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**ICMA
PROPOSES
CRYPTO
ADOPTION
FRAMEWORK
AND CBDC
LAUNCH
PLAN TO
GOVERNMENT**

Research and Publications Department
Institute of Cost and Management Accountants of Pakistan

Message from Vice President ICMA and Chairman, Research and Publications Committee

It gives me immense pleasure to share that the Research and Publications Department of ICMA Pakistan has developed a comprehensive Four-Pillar Framework for the responsible adoption of cryptocurrencies, intended for the consideration of the Pakistan Crypto Council (PCC). This framework is designed to ensure the secure and efficient integration of digital assets into Pakistan's economy.



The framework is inspired by the growing global interest in digital assets. Cryptocurrencies have demonstrated exceptional returns, surpassing traditional financial instruments. In FY 2024, Bitcoin and Ethereum achieved impressive gains of 135.91% and 114.43%, respectively. Even in economies with positive real interest rates, such as the USA, China, and India, the stock market has maintained historically consistent average returns. However, these have been markedly lower compared to the extraordinary gains observed in the top-performing cryptocurrencies. In contrast, countries like Pakistan, Nigeria and Indonesia, where negative real interest rates and economic uncertainty prevail, are increasingly turning to cryptocurrencies as a hedge against inflation and currency depreciation. The 68.3% surge in Pakistan's stock market shows a strong shift in investor confidence and engagement, which parallels the increasing interest and adoption of cryptocurrencies across the country.

The framework is structured around four key areas. Pillar 1 focuses on establishing a clear regulatory framework to provide legal certainty and foster investor confidence. Pillar 2 emphasizes the alignment of Pakistan's policies with international crypto and blockchain standards, ensuring compatibility with global financial systems and emerging innovations. Pillar 3 advocates for strong collaboration between government bodies and industry stakeholders to promote responsible innovation and coordinated policymaking. Pillar 4 underscores the importance of consumer protection and financial stability, recognizing the need to safeguard users and the broader economy from undue risks. Each of the four pillars is supported by a dedicated country-specific case study, offering practical insights from international experiences that can guide Pakistan in formulating a progressive and well-regulated approach to digital assets. In addition, ICMA Pakistan has also suggested a Central Bank Digital Currency (CBDC) Development and Regulatory Launch Plan. This plan provides a structured approach to the introduction of a regulated digital currency under the supervision of the State Bank of Pakistan.

ICMA Pakistan believes that Pakistan stands at a crucial juncture, with a unique opportunity to advance by adopting a well-structured and globally aligned regulatory framework for digital assets. **We look forward to engaging with the Pakistan Crypto Council to discuss this framework in detail and explore ways to collectively shape the future of cryptocurrency regulation in Pakistan.** We look forward to a productive dialogue that will help foster a secure, sustainable, and inclusive digital financial ecosystem in Pakistan—one that promotes innovation, protects consumers, and ensures long-term economic resilience.

I hope our members will find this analysis helpful and informative. Please do share your feedback at rp@icmap.com.pk

Muhammad Yasin, FCMA



INSIDE



Definitions & Abbreviations	4
Preamble	5
Early Developments of Crypto in Pakistan	6
Global Investment in Digital Assets Attracted by Higher Crypto Gains Over Stocks and Real Interest Rates	7
Rising Number of Crypto-Owning Countries Due to Lower Stock Market and Interest Rate Returns	8
ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan	9
• Pillar 1: Creating a Regulatory Framework to Support Crypto Adoption	10
• Pillar 2: Aligning with Global Crypto and Blockchain Standards	13
• Pillar 3: Fostering Innovation through Industry-Government Collaboration	16
• Pillar 4: Protecting Consumers and the Financial System with Strong Legal and Compliance Measures	19
ICMA Proposed Pakistan's CBDC Development & Regulatory Framework	22
ICMA's Proposed Regulatory Framework and Launch Plan for CBDC in Pakistan	23
CBDC Adoption Status Around the World	24
References	25

Disclaimer

This document is for informational purposes only and should not be interpreted as investment advice. It is based on recent data from reliable sources. ICMA does not endorse or recommend investing in cryptocurrency. The content is intended to inform about emerging financial trends.



Definitions

Cryptocurrency: It is a digital or virtual currency that uses cryptography to ensure security. Being decentralized, it operates independently of banks or governments, with all transactions recorded on a public ledger known as the blockchain.

