

A LEGAL TREATISE · PAKISTAN LIBRARY EDITION



Code, Law and Capital

— ◆ —
The Future of Digital Assets in Pakistan

KHURRAM CHUGHTAI

PAKISTAN LIBRARY EDITION · CALL FOR INTEREST · 1 OCTOBER 2026

A LEGAL TREATISE

Code, Law and Capital

The Future of Digital Assets in Pakistan

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LAHORE · MMXXVI

Call for interest · Detailed contents · Contents are subject to change before publication

About this edition

Code, Law and Capital: The Future of Digital Assets in Pakistan is a national treatise on the legal order of digital and virtual assets in Pakistan. It builds on a governing triad: **Code** (digital-asset technologies, functions and control), **Law** (authority, interpretation and the digital legal order) and **Capital** (markets, monetary sovereignty and distribution).

The book sets out Pakistan's digital, electronic and ICT legal architecture, the Virtual Assets Act 2026 and its regulator, PVARA; the position of existing participants and market entrants; the monetary, financial, property, integrity and fiscal perimeters; and the systems, institutions, rights and remedies through which those rules take effect. It then places Pakistan within comparative digital-asset orders, global standards and international law, and closes with the building of Pakistan's future digital-asset order, including anticipatory scenarios and an implementation appendix.

THE INTELLIGENT-ORDER TEST

Chapter 1 introduces the Intelligent-Order Test and the Strategic, Anticipatory and Evolutionary forms of Legal Intelligence, which are carried through the chapters that follow.

COMPANION EDITION

The Pakistan Library Edition is published independently of, and released jointly with, *Code, Law and Capital: The Global Digital-Assets Order* (Global Edition).

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jusnrem.com

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Structure at a glance

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This document describes the planned contents of a work in progress. It is not legal advice, does not state the law of any jurisdiction, and must not be relied upon for any decision. Titles, section headings and order may change before publication.

WHERE THIS RELEASE LEADS

1 October 2026	Call for interest: this document, released for both editions.
From November 2026	Reviewer materials, on request, for those who register as reviewers or collaborators.
To be announced	Publication of the two editions. The order of release and the press will be announced at ksc-jusnrem.io .

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CODE, LAW AND CAPITAL

PART ONE

I



Foundations and the Governing Triad

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| 01 | The Governing Thesis: Code, Law and Capital |
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OI

The Governing Thesis: Code, Law and Capital

How should legal analysis connect protocol architecture, public and private authority, and the distribution of economic risk without letting any one domain determine the others by assumption?

ABSTRACT

Asking whether Pakistan should permit or prohibit digital assets is structurally inadequate, because one system can engage several bodies of law and several public institutions at once. The chapter sets out the treatise's governing thesis: practical control, legal authority and the distribution of value and risk must be examined together. It builds the Intelligent-Order Test from six conditions, and pairs it with Strategic, Anticipatory and Evolutionary Legal Intelligence and an evidence-controlled method. The chapter concludes that architecture determines capability, law determines authority, and capital distributes value, power and loss.

KEYWORDS

code as regulation ♦ legal authority ♦ political economy ♦ institutional design ♦ intelligent order ♦ Legal Intelligence ♦ lawful institutional response

KEY DOCTRINES AND PRINCIPLES

- ♦ Code can execute without conferring title or public power; irreversibility is not immunity from law
- ♦ Code cannot settle five legal planes: consent, custody, characterisation, remedy and attribution
- ♦ Legal power, institutional responsibility and operational capability are related but not identical
- ♦ Six-condition Intelligent-Order Test: each condition recorded as satisfied, qualified or failed
- ♦ Enacted law, draft design, historical instrument and unverified instrument are kept on separate planes

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Digital Nation Pakistan Act 2025 (Act No I of 2025)
- ♦ Contract Act 1872
- ♦ IMF-FSB Synthesis Paper: Policies for Crypto-Assets (2023)
- ♦ FSB, High-level Recommendations for Crypto-asset Activities and Markets (2023)
- ♦ Regulation (EU) 2023/1114 (MiCA)

STILL OPEN

The chapter states that originality must be shown by the quality of the analysis rather than proclaimed, and that later evidence may revise present findings.

01 The Governing Thesis: Code, Law and Capital

THE ARCHITECTURE OF THE CHAPTER

1.1	The Governing Question, Thesis and Research Questions <i>Why category-by-category inquiries miss the legal order · The central thesis: authority, control, value, risk and remedy · The questions the Treatise answers</i>
1.2	Pakistan as a National Case and a Global Inquiry <i>Pakistan’s constitutional, monetary and institutional setting · The global relevance of the Pakistani case</i>
1.3	Code: Architecture, Execution and Control <i>Protocol rules, software and operational facts · Why code is not law: five legal planes</i>
1.4	Law: Authority, Institutions and Reasons <i>Validity, competence, rights, duties and remedies · Why execution cannot substitute for legal authority</i>
1.5	Capital: Value, Power and the Distribution of Risk <i>Capital functions and monetary consequences · Who gains, who controls and who bears loss</i>
1.6	The Intelligent-Order Test <i>The six conditions · From forces to method</i>
1.7	Strategic, Anticipatory and Evolutionary Legal Intelligence <i>Strategic Legal Intelligence · Anticipatory Legal Intelligence · Evolutionary Legal Intelligence · The joint operation of the three forms of legal intelligence</i>
1.8	Method: Narrative, Evidence and Lawful Response <i>Two movements of reasoning · Narrative · Testing the evidence · Lawful institutional response</i>
1.9	Sources, Status and Vocabulary in Use <i>Digital asset, virtual asset and crypto-asset · Service providers, tokens and legal status</i>
1.10	The Treatise’s Original Contribution and Global Route <i>Five propositions · Handoff to the global evolution of digital-asset systems</i>

02

From Electronic Value to the Global Digital-Asset Order

How did digital-asset systems develop from institution-centred electronic value to a global order, and what does that history show about where law can still reach?

ABSTRACT

Pakistan legislated in 2026 against a system that had already passed through invention, use, institutional adoption and several phases of policy response. The chapter traces that sequence from institution-centred ledgers through Bitcoin, programmable ledgers, stablecoins, tokenisation, decentralised finance and DAOs. It tests the claim that code is law against the observed response to exploits, and shows that intermediaries reappeared at each layer. It concludes that law must follow function and control rather than names, and measures the global record against the six conditions in Chapter 1 as qualified.

KEYWORDS

shared state ♦ smart contract ♦ stablecoin ♦ token-asset distinction ♦ decentralisation ♦ control surfaces ♦ DAO

KEY DOCTRINES AND PRINCIPLES

- ♦ Cryptographic control is an operational fact; it is not legal title
- ♦ A ledger entry records an executed instruction; it is not a register of title
- ♦ Courts act in personam: the gap between record and remedy is a gap to the person
- ♦ Decentralisation is a spectrum of actual control, tested on evidence rather than by label
- ♦ Regulation moved from status to function: outside the perimeter, responsible person, activity

LEADING AUTHORITIES

- ♦ Payment Systems and Electronic Fund Transfers Act 2007
- ♦ Contract Act 1872 and Electronic Transactions Ordinance 2002
- ♦ Partnership Act 1932
- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ FSB, High-level Recommendations for Global Stablecoin Arrangements (2023)
- ♦ Regulation (EU) 2023/1114 (MiCA)

STILL OPEN

The chapter notes that no representation is made that Pakistani appellate authority has decided each smart-contract scenario it discusses, and leaves full domestic characterisation to Chapter 15.

02 From Electronic Value to the Global Digital-Asset Order

THE ARCHITECTURE OF THE CHAPTER

2.1	Electronic Value Before Blockchain <i>Institution-centred ledgers, payment networks and stored value · Trusted intermediaries and the pre-blockchain allocation of control</i>
2.2	Distributed Ledgers and the Problem of Shared State <i>Replication, consensus and fault tolerance · Permissioned and permissionless architectures</i>
2.3	Bitcoin: Cryptographic Scarcity and Peer-to-Peer Transfer <i>The double-spend problem and proof-of-work · The return of intermediaries</i>
2.4	Programmable Ledgers and Smart-Contract Platforms <i>Programmability, composability, oracles and bridges · Smart contracts and the limits of ‘code is law’</i>
2.5	Tokenisation and Stable-Value Arrangements <i>Stablecoins: reserves, redemption and the bearer problem · Tokenisation and the token-asset distinction</i>
2.6	Decentralised Finance <i>Exchanges, lending, derivatives, liquidity and bridges · Decentralisation as a spectrum of actual control</i>
2.7	DAOs and Protocol Governance <i>Voting, delegation, upgrade keys and treasury control · Governance without settled legal form</i>
2.8	Adoption, Market Cycles and Institutional Entry <i>Retail use, remittances, speculation and payment propositions · Custodians, exchanges, funds, banks and tokenised markets</i>
2.9	Recognition by Courts, Legislatures and Regulators <i>Property, payment, securities and insolvency questions · The cumulative sequence: from warnings to statutory recognition</i>
2.10	Policy, Governance, Law and Regulation <i>Consumer protection, financial integrity and systemic risk · Innovation, sovereignty, inclusion and public capacity</i>
2.11	The Emerging World Digital-Asset Order <i>United States influence, European legal ordering and Asian models · Global standards, international law and regulatory fragmentation</i>
2.12	Handoff to Pakistan <i>What global evolution explains · What must be answered within Pakistan’s own constitutional and statutory order</i>

03

Pakistan's Digital-Asset Order: From Perimeter Preservation to Statutory Recognition

By which instruments, through which institutions, and with what legal effect did Pakistan move from preserving its financial perimeter to recognising virtual assets by statute?

