

REGISTERED No. M - 302
L.-7646



EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, JULY 9, 2025

PART I

Acts, Ordinances, President's Orders and Regulations

GOVERNMENT OF PAKISTAN
MINISTRY OF LAW AND JUSTICE

Islamabad, the 8th July, 2025

F. No. 2(1)/2025-Pub.—The following Ordinance Promulgated on 8th July, 2025 by the president is hereby published for general information:—

ORDINANCE NO. VII OF 2025

AN

ORDINANCE

To establish a regulatory Authority for the licensing, regulation, and supervision of Virtual Assets and Virtual Asset Service Providers, and to provide for related matters,

(533)

Price: Rs. 60.00

[1302(2025)/Ex. Gaz.]

WHEREAS, Virtual Assets have become an integral part of the modern financial ecosystem, requiring a dedicated regulatory Authority to license, regulate, and supervise Virtual Asset Service Providers to ensure investor protection, transparency, and market integrity;

WHEREAS, it is imperative to establish a comprehensive legal framework that empowers the Authority to combat money laundering, terrorist financing, and other illicit activities, while promoting responsible innovation, financial inclusion, economic growth, and the development of Shariah-compliant Virtual Asset Services, in alignment with international standards;

AND WHEREAS, the Senate and the National Assembly are not in session and the President of Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of Pakistan is pleased to make and promulgate the following Ordinance:-

PART I: PRELIMINARY

1. Short title, commencement and application.— (1) This Ordinance shall be called as the Virtual Assets Ordinance, 2025.

(2) It shall extend to the whole of Pakistan.

(3) It shall come into force at once.

2. Scope of application.—(1) This Ordinance shall apply to any Virtual Asset Service Provider, and to any Issuer that carries out its business activities in or from Pakistan.

(2) For avoidance of doubt, this Ordinance shall not apply to—

(a) digital representations of value or rights that are transferable or usable only within a closed ecosystem of the Issuer, including—

- (i) non-transferable outside a closed ecosystem;
- (ii) non-exchangeable with real world goods, services, discounts, purchases outside a closed ecosystem;
- (iii) non-tradeable onwards on the secondary market outside of the closed ecosystem;
- (iv) non-saleable on a secondary market outside of the closed loop-system;
- (v) non-usable for payment or investment purposes; and
- (vi) non-exchangeable for fiat-currency;

Explanation: For the purposes of this section, a “closed ecosystem” refers to a digital environment or platform in which Virtual Assets or tokens are exclusively issued, used, and redeemed within a defined and restricted network of users, services, or applications, and are not intended for use outside of that environment.

A “closed loop system” refers to a transactional framework in which the issuance, circulation, and redemption of digital tokens or value units occur entirely within a predefined network, without interoperability with external payment systems, exchanges, or real-world goods and services markets.

- (b) financial assets;
- (c) digital representation of fiat currencies issued by the State Bank of Pakistan or any other central bank of another sovereign jurisdiction;
- (d) a non-fungible token which is not used for payment, investment or any other financial purposes;
- (e) a non-fungible token which by its nature and function rather than the designation given by its Issuer, is not used for payment or investment purposes, and is not a digital representation of any of financial asset; or
- (f) any other digital representations of value or rights sought to be expressly excluded by the Authority.

3. **Definitions.**—(1) In this Ordinance, unless the context otherwise requires—

- (i) “Asset-Referenced Token” means a Virtual Asset (or a basket of assets) that purports to maintain a stable value by reference to another asset, other than a Virtual Asset, which may include one or more official currencies, and which may be backed by tangible or intangible assets.

Provided that the use of any reference asset class shall be subject to such limitations or approvals as may be notified by the Authority;

- (ii) “Authority” means the Pakistan Virtual Asset Regulatory Authority established under section 6 of this Ordinance;
- (iii) “Board” means the Board of the Authority, constituted under section 8 of this Ordinance;
- (iv) “Chairperson” means the Chairperson of the Authority, appointed pursuant to the provisions of this Ordinance;
- (v) “Controller” means a Person who, alone or together with associates, holds or is entitled to exercise 20 % or more of the voting power or share capital of a Licensee;
- (vi) “Customer Assets” means Virtual Assets and fiat currency that a Virtual Asset Service Provider holds on behalf of another Person;
- (vii) “Division concerned” means the Cabinet Division;
- (viii) “Fiat-Referenced Token” means a Virtual Asset that purports to maintain a stable value relative to a single Official Currency and is redeemable at par value by its Issuer;
- (ix) “High-Quality Liquid Assets” (HQLA) means cash, demand deposits with the State Bank of Pakistan, and other Level 1 assets recognised under the Basel III Liquidity-Coverage-Ratio framework as adopted by the State Bank of Pakistan, provided such assets are unencumbered, held in segregated custody, and can be sold for cash within one business day;
- (x) “Issuer” means the legal Person that originates or creates a Virtual Asset and retains primary control over its initial supply, reserve

assets (if any) or on-chain governance, and that bears the ongoing obligations set out in this Ordinance toward holders.

Explanation: An Issuer is deemed a Virtual Asset Service Provider when, in addition to issuance, it offers the Virtual Asset to the public or to third parties on a commercial basis.

For the avoidance of doubt, a Person is not an Issuer solely because it:

- (a) markets, advertises or otherwise promotes a Virtual Asset;
 - (b) facilitates secondary-market trading, brokerage, distribution or exchange; or
 - (c) provides technical development or maintenance services that do not confer control over issuance, supply or reserve assets.
- (xi) “Initial Virtual Asset Offering” means a method of raising funds by an Issuer through the public offering of Virtual Assets in exchange for funds or other Virtual Assets or anything of commercial value, subject to the limitations and disclosure requirements Prescribed under this Ordinance;
- (xii) “Key Individual” means any natural Person who occupies or performs - whether on a full-time, part-time, acting or outsourced basis - one or more of the positions listed below in relation to a Licensee:
- (a) director (executive or non-executive) registered under the Companies Act 2017;
 - (b) chief executive officer (or Managing Director);
 - (c) chief financial officer;
 - (d) chief operating officer;
 - (e) head of internal audit;
 - (f) head of compliance;
 - (g) money-laundering reporting officer (MLRO) or equivalent AML/CFT compliance officer designated under the

AML/CFT Regulations issued pursuant to the Anti-Money Laundering Act 2010;

