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## Pakistan Dollar Crackdown Drives Trade Online

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Pakistan's intensified clampdown on black market currency trading has forced illegal dollar transactions off the streets and into online platforms, raising fresh challenges for regulators and law enforcement. In a bid to stabilise the rupee and curtail capital flight, authorities have stepped up surveillance of unofficial money changers, triggering a noticeable shift in how illicit currency deals are conducted.

The State Bank of Pakistan (SBP), in collaboration with intelligence and financial crime agencies, has been targeting hawala and hundi networks, informal money transfer systems

long blamed for distorting exchange rates. Recent raids in major urban centres have led to the seizure of significant amounts of undeclared foreign currency and the arrest of several unlicensed traders. While these efforts have curbed physical transactions to an extent, many operators have simply migrated their dealings to encrypted messaging apps and peer-to-peer digital networks.

This online pivot has complicated enforcement efforts, as digital platforms offer a degree of anonymity and flexibility not available in street-based dealings. According to analysts familiar with the matter, transactions now often involve remote coordination, use of crypto wallets, and code-based exchanges that are harder to trace without sophisticated cyber-investigation tools. Although the SBP has worked with telecommunications and banking regulators to identify suspicious online activity, legal loopholes and limited technical capacity continue to hinder broader success.

The government's efforts to rein in parallel currency markets are crucial for restoring investor confidence and ensuring that foreign remittances and trade flows are captured within the formal banking system. However, the rise of virtual currency channels signals a new frontier in the struggle to regulate financial behaviour in the digital age. Without updated laws and smarter enforcement frameworks, Pakistan risks being outpaced by the evolving tactics of underground networks. The current campaign has made progress, but its long-term success will depend on adapting quickly to the growing sophistication of illicit financial activity.