ABSTRACT

Accounts that describe Pakistan's history as a move from "ban" to "legalisation" collapse warnings, directions, consultations, Ordinances and Acts into two words. The chapter reconstructs the sequence instrument by instrument: the 2018 SBP circulars addressed to regulated entities, the 2020 to 2024 consultation and litigation, the 2025 Ordinance under article 89, and the Virtual Assets Act 2026. It tests what section 74 saves and what section 70 requires of existing providers. It concludes that recognition is not execution, and that the licensing, transitional and remedial order remains incomplete.

KEYWORDS

perimeter preservation ♦ statutory recognition ♦ addressee-based instruments ♦ Ordinance ♦ savings clause ♦ transition ♦ three clocks

KEY DOCTRINES AND PRINCIPLES

- ♦ Not legal tender, not authorised for institutions, and prohibited conduct are three distinct propositions
- ♦ A direction binds its addressee class, not customers or persons outside the supervisory relationship
- ♦ Enactment, assent, commencement and Gazette publication are separate events with different consequences
- ♦ Section 74 saves only what meets three cumulative limbs: category, source and correspondence
- ♦ The constitutional, provider-transition and implementation clocks must be kept separate

LEADING AUTHORITIES

- ♦ SBP BPRD Circular No 03 of 2018 and FE Circular No 03 of 2018
- ♦ SECP SRO 795(I)/2020
- ♦ Waqar Zaka v Federation of Pakistan, 2022 MLD 1134 (Sindh High Court)
- ♦ Virtual Assets Ordinance 2025 (Ordinance VII of 2025) and Constitution
- ♦ Virtual Assets Act 2026 (Act XIII of 2026)
- ♦ SBP BPRD Circular Letter No 10 of 2026

STILL OPEN

Whether the NOC Regulations of 2 December 2025 survive under section 74, given that its enumeration lists notifications and orders but not regulations, is stated to be genuinely open and unresolved.

03 Pakistan’s Digital-Asset Order: From Perimeter Preservation to Statutory Recognition

THE ARCHITECTURE OF THE CHAPTER

3.1	Instruments, Turning Points and Method <i>Why ‘ban to legalisation’ misdescribes the record · Source discipline and the test for a turning point</i>
3.2	International Influences and Domestic Institutional Caution <i>FATF pressure, financial-integrity concerns and policy transfer · The limits of treating external standards as domestic law</i>
3.3	Warnings, Banking Restrictions and Foreign-Exchange Control <i>SBP communications and regulated-entity conduct · Exchange companies and the preservation of the financial perimeter</i>
3.4	Litigation and the Exposure of Institutional Gaps <i>SECP’s extension of the perimeter and the 2020 consultation · Waqar Zaka, financial intelligence and the limits of adjudication</i>
3.5	Institutional Experimentation <i>Committees, policy bodies and the Pakistan Crypto Council · From a proposed Digital Assets Authority to PVARA</i>
3.6	The Ordinance Interlude <i>Temporary executive law under article 89 · Interim designation, first operations and the NOC pathway</i>
3.7	The Virtual Assets Act 2026 <i>Passage, assent, commencement and publication · The controlling statutory anchor and the three clocks</i>
3.8	Continuity, Savings and Transitional Legal Effect <i>What section 74 preserves · Section 70 and the provider-transition period</i>
3.9	Statutory Recognition and Operational Completion <i>Reconnecting the banking interface · Recognition without a complete licensing and supervisory order</i>
3.10	The Evolutionary Pattern <i>Five propositions for the chapters that follow · From perimeter preservation to implementation under inherited constraints</i>
3.11	Consequences of Legal Sequence <i>Continuity rather than a legal reset · Present consequences for institutions and market actors</i>

04

Code: Digital-Asset Technologies, Functions and Control

Which technical facts about assets, activities, actors, infrastructure and control points must be established before a digital-asset arrangement can be legally characterised?

ABSTRACT

Product names such as "wallet", "exchange" or "stablecoin" compress several different things, and a label cannot identify the duty bearer or the regulatory perimeter. The chapter sets out a functional method built on five objects: asset, activity, actor, infrastructure and control point. It applies that method to ledgers, keys and custody, asset and service-provider taxonomies, smart contracts, oracles, bridges, mining and transaction lifecycles. It concludes that code establishes capability and records, while law separately determines title, authority, duty and remedy, and it supplies review triggers for when a classification goes stale.

KEYWORDS

functional method ♦ control point ♦ custody ♦ smart contract ♦ oracle and bridge ♦ VASP ♦ transaction lifecycle

KEY DOCTRINES AND PRINCIPLES

- ♦ Five objects: asset, activity, actor, infrastructure and control point; a label decides none of them
- ♦ Control must be stated with its object: credential, withdrawal, contract function, vote, reserve or entity
- ♦ A ledger records authorised state changes, not authorised transactions in the legal sense
- ♦ Vertical integration means one licence does not describe one risk; each function is analysed separately
- ♦ Classification carries a date, version and review trigger: control, function, backing and jurisdictional exposure migrate

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act No XIII of 2026), Schedule I
- ♦ FATF, Updated Guidance for a Risk-Based Approach to VAs and VASPs (October 2021)
- ♦ FSB, High-level Recommendations for Global Stablecoin Arrangements (2023)
- ♦ IOSCO, Policy Recommendations for Crypto and Digital Asset Markets, FR11/23
- ♦ IOSCO, Policy Recommendations for Decentralized Finance (DeFi), FR14/23
- ♦ CPMI and BIS Innovation Hub, Tokenisation in the Context of Money and Other Assets (2024)

STILL OPEN

The chapter states that the method is deliberately modest: it does not decide whether an asset is money, property, a security, a commodity or a contractual right.

04 Code: Digital-Asset Technologies, Functions and Control

THE ARCHITECTURE OF THE CHAPTER

4.1	A Functional Method <i>From product names to operative facts · Asset, activity, actor, infrastructure and control</i>
4.2	Ledgers and the Architecture of State <i>Distributed ledgers and the recording of state · Consensus, finality, tokens and permission</i>
4.3	Keys, Wallets and Control <i>Private keys, signing authority and the objects of control · Wallet architecture, institutional custody and recovery</i>
4.4	Digital-Asset Taxonomy <i>Native assets and stable-value arrangements · Tokenised claims, non-fungible tokens and hybrid units</i>
4.5	Service-Provider Taxonomy <i>Exchange, dealing, brokerage and custody · Issuance, transfer, infrastructure and vertical integration</i>
4.6	Smart Contracts, Oracles and Bridges <i>Execution and external data dependencies · Bridges, composability and decentralisation claims</i>
4.7	Mining, Validation, Energy and Infrastructure <i>Consensus participation, reward and the statutory mining line · Evidence of operation, energy and concentration</i>
4.8	Transaction and Custody Lifecycles <i>Initiation, authorisation, broadcast, settlement and record · Where failure, evidence and legal responsibility arise</i>
4.9	The Code-to-Law Handoff <i>Facts requiring legal characterisation · A repeatable method and its review triggers</i>

05

Law: Authority, Interpretation and the Digital Legal Order

What counts as law in Pakistan's digital legal order, and through what source, competence, procedure and remedy does a technological event acquire public legal consequence?

ABSTRACT

Enactment is not self-execution: an Authority must be lawfully constituted, its instruments made within parent powers and its decisions reasoned. The chapter defines the digital legal order as a hierarchy of constitutional powers, statutes, delegated instruments, judgments and reviewable decisions. It works through federal and provincial competence, commencement and savings, classification, cumulative perimeters, territorial connection, comparative reasoning, administrative fairness and electronic proof. It ends with a six-step legal sequence and treats the Digital Nation Pakistan Act 2025 as coordinating power without amalgamating it.