- (h) head of risk management;
 - (i) head of information-security / cyber-security; or
 - (j) any other position that the Authority, by written notice to the Licensee, declares to be a Key Individual on the ground that the holder exercises significant influence over the management or business of the Licensee.
- (xiii) "Licensee" means a Person who holds a license under Part III of this Ordinance;
- (xiv) "Official Currency" means an Official Currency of a country that is issued by its central bank or other monetary authority;
- (xv) "Ordinance" means the Virtual Assets Ordinance;
- (xvi) "Person" means any natural or legal Person;
- (xvii) "Prescribed" means Prescribed by Rules or Regulations made under this Ordinance;
- (xviii) "Regulations" means Regulations Prescribed under this Ordinance;
- (xix) "Rules" means Rules Prescribed under this Ordinance;
- (xx) "Security Token" means a Virtual Asset that represents, evidences or confers rights or interests which constitute a security as that term is defined in the Securities Act 2015, whether such rights are issued, recorded, transferred or stored using distributed-ledger technology or any similar digital arrangement;
- (xxi) "Shariah Advisory Committee" means the committee constituted by the Authority for advice on Shariah matters;
- (xxii) "Virtual Asset" means a digital representation of value that can be digitally traded or transferred and used for payment or investment purposes, but does not include digital representations of fiat currency, securities or other financial assets regulated under any other law
- For the avoidance of doubt, Virtual Assets are not legal tender;

- (xxiii) “Virtual Assets Appellate Tribunal” means the Virtual Assets Appellate Tribunal constituted under this Ordinance;
- (xxiv) “Virtual Asset Services” has the meaning assigned to it in section 14 of this Ordinance; and
- (xxv) “Virtual Asset Service Provider” means any Person who, as a business, provides one or more Virtual Asset Services to third parties on a professional basis. That is licensed to provide such Virtual Assets services as provided under this Ordinance.

(2) Words and expressions used but not defined in this Ordinance and defined in the State Bank of Pakistan Act, 1956, the Securities Act, 2015, the Anti-Money Laundering Act, 2010 or the Companies Act, 2017 shall have the meanings respectively assigned to them therein.

4. Extraterritorial application.—(1) For the purposes of investigation and enforcement under this Ordinance, the Authority may exercise its powers extraterritorially to the fullest extent permitted by law.

(2) To facilitate the enforcement of this section and the effective regulation of Virtual Asset Services with cross-border implications, the Authority may enter into agreements or arrangements with regulatory authorities and law enforcement agencies in other jurisdictions for mutual assistance, information sharing, and the recognition and enforcement of regulatory decisions, and shall, by Regulations, prescribe the conditions under which a Virtual Asset Service conducted outside Pakistan shall or shall not be deemed to be offered or marketed to Persons in Pakistan.

(3) The Authority shall endeavour to align its extraterritorial enforcement practices with mutual legal assistance treaties and international cooperation frameworks, including those of the Financial Action Task Force and IOSCO.

5. Relationship with other laws.— (1) The provisions of this Ordinance are in addition to, and not in derogation of, any other law for the time being in force.

(2) In the event of any inconsistency between the provisions of this Ordinance and any other law, other than the Foreign Exchange Regulation Act, 1947, the provisions of this Ordinance shall prevail to the extent of the inconsistency, subject to sub-sections (3) and (4).

(3) Where any law prescribes measures for protecting citizens’ data rights and cybersecurity, such provisions shall have overriding effect and must be complied with in executing this Ordinance.

(4) In cases where conflicts with existing laws are identified, the Authority shall establish a consultative process involving relevant stakeholders and concerned regulatory bodies to assess and resolve the conflict through consultation. Where conflict persists, the Authority may issue necessary recommendations or directives for resolution or propose legislative amendments to the Government.

PART II: PAKISTAN VIRTUAL ASSET REGULATORY AUTHORITY

6. Establishment of the authority. — (1) The Federal Government, by notification in the official Gazette, shall establish an authority to be known as the Pakistan Virtual Asset Regulatory Authority to carry out the purposes of this Ordinance.

(2) The Authority shall be a body corporate, shall have perpetual succession and a common seal and may sue and be sued in its own name.

(3) The Authority shall be autonomous in the performance of its functions and exercise of its powers, subject to this Ordinance and any such directives issued by the Federal Government in writing on matters of overriding national interest and policy.

(4) The headquarters of the Authority shall be at Islamabad and it may with the prior approval of the Federal Government, set up as many offices all over the country as, when and where required.

7. Governance, board, chairperson and staffing.— (1) The Authority shall be governed by a Board comprising:—

- (a) a Chairperson who shall possess demonstrable expertise in finance, law, technology, or regulatory affairs and be appointed by the Federal Government in the manner Prescribed;
- (b) the Governor, State Bank of Pakistan;
- (c) the Secretary, Ministry of Finance;
- (d) the Secretary, Ministry of Law and Justice;
- (e) the Secretary, Ministry of Information Technology and Telecommunications;
- (f) the Chairperson, Securities and Exchange Commission of Pakistan;
- (g) the Chairperson Digital Pakistan Authority;
- (h) the Chairperson FBR;
- (i) the Director General FIA; and

- (j) two independent directors with proven expertise and a strong track record possessing expertise relevant to Virtual Asset markets, technology, finance, law or consumer protection, appointed by the Federal Government in the manner Prescribed.

(2) Board members, other than ex officio members, shall hold office for a term of three years and shall be eligible for one further term of three years.

(3) The Board shall determine the policy and strategic direction of the Authority and approve its budget and Regulations.

(4) The Chairperson shall be responsible for managing the day-to-day operations of the Authority.

(5) The Authority may employ such officers, experts and staff as it considers necessary for the efficient discharge of its functions, on such terms and conditions as it may determine.

8. Procedures of the authority.—(1) The Authority may meet any time on requisition of the Chairperson or at requisition of at least fifty percent of the members. Provided however, the Authority shall meet at least twice a year.

(2) The quorum of the Authority's meeting shall be fifty percent of the total membership.

(3) A meeting of the Authority shall be presided over by the Chairperson. In the absence of the Chairperson, a member nominated by the Chairperson shall preside over the meeting. In case of non-availability of an ex-officio member for the meeting, his/her nominee may attend the meeting.

(4) All decisions in the meeting shall be made with majority of the present members. The Chairperson or the member presiding the meeting, as the case may be, shall not have second vote.

(5) No act or proceeding of the Authority shall be invalid by reason only of the existence of a vacancy in, or defect in the constitution of the Authority.

(6) The Authority may constitute as many committees as deemed necessary to conduct its functions under this Ordinance.

9. Objects, functions and powers of the authority.—(1) The Authority shall:-

- (a) license, regulate and supervise Virtual Asset Service Providers in accordance with the provisions of this Ordinance and any Rules or Regulations made thereunder;

- (b) protect customers and investors dealing in Virtual Assets by establishing and enforcing appropriate safeguards and conduct of business requirements;
- (c) attract investment and encourage companies operating in the fields of Virtual Assets to base their business in Pakistan;
- (d) ensure compliance of data protection and cyber security laws by Virtual Asset Service Providers;
- (e) make Regulations, Rules and guidelines required for regulating, supervising, and overseeing Virtual Asset Service Providers;
- (f) promote responsible innovation and financial inclusion within a framework that manages risks and maintains market integrity
- (g) assess, determine, and classify, for the purposes of this Ordinance, any Virtual Asset Service, activity, offering, Issuer, or service provider based on its substantive features, underlying function, method of use, or economic effect, irrespective of the nomenclature, structure, or designation assigned to it. Such classification may include, but is not limited to, the determination of whether an asset is a Virtual Asset, whether a Person qualifies as a Virtual Asset Service Provider, or whether an offering constitutes a financial activity within the scope of this Ordinance; and
- (h) combat, in coordination with relevant authorities, money laundering, terrorist financing, and other illicit activities associated with Virtual Assets, in accordance with the Anti-Money Laundering Act, 2010, and other applicable laws and international standards.

