

GOVERNMENT OF PAKISTAN
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 27th August, 2020

NOTIFICATION
DIRECTIVE

S.R.O. 795 (I)/2020.- WHEREAS, the State Bank of Pakistan through its BPRD Circular No. 03 of 2018 dated April 6, 2018 has **Prohibited Dealing in Virtual Currencies/Tokens**. The relevant direction is reproduced below for ease of reference;

“Virtual Currencies (VCs) like Bitcoin, Litecoin, Pakcoin, OneCoin, DasCoin, Pay Diamond etc. or Initial Coin Offerings (ICO) tokens are not legal tender, issued or guaranteed by the Government of Pakistan. SBP has not authorized or licensed any individual or entity for the issuance, sale, purchase, exchange or investment in any such Virtual Currencies/Coins/Tokens in Pakistan.

In view of the foregoing, all Banks/ DFIs/ Microfinance Banks and Payment System Operators (PSOs)/Payment Service Providers (PSPs) are advised to refrain from processing, using, trading, holding, transferring value, promoting and investing in Virtual Currencies/Tokens. Further, banks/DFIs/Microfinance Banks and PSOs/PSPs will not facilitate their customers/account holders to transact in VCs/ICO Tokens.....”

NOW THEREFORE, the Securities and Exchange Commission of Pakistan, in exercise of Powers under Section 40B of the SECP Act, 1997, hereby directs all Companies and Limited Liability Partnerships (LLPs) to ensure compliance with the aforementioned Circular of the State Bank of Pakistan in letter and spirit. Furthermore, Regulated Persons shall also immediately report to Financial Monitoring Unit (FMU) any transaction in this regard as a suspicious transaction in compliance with Regulation (14) of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018.

Any violation or contravention to this directive, *inter alia*, shall be construed as contravention of Section 40A of the SECP Act, 1997 and penalty shall be imposed accordingly.

[File No. SY/SECP/8/13]


(Bilal Rasul)
Secretary to the Commission