KEYWORDS

legislative competence ♦ savings and transition ♦ functional regulation ♦ connecting factors ♦ administrative fairness ♦ electronic evidence ♦ digital legal order

KEY DOCTRINES AND PRINCIPLES

- ♦ Legal power, institutional responsibility and operational capability are related but not identical
- ♦ Digital and virtual asset are not heads of legislative competence; pith and substance controls
- ♦ A savings clause creates no licence that never existed; transition is analysed claim by claim
- ♦ Perimeters apply cumulatively: a PVARA licence does not authorise deposit-taking or securities dealing
- ♦ Comparative law clarifies design but is not operative Pakistani law

LEADING AUTHORITIES

- ♦ Constitution of Pakistan 1973
- ♦ *Jawwad S Khawaja v Federation of Pakistan*, PLD 2024 SC 337
- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Digital Nation Pakistan Act 2025 (Act No I of 2025)
- ♦ FSB, High-level Recommendations for Crypto-asset Activities and Markets (2023) P A K I S T A N L I B R A R Y E D I T I O N

STILL OPEN

The chapter lists the constitutional entries that may support virtual-asset measures but states that the legal basis of any measure must be tested by its true subject and effect; it does not conclude that every measure falls within every cited entry.

05 Law: Authority, Interpretation and the Digital Legal Order

THE ARCHITECTURE OF THE CHAPTER

5.1	What Counts as Law <i>Constitution, statute, delegated legislation and binding judgment · Policy, guidance, standards, websites and other non-equivalent materials</i>
5.2	Constitutional Authority and Legislative Competence <i>Federal and provincial allocation · Intergovernmental institutions and a competence schedule</i>
5.3	Legislative Form, Commencement, Savings and Transition <i>Enactment, commencement and delegated authority · Savings, accrued positions and prospective regulation</i>
5.4	Classification, Characterisation and Functional Regulation <i>Classifying the asset and the activity · Overlap and cumulative application</i>
5.5	Jurisdiction, Territory and Connecting Factors <i>Territorial reach in networked markets · Comparative law and domestic authority</i>
5.6	Rights, Reasons and Administrative Fairness <i>Public power and affected rights · Notice, hearing and reasons</i>
5.7	Evidence, Proof and Legal Truth <i>Technical records as evidence · Authenticity, integrity and chain of custody</i>
5.8	Pakistan’s Digital, Electronic and ICT Statutory Family <i>Integration across general and sectoral laws · Fragmentation, overlap and institutional handoffs</i>
5.9	Integration Principles <i>A legal sequence for digital-asset questions · The rule-of-law contribution</i>

06

Capital: Markets, Monetary Sovereignty and Distribution

What do digital assets actually contribute to Pakistan's capital formation, monetary position and distribution of risk, and on what evidence and sequence should the state permit them?

ABSTRACT

Claims that recognition brings investment, remittance savings or revenue are often made without a measured base. The chapter treats capital as value, claims, infrastructure and loss allocation, and tests digital-asset activity through six gates of inquiry. It examines Pakistan's macro-financial setting, adoption evidence, remittances, stablecoins and monetary sovereignty, investment, tokenisation, leverage, inclusion, tax, illicit finance and legal uncertainty. It concludes that Pakistan has an activity signal but no market census, and that permission should follow an evidence-gated sequence from measurement to conditional scale.

KEYWORDS

capital formation ♦ monetary sovereignty ♦ stablecoin ♦ remittances ♦ tokenisation ♦ loss allocation ♦ evidence-gated sequence

KEY DOCTRINES AND PRINCIPLES

- ♦ Six gates: value object, flow, enterprise, infrastructure, public and private return, and loss allocation
- ♦ Announcement, commitment, deployment and realisation are distinct stages of capital
- ♦ Where the base rate is unknown, the conclusion is a measurement obligation, not a permission
- ♦ Legal uncertainty is a term in the cost of capital, borne by applicants and customers
- ♦ Five gates: measurement, institutional operability, bounded entry, evaluated pilots, conditional scale

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ SBP BPRD Circular Letter No 10 of 2026
- ♦ PVARA advisory (April 2026) on announced stablecoin and remittance pilots
- ♦ Income Tax Ordinance 2001 (Ordinance No XLIX of 2001)
- ♦ FMU strategic analysis of virtual-asset STRs, July 2021 to June 2022
- ♦ IOSCO market recommendations; IMF analysis of currency substitution and capital-flow risks

STILL OPEN

The chapter states that no reliable Pakistan-wide denominator exists for users, holdings or transaction value, and that the statutory appellate Tribunal was not identified as constituted.

o6 Capital: Markets, Monetary Sovereignty and Distribution

THE ARCHITECTURE OF THE CHAPTER

6.1	Capital as a Constitutional and Institutional Question <i>Value formation and public order · Four economic functions and six gates of inquiry</i>
6.2	Pakistan’s Macro-Financial Setting <i>Growth, investment and the external constraint · Payments, inclusion and remittances</i>
6.3	Participation and Market Structure <i>What adoption evidence establishes · Market structure and the NOC announcements</i>
6.4	Payments, Remittances and Settlement <i>Efficiency propositions and evidential limits · Domestic rails, PVARA’s advisory and a pilot standard</i>
6.5	Stablecoins and Monetary Sovereignty <i>Dollarisation, reserve assets and redemption · Statutory safeguards and the monetary policy response</i>
6.6	Investment, Venture and Enterprise Formation <i>Counting capital: the enterprise capital account · Domestic capability, token fundraising and a measurable programme</i>
6.7	Tokenisation and Productive Capital <i>Claims on real assets and the Pakistani record · Conditions for a productive tokenisation pilot</i>
6.8	Leverage, Liquidity and Market Failure <i>Liquidity, price formation and valuation · Leverage, contagion and the loss waterfall</i>
6.9	Distribution, Inclusion and Consumer Welfare <i>Access, use and outcome · Who receives value and who absorbs failure</i>
6.10	Public Revenue and Public Capacity <i>The tax base and questions reserved to Chapter 13 · Revenue projections and public capacity</i>
6.11	Illicit Finance, Capital Flight and Lawful Activity
6.12	Capital Formation under Legal Uncertainty
6.13	Strategic Choices and an Evidence-Gated Sequence

CODE, LAW AND CAPITAL

PART TWO

II



Pakistan's Digital and Virtual-Asset Legal Order

07 Pakistan's Digital, Electronic and ICT Legal Architecture

08 The Virtual Assets Act 2026 and PVARA

09 Market Entry, Existing Participants and Transitional Legality

07

Pakistan's Digital, Electronic and ICT Legal Architecture

What makes a digital-assets policy an act of constitutional government, and how do Pakistan's electronic, cyber, identity, planning, tax, payment and telecommunications laws fit together around the Virtual Assets Act?

ABSTRACT

Pakistan does not enter the digital-asset field as an institutionally blank state, yet a strategy, a procurement or an inter-agency meeting is not a source of legal power. The chapter asks what makes digital-assets policy constitutional government, and answers with a five-element test of competence, power, instrument, limits and review. It then maps the Electronic Transactions Ordinance, PECA, NADRA, the Digital Nation Pakistan Act, the Digital Presence Proceeds Tax Act, and payment and telecommunications law. It concludes that these attach to different functions, so coherence needs authenticated instruments and reasoned handoffs.

KEYWORDS

constitutional government ♦ Digital Nation Pakistan Act ♦ National Digital Masterplan ♦ PECA ♦ evidence architecture ♦ responsibility matrix ♦ instrument stack

KEY DOCTRINES AND PRINCIPLES

- ♦ Technical control of a key, account or ledger entry is not legal entitlement
- ♦ Overlap between institutions is not a constitutional defect; incompatible commands, duplicate coercion and unowned risk are
- ♦ Identity proof establishes only the proposition actually verified, not ownership, authority or lawfulness
- ♦ Enactment of a tax is distinct from its present chargeability under a section 15 exemption
- ♦ A target is not a legal obligation, and a procurement is not the Masterplan

LEADING AUTHORITIES

- ♦ Constitution of the Islamic Republic of Pakistan 1973
- ♦ Digital Nation Pakistan Act 2025 (Act I of 2025)
- ♦ Virtual Assets Act 2026 (Act XIII of 2026)
- ♦ Electronic Transactions Ordinance 2002
- ♦ Prevention of Electronic Crimes Act 2016
- ♦ Digital Presence Proceeds Tax Act 2025 (Act XIX of 2025)

STILL OPEN

The official materials reviewed at the chapter's legal cut-off describe personal-data legislation as a bill or proposed Act; the chapter does not treat a general cross-sector data-protection code as enacted or commenced.