(2) For the purposes of subsection (1), and without prejudice to the generality of the foregoing, the Authority may—

- (a) issue, vary, suspend or revoke licenses and approvals under this Ordinance and prescribe conditions for such actions;
- (b) make Regulations, Rules, handbooks and guidelines that are consistent with the objectives of this Ordinance and other applicable laws;
- (c) conduct on-site inspections and off-site monitoring of Licensees and other entities to ensure compliance with this Ordinance and relevant Rules and Regulations;
- (d) require Licensees to furnish information, documents and data in the manner and timeframe reasonably Prescribed by Regulations;

- (e) impose administrative sanctions in accordance with the provisions of this Ordinance and any Rules or Regulations made thereunder and apply to court for civil or criminal remedies as provided under any applicable law;
- (f) set prudential, conduct and technical standards;
- (g) operate a regulatory sandbox and grant no-action relief in a transparent and accountable manner;
- (h) enter into cooperation or mutual assistance arrangements with domestic and foreign regulators and law enforcement agencies to facilitate information sharing and coordinated action, including mutual recognition of Regulations and licenses;
- (i) levy such fees, charges and penalties as may be Prescribed by Rules;
- (j) establish and enforce standards relating to cybersecurity, data protection, risk management, and technological safeguards for Virtual Asset activities, and conduct public education and awareness initiatives to promote informed participation in the Virtual Asset ecosystem; and
- (k) do all such acts as may be necessary or incidental to the discharge of its functions and to achieve its objectives under this Ordinance and other applicable laws.

(2) the Authority may delegate any of its powers and functions to the Chairperson of the Authority with such terms and conditions as it may deem appropriate.

10. Code of conduct.—(1) The Chairperson, the Board members and all employees of the Authority shall:-

- (a) Upon assumption and during their tenure, disclose, in such form and intervals as the Authority may prescribe:
 - (i) the name and jurisdiction of any Virtual Asset Service Provider with which the Person holds or controls an account or engages in transactions;
 - (ii) the type of service or relationship (e.g., trading account, custody, staking);
 - (iii) the aggregate balance held or controlled of any Virtual Asset, where the equivalent value exceeds a threshold of USD 10,000 or equivalent, whether held with a Virtual Asset Service Provider or in self-custody; and

- (iv) any other information or interest relating to Virtual Assets or service providers as may be specified by the Authority from time to time.
- (b) Maintain the confidentiality of any information and data accessed or acquired by them by virtue of their official positions within the Authority;
- (c) Not, without prior written approval from the Authority, disseminate, divulge, disclose, or transfer to any Person or entity any information or data, nor retain any confidential instrument or document, pertaining to the Authority, Virtual Asset Service Providers, customers, or trading transactions, which has come to their knowledge or possession due to their official positions.

For clarity, the obligation of confidentiality stipulated herein shall continue to bind the Chairperson, the Board members and all employees of the Authority even after the termination of their service with the Authority.

(2) The Chairperson and Board members shall, in the performance of their functions and exercise of their powers, act in good faith and exercise due diligence to avoid any conflict of interest, whether direct or indirect, and shall fulfill their fiduciary duties towards the Authority and the stakeholders in the Virtual Asset market. The Authority shall prescribe Regulations to establish a conflict of interest policy for its Chairperson and Board members.

11. Budget, finance and audit.— (1) The Authority shall, in respect of each financial year, prepare its own budget in accordance with the procedure Prescribed through Rules and submit to the Board for approval.

(2) The budget statement shall specifically state the estimated receipts and expenditure and the sums which are likely to be required from the Federal Government during the next financial year.

(3) The Authority shall maintain complete and accurate books of accounts of its receipts and expenditure.

(4) At the end of each financial year, the accounts of the Authority shall be audited by the Auditor General of Pakistan or by a firm of Chartered Accountants nominated by the Auditor General of Pakistan.

(5) The Authority shall produce such accounts, books and documents and furnish such explanations and information as the auditors may require for the purpose of audit by the external auditors or Auditor General of Pakistan.

(6) The Authority shall facilitate the auditors, providing access to all necessary accounts, books, documents, and explanations required for the audit by the external auditors or the Auditor General of Pakistan.

(7) Copies of the auditor's report on the accounts shall be provided to the Authority and the Board.

12. Inter-agency cooperation and information-sharing.—(1) For the purpose of ensuring the effective regulation and supervision of Virtual Assets and Virtual Asset Service Providers, and to prevent their misuse for illicit purposes, the Authority shall cooperate and share supervisory and enforcement information on a timely and secure basis with the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Federal Investigation Agency, the Federal Board of Revenue, the Financial Monitoring Unit and any other competent regulatory or law enforcement body in Pakistan.

(2) The Authority may, with the prior approval of the Federal Government, enter into cooperation arrangements and information-sharing agreements with regulatory authorities or similar bodies in foreign jurisdictions to facilitate cross-border supervision and enforcement related to Virtual Assets and Virtual Asset Service Providers.

(3) The Authority shall establish a Regulatory Coordination Committee comprising representatives from relevant domestic regulatory bodies, including, but not limited to, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Financial Monitoring Unit, the Federal Board of Revenue, the Pakistan Digital Authority, and the Ministry of Information Technology and Telecommunication, as well as any other agency or authority the Authority may deem appropriate. The Committee shall serve as a standing forum to coordinate policy matters, streamline regulatory approaches, address systemic risks, and facilitate cross-agency collaboration on supervision, enforcement, and innovation.

PART III: LICENSING OF VIRTUAL ASSET SERVICE PROVIDERS

13. Prohibition of unlicensed services.—(1) No Person shall, by way of business, engage in, or represent themselves as engaging in, any Virtual Asset Services in or from Pakistan, unless that Person:-

- (a) is a company incorporated under the Companies Act, 2017 or any other law for the time being in force in Pakistan governing the incorporation of companies; and
- (b) holds a valid license granted by the Authority under this Ordinance.

(2) A contravention of subsection (1) shall constitute an offence punishable under section 50 of this Ordinance.

