

PRESS RELEASE

For immediate release

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SECP takes notice of surrogate ads by cryptocurrency exchanges and betting platforms

ISLAMABAD, November 21: The Securities and Exchange Commission of Pakistan (SECP), taking notice of the increasing trend of surrogate advertisements on certain internet-based cryptocurrency exchanges and betting platforms, has directed all companies, including limited liability partnerships (LLPs), not to enter into any type of advertisement or sponsorship agreements with entities involved in surrogate advertising.

Surrogate advertising is the promotion of banned products, digital coins, and betting platforms as substitute goods, often through indirect means like sponsorship of sports events, aiming to implant the brand in consumers' minds. It has also been observed that various online platforms, disguised as sports blogs and news websites, are promoting illegal digital coins, online betting, and cryptocurrency investments.

The Notification issued under Section 40B of the SECP Act also advised all companies and LLPs to immediately terminate all existing agreements with such surrogate entities/companies and ensure compliance in true letter and spirit.

The public is strongly advised to exercise extreme caution while making investments in such internet platforms and mobile apps. None of the individuals, companies, or entities advertising cryptocurrencies in Pakistan have been recognized or authorized by the SECP or other regulatory bodies. Thus, the investments promoted by these entities carry risks and may be part of fraudulent schemes.