07 Pakistan’s Digital, Electronic and ICT Legal Architecture

THE ARCHITECTURE OF THE CHAPTER

7.1	The Constitutional Setting of Digital Public Power <i>Legality, rights, competence and delegation · The prior question and the method of this chapter</i>
7.2	Electronic Transactions and Legal Recognition <i>Electronic form, writing, originals and signatures · Attribution, dispatch, public filing and evidence</i>
7.3	Cybercrime, Systems and Communications <i>PECA offences and the sectoral boundary · Investigation, preservation, platforms and safeguards</i>
7.4	Digital Identity, Data and Public Infrastructure <i>Identity systems, authentication and data exchange · Security, data governance and the general-law gap · Property, privacy, equality and economic participation</i>
7.5	The Digital Nation Pakistan Act <i>Institutional design: the Commission and the PDA · The Masterplan, alignment duties and the public-power map</i>
7.6	The Digital Presence Proceeds Tax Act 2025 <i>A fiscal connecting rule, not a general digital licence · Collection machinery, exemption and present legal effect · Virtual-asset payments, information and review</i>
7.7	Payments, Telecommunications and ICT Regulation <i>Payment and settlement infrastructure · Communications, platforms and cumulative duties</i>
7.8	The Statutory Planning Hierarchy <i>From national direction to executable projects · Legal workstreams, portfolios and targets</i>
7.9	A Coherent Digital Legal Order <i>Overlap, statutory override and executive coordination · The coordination instrument and responsibility matrix · The lawful home for a digital-assets strategy · The constitutional-planning test set</i>

08

The Virtual Assets Act 2026 and PVARA

Does the Virtual Assets Act 2026 give PVARA a complete, lawful and operable regime, or does it depend on delegated instruments, transition rules and primary amendment to work?

ABSTRACT

The Virtual Assets Act 2026 came into force at once, but many entry criteria, procedures and thresholds were left to later instruments, so commencement is not operational completion. The chapter reads the Act provision by provision, testing the perimeter, PVARA's governance, licensing, delegated instruments, enforcement, funding, the Tribunal and the transition. Most results are qualified. It finds tensions over tokenised securities, the principal-issuer route, section 68 publication, emergency freezes and the appellate structure, and concludes that a Regulation cannot cure what needs primary legislation.

KEYWORDS

virtual Assets Act 2026 ♦ PVARA ♦ VASP ♦ NOC and licence ♦ instrument hierarchy ♦ Appellate Tribunal ♦ section 70 transition

KEY DOCTRINES AND PRINCIPLES

- ♦ Legal substance prevails over token form; PVARA governs the additional virtual-asset layer
- ♦ A statutory power is not proof of a valid instrument, constituted decision-maker or operational capacity
- ♦ An NOC is preliminary permission, not the licence required by sections 21 and 50
- ♦ Delegated instruments cannot supply essential penal or coercive elements omitted from the Act
- ♦ Emergency freezes and blocking need reasons, narrow scope, prompt hearing and automatic expiry

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act XIII of 2026)
- ♦ Virtual Assets Ordinance 2025 (Ordinance VII of 2025)
- ♦ Pakistan Virtual Asset Services Regulations 2026, SRO 1419(I)/2026
- ♦ Virtual Asset Services Activity Specific Regulations 2026, SRO 1420(I)/2026
- ♦ PVARA No Objection Certificate Regulations 2025
- ♦ Public Finance Management Act 2019

STILL OPEN

The direct Supreme Court appeal in section 65 raises constitutional questions that this chapter does not pre-judge and leaves to Chapter 17.

08 The Virtual Assets Act 2026 and PVARA

THE ARCHITECTURE OF THE CHAPTER

8.1	Status, Object and Constitutional Setting <i>Primary legislation, commencement and legal force · Statutory object and relationship with existing law</i>
8.2	Definitions, Scope and Territorial Reach <i>Virtual assets, VASPs and exclusions · Offshore conduct, effects and cross-border services</i>
8.3	PVARA’s Constitution and Governance <i>Composition, appointments and delegation · Independence, accountability and conflicts</i>
8.4	Functions, Policy and Inter-Agency Interfaces <i>Regulation, supervision and public coordination · SBP, SECP, FMU, FBR and other authorities</i>
8.5	Licensing and Supervisory Architecture <i>Entity status, permitted activities and continuing obligations · Inspection, information and risk-based supervision</i>
8.6	Rules, Regulations, Standards and Directions <i>Federal Rules and Virtual Asset Services Regulations · Hierarchy, publication, consultation and legal effect</i>
8.7	Investigation, Enforcement and Sanctions <i>Powers, offences, penalties and procedural safeguards · Evidence, proportionality and judicial control</i>
8.8	Fund, Staffing, Audit and Public Accountability <i>Resources and operational capability · Reporting, transparency and institutional proof</i>
8.9	Tribunal, Appeals and Constitutional Review <i>Statutory review routes · Court jurisdiction and Article 175F questions</i>
8.10	Transition, Savings and the NOC Bridge <i>Continuity of prior instruments and actions · The exact legal reach of transitional arrangements</i>
8.11	Statutory Gaps and Delegated Boundaries <i>Issuer, customer-asset and inter-regulator gaps · What cannot lawfully be supplied by guidance alone</i>

09

Market Entry, Existing Participants and Transitional Legality

How can a person lawfully enter, or remain in, Pakistan's virtual-asset market, and what do the Act's transition provisions and the NOC route actually protect?

ABSTRACT

Market entry begins with a classification decision, and confusion between entry states is now a greater practical risk than ignorance of the Act. The chapter applies the Virtual Assets Act's functional perimeter to holders, peer-to-peer traders, incumbent providers, new entrants, issuers and foreign VASPs. It tests what section 70, section 74 and the NOC route do and do not authorise. It concludes that there is no general amnesty, that an NOC is not a licence, and that the principal-issuer route under section 43 needs primary amendment.

KEYWORDS

functional perimeter ♦ entry states ♦ section 70 bridge ♦ NOC ♦ no general amnesty ♦ issuer status gap ♦ local presence

KEY DOCTRINES AND PRINCIPLES

- ♦ Regulate activity rather than labels such as exchange, wallet or protocol
- ♦ Grandfathering, regularisation and safe harbour are distinct designs and are not inferred from tolerance
- ♦ Section 70 continuity is activity-bounded and is not a deemed licence
- ♦ Home-state supervision or a foreign licence does not passport a firm into Pakistan
- ♦ Guidance and handbooks cannot enlarge Schedule I or create general mandatory burdens

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act XIII of 2026)
- ♦ Pakistan Virtual Asset Services Regulations 2026, SRO 1419(I)/2026
- ♦ Virtual Asset Services Activity Specific Regulations 2026, SRO 1420(I)/2026
- ♦ PVARA No Objection Certificate Regulations 2025
- ♦ SBP BPRD Circular Letter No 10 of 2026
- ♦ FATF, Updated Guidance for a Risk-Based Approach to Virtual Assets and VASPs (2021)

STILL OPEN

The chapter states that the Act supplies no complete issuer-only lifecycle, so a Regulation cannot safely create the issuer status that section 43 assumes.

09 Market Entry, Existing Participants and Transitional Legality

THE ARCHITECTURE OF THE CHAPTER

9.1	Functional Perimeter and Actor Classification <i>Regulate activity rather than label · Holder, trader, issuer, intermediary and service provider</i>
9.2	Existing Virtual-Asset Holders <i>Holding, disposal and own-account activity · Source, ownership, valuation and transaction evidence</i>
9.3	Own-Account P2P Transactions <i>When a participant remains a principal · When repeated conduct becomes dealing, brokerage or another regulated service</i>
9.4	Incumbent Local Service Providers <i>Entry states and their evidential limits · Migration into a statutory licensing system</i>
9.5	No General Amnesty, Exemption or Grace Period <i>What current law does not expressly provide · Why disclosure, banking history or market longevity does not create immunity</i>
9.6	Statutory Transition and NOC Routes <i>The section 19 sequence and the 2025 NOC Regulations · What an NOC does and does not authorise</i>
9.7	Grandfathering, Regularisation and Safe Harbour <i>The difference between existing law and proposed policy · Requirements for any valid future regularisation mechanism</i>
9.8	New Entrants, Licensing and Activity Permission <i>Application, fitness, governance and capital · Capital, multiple permissions and fitness procedure · Client onboarding, consent, Travel Rule and marketing</i>
9.9	Issuers, Offers and the Section 43 Gap <i>Token issuance and public offers · Issuer routes and the case for primary amendment</i>
9.10	Foreign VASPs and Cross-Border Offering <i>Territorial nexus and local presence · Recognition, reliance and enforcement</i>
9.11	Decisions, Exit and Legal Certainty <i>Decisions, suspension, surrender and review · The compliance lifecycle · Verified position and seven corrective instruments</i>

PART THREE

III



Financial, Property, Integrity and Fiscal Order

10	The Monetary and Financial Perimeter
11	Property, Custody, Customer Assets, Insolvency and Market Conduct
12	Financial Integrity, Sanctions and Evidentiary Enforcement
13	Fiscal Order: Recognition, Taxation, Disclosure and Public Finance

IO

The Monetary and Financial Perimeter

Where does a virtual asset sit within Pakistan's monetary and financial perimeter, and how should PVARA, the State Bank and the SECP allocate authority over one product?