14. Categories of virtual asset services.— (1) The following constitute Virtual Asset Services and shall be subject to licensing and regulation under this Ordinance:

- (a) all services as specified in Schedule 1; and
- (b) any other service as may be notified by the Federal Government and subsequently included in Schedule 1 of this Ordinance.

15. Application for license.— (1) Any Person intending to incorporate a company under the Companies Act, 2017 or any other law for the time being in force in Pakistan governing the incorporation of companies, with the primary object of engaging in Virtual Asset Services as defined in this Ordinance, shall first apply to the Authority for a preliminary approval or a No-Objection Certificate before commencing the process of such incorporation.

(2) An application for a preliminary approval or a No-Objection Certificate under subsection (1) shall be made in such form and accompanied by such information and fee as the Authority may Prescribed. This information may include, but is not limited to, proposed details of the Controllers and key individuals, a high-level business concept, and initial declarations regarding fitness and propriety.

(3) Upon review of an application for preliminary approval or No-Objection Certificate, the Authority may, having regard to the objects of this Ordinance and the need to ensure the integrity of the Virtual Asset market, grant the approval or certificate, subject to any conditions, or refuse the application, providing written reasons for refusal.

(4) An application for a license, following successful incorporation after obtaining preliminary approval, shall be made to the Authority in the Prescribed form and accompanied by:

- (a) the Prescribed fee, which shall be non-refundable unless otherwise determined by the Authority;
- (b) constitutional documents and details of the applicant's ownership structure, including ultimate beneficial owners, and its group structure, as applicable;
- (c) a comprehensive business plan, detailing the proposed Virtual Asset Services, risk management framework, compliance procedures and cyber-security protocols;
- (d) particulars of Controllers, directors and key individuals including their qualifications, experience, and fitness and probity declarations in the Prescribed manner; and
- (e) such other information or documents as the Authority may prescribe.

(5) The Authority shall, within seven working days, acknowledge receipt of a complete application under subsection (4).

(6) Notwithstanding the generality of the above, where an applicant for a license under this Part intends to engage in Virtual Asset Services that involve Security Tokens, the Authority shall:

- (a) require the applicant to demonstrate compliance with all applicable provisions of the Securities Act, 2015, and Regulations issued by the Securities and Commission of Pakistan; and
- (b) share relevant information with the Securities and Commission of Pakistan regarding the application.

16. Fit-and-proper criteria for controllers and key individuals.— (1) The Authority shall determine whether each Controller, director and Key Individual is fit and proper, having regard to—

- (a) the integrity, honesty and reputation of the Person, any history of convictions for offences involving fraud or dishonesty, or any adverse findings by regulatory bodies, whether in Pakistan or elsewhere;
- (b) the financial soundness of the Person, considering their credit history, and any record of bankruptcy or significant adverse financial judgments;
- (c) the competence and capability of the Person, including their qualifications, relevant experience in Virtual Assets, financial services, technology, law, or business management commensurate with their proposed role and responsibilities within the entity;
- (d) any potential conflict of interest that the Person may have, and their ability to exercise independent judgment in the best interests of the licensed entity as a Virtual Asset Service Provider and its customers; and
- (e) any other Prescribed criteria.

(2) The Authority may refuse to grant a license, or may suspend or revoke an existing license, if any Controller, director or Key Individual fails to fulfil the fit-and-proper criteria as determined by the Authority.

(3) Where a Controller, being a sponsor and major shareholder, is a body corporate, then in addition to the factors specified in subsection (1), the Authority shall duly consider the corporate behaviour of the said body corporate, as well as the integrity and track record of both the sponsor and the ultimate beneficial owners of such body corporate.

(4) The fit and proper criteria are perpetual in nature, and Persons subject to these criteria shall have a continuing obligation to disclose any information that may affect their fitness and propriety to the Authority from time to time.

- (5) Every licensed Virtual Asset Service Provider shall:
- (a) maintain a physical address in Pakistan through a registered office; and
 - (b) ensure that at least one key management Personnel is ordinarily resident in Pakistan and is vested with operational responsibility and decision-making authority.

17. Grant, refusal and terms of license.— (1) Subject to the provisions of this Ordinance and any Rules or Regulations made thereunder, the Authority shall, within ninety days of receiving a complete application —

- (a) grant a license, subject to such terms and conditions as it may deem appropriate; or
- (b) refuse the application, providing the applicant with written reasons for such refusal.

(2) A license granted under this Ordinance shall specify the Virtual Asset Services that the Licensee is permitted to undertake and shall remain in force unless suspended or revoked.

18. Ongoing obligations of licensees .— (1) A Licensee shall, at all times—

- (a) maintain the Prescribed minimum paid-up capital and capital adequacy ratio as Prescribed by the Authority from time to time;
- (b) comply with the provisions of the Ordinance and other applicable laws, and with all Regulations, Rules, guidelines and directives issued by the Authority from time to time;
- (c) submit periodic returns and audited financial statements as required;
- (d) seek approval of the Authority promptly for any material change in control or business in the circumstances, and following the thresholds and procedures, Prescribed by the Regulations; and
- (e) maintain adequate risk-management, compliance and cyber-security systems; and (f) pay the Prescribed annual supervision fee.

19. Variation, suspension and revocation of license.— (1) The Authority may, by way of written notice and after providing an opportunity of being heard, vary, suspend or revoke a license if it is found that—

- (a) the Licensee has contravened any provisions of this Ordinance or any other applicable laws, or any terms or condition of its license;
- (b) the Licensee is insolvent or no longer satisfies the fit-and-proper criteria;
- (c) the Licensee has ceased to carry on the Virtual Asset Service for which it is licensed; or
- (d) such action is necessary or expedient in the public interest, including for the protection of consumers, the integrity of the market, or financial stability; or
- (e) the license was obtained by fraud, misrepresentation, or concealment of material facts.

(2) Where a license is revoked under this section, the Licensee shall immediately cease the provision of Virtual Asset Services, and the Authority shall notify the Securities and Exchange Commission of Pakistan to initiate winding-up or dissolution proceedings in accordance with the Companies Act, 2017 and any Regulations that may be Prescribed under this Ordinance.

(3) The Authority may, by Regulations, prescribe further procedures, timelines, and safeguards for variation, suspension, or revocation under this section.

20. Register of licensees.— (1) The Authority shall maintain and publish an up-to-date register of Licensees.

(2) The register shall, at a minimum, contain the name, license number, permitted services and current status of each Licensee.

PART IV: PRUDENTIAL, SAFEGUARDING AND CUSTODY REQUIREMENTS

21. Segregation of customer assets and fiduciary duty.— (1) A Licensee shall, at all times, hold Customer Assets in segregated accounts separate from the Licensee's own assets.

(2) Notwithstanding anything to the contrary contained in any other law for the time being in force, Customer Assets held by a Licensee shall not form part of the Licensee's estate in the event of its insolvency or liquidation.