Central Bank Digital Currency (CBDC): It is a digital version of a country's official currency, such as the US dollar or Euro, issued by the country's central bank. It serves as an electronic form of the money used in everyday transactions. Unlike private cryptocurrencies, Central Bank Digital Currencies (CBDCs) are backed by the central bank and are integrated into the traditional financial system.

Abbreviations

Please refer to the full forms of the following abbreviations for a clearer understanding of the document.

ARTs	:	Asset-Referenced Tokens
AML	:	Anti Money Laundering
CFT	:	Counter Terrorism Financing
CVA	:	Crypto Valley Association
DeFi	:	Decentralized Finance
DFSA	:	Dubai Financial Services Authority
DMCC	:	Dubai Multi Commodities Centre
EEA	:	Enterprise Ethereum Alliance
EMTs	:	E-Money Tokens
EDD	:	Enhanced Due Diligence
FATF	:	Financial Action Task Force
FINMA	:	Switzerland Financial Market Supervisory Authority
GDF	:	Global Digital Finance
IOSCO	:	International Organization of Securities Commissions
KYC	:	Know Your Customer
MAS	:	Monetary Authority of Singapore
MiCA	:	European Union's Markets in Crypto-Assets
SHC	:	Sindh High Court
SECP	:	Securities and Exchange Commission of Pakistan
SBP	:	State Bank of Pakistan
VASPs	:	Virtual Asset Service Providers
VARA	:	Dubai Virtual Assets Regulatory Authority

Preamble



Global investment trends indicate that an increasing number of economies are investing in cryptocurrencies due to their much higher returns compared to traditional financial assets. In FY-24, despite positive real interest rates in countries such as the USA 2.4%, China 3.3%, and India 1.6%, their stock markets have only maintained their historical average returns compared to the strong performance of crypto assets. In FY 2024, Bitcoin and Ethereum achieved returns of 135.91% and 114.43%, respectively, significantly outperforming stock indices and positioning cryptocurrencies as a highly attractive investment option.

In countries like Pakistan, Nigeria and Indonesia, where real interest rates are negative and economic uncertainty continues, cryptocurrencies act as a hedge against inflation and currency depreciation. In FY-24, despite Pakistan experiencing the highest stock market growth 68.3% among the top crypto-adopting nations, digital asset adoption is still on the rise, driven by global trends and speculative performance.

In this research, ICMA has proposed a cryptocurrency adoption framework to the newly established Pakistan Crypto Council (PCC). The framework includes four main pillars: 1) Regulatory guidelines, 2) Collaboration with international crypto organizations, 3) Responsible innovation, and 4) Consumer protection and financial security. ICMA has also suggested a plan to launch and regulate a Central Bank Digital Currency (CBDC) in Pakistan. A well-structured CBDC framework would help the State Bank of Pakistan (SBP) and other government bodies to regulate digital financial transactions, manage volatility risks, and promote financial inclusion. By offering a stable, government-backed digital currency, Pakistan can support financial innovation while maintaining control over its monetary system, ensuring a secure and regulated digital financial ecosystem.

Early Developments of Crypto in Pakistan

Initial Restrictions (April 2018)

- SBP declared digital currencies like Bitcoin and Litecoin are not legal tender in Pakistan.
- SBP banned banks and financial institutions from processing cryptocurrency transactions.
- Individuals and entities were prohibited from issuing, trading, or investing in digital currencies.

Legal Clarity Sought (December 2020)

- The Sindh High Court (SHC) asked SBP for clarification on whether any laws explicitly ban cryptocurrency in Pakistan.
- SBP clarified that while it restricts cryptocurrency activities, it has never officially declared cryptocurrencies illegal.

Reforms for Digital Assets and CBDC (November 2024)

- The federal government amended the SBP Act to legalize digital assets, including cryptocurrencies, as legal tender.
- The amendments would enable SBP to regulate both physical and digital assets and allow it to issue a Central Bank Digital Currency (CBDC), a government-backed digital rupee.