ABSTRACT

The expression "virtual asset" answers only one legal question; the same token may also be money, e-money, a deposit, foreign exchange, a security or a futures contract. The chapter applies a permission stack to legal tender, FERA, banking, payment systems, SBP Circular CL 10 of 2026, securities, derivatives, fiat-referenced tokens and tokenised real-world assets. It finds tension between the Act's financial-instrument exclusion and its DLT exception. It concludes that tokenisation changes the form of finance but does not repeal the perimeter, and that a joint determination is needed.

KEYWORDS

permission stack ♦ legal tender ♦ FERA ♦ fiat-referenced token ♦ settlement finality ♦ tokenised securities ♦ joint determination

KEY DOCTRINES AND PRINCIPLES

- ♦ Law follows substance and performed function; a digital wrapper does not answer the whole transaction
- ♦ Section 5 creates cumulative law, not PVARA supremacy, and FERA is expressly preserved
- ♦ FERA is applied to each transaction leg, not to the product in the abstract
- ♦ Protocol finality, contractual finality and statutory finality are different layers
- ♦ A token cannot create or replace the underlying right or its controlling register

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ Foreign Exchange Regulation Act 1947
- ♦ State Bank of Pakistan Act 1956
- ♦ Payment Systems and Electronic Fund Transfers Act 2007
- ♦ SBP BPRD Circular Letter No 10 of 2026
- ♦ Securities Act 2015 and Futures Market Act 2016

STILL OPEN

The chapter states that where the DLT exception and the financial-instrument exclusion cannot be reconciled by construction, Parliament should amend the text.

10 The Monetary and Financial Perimeter

THE ARCHITECTURE OF THE CHAPTER

10.1	One Product, Several Legal Perimeters <i>Money, payment, foreign exchange, banking, securities and futures · Joint characterisation and institutional allocation</i>
10.2	State Bank of Pakistan Act <i>Central-bank functions and monetary authority · Limits of statutory inference for private digital assets</i>
10.3	Foreign Exchange Regulation Act 1947 <i>Foreign exchange, payments and value transfer · Resident, non-resident and offshore transaction legs</i>
10.4	Banking Companies Ordinance <i>Deposit-taking, banking business and prudential exposure · Custody, settlement and unauthorised banking risks</i>
10.5	Payment Systems and Electronic Fund Transfers Act <i>Payment systems, operators and electronic transfer · Stable-value and wallet interfaces</i>
10.6	SBP Circular CL 10 of 2026 <i>Banking services for licensed VASPs · Customer due diligence, account controls and the limits of the circular</i>
10.7	Banks in P2P Transactions <i>Banks as fiat payment rails rather than certifiers of the virtual-asset sale · What a bank record proves and what it does not prove</i>
10.8	Securities Act, Futures Market Act and SECP Act <i>Investment contracts, securities, derivatives and market infrastructure · Regulatory overlap and functional classification</i>
10.9	Stablecoins and Fiat-Referenced Tokens <i>Reserve, redemption, payment and investment functions · Monetary sovereignty and cross-border exposure</i>
10.10	Tokenised Real-World Assets <i>Re-entry into property, securities and secured-transactions law · Issuer, custodian and market-infrastructure obligations</i>
10.11	Inter-Regulator Perimeter Resolution <i>SBP, SECP, PVARA and other authorities · Reasoned classification, coordination and review</i>

II

Property, Custody, Customer Assets, Insolvency and Market Conduct

When a custodian or exchange fails, who owns the customer's virtual assets, who ranks where, and who bears the loss under current Pakistani law and the reforms the chapter proposes?

ABSTRACT

Digital-asset systems make control visible, but control does not answer who owns the asset or who bears loss when control fails. The chapter separates the token, key, customer entitlement and underlying right, and tests section 24 of the Virtual Assets Act against property, trust, secured-transactions, company-winding-up and insolvency law. It then examines custody duties, market conduct, surveillance, complaints and loss allocation. It finds that the statute's estate exclusion is sound but that the private-law and insolvency machinery beneath it is incomplete, and proposes primary, regulatory and company-law amendments.

KEYWORDS

customer assets ♦ control and title ♦ segregation ♦ proof-of-reserves ♦ omnibus custody ♦ shortfall allocation ♦ loss allocation

KEY DOCTRINES AND PRINCIPLES

- ♦ Control is not title; a wallet address is evidence, not a title deed
- ♦ Segregation must produce an insolvency consequence, and proof-of-reserves must include liabilities
- ♦ Consent under section 24(4) is not perfection of a security interest
- ♦ Loss allocation should follow the failed duty, not the technology label
- ♦ Disclosure is not redress; complaint and compensation routes must be executable

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ Companies Act 2017
- ♦ Trusts Act 1882 and Islamabad Capital Territory Trust Act 2020
- ♦ Financial Institutions (Secured Transactions) Act 2016
- ♦ Provincial Insolvency Act 1920
- ♦ Securities Act 2015 and Futures Market Act 2016

STILL OPEN

The chapter states that neither the Act nor the consultation draft supplies a complete enacted rule for allocating a shortfall in an omnibus customer pool.

II Property, Custody, Customer Assets, Insolvency and Market Conduct

THE ARCHITECTURE OF THE CHAPTER

11.1	Control Is Not Title <i>Operational control and legal ownership · Keys, accounts, intermediated holdings and agency</i>
11.2	Property Characterisation <i>Things in action, intangible property and statutory concepts · Transfer, tracing and enforceability</i>
11.3	Custody Models and Legal Relationships <i>Hosted, omnibus, segregated and self-custody models · Trust, bailment, agency, contract and control</i>
11.4	Segregation, Reconciliation and Recordkeeping <i>On-chain and off-chain books · Customer entitlements, shortfalls and proof</i>
11.5	Insolvency and Priority <i>Estate inclusion and customer claims · Return, set-off, secured claims and shortfall allocation</i>
11.6	Operational Custody Duties <i>Key management, cybersecurity and transaction controls · Delegation, sub-custody and outsourcing</i>
11.7	Market Conduct and Conflicts <i>Execution, disclosure and fair dealing · Principal trading, listing, incentives and related parties</i>
11.8	Manipulation, Insider Conduct and Surveillance <i>Market abuse in fragmented venues · Evidence, monitoring and enforcement</i>
11.9	Consumer Protection and Redress <i>Risk disclosure, complaints and compensation · Misrepresentation, negligence and statutory remedies</i>
11.10	Failure and Loss-Allocation Scenarios <i>Exchange, custodian, stablecoin and bridge failure · Who bears loss under current and proposed law · Corrective Customer-Asset Code · Primary amendment: Customer Assets and Digital Property · Final PVARA Regulations: Safeguarding and Conduct · Companies Act and secured-transactions bridge · Institutional execution</i>

I2

Financial Integrity, Sanctions and Evidentiary Enforcement

How do AML/CFT duties, sanctions screening, the Travel Rule and investigative evidence apply to Pakistani VASPs, and what separates a blockchain trace from proof of identity, knowledge or criminal purpose?

ABSTRACT

Financial-integrity law loses accuracy when suspicion, a report, a screening match, an analytics score and a freeze are all called "risk". The chapter follows a virtual-asset transaction from VASP coverage under section 46 of the Virtual Assets Act through customer due diligence, beneficial ownership, STRs and CTRs, targeted financial sanctions and the Travel Rule, into investigation and enforcement. It tests where the statutory chain is complete and where regulator allocation, issuer coverage and interoperability remain open. It concludes that deeming creates obligation, designation completes the supervisor, and lawful evidence, not a risk signal, supports an outcome.