(3) A Licensee owes a fiduciary duty to its customers and shall at all times act honestly, fairly, and in the best interests of its customers when dealing with Customer Assets.

22. Minimum paid-up capital.— (1) A Licensee shall, at all times, maintain paid-up capital not less than the amount specified in Schedule 2 for the relevant category.

(2) The Authority may, having regard to the size, complexity, or risk profile of a Licensee, impose paid-up capital requirements higher than those specified in Schedule 2.

23. Custody standards and key-management controls.— (1) A Licensee providing custody services for Virtual Assets shall—

- (a) implement multi-signature or equivalent access control mechanisms to secure Virtual Assets;
- (b) ensure the secure storage of private keys, both physically and logically, in a manner that prevents unauthorized access; and
- (c) establish and maintain robust disaster-recovery and business-continuity plans.

24. Proof-of-reserves and audit obligations.— (1) A Licensee shall furnish to the Authority, at such intervals as may be Prescribed by Regulations, cryptographic proof-of-reserves reconciled against its liabilities to customers.

(2) A Licensee shall cause its operations to be audited annually by a firm of Chartered Accountants approved by the Authority.

Explanation – such audit shall include a verification of the segregation of Customer Assets as required under section 21.

25. Customer asset insolvency protection.— In the event of liquidation of a Licensee, Customer Assets shall remain separate from the insolvency estate entirely.

PART V: FIAT-REFERENCED TOKENS AND ASSET-REFERENCED TOKENS

26. Reserve, redemption and disclosure requirements for fiat referenced tokens.—An Issuer of a Fiat-Referenced Token shall—

- (a) maintain High Quality Liquid Assets (HQLA) or any other assets as Prescribed by the Authority, as reserve assets equal to at least hundred percent of the outstanding value of the fiat-referenced or Asset-Referenced token, ensuring at all times the ability to meet redemption requests;
- (b) hold such reserve assets in segregated accounts with custodians approved by the Authority in consultation with State Bank;
- (c) ensure timely redemption of each Fiat-Referenced Token at par value, without being:

- (i) unduly compromised by the disruption or failure of an intermediary or other relevant entity and infrastructure; or
- (ii) within such period as the Authority may prescribe.
- (d) publish quarterly audit reports of reserve composition and sufficiency, audited by an independent auditor approved by the Authority.

27. Reserve, redemption and disclosure requirements for asset referenced tokens.— An Issuer of an Asset-Referenced token shall maintain arrangements for the custody, valuation, and safekeeping of reference assets, and ensure redemption, reserve, and disclosure mechanisms in such manner as may be Prescribed in Regulations.

28. Prudential capital add-ons for significant issuers.— An Issuer shall qualify as 'significant' where it exceeds the thresholds specified in Schedule 3, and such an Issuer shall thereupon maintain additional own funds in such manner and of such amounts as may be Prescribed and shall be subject to enhanced governance and reporting requirements as may be specified by the Authority.

29. Marketing and conduct restrictions.—(1) No Person shall advertise or market a Fiat-Referenced Token or an Asset-Referenced token unless the Issuer of such token holds a valid license or registration under this Ordinance, or unless the token issued meets equivalent standards in another jurisdiction recognized by the Authority.

(2) All marketing materials shall contain risk disclosures in a form and manner approved by the Authority.

30. Obligations of reserve custodians.—(1) A custodian of reserve assets shall—

- (a) comply with guidelines issued by the Authority;
- (b) permit the Authority to inspect its records relating to the reserve; and
- (c) not encumber reserve assets without prior written approval of the Authority.

PART VI: MARKET CONDUCT AND CONSUMER PROTECTION

31. General duty of integrity and fair dealing.—A Licensee shall conduct its business honestly, fairly and professionally and in accordance with the best interests of its customers and in a manner that upholds the integrity of the market.

32. Prohibition of market manipulation and insider trading . — (1) No Person shall engage in any act, practice or course of conduct that constitutes market manipulation in

relation to a Virtual Asset. Such conduct shall be treated as a criminal offense subject to penalties under applicable laws.

(2) No Person shall trade in a Virtual Asset while in possession of inside information relating to that Virtual Asset, or unlawfully disclose such information to any other Person, except where such disclosure is made in the normal exercise of an employment, profession or duties.

(3) The Authority may prescribe Rules further defining market manipulation and inside information for the purposes of this section.

(4) Any contravention of this section shall constitute a criminal offence and be punishable in the manner Prescribed under this Ordinance or the applicable anti-money laundering and counter-terrorism financing laws.

(5) For purposes of this section, the Authority shall issue guidelines specifying the types of manipulative behaviors, including wash trading, spoofing, front-running, and pump-and-dump schemes.

(6) Investigation, prosecution, and adjudication of offenses under this section shall be conducted in accordance with the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), the Qanun-e-Shahadat Order, 1984 (S.R.O. 1984 No. 1069(I)), the Anti-Money Laundering Act, 2010 (Act No. XX of 2010), and any other relevant criminal or procedural laws.

33. Obligations of issuers.— (1) Prior to offering a Virtual Asset to the public, an Issuer shall publish a white paper in such form and manner as may be Prescribed by Regulations. The white paper shall contain true, clear, and not misleading information regarding, inter alia—

- (a) the nature, characteristics, and purpose of the Virtual Asset;
- (b) the rights and obligations of holders or purchasers of the Virtual Asset;
- (c) the economic model, technology, and governance mechanisms of the asset or platform;
- (d) the identity and qualifications of the Issuer, Controllers, and relevant key individuals;
- (e) associated risks, including market, legal, technological, and cybersecurity risks; and
- (f) any other information as may be Prescribed.

(2) Issuers shall make ongoing disclosures of material information, including any change that may reasonably affect the value, utility, or regulatory status of the Virtual Asset, in such manner and frequency as may be Prescribed by the Authority.

(3) The Authority may exempt certain categories of Issuers or offerings from the licensing or disclosure requirements under this section, subject to such conditions and criteria as may be specified by Regulations.

(4) The obligations imposed under this section shall apply in addition to any requirements under Section 37 or any other provision of this Ordinance relating to the initial offering of Virtual Assets.

(5) An Issuer of a Virtual Asset may be licensed to operate as a Virtual Asset Service Provider under this Ordinance, subject to such conditions and safeguards as the Authority may prescribe to manage conflicts of interest, ensure market integrity, and protect consumers.

34. Conflict-of-interest management.— A Licensee shall identify, manage and disclose any conflicts of interest and shall not place its own interests above those of its customers.

35. Whistle-blower protection.— (1) A Person who in good faith reports to the Authority a contravention of this Ordinance or any Rules or Regulations made under it shall not be subjected to any form of retaliation.

(2) The Authority may prescribe a whistle-blower reward scheme by Rules which shall be consistent with any applicable whistle-blower protection law in Pakistan.