Launching of Pakistan Crypto Council (March 2025)

- The Pakistan Crypto Council was launched to establish a legal framework for cryptocurrency trading and integrate blockchain technology and digital assets into the country's financial system.
- Board members of the PCC include the SBP Governor, Chairman of SECP, Secretaries of Law and IT, and the CEO & Chief Advisor to the Finance Minister.
- Mr. Changpeng Zhao, co-founder and former CEO of Binance, has been appointed as a Strategic Adviser to the Pakistan Crypto Council.

Composition of Pakistan Crypto Council (PCC)

CEO



Mr. Bilal bin Saqib

Chief Advisor to the Finance Minister

Chairman



Mr. Muhammad Aurangzeb

Minister, Finance and Revenue

Strategic Advisor



Mr. Changpeng Zhao

Ex. CEO Binance

Board Members



Mr. Jameel Ahmad

Governor,
State Bank of Pakistan



Mr. Akif Saeed

Chairman, Securities and
Exchange Commission of Pakistan



Mr. Raja Naeem Akbar

Federal Secretary,
Law and Justice







Mr. Zarrar Hasham Khan

Federal Secretary,
IT & Telecommunication

Global Investment in Digital Assets Attracted by Higher Crypto Gains Over Stocks and Real Interest Rates

Top Crypto Coins by Market Capitalization and Profitability in FY 2024

Rank	Crypto Coin	Market Capitalization	Profitability
1st	 Bitcoin (BTC)	BTC, launched in 2009, is the largest cryptocurrency, holding 60.6% of the total market capitalization	135.91%
2nd	 Ethereum (ETH)	ETH, launched in 2015, holds 9.2% of the total crypto market capitalization	114.43%
3rd	 XRP (XRP)	XRP, launched in 2012, holds 4.9% of the total crypto market capitalization	0.32%
4th	 Tether (USDT)	USDT, a U.S. dollar-pegged stablecoin launched in 2014, holds 4.7% of the total crypto market capitalization	78.39%
5th	 Binance Coin (BNB)	BNB, launched in 2017, holds 2.9% of the total crypto market capitalization	-0.16%
	 All Other Crypto Coins	Currently, all other cryptocurrencies hold 17.8% of the total crypto market capitalization	

Crypto Performance Indices	Summary	Performance (in FY 2024)
S&P Cryptocurrency Broad Digital Market (BDM) Index	This index tracks the performance of the top 240 cryptocurrencies, making it one of the most comprehensive in the market	84.7%
CoinDesk 20 Index (CD 20)	This index measures the performance of the 20 largest and most liquid cryptocurrencies, excluding stablecoins	47.4 %











Source: spglobal.com, coindesk.com coinmarketcap.com, coingecko.com, Performance data from Yahoo Finance.

Note: Global Crypto Market Capitalization is \$3,061 billion. (As on 29th April 2025)

Rising Number of Crypto-Owning Countries Due to Lower Stock Market and Interest Rate Returns

Total World Crypto Owners in FY 2024

560 Million

	Top Crypto Owning Countries	Number of Owners approx. (Million) FY-24	Average Real Interest Rate FY-24	Countries Stock Exchange Performance FY-24
01	 India	93.5	1.6%	36.5%
02	 China	59.1	3.3%	10.1%
03	 United States	52.8	2.4%	23.1%
04	 Brazil	25.9	6.7%	3.9%
05	 Vietnam	20.9	1.2%	11.9%
06	 Pakistan	15.8	-3.4%	68.3%
07	 Philippines	15.7	2.1%	1.8%
08	 Nigeria	13.2	-6.7%	61.5%
09	 Indonesia	12.2	-8.7%	-6.4%
10	 Russia	8.7	3.5%	4.1%

Source: Triple-A: Cryptocurrency Ownership Data 2024, Relevant country Central bank & Stock Exchange, Tradingeconomics.com.
 Analysis by ICMA

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan

ICMA Pakistan proposes a “Four-Pillar Framework” for the responsible adoption of cryptocurrencies in Pakistan, for the consideration of the Pakistan Crypto Council. The framework focuses on establishing a clear regulatory structure, aligning with global crypto and blockchain standards, encouraging innovation through industry-government collaboration, and ensuring consumer protection and financial stability through effective legal and compliance measures.

These pillars are explored in detail in the following pages, each supported by a case study of a role model country that exemplifies best practices for each pillar.



ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan



Pillar 1: Creating a Regulatory Framework to Support Crypto Adoption

To promote secure and efficient adoption of cryptocurrency, Pakistan should establish a clear and comprehensive regulatory framework aligned with global standards. This should cover the classification of digital assets, implementation of robust AML/CFT controls for digital asset transactions, and incentives for blockchain innovation. The following step-by-step framework outlines the recommended approach.

01 Establish a Dedicated Regulatory Authority

Set up a specialized unit within the SECP or SBP, in coordination with the FBR, to oversee cryptocurrency regulation. Ensure inclusive and transparent policy development through active stakeholder engagement.

02 Define and Classify Digital Assets

Clearly categorize digital assets (e.g., securities, commodities, payment instruments) and distinguish between different token types, in alignment with FATF guidelines and international standards.

03 Implement Tiered Licensing and Compliance

Introduce a risk-based licensing system for exchanges, wallets, and service providers. Ensure strict enforcement of KYC, AML, and CFT regulations to maintain financial integrity and security.

04 Ensure Transparency and User Protection

Require service providers to offer clear disclosures, implement strong cybersecurity measures like cold storage, and set up systems for fraud prevention and user dispute resolution to protect consumers and build trust.



ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan



05 Establish Clear Tax Guidelines and Incentives

Define capital gains and income tax rules for crypto transactions, require reporting of large transactions to the FBR, and offer tax incentives to support blockchain startups and attract investment.

06 Introduce a Regulatory Sandbox

Allow fintech and blockchain firms to test innovative solutions under regulatory oversight through temporary licenses. Pilot evaluations will help refine and improve future regulations.

07 Align with FATF Guidelines and Global Collaboration

Adopt FATF guidelines for Virtual Asset Service Providers (VASPs), work closely with international regulators to ensure compliance, and collaborate with countries like Singapore, UAE, and the UK to incorporate global best practices.

08 Promote Education and Responsible Adoption

Launch public campaigns to raise awareness about the opportunities and risks of crypto, support blockchain-focused academic programs and incubators, and develop investor guidelines to encourage responsible crypto adoption.




UAE

Case Study for Pillar 1: UAE's Virtual Assets Regulatory Authority (VARA) – A Model for Establishing a Dedicated Crypto Regulator

In 2022, the United Arab Emirates (UAE) established the Virtual Assets Regulatory Authority (VARA) in Dubai as the world's first independent regulator focused solely on virtual assets. VARA oversees and regulates the crypto sector in Dubai and serves as a model for countries developing clear and comprehensive regulatory frameworks. It sets global standards through risk-based licensing, investor protection, and strong technology and governance practices.

Specialized Rulebooks for Virtual Asset Service Providers (VASPs)

VARA has developed specialized Rulebooks for Virtual Asset Service Providers (VASPs), covering governance, compliance, risk management, cybersecurity, and providing specific guidelines for exchanges, custodians, lending platforms, and investment services.

Mandatory Licensing Framework

All Virtual Asset Service Providers (VASPs) operating in or from Dubai must obtain a VARA license. This process includes due diligence, risk profiling, and ongoing supervision. The framework ensures regulatory clarity, operational oversight, and legal accountability.

Risk Management and AML/CFT Compliance

VARA enforces strict AML and CFT standards, requiring VASPs to implement comprehensive risk management frameworks, customer due diligence procedures, and monitoring/reporting mechanisms to prevent illicit activities.

Consumer Protection and Market Integrity

VARA ensures investor confidence by mandating transparency, prohibiting market abuse and insider trading, and enforcing fair conduct standards. It also provides grievance redress mechanisms to protect investors.

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan

Pillar 2: Aligning with Global Crypto and Blockchain Standards

To develop a compliant and innovative crypto ecosystem aligned with global best practices, Pakistan should actively engage with international crypto and blockchain organizations. The recent agreement between the Pakistan Crypto Council and World Liberty Financial (WLF) marks a significant step toward expanding cryptocurrency use and supporting blockchain adoption. The following steps outline how to further progress in this direction.

01 Identify Key Global Organizations

Engage with FATF to strengthen AML/CFT compliance, consult the IMF and World Bank for policy guidance, and collaborate with global organizations such as IOSCO, GDF, CVA, and DMCC to align with international standards.

02 Signing MoUs with Global Regulators

Sign MoUs with regulators such as MAS and DFSA, take part in international regulatory sandboxes, and align with blockchain initiatives led by the G20 and the United Nations.