KEYWORDS

financial institution deeming ♦ customer due diligence ♦ beneficial ownership ♦ targeted financial sanctions ♦ Travel Rule ♦ goAML ♦ chain of custody

KEY DOCTRINES AND PRINCIPLES

- ♦ Deeming creates obligation; designation completes the supervisor
- ♦ A wallet address or analytics score is a lead, not proof of ownership, knowledge or purpose
- ♦ goAML is the reporting channel, not the legal test for suspicion
- ♦ A Travel Rule threshold rations a minimum data duty and is not a safe harbour
- ♦ AML compliance penalties and targeted financial sanctions are different regimes with different triggers

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ Anti-Money Laundering Act 2010
- ♦ Pakistan Virtual Asset Services Regulations 2026, regulation 100
- ♦ Anti-Terrorism Act 1997
- ♦ AML/CFT Sanctions Rules 2020
- ♦ FATF, Guidance for a Risk-Based Approach to Virtual Assets and VASPs (2019)

STILL OPEN

The chapter states that its searches did not locate a Gazette notification adding PVARA to AMLA Schedule IV, so PVARA's AML supervisory allocation is not proved by the material located.

12 Financial Integrity, Sanctions and Evidentiary Enforcement

THE ARCHITECTURE OF THE CHAPTER

12.1	Risk and Legal Architecture <i>AMLA 2010, counter-terrorism law and sanctions · Virtual-asset-specific allocation under the 2026 framework</i>
12.2	Reporting-Entity and VASP Coverage <i>Persons, functions and thresholds · Issuer, DeFi and non-custodial gaps</i>
12.3	Risk Assessment and Customer Due Diligence <i>Identification, verification and ongoing monitoring · Enhanced due diligence and source of funds or wealth</i>
12.4	Beneficial Ownership and Actual Control <i>Corporate, protocol and wallet control · Nominees, DAOs and complex arrangements</i>
12.5	Transaction Monitoring, STRs, CTRs and goAML <i>Indicators, escalation and reporting · Quality, proportionality and recordkeeping</i>
12.6	Targeted Financial Sanctions <i>Freezing, prohibition and reporting · Proliferation financing and cross-border coordination</i>
12.7	Travel Rule <i>Originator and beneficiary information · Thresholds, self-hosted wallets and interoperability</i>
12.8	Investigations and Digital Evidence <i>Wallet attribution, tracing and exchange records · Seizure, preservation and chain of custody</i>
12.9	Enforcement Handoffs <i>FMU, PVARA, FIA, police, prosecutors and courts · Jurisdiction, lawful access and evidentiary sufficiency</i>
12.10	Effectiveness, Proportionality and Financial Inclusion <i>Risk-based control versus blanket exclusion · Legitimate users, remittances and de-risking</i>

13

Fiscal Order: Recognition, Taxation, Disclosure and Public Finance

What do Pakistan's existing tax, sales-tax, services-tax, accounting and public-finance laws actually provide for virtual assets, and what must Parliament and the tax authorities settle next?

ABSTRACT

Digital-asset taxation in Pakistan is often discussed as though a dedicated regime already existed. This chapter tests what the Income Tax Ordinance 2001, the Sales Tax Act 1990, provincial services-tax laws and the Virtual Assets Act 2026 actually provide, keeping tax liability, tax reporting, financial reporting and public-finance law apart. It maps transaction events to heads of income, source, valuation and basis, and examines CARF and DAC8. It concludes that the present position is neither a tax vacuum nor a complete regime, and proposes a sequenced reform that begins by repairing section 66.

KEYWORDS

fiscal competence ♦ Section 66 ♦ capital asset ♦ fair market value ♦ cost basis ♦ CARF ♦ services tax

KEY DOCTRINES AND PRINCIPLES

- ♦ Technology may change evidence and transaction path, but only competent legislation changes tax incidence
- ♦ Tax liability, tax reporting, financial reporting and public-finance law are four separate systems
- ♦ Character follows the taxpayer's activity and rights, not a platform's product label
- ♦ Gross trading volume is not a tax base; withholding before basis rules taxes turnover
- ♦ Tax transparency is not market licensing, title confirmation or amnesty

LEADING AUTHORITIES

- ♦ Constitution of Pakistan
- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Income Tax Ordinance 2001
- ♦ Sales Tax Act 1990
- ♦ Khyber Pakhtunkhwa Sales Tax on Services Act 2022
- ♦ OECD Crypto-Asset Reporting Framework and CARF MCAA; EU DAC8

STILL OPEN

The chapter leaves to Parliament whether the section 37 personal-use movable-property exclusion applies to virtual assets, and notes that no Pakistan CARF commitment appears on the OECD Global Forum list as at 23 June 2026.

13 Fiscal Order: Recognition, Taxation, Disclosure and Public Finance

THE ARCHITECTURE OF THE CHAPTER

13.1	Constitutional Fiscal Competence <i>Federal income and capital taxation · Provincial services and other fiscal perimeters</i>
13.2	Fiscal Recognition Without a Complete Fiscal Architecture <i>Virtual assets within broad concepts of property and assets · Why functional recognition is not a comprehensive statutory taxonomy</i>
13.3	Income, Capital Asset and Stock-in-Trade Classification <i>Income Tax Ordinance section 37 and property of any kind · Business income, capital gain, mining, staking and rewards</i>
13.4	FBR Declaration and Wealth Disclosure <i>Returns, wealth statements and self-assessment · Disclosure as compliance evidence rather than a universal ruling, title confirmation or regulatory approval</i>
13.5	Unexplained Sources and Section 111 <i>Acquisition cost, source of funds and documentary continuity · Legacy holdings, offshore venues and evidential exposure</i>
13.6	Valuation, Cost, Disposal and Section 75A <i>Fair value, basis, timing and exchange records · Bank or digital payment trails for asset acquisition and their limitations</i>
13.7	P2P Banking Evidence <i>Fiat transfer records and counterparty identification · Why banking involvement does not prove the token leg, legality, ownership or finality</i>
13.8	Residence, Source and Cross-Border Activity <i>Offshore platforms, non-residents and foreign income · FERA, remittance and reporting interactions</i>
13.9	Treatment by Actor and Function <i>Holder, trader, miner, validator, issuer, employee and service provider · DeFi, airdrops, forks and tokenised claims</i>
13.10	Withholding, Reporting and Tax Administration <i>FBR powers and third-party information · VASP obligations and Virtual Assets Act section 66</i>
13.11	Accounting, Audit and Financial Statements <i>Recognition, measurement and impairment · Custody, reserves, liabilities and disclosures</i>
13.12	CARF, DAC8 and International Tax Transparency <i>Reporting architecture and exchange of information · Why tax transparency is not market licensing</i>
13.13	Public Revenue and Compliance Cost <i>Fiscal yield, administrative capability and proportionality · A lawful future tax taxonomy and any expressly enacted regularisation mechanism</i>

CODE, LAW AND CAPITAL

PART FOUR

IV



Digital Systems, Institutions, Rights and Remedies

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| 14 | Data, Cybersecurity, Digital Identity and Evidence |
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| 15 | Smart Contracts, DeFi, DAOs and Autonomous Systems |
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| 16 | Institutional Integrity, Federalism and Cross-Border Administration |
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| 17 | Enforcement, Tribunal, Courts and Constitutional Remedies |
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I4

Data, Cybersecurity, Digital Identity and Evidence

How can Pakistan's regulator, licensees and courts keep digital-asset data lawful, secure and evidentially reliable from onboarding to courtroom without a general personal-data statute?

ABSTRACT

A licensed virtual-asset business holds identity records, keys and transaction data that regulators, investigators and courts all want, yet Pakistan's checked official record shows no enacted general personal-data statute. This chapter maps the data lifecycle, digital identity, cyber governance, supervisory reporting, cross-border transfer, electronic transactions and on-chain evidence against the Virtual Assets Act 2026 and the surrounding statutes. It separates preservation from production, integrity from attribution and analytic inference from legal judgment. It proposes a Virtual-Asset Data, Cybersecurity and Evidence Code with seven modules and a staged implementation sequence.

KEYWORDS

data lifecycle ♦ digital identity ♦ Travel Rule ♦ cyber resilience ♦ on-chain evidence ♦ chain of custody ♦ blockchain analytics

KEY DOCTRINES AND PRINCIPLES

- ♦ Purpose, necessity and legal route must travel with the data
- ♦ Preservation is not production; a preservation request is not a production order
- ♦ Ledger integrity does not establish identity, intent or legal effect
- ♦ Attribution requires a joined proof rather than a single analytic label
- ♦ Courts decide identity, knowledge, authority and liability; software does not

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Digital Nation Pakistan Act 2025
- ♦ Prevention of Electronic Crimes Act 2016
- ♦ Electronic Transactions Ordinance 2002
- ♦ Qanun-e-Shahadat Order 1984
- ♦ Mutual Legal Assistance (Criminal Matters) Act 2020

STILL OPEN

The chapter states that the checked official record did not show an enacted general personal-data statute, and leaves the design of the sectoral baseline to yield to Parliament's eventual general law.

