

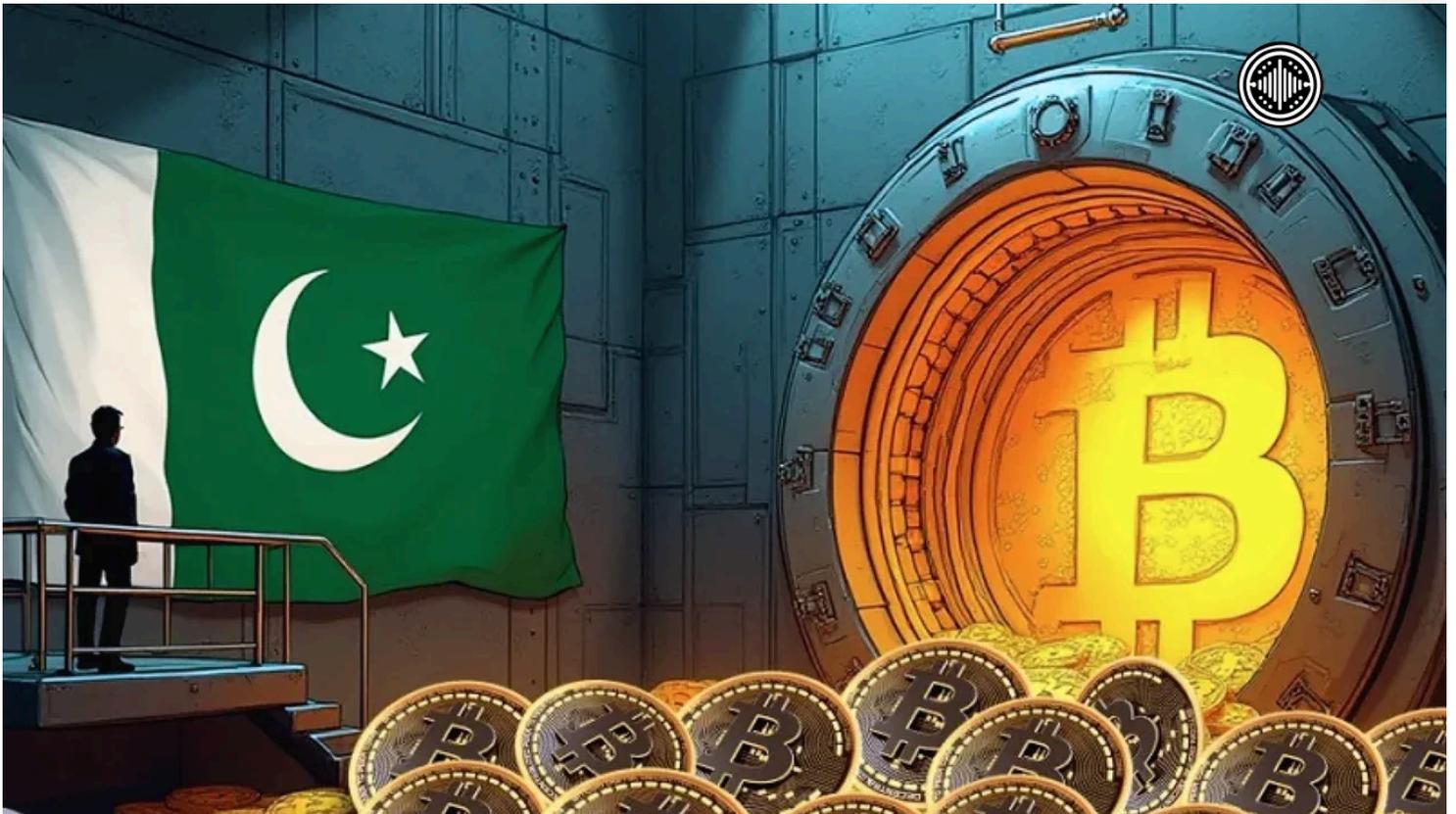
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Pakistan Signals Strategic Shift Toward Crypto Regulation

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In a surprising but calculated policy pivot, Pakistan has gone from rejecting cryptocurrency outright to laying the groundwork for a regulated digital asset ecosystem. Only months ago, the State Bank of Pakistan (SBP) maintained a rigid stance against crypto, banning all transactions involving virtual currencies. Now, the country is charting a more structured path by establishing the Pakistan Crypto Council, appointing a dedicated crypto policy lead, and moving ahead with the formation of a Virtual Asset Regulatory Authority (VARA).

This transformation reflects the growing realisation within Pakistan’s economic leadership that digital assets are not a passing trend but a financial innovation with major implications. By stepping back from a blanket ban and moving toward a regulated framework, Pakistan appears to be aligning itself with global trends in virtual asset governance. According to officials familiar with the shift, the creation of VARA will focus on overseeing digital asset exchanges, ensuring investor protections, and preventing illicit use of cryptocurrencies, especially in money laundering and terror financing cases.

The introduction of the Pakistan Crypto Council is also a notable move. The body is expected to bring together stakeholders from the private sector, banking industry, and legal community to shape policy in a way that encourages innovation without compromising national security or financial stability. Some voices in the business community have welcomed this pragmatic step. “A clear regulatory roadmap can unlock tech investment and financial inclusion,” said a senior fintech executive who requested anonymity. Meanwhile, critics have urged caution, warning that rushed implementation or lack of technical expertise could lead to policy loopholes or misuse.



This measured embrace of crypto comes at a time when Pakistan is looking for non-traditional avenues to boost its digital economy and attract foreign capital. The shift also signals a broader trend of state institutions becoming more receptive to disruptive financial technologies. Yet, the true test will lie in how effectively regulations are enforced and whether investor confidence can be built through transparency and accountability. If Pakistan can strike a balance between innovation and oversight, this move could mark the beginning of a new chapter in its economic transformation one where cautious optimism leads to meaningful progress rather than unchecked speculation.