03 Representation at Global Crypto Summits

Ensure Pakistani representation at major crypto summits such as Consensus (USA), World Blockchain Summit (Dubai), Paris Blockchain Week, and Blockchain Economy Summit (Turkey).

04 Adopting Global AML/KYC Best Practices

Implement FATF's AML/KYC frameworks, and adopt best practices from Switzerland's FINMA, Singapore's Payment Services Act, and the EU's MiCA regulation.

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan

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Blockchain Research and Collaboration

05

Launch a blockchain research center with global institutions, partner with labs like MIT Media Lab, and encourage blockchain certifications in Pakistani universities.

Supporting Fintech Startups and Compliance

06

Encourage fintech startups to join networks like EEA, Hyperledger, and R3 Corda, and support compliance certifications like ISO 27001 for cybersecurity.

Leverage Global Crypto Investments and Grants

07

Attract funding from venture capital firms like Andreessen Horowitz and Binance Labs, apply for grants from the Ethereum Foundation and Solana Foundation, and support startup participation in incubators.

Establishing a Global Advisory Board

08

Create a Global Advisory Board for the Pakistan Crypto Council with international blockchain experts. The board will guide regulatory policies, foster global partnerships, and organize an annual blockchain forum in Pakistan.

Case Study for Pillar 2: U.S. Framework for Global Engagement in Digital Assets

In July 2022, the U.S. Department of the Treasury introduced a Framework for International Engagement on Digital Assets. It promotes global collaboration, responsible innovation, and risk management to strengthen international financial systems. This framework can serve as a model for Pakistan, helping align with global crypto and blockchain standards while fostering a balanced and effective regulatory environment

U.S. Global Collaboration on Digital Assets

The U.S. works closely with organizations like FATF and the G7 Digital Payments Experts Group to align with global digital asset standards, focusing on compliance, financial crime prevention, and cross-border interoperability.

U.S. Focus on Ethical Digital Asset Innovation

The U.S. emphasizes that digital asset innovation must uphold democratic principles, protect consumers, and ensure financial system integrity, with the goal of creating a trusted and ethical global digital finance ecosystem.

U.S. Efforts to Enhance Digital Asset Interoperability

The U.S. fosters international partnerships to adopt global standards, improve interoperability between digital finance systems, and support regulatory alignment and policy discussions on crypto use cases.

U.S. Efforts to Combat Illicit Crypto Activities

The U.S. addresses illicit financing risks by strengthening AML and CFT enforcement, improving international data-sharing, and enhancing surveillance of illicit crypto activities.

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan

Pillar 3: Fostering Innovation through Industry-Government Collaboration

To promote responsible innovation in the crypto and blockchain sectors, Pakistan must actively collaborate with key industry players while maintaining strong regulatory compliance, ensuring security, and safeguarding financial stability. The following framework outlines the steps Pakistan can take to achieve these objectives.

01 Establish Public-Private Collaboration Platforms

The Pakistan Crypto Council (PCC), together with regulators, fintech leaders, and academia, can lead efforts in shaping regulatory and innovation strategies. Hosting quarterly roundtables and offering a regulatory sandbox will allow startups to test blockchain solutions effectively.

02 Developing a National Crypto & Blockchain Policy

Introduce a National Crypto & Blockchain Policy that outlines legal definitions, provides guidance on DeFi and tokenization innovation, and aligns with global standards like FATF, IMF, IOSCO, and MiCA. Furthermore, establish a crypto business licensing framework under SECP.

03 Incentivizing Blockchain Innovation

Provide government grants and tax incentives to promote blockchain applications in finance, supply chains, and public services. Partner with global platforms such as Binance Labs and the Ethereum Foundation to launch accelerator programs.

04 Strengthening Self-Regulation Standards

Encourage the adoption of self-regulatory standards for AML, CFT, consumer protection, and token disclosures, drawing inspiration from SRO frameworks used in Japan and Switzerland.

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan

Building Blockchain Talent

05

Launch blockchain courses and certifications in universities, and collaborate with Binance Academy, Ethereum, and Hyperledger to provide access to global learning resources. Offer scholarships to support student-led blockchain projects.