36. Complaint-handling and dispute-resolution scheme .— (1) Licensees shall establish and maintain internal complaint-handling procedures approved by the Authority.

(2) The Authority may establish or recognize an independent dispute-resolution scheme for claims below a Prescribed monetary threshold.

37. Issuers of initial virtual asset offering.—(1) A Person shall not conduct or purport to conduct an Initial Virtual Asset Offering, in or from Pakistan, unless that Virtual Asset offering is approved under this Ordinance.

(2) For avoidance of doubt, a natural Person shall not be eligible to promote or conduct an Initial Virtual Asset Offering in or from Pakistan.

(3) A Person desiring to conduct or promote an Initial Virtual Asset Offering, in or from Pakistan, or trading on a Virtual Asset trading platform shall be in compliance with such requirements as may be Prescribed by the Authority.

(4) A Person shall not conduct or promote an Initial Virtual Asset Offering, in or from Pakistan, or trading on a Virtual Asset trading platform unless it has submitted to the Authority an application in compliance with subsection (3) and the Authority has notified the Person, in writing, that it has no objection to the issuance.

(5) Notwithstanding subsection (4), the Authority may object in writing and require that such measures or actions be taken after issuance has commenced, where—

- (a) the manner in which the issuance is advertised is not consistent with the information provided in the application;
- (b) the description, nature or characteristics of the Initial Virtual Asset Offering material deviates from the description provided in the application;
- (c) the Issuer is a Person that was not disclosed in the application;
- (d) the target investor base is different from that disclosed in the application;
- (e) the relevant regulatory authority has reason to believe that the Issuer is mis selling the initial Virtual Assets offering; or
- (f) the issuance is undertaken in a manner detrimental to the public interest.

(6) Any Person who, in connection with the application, supplies the Authority with information he or she knows or should reasonably know is false or misleading, commits an offence and is liable on conviction to such fines as provided under section 50.

(7) A Person who contravenes the provisions of subsection (1), (2), (3) and (4) commits an offence and is liable on conviction to imprisonment for a term of 7 years, fine or both.

PART VII: ANTI-MONEY-LAUNDERING, COUNTER-TERRORIST FINANCING

38. Application of anti-money laundering act, 2010.— (1) For the purposes of the Anti-Money Laundering Act, 2010, Virtual Asset Service Providers licensed under this Ordinance shall be deemed to be designated non-financial businesses and professions and shall comply with all obligations thereunder.

(2) Without prejudice to the generality of subsection (1), every Virtual Asset Service Provider licensed under this Ordinance shall, in accordance with the requirements of the Anti-Money Laundering Act, 2010, and any Rules, Regulations, or guidelines issued by the Financial Monitoring Unit:

- (a) report suspicious transactions to the Financial Monitoring Unit. The Authority may, in consultation with the Financial Monitoring Unit, issue further guidance on indicators of suspicious activity specific to Virtual Asset transactions;

- (b) maintain records of customer due diligence, transactions, and other relevant information for the Prescribed period; and
- (c) establish and maintain internal controls and compliance programs, including the appointment of a compliance officer, to prevent money laundering and terrorist financing.

(3) The Authority shall align its AML/CFT requirements with the standards established by the Financial Action Task Force (FATF) and may issue additional guidance to ensure compatibility with international compliance norms.

39. Travel rule and record-keeping obligations.— (1) A Licensee shall obtain, hold, and transmit originator and beneficiary information in any transfer of Virtual Assets meeting or exceeding the threshold Prescribed by the Authority, in a manner consistent with the standards set out in Recommendation 16 of the Financial Action Task Force (FATF), as updated from time to time.

(2) A Licensee shall maintain records of transactions, customer due-diligence and risk assessments for a minimum period of seven years.

40. Real-time regulator access and reporting.— (1) Licensees shall establish secure automated interfaces enabling the Authority, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Federal Investigation Agency and the Federal Board of Revenue and all other relevant agencies and authorities as may be notified by the Authority to access Prescribed data in real time or near real time.

(2) The Authority shall specify the technical standards and data scheme for the interfaces referred to in subsection (1).

41. Cyber-security and operational-resilience standards.— (1) Licensees shall comply with the cyber-security framework issued by the Authority in consultation with the relevant agencies and/or authorities.

(2) A material cyber incident shall be reported to the Authority without delay and in any case not later than twenty-four hours from the time of its discovery.

PART VIII: INNOVATION SANDBOX AND NO-ACTION RELIEF

42. Establishment and objectives of the sandbox.— The Authority shall establish and operate a regulatory sandbox for the purpose of fostering responsible innovation in Virtual Asset products and services within a controlled environment.

43. Eligibility, application and supervisory agreement.— (1) An applicant seeking entry into the sandbox shall submit a detailed application to the Authority, providing

comprehensive information regarding the proposed innovation, its anticipated benefits, potential risks, proposed mitigation measures, and a clear exit strategy.

(2) Applicants who are deemed suitable for participation in the sandbox shall enter into a formal supervisory agreement with the Authority, which shall specify the precise parameters and conditions governing the testing of the innovation.

44. Duration, limits and exit of sandbox testing.— (1) The duration of any testing within the sandbox shall not exceed a period of eighteen months from the date of commencement, unless otherwise determined by the Authority.

(2) The Authority may, at its discretion, impose limits on transaction, the number of customers involved in the testing, or the overall financial exposure arising from the sandbox activities.

(3) Upon the conclusion of the sandbox testing period, the participant shall, as directed by the Authority, either transition to obtaining a full license under this Ordinance, discontinue the Virtual Asset Service that was the subject of the test, or take such other steps as the Authority may direct or deem necessary.

45. No-action relief and transitional arrangements.— (1) The Authority may issue a no-action letter stating that it does not intend to take enforcement action in respect of specified conduct for a defined period.

(2) The issuance of a no-action letter shall not constitute a legal immunity, and the Authority reserves the right to withdraw such a letter at any time by providing written notice.

PART IX: ENFORCEMENT, OFFENCES AND PENALTIES

46. Investigatory powers.— (1) For the purpose of ascertaining compliance with this Ordinance the Authority may—

- (a) enter and inspect any premises used in connection with a Virtual Asset Services;
- (b) examine and take copies of books, records and data;
- (c) summon and examine any Person acquainted with the facts and circumstances of the matter; or
- (d) apply to the relevant authority for a warrant to search and seize evidence of an offence.

(2) Where the Authority, as a result of an investigation, has reasonable grounds to believe that an offence under this Ordinance has been committed, it may file a criminal complaint in writing before a court of competent jurisdiction in accordance with the Code of Criminal Procedure, 1898.

