain-based registry would create tamper-proof land titles accessible to both citizens and regulators, significantly reducing disputes and litigation (Khan et al., 2021).

In the realm of public procurement, blockchain can be used to record tenders, bids, and contract executions, making the process auditable in real time. This would limit opportunities for kickbacks, favoritism, or bid-rigging issues that have historically plagued state contracts. Blockchain also has significant potential in taxation and customs. Smart contracts could automate tax deductions at the point of transaction, while trade documentation placed on distributed ledgers could minimize smuggling and under-invoicing. Similarly, identity management systems built on blockchain could strengthen NADRA's role, ensuring secure verification in banking, voting, and social protection programs. Lastly, healthcare and education records could benefit from blockchain by allowing patients and students to control their data while preventing unauthorized tampering. This would streamline service delivery while safeguarding privacy. For Pakistan, these use cases show that blockchain is not only about speculative assets but can be harnessed as a governance innovation tool, aligning with state priorities of transparency, efficiency, and digital transformation (Kahn & Wu, 2020).

CONCLUSION

The legal treatment of cryptocurrency and blockchain in Pakistan remains a work in progress, marked by a cautious regulatory stance and ongoing institutional experimentation. While the State Bank's directives have effectively restricted crypto transactions, the establishment of the Pakistan VARA under the 2025 Ordinance reflects a turning point toward structured oversight. The challenge lies in balancing innovation with financial integrity, investor protection, and international obligations under FATF and IMF frameworks. At the same time, blockchain's potential extends well beyond speculative trading. Its applications in land registration, taxation, procurement, and identity management can support Pakistan's broader governance and digital transformation agenda. By adopting a phased, risk-based, and Sharia-compliant framework, Pakistan can shift from a posture of prohibition to one of controlled innovation. Ultimately, the future of blockchain and cryptocurrency regulation in Pakistan will depend on whether policymakers can craft laws that are not only globally aligned but also attuned to local economic, legal, and cultural realities.

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