Building Global Partnerships with Crypto Leaders

06

Facilitate partnerships between Pakistani fintech firms and global platforms like Binance and Coinbase. Sign MoUs with international regulators such as MAS (Singapore), FINMA (Switzerland), and VARA (UAE) to enhance cross-border collaboration.

Enhancing Public Awareness and Consumer Protection

07

Launch public education campaigns on safe crypto usage, require crypto firms to provide basic user education, and implement robust consumer protection policies and anti-fraud measures.

Advancing Blockchain Reforms

08

Promote blockchain reforms in land registration, identity verification, and supply chain management systems. Collaborate with global firms on pilot projects and support SBP in developing a digital rupee, integrated with national digital finance strategies and international CBDCs.

Case Study for Pillar 3:

The Monetary Authority of Singapore (MAS) Model for Responsible Crypto Innovation through Collaboration

The Monetary Authority of Singapore (MAS) has positioned Singapore as a global leader in responsible cryptocurrency innovation through its advanced regulatory and collaborative framework. By prioritizing clear regulations, industry collaboration, and risk-based compliance, MAS offers a valuable model for Pakistan to foster innovation in the crypto sector.

Project Guardian – Industry-Led Tokenization and DeFi Pilots

Singapore's MAS launched Project Guardian with major financial institutions like DBS, JP Morgan, and HSBC to test real-world applications of tokenization and DeFi. The pilots showed improved cost-efficiency, quicker settlements, and innovation within regulatory safeguards.

MAS Global Collaboration for Digital Asset Innovation

MAS partners with regulators in Japan (FSA), Switzerland (FINMA), and the UK (FCA) to promote global standards, cross-border interoperability, and regulatory consistency—key factors in scaling digital asset innovation.

Singapore's Commitment to Crypto Tax Transparency

Singapore is one of 47 countries implementing the OECD's Crypto-Asset Reporting Framework (CARF), ensuring the automatic exchange of crypto tax data and reinforcing its commitment to transparency and anti-evasion efforts.

Singapore's Task Force for Crypto Policy

A dedicated task force of regulators, banks, legal experts, and tech leaders drives Singapore's crypto policy, promoting regulatory clarity, responsible innovation, and establishing the country as a global blockchain hub.

ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan



Pillar 4: Protecting Consumers and the Financial System with Strong Legal and Compliance Measures

To protect consumers and maintain financial stability in the crypto sector, Pakistan needs to put in place a clear and effective legal and regulatory framework. This includes enforcing rules that ensure market integrity, financial safety, and consumer protection. The following step-by-step plan explains how Pakistan can move forward to achieve these goals.

Classifying Cryptocurrencies

01

Pakistan should clearly define cryptocurrencies and group them as utility tokens, security tokens, or stablecoins, in line with FATF guidelines to ensure clarity and prevent misuse.

Licensing of Virtual Asset Service Providers

02

All Virtual Asset Service Providers (VASPs) should be required to register with SECP or SBP under a tiered licensing system, with regular audits and compliance checks to ensure proper oversight and accountability.

Strengthening Compliance and Monitoring

03

Mandatory KYC, enhanced due diligence, and real-time transaction monitoring should be enforced, along with FATF Travel Rule compliance and coordination with FIA to prevent illegal use of cryptocurrencies.

Protecting Crypto Users

04

Crypto platforms should disclose risks, provide compensation in cases of fraud or failure, offer insurance options, and run public awareness campaigns to promote safe and informed trading.



ICMA's Proposed Four-Pillar Framework for Crypto Adoption in Pakistan



Ensuring Cybersecurity for VASPs

05

VASPs must adopt strong cybersecurity practices like cold storage, MFA, encryption, and comply with Pakistan's data protection laws through regular audits and privacy safeguards.

Establishing a Fraud and Dispute Resolution Office

06

SECP should establish a dedicated office to handle fraud, complaints, and disputes, offering mediation services and enforcing mandatory 24/7 support from licensed crypto providers.

Regulating Speculative Trading and Risk

07

Regulations should limit speculative trading, require risk disclosures for complex products, and publish official investment guidelines to promote safe user participation.

Aligning with Global Crypto Regulations

08

Pakistan must align with global regulatory models (e.g., FCA, MAS, MiCA), strengthen international cooperation, and launch widespread campaigns on crypto safety and CBDC awareness.