47. Administrative sanctions.— (1) Where the Authority is satisfied that a Person has contravened this Ordinance or any Regulations made under it, the Authority may impose one or more of the following sanctions—

- (a) issue a written reprimand or public censure;
- (b) issue a directive requiring the Person to cease or take specified measures to remedy the contravention;
- (c) impose a financial penalty not exceeding the higher of one hundred million Pakistani Rupees (PKR 100,000,000) or five percent (5%) of the Virtual Asset Service Provider's annual turnover;
- (d) suspend or revoke any license issued to the Virtual Asset Service Provider under this Ordinance; or
- (e) disqualify any Person from holding any office or position of responsibility in a Virtual Asset Service Provider licensed under this Ordinance.

(2) Where the Authority is satisfied that an Issuer has contravened any provision of Sections 33 or 37 of this Ordinance, or any Regulations made thereunder, the Authority may impose one or more of the sanctions listed in subsection (1), with such modifications as may be appropriate, including—

- (a) a financial penalty not exceeding the higher of one hundred million Pakistani Rupees (PKR 100,000,000) or five percent (5%) of the total value of the Virtual Asset offering;
- (b) a public directive requiring correction, retraction, or clarification of false or misleading statements;
- (c) a ban or restriction on the Issuer from making further public offerings of Virtual Assets for a specified period;
- (d) disqualification of responsible individuals from participating in the management or governance of Virtual Asset Service Providers or Issuers; or
- (e) suspension or revocation of any prior approval granted under Section 37.

48. Emergency intervention powers.—(1) In the event of a systemic threat, market manipulation, fraud, or cybersecurity breach, the Authority may issue an order temporarily suspending specified Virtual Asset Services or freezing related assets for a period not exceeding thirty days.

(2) Such order shall be subject to review by the Virtual Assets Appellate Tribunal upon application by an aggrieved party.

49. Civil penalties.—(1) The Authority may, in addition to or in lieu of administrative sanctions, apply to the Court having jurisdiction for the imposition of a civil penalty as applicable under the Code of Civil Procedure, 1908 in respect of any contravention of the provisions of this Ordinance.

(2) The court may order restitution of profits and grant such other relief as it may deem appropriate.

50. Criminal offences.—(1) A Person who willfully provides an unlicensed Virtual Asset Service commits an offence and is liable on conviction to imprisonment for a term not exceeding seven years, or a fine not exceeding fifty million Pakistani Rupees, or both.

(2) A Person who knowingly makes any false or misleading statement in any application, return or document submitted to the Authority commits an offence and is liable on conviction to imprisonment for a term not exceeding three years, or a fine not exceeding twenty million Pakistani Rupees, or both.

(3) Any Person who obstructs an officer of the Authority in the exercise of powers under this Ordinance commits an offence and is liable on conviction to imprisonment for a term not exceeding two years, or a fine not exceeding ten million Pakistani Rupees, or both.

(4) Where a Virtual Asset Service Provider contravenes any provision of the Anti-Money Laundering Act, 2010, or the Rules, Regulations, or guidelines made thereunder, such contravention shall be punishable in accordance with the penalties Prescribed under the said Ordinance, in addition to any regulatory action under this Ordinance.

(5) Notwithstanding anything contained in this Ordinance, all offences punishable under this Ordinance shall be investigated, tried, and punished in accordance with the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898), as may be applicable, unless otherwise provided in this Ordinance or the Rules or Regulations made thereunder.

(6) The Federal Government may, by notification in the official Gazette, designate one or more special courts or judicial forums to exercise jurisdiction over offences under this Ordinance. Until such time, jurisdiction shall lie with the courts empowered to try offences under the Code of Criminal Procedure, 1898.

51. Liability of officers of bodies corporate.— Where an offence under this Ordinance is committed by a body corporate with the consent, connivance or neglect of any

director, manager, secretary or similar officer, such Person shall be deemed to have committed the offence.

52. Establishment and appeals to virtual assets appellate tribunal.— (1) A Virtual Assets Appellate Tribunal shall be established and no court shall take cognizance of a legal dispute under this Ordinance or the Rules or Regulations made thereunder to which the jurisdiction of the Virtual Assets Appellate Tribunal extends. An appeal can be filed on a decision of the Virtual Assets Tribunal as set forth in section 53 of this Ordinance.

(2) Notwithstanding anything contained here, the Federal Government may, by notification in the official Gazette, designate an existing tribunal established under any other law to exercise the powers and perform the functions of the Virtual Assets Appellate Tribunal under this Ordinance.

(3) Any Virtual Asset Service Provider, Licensee, or any other Person aggrieved by an order of the Authority may prefer an appeal before the Virtual Assets Appellate Tribunal within thirty days of the date on which the order was communicated, in accordance with the Prescribed Rules.

(4) An appeal to the Virtual Assets Appellate Tribunal shall be in such form, contain such particulars, and be accompanied by such documents and fees as may be Prescribed under this Ordinance.

(5) The Virtual Assets Appellate Tribunal shall consist of a presiding officer, who shall be a legal expert, and two members, one being a technical expert and the other being a financial expert, who shall be Persons of ability, integrity, and have special knowledge and professional experience of not less than ten years in the fields of law, technology, finance, or economics.

(6) The presiding officer and members of the Virtual Assets Appellate Tribunal shall be appointed by the Federal Government, in the manner Prescribed, and hold office for a period of three years and shall be eligible for re-appointment for a similar term or terms and shall cease to hold office on attaining the age of sixty-eight years or the expiry of the term, whichever is earlier.

(7) The terms, conditions, and appointment of the Virtual Assets Appellate Tribunal presiding officer and other members shall be in the manner Prescribed by the Federal Government.

(8) The presiding officer and the members shall be entitled to such salary and other terms and conditions of service as the Federal Government may prescribe.

(9) The Virtual Assets Appellate Tribunal shall decide an appeal expeditiously but not later than three months of its presentation to the Tribunal.

(10) The Virtual Assets Appellate Tribunal shall, for the purpose of deciding an appeal, be deemed to be a civil court and shall have the same powers as are vested in such court under the Code of Civil Procedure, 1908 (Act V of 1908), including the powers of—

- (a) enforcing the attendance of any Person and examining him on oath;
- (b) compelling the production of documents; and
- (c) issuing commissions for the examination of witnesses and documents.

(11) It shall be sufficient for the Virtual Assets Appellate Tribunal to establish, or to be satisfied as to any matter on the standard of proof applicable to civil proceedings in a summary manner in a court of law.

(12) The Virtual Assets Appellate Tribunal's determinations or decisions under this Ordinance shall be deemed to be the decrees of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908).

53. Appeal to supreme court.— Any Person aggrieved by an order of the Virtual Assets Appellate Tribunal may prefer an appeal to the Supreme Court of Pakistan within sixty days under the Rules Prescribed by the Supreme Court.

PART X: TAXATION AND AUDIT CO-OPERATION

54. Reporting to federal board of revenue.— Every Virtual Asset Service Provider licensed under this Ordinance shall comply with the obligations for tax withholding and the filing of information returns as Prescribed under the Income Tax Ordinance, 2001 and any Rules or Regulations issued by the Federal Board of Revenue in relation to transactions involving Virtual Assets and the income of the Virtual Asset Service Provider.