14 Data, Cybersecurity, Digital Identity and Evidence

THE ARCHITECTURE OF THE CHAPTER

14.1	The Data Lifecycle and Legal Map <i>Collection, use, sharing, retention and deletion · Public, customer and transactional data</i>
14.2	Personal Data and the General-Law Gap <i>Sectoral duties and constitutional privacy · Consent, lawful basis and sensitive financial data</i>
14.3	Digital Identity and Lawful Sharing <i>KYC, authentication and reusable identity · Public databases, private providers and access controls</i>
14.4	Cyber Governance and Operational Resilience <i>Risk management, testing and incident response · Critical systems, outsourcing and recovery</i>
14.5	Regulatory Reporting and Supervisory Data <i>Data quality, standards and interfaces · Privacy, minimisation and institutional access</i>
14.6	Cross-Border Data and the Travel Rule <i>Transfer restrictions and interoperability · Sanctions, secrecy and foreign requests</i>
14.7	Electronic Transactions and Signatures <i>Formation, attribution and integrity · Automated communications and evidential weight</i>
14.8	Electronic and On-Chain Evidence <i>Authenticity, relevance and expert interpretation · Blockchain records, screenshots, logs and exchange data</i>
14.9	Preservation, Seizure and Courtroom Chain <i>Forensic acquisition and continuity · Admissibility, disclosure and challenge</i>
14.10	Automated Analysis and Evidential Limits <i>Clustering, attribution and probabilistic inference · Human verification, explainability and contestability · Corrective Architecture and Implementation Sequence</i>

I5

Smart Contracts, DeFi, DAOs and Autonomous Systems

When smart contracts, DeFi protocols, DAOs and AI agents act, how does existing Pakistani law identify the responsible person, the governing terms and the available remedy?

ABSTRACT

When a protocol executes without human intervention, a loss or dispute still needs a lawful actor, an authority and a remedy. This chapter separates the technical, transactional and legal layers of an automated transaction, and applies the Electronic Transactions Ordinance, the Contract Act, company, LLP and partnership law and the Virtual Assets Act 2026 to formation, error, upgrade risk, DeFi control, DAOs and AI agents. It concludes that programmable execution changes the mechanics of performance, not the need for legal characterisation, and proposes a control-sensitive regulatory package, including a handoff to Rules as Code.

KEYWORDS

smart contract ♦ DeFi control ♦ DAO ♦ oracle ♦ upgradeability ♦ AI agent ♦ attribution

KEY DOCTRINES AND PRINCIPLES

- ♦ Technical validity establishes a fact about the system, not legal validity
- ♦ Attribution answers whose record it is; authority, consent and mistake are decided separately
- ♦ Fix the order of authority between readable terms, code and parameters before execution
- ♦ Function decides regulatory status, not the label 'decentralised'
- ♦ An AI system is a tool through which a person acts

LEADING AUTHORITIES

- ♦ Electronic Transactions Ordinance 2002
- ♦ Contract Act 1872
- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Pakistan Virtual Asset Services Regulations 2026, SRO 1419(I)/2026
- ♦ Companies Act 2017; Limited Liability Partnership Act 2017; Partnership Act 1932
- ♦ UNCITRAL Model Law on Automated Contracting; Quoine Pte Ltd v B2C2 Ltd [2020] SGCA(I) 2

STILL OPEN

The chapter identifies two questions that may eventually require Parliament: a targeted automated-contracting amendment for adaptive systems, and an elective registration or representative mechanism for economically significant unincorporated DAOs.

15 Smart Contracts, DeFi, DAOs and Autonomous Systems

THE ARCHITECTURE OF THE CHAPTER

15.1	From Code Execution to Legal Consequence <i>Performance, settlement and state change · Why execution is not self-validating law</i>
15.2	Formation, Terms and Interpretation <i>Offer, acceptance, intention and incorporated code · Natural language, code conflict and contextual interpretation</i>
15.3	Error, Exploit, Oracle and Upgrade Risk <i>Mistake, vulnerability and governance intervention · Foreseeability, allocation and disclosure</i>
15.4	Remedies and Reversibility <i>Injunction, restitution, damages and tracing · Technical irreversibility versus legal remedy</i>
15.5	DeFi Functions, Dependencies and Actual Control <i>Trading, lending, leverage and liquidation · Front ends, administrators, validators and governance</i>
15.6	DAO Constitution and Participant Responsibility <i>Membership, voting and treasury · Entity character, fiduciary questions and liability</i>
15.7	Algorithmic Tokens and Market Conduct <i>Automated issuance, pricing and liquidation · Manipulation, disclosure and systemic feedback</i>
15.8	Autonomous and AI-Mediated Agents <i>Authority, attribution and delegated decision-making · Liability, evidence and human responsibility</i>
15.9	Conflict of Laws and Cross-Border Operation <i>Distributed systems and governing law · Forum, enforcement and asset location</i>
15.10	Regulatory Design for Pakistan <i>Function-based duties and control tests · Sandboxing, auditability and bounded experimentation</i>

I6

Institutional Integrity, Federalism and Cross-Border Administration

What must PVARA and its institutional partners be able to prove, from valid appointments to federal-provincial and cross-border allocation, for their exercise of virtual-asset authority to be lawful?

ABSTRACT

A statute can create a regulator on paper while appointments, delegations, staff, systems and coordination remain unproven. This chapter distinguishes constitutional competence, statutory competence, administrative allocation and operational capacity, and applies them to PVARA's Board, policy direction, its relations with SBP, SECP, FMU, FBR, FIA and the Pakistan Digital Authority, provincial approvals, transitional bodies, publication and cross-border cooperation. It concludes that institutional legality is proved through authenticated records, and that a missing document is a verification gap rather than a finding of invalidity.

KEYWORDS

institutional legality ♦ delegation ♦ policy direction ♦ approval stack ♦ Federal-provincial ♦ instrument register ♦ public integrity

KEY DOCTRINES AND PRINCIPLES

- ♦ Constitutional, statutory, administrative and operational layers can each fail independently
- ♦ The Act authorises delegation; it does not prove that a delegation has occurred
- ♦ No authority by association, no delegation by assumption, no coordination without a decision product
- ♦ A federal licence does not displace provincial, local or sector approvals
- ♦ A supervisory arrangement is not mutual legal assistance in a criminal matter

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Constitution of Pakistan
- ♦ Rules of Business 1973
- ♦ Digital Nation Pakistan Act 2025
- ♦ Mutual Legal Assistance (Criminal Matters) Act 2020
- ♦ Right of Access to Information Act 2017

STILL OPEN

The chapter records that no appointment notification, section 10 delegation instrument or Pakistan Crypto Council constitutive instrument was located in the bounded searches, and treats this as a verification gap rather than a finding of invalidity.

16 Institutional Integrity, Federalism and Cross-Border Administration

THE ARCHITECTURE OF THE CHAPTER

16.1	Institutional Legality and Capability <i>Valid authority and operational ability · Resources, systems, reasons and accountability</i>
16.2	PVARA's Constitution, Appointments and Delegation <i>Office, tenure and authority · Delegated decision-making and institutional proof</i>
16.3	Policy Direction, Independence and Accountability <i>Executive policy and statutory discretion · Transparency, review and capture risk</i>
16.4	Inter-Regulator Allocation <i>PVARA, SBP, SECP, FMU, FBR and FIA · Joint matters, lead authority and dispute resolution</i>
16.5	Federal-Provincial Administration <i>Tax, services, police powers and public projects · Coordination without unconstitutional displacement</i>
16.6	Transitional and Policy Bodies <i>Pakistan Crypto Council and other arrangements · Mandate, evidence, continuity and accountability</i>
16.7	Resources, Operating Model and Administrative Proof <i>Budget, staffing, systems and service standards · Registers, decisions and auditable performance</i>
16.8	Transparency, Publication and Version Control <i>Authoritative instruments and public notice · Legal certainty and status hygiene</i>
16.9	Cross-Border Supervision and Cooperation <i>Information exchange and supervisory colleges · Foreign regulators, service providers and enforcement</i>
16.10	Public Integrity <i>Conflicts, appointments and procurement · Reasoned administration and institutional trust · Institutional Design Implications</i>

I7

Enforcement, Tribunal, Courts and Constitutional Remedies

Is Pakistan's virtual-asset enforcement chain, from inspection and sanction to the Tribunal and constitutional review, lawful, operational and reviewable after the Twenty-Seventh Amendment?