Case Study for Pillar 4: European Union's MiCA Regulation & Digital Euro Framework

To achieve Objective Four, Pakistan can gain valuable insights from the European Union's Markets in Crypto-Assets (MiCA) Regulation and the European Central Bank's (ECB) Digital Euro initiative. Both frameworks establish a strong legal and compliance foundation for the crypto and digital asset ecosystems. These models demonstrate effective regulation of cryptocurrencies and digital currencies, offering clear guidelines and fostering a secure environment that ensures transparency and stability in the financial system.

MiCA Regulation for Crypto Asset Framework

MiCA, set to be fully effective across the EU by 2025, establishes a standardized legal framework for crypto assets. It ensures consumer protection, prevents market abuse, and enforces strict licensing, governance, and reserve requirements for all Crypto Asset Service Providers (CASPs) and stablecoin issuers.

ECB's Digital Euro for Financial Stability

The ECB's Digital Euro offers a secure, central bank-backed digital currency designed for financial stability and consumer trust. It features strong privacy, AML/CFT compliance, and seamless integration with wallets and MiCA-regulated stablecoins for smooth digital payments.

MiCA Licensing and Compliance for CASPs

MiCA requires Crypto Asset Service Providers (CASPs) to be licensed by national regulators and meet capital, IT, and custody standards. Ongoing oversight ensures transparency, consumer protection, and strict AML/CFT compliance through KYC, monitoring, and reporting systems.

MiCA Classification and Regulation of Stablecoins

MiCA classifies stablecoins as Asset-Referenced Tokens (ARTs) or E-Money Tokens (EMTs), each subject to stringent rules on reserves, issuance, and disclosures, ensuring financial stability and building user confidence in the crypto ecosystem.

ICMA Proposed Pakistan's CBDC Development & Regulatory Framework

Why Pakistan needs its own Central Bank Digital Currency

As cryptocurrency use grows, launching a CBDC is crucial for Pakistan to maintain control, enhance security, and drive financial innovation. Key benefits include:

Regulatory Control

CBDCs help the government retain oversight of the financial system-unlike decentralized cryptocurrencies that bypass regulation

Unlike volatile cryptocurrencies, CBDCs offer a secure, stable digital currency backed by the central bank

Stability and Trust

Faster, Cheaper Transactions

CBDCs enable real-time, low-cost payments, boosting efficiency for individuals, businesses, and the government



Financial Inclusion

CBDCs can bring unbanked populations into the digital economy, offering secure access to financial services

Crime Prevention

With built-in traceability, CBDCs can deter illegal activities such as money laundering and terrorist financing

CBDCs allow the government to stay competitive and relevant as private cryptocurrencies continue to expand

Strategic Response to Cryptos



ICMA's Proposed Regulatory Framework and Launch Plan for CBDC in Pakistan

Step 1: Planning and Design

SBP will lead the design, planning, and issuance of CBDC

STEP 01

Step 2: Legal Framework

Amend the SBP Act and regulations to ensure legal stability and protection

STEP 02

Step 3: Pilot Phase

Conduct a pilot test of CBDC with banks and large institutions

STEP 03

Step 4: Distribution

CBDC will be distributed through banks, FinTechs, and wallets for wide accessibility

STEP 04

Step 5: Monitoring and Regulation

SBP will regulate monetary policy and ensure the security of the CBDC system

STEP 05

Step 6: Coordination with Authorities

SBP will work with SECP, Ministry of Law, Finance, IT, and other relevant authorities to maintain stability

STEP 06

Step 7: Transaction Oversight

SBP will monitor transactions and prevent illegal activities such as fraud and money laundering

STEP 07

Step 8: Monetary Control

SBP will manage CBDC supply and adjust interest rates to regulate usage














STEP 08

Step 9: Integration

CBDC will be integrated with Raast and other existing payment systems to ensure smooth and efficient transactions

STEP 09

CBDC Adoption Status Around the World

Country	CBDC Name	Launch Year
 Bahamas	 Sand Dollar	2020
 Nigeria	 eNaira	2021
 Jamaica	 JAM-DEX	2022
 China	 Digital Yuan (e-CNY)	2020
 India	 Digital Rupee	2022
 Brazil	 Drex	2024
 Russia	 Digital Ruble	2023
 European Union	 Digital Euro (Planned)	Expected 2026
 USA	 Digital Dollar (Exploring)	No official launch yet

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