PART XI: ISLAMIC-FINANCE AND SHARIAH COMPLIANCE

55. Role of shariah advisory committee.— (1) The Authority shall constitute a Shariah Advisory Committee of such composition and in such mode and manner as may be Prescribed by Rules.

(2) The Shariah Advisory Committee shall advise the Authority on Shariah compliance of Virtual Asset products and services.

(3) The rulings issued by the Shariah Advisory Committee on designated Islamic products shall be binding on Licensees offering or dealing with such products.

56. Certification of shariah-compliant virtual asset products.— (1) A Licensee may submit an application to the Authority for certification that a Virtual Asset product is Shariah-compliant.

(2) The Authority may grant such certification subject to such terms and conditions and ongoing review as the Authority may deem appropriate in consultation with the Shariah Advisory Committee.

PART XII: MISCELLANEOUS

57. Powers to make rules.— The Authority may, with the approval of the Federal Government, make Rules as deemed necessary for the implementation of and to carry out the purposes of this Ordinance.

58. Powers to make regulations.— The Authority may make Regulations as deemed necessary for the implementation of and to carry out the purposes of this Ordinance.

59. Bar of jurisdiction.— Notwithstanding anything contained in any other law for the time being in force and except as provided under this Ordinance, no decision or action taken under this Ordinance or Rules or Regulations made thereunder shall be questioned by any agency or challenged in any court or tribunal, nor shall any injunction be granted against such decisions or actions.

60. Transitional provisions . — (1) Until such time that the Pakistan Virtual Asset Regulatory Authority is formally notified and operational under this Ordinance, the Federal Government may, by notification in the official Gazette, designate any existing Division, regulatory authority, or body corporate to perform the functions, exercise the powers, and discharge the responsibilities assigned to the Authority under this Ordinance.

(2) Any Person who is providing Virtual Asset Services immediately before the commencement of this Ordinance shall, within a period of six months from such commencement, either apply to the Authority or designated authority for a license under this Ordinance or cease to carry on such service.

(3) During the transitional period specified in subsection (1), any Person providing Virtual Asset Services shall comply with directions issued by the designated Division, regulatory authority, or body acting on behalf of the Authority.

61. Power of the Federal Government to issue policy directives.— The Federal Government may, by notification in the official Gazette, give policy directives to the Authority

to align its actions with national policies, priorities and interests consistent with the objectives and framework established under this Ordinance. Such policy directives shall not impede the Authority's operational autonomy.

62. Removal of difficulties.— If a procedural or operational difficulty arises in giving effect to any of the provisions of this Ordinance, the Federal Government may, within six months of the commencement of this Ordinance, make such order not inconsistent with the provisions of this Ordinance, as may appear to it to be necessary or expedient for removing such difficulty.

SCHEDULE 1

(See section 14)

CATEGORIES OF VIRTUAL ASSET SERVICES

The list below shall constitute the types of Virtual Asset Services and their description.

Service Category	Description
Advisory Services	means the provision of Personalised recommendations to a customer, either upon request or at the initiative of Virtual Asset Service Providers, relating to one or more actions or transactions involving Virtual Assets.

Broker-Dealer Services	means any of the following: (a) arranging or facilitating orders for the purchase and sale of Virtual Assets between two parties; (b) soliciting or accepting orders and receiving consideration in fiat currency or Virtual Assets; (c) trading Virtual Assets on the Virtual Asset Service Provider's own account; <i>Exemption: A Person that deals solely on its own account, does not execute orders on behalf of customers, and does not hold or control Customer Assets is not regarded as carrying on 'broker-dealer services' for the purposes of this Ordinance</i> (d) market-making using Customer Assets; or (e) providing placement or distribution services for Issuers.
Custody Services	means the safekeeping or controlling, on behalf of customers, of Virtual Assets or of the means of access to such Virtual Assets.
Exchange Services	means any of the following: (a) exchanging Virtual Assets for fiat currency; (b) exchanging one or more types of Virtual Assets; (c) matching orders between buyers and sellers and executing conversions as described in (a) and (b); or (d) maintaining an order book for the above purposes.

Lending and Borrowing Services	means the facilitation of lending or borrowing arrangements involving Virtual Assets, where one or more lenders transfer or lend Virtual Assets to one or more borrowers, subject to a contractual obligation for the borrower to return equivalent Virtual Assets at a specified time or upon demand.
Virtual Asset Derivatives Services	means the offering or facilitation of transactions in derivatives that have a Virtual Asset as their underlying reference asset.
Virtual Asset Management and Investment Services	means acting in a fiduciary or agency capacity for the purpose of managing or administering another Person's Virtual Assets, including: (a) portfolio or investment management involving Virtual Assets; and (b) responsibility for staking on behalf of customers to earn validator or network rewards.
Virtual Asset Transfer and Settlement Services	includes transfer, transmission, or settlement of Virtual Assets between parties, or from one wallet, address, or location to another, on behalf of customers.
Fiat-referenced Token Issuance Services	The issuance, offering, redemption, or ongoing management of any fiat or Asset-Referenced token, including: • Establishing or administering reserve assets backing the value of the Fiat-Referenced Token; • Providing redemption rights or liquidity mechanisms to users or holders; • Operating any infrastructure enabling the issuance, transfer, or conversion of such Fiat-Referenced Token;

	• Acting as the primary Issuer, reserve custodian, or central administrator of the Fiat-Referenced Tokensystem.
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SCHEDULE 2

(See section 22)

MINIMUM PAID-UP CAPITAL

Category	Minimum Paid-up Capital (PKR)
Exchange	1,000,000,000
Broker-dealer	100,000,000
Custody-only	200,000,000
Fiat Referenced Token Issuer	1,000,000,000
Asset Referenced Token Issuer	1,000,000,000
Other	As Prescribed

SCHEDULE 3

(See sections 26 & 27)

SIGNIFICANT ISSUER THRESHOLDS & RESERVE METRICS

(1) An Issuer shall be deemed "significant" where:

- (a) the total market capitalisation of the fiat referenced or Asset-Referenced token exceeds five billion Pakistani Rupees (PKR 5,000,000,000); or
- (b) the number of users based in Pakistan holding the fiat referenced or Asset-Referenced token exceeds five million (5,000,000); or
- (c) such other thresholds as may be Prescribed by the Authority.

(2) Significant Issuers shall be required to maintain additional own funds equivalent to at least three percent (3%) of reserve assets, capped at PKR 2 billion (or such lower or higher cap as the Authority may prescribe in Regulations) and shall submit enhanced risk assessment and governance.

ASIF ALI ZARDARI,
President.

RAJA NAEEM AKBAR,
Secretary.