ABSTRACT

A regulator's coercive powers are only as legitimate as the jurisdiction, evidence, procedure and remedy behind them. This chapter follows the Virtual Assets Act 2026 from inspection, interim orders and administrative sanctions through criminal investigation, the Virtual Assets Appellate Tribunal, Article 199 review and customer and cross-border remedies. It identifies textual defects in sections 57, 59, 60 and 65, tests the competing constructions of the direct Supreme Court appeal against the amended Articles 175F, 185 and 212, and concludes that section 65 is contestable rather than settled. It proposes a corrective package of amendment, authentication, procedure and testing.

KEYWORDS

enforcement map ♦ interim powers ♦ Appellate Tribunal ♦ Section 65 ♦ Article 175F ♦ Article 199 ♦ digital evidence

KEY DOCTRINES AND PRINCIPLES

- ♦ Classification fixes authority: PVARA's subject knowledge does not expand its statutory competence
- ♦ Penal and coercive provisions are construed strictly; regulations cannot add an offence or penalty
- ♦ Interim orders and final sanctions need separate evidence, reasons and review routes
- ♦ A statutory appeal is disciplined by exhaustion; Article 199 adequacy is practical as well as legal
- ♦ No Tribunal by statutory assumption; an unauthenticated institution is a verification gap

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026 (Act No XIII of 2026)
- ♦ Constitution of Pakistan
- ♦ Code of Criminal Procedure 1898
- ♦ Mutual Legal Assistance (Criminal Matters) Act 2020
- ♦ Competition Act 2010
- ♦ M/s Options International v Competition Commission of Pakistan; Raja Amer Khan v Federation of Pakistan

STILL OPEN

The chapter states that the validity and scope of section 65 are not shown to be settled, and that no notification establishing the Tribunal, its members or its rules was located in the bounded search.

17 Enforcement, Tribunal, Courts and Constitutional Remedies

THE ARCHITECTURE OF THE CHAPTER

17.1	The Enforcement Map <i>Administrative, civil and criminal pathways · Competence, sequencing and coordination</i>
17.2	Inspection, Investigation and Information Powers <i>Entry, production, interviews and digital access · Necessity, privilege and procedural safeguards</i>
17.3	Administrative Measures and Sanctions <i>Directions, suspension, cancellation and monetary penalties · Proportionality, reasons and publication</i>
17.4	Offences, Prosecution and Asset Measures <i>Elements, mens rea and corporate responsibility · Seizure, freezing, confiscation and third-party rights</i>
17.5	The Tribunal <i>Constitution, jurisdiction and procedure · Independence, expertise and institutional reality</i>
17.6	Courts and Article 175F <i>Constitutional court architecture · Consistent treatment across statute, appeal and judicial review</i>
17.7	Due Process and Fundamental Rights <i>Notice, hearing, reasons and equality · Privacy, property, expression and business rights</i>
17.8	Evidence and Burden <i>Official records, expert proof and digital attribution · Presumptions, standards and contestability</i>
17.9	Judicial Review and Constitutional Remedies <i>Jurisdictional error, legality and proportionality · Public-interest litigation and institutional restraint</i>
17.10	Customer and Market Remedies <i>Complaints, compensation and restitution · Collective loss, insolvency and enforcement coordination · Access to Justice, Publication and Adjudicatory Capacity · Corrective Adjudicatory Package</i>



Comparative Digital-Asset Orders

18	The United States: Markets, Enforcement and the Contest for Regulatory Authority
19	The United Kingdom: Property, Permission and Transition
20	The European Union: MiCA and the Supranational Model
21	Asian and Asia-Pacific Digital-Asset Orders
22	GCC and Middle Eastern Digital-Asset Orders
23	ASEAN and Emerging Regional Models

I8

The United States: Markets, Enforcement and the Contest for Regulatory Authority

Which disciplines of United States digital-asset regulation can Pakistan adopt, and which depend on constitutional structure, statutory history or market power that Pakistan does not share?

ABSTRACT

United States digital-asset law is often cited as though it were a single code, when it is a layered set of federal statutes, agency releases, state regimes and judicial decisions of differing legal force. This chapter takes each layer in turn: federal and state allocation, securities, commodities, banking and money transmission, stablecoins, tax, insolvency, enforcement, DeFi, executive policy and extraterritorial reach. It labels each source as enacted, interpretive, proposed or litigated. It concludes that Pakistan should import disciplines, such as purpose-specific classification and separated customer assets, rather than American conclusions or fragmentation.

KEYWORDS

layered authority ♦ investment contract ♦ stablecoin ♦ controllable electronic records ♦ customer assets ♦ regulatory status ♦ competence map

KEY DOCTRINES AND PRINCIPLES

- ♦ The legal unit is the regulated transaction or function, not the label 'crypto'
- ♦ Classifications are cumulative because they answer different legal questions
- ♦ Authorisation is separate from ownership and property law
- ♦ Guidance, proposals, executive policy and enacted law differ in legal force and must be labelled
- ♦ Import disciplines, not conclusions: control and function are evidential questions

LEADING AUTHORITIES

- ♦ SEC v WJ Howey Co, 328 US 293 (1946)
- ♦ CFTC v McDonnell, 287 F Supp 3d 213 (EDNY 2018)
- ♦ GENIUS Act, Pub L No 119-27 (2025)
- ♦ SEC Securities Act Release No 11412 (17 March 2026)
- ♦ IRS Notice 2014-21 and Revenue Ruling 2023-14
- ♦ Morrison v National Australia Bank Ltd, 561 US 247 (2010)

STILL OPEN

The chapter states that the Digital Asset Market Clarity Act was not enacted and that SEC's Regulation Crypto Assets was a proposal at the 28 August 2026 cut-off.

18 The United States: Markets, Enforcement and the Contest for Regulatory Authority

THE ARCHITECTURE OF THE CHAPTER

18.1	Constitutional and Federal Structure <i>Enumerated federal power and state police powers · Courts, agencies and separation of powers</i>
18.2	Federal and State Allocation <i>Federal financial law · State money-transmission, trust and digital-asset statutes</i>
18.3	Securities Law and the Investment-Contract Inquiry <i>Howey and transaction-specific analysis · Tokens, schemes, disclosure and secondary markets</i>
18.4	Commodities, Derivatives and CFTC Authority <i>Commodity character and derivatives jurisdiction · Spot-market limits and anti-fraud authority</i>
18.5	Banking, Payments and Money Transmission <i>Federal banking agencies and payment law · State licensing and stable-value activity</i>
18.6	Stablecoins and Dollar-Based Digital Finance <i>Reserve, redemption and issuer structure · Dollar influence, payment innovation and systemic questions</i>
18.7	Taxation and Treatment as Property <i>Federal tax classification and reporting · Basis, disposal, mining, staking and intermediaries</i>

18 The United States: Markets, Enforcement and the Contest for Regulatory Authority

THE ARCHITECTURE OF THE CHAPTER (CONTINUED)

18.8	Insolvency, Custody and Customer Assets <i>Bankruptcy estates and customer claims · Segregation, control and intermediary failure</i>
18.9	Judicial Decisions and Enforcement-Led Development <i>SEC, CFTC, DOJ and state actions · What litigation clarified and what remains contested</i>
18.10	DeFi, Tokenisation and Market Structure <i>Protocol functions and intermediaries · Digital securities, exchanges and clearing</i>
18.11	Executive Policy and Legislative Change <i>Executive orders, agency coordination and policy reversal · Congressional proposals and enacted change</i>
18.12	State Innovation and Regulatory Fragmentation <i>New York, Wyoming and other models · Competition, inconsistency and passporting limits</i>
18.13	The United States' Global Market Influence <i>Dollar, capital markets, technology and enforcement reach · Extraterritorial effects on platforms and states</i>
18.14	Lessons and Limits for Pakistan <i>Transferable institutional insights · Features that cannot be copied without constitutional and market fit</i>

19

The United Kingdom: Property, Permission and Transition

Which UK rules on property, permission and transition attach duties to the right functions, and what can Pakistan transfer given differences in institutions and territory?

ABSTRACT

Three bodies of UK law govern a cryptoasset relationship: property law, market regulation and anti-money-laundering law, each with a different footprint. The chapter examines how English courts and the Property (Digital Assets etc) Act 2025 recognise property, how the 2026 Regulations create regulated and designated activities, and how staged commencement treats timely and late applicants. It tests the proposition that duties should attach to functions such as redemption, control, disclosure, dealing and admission. It concludes with five lessons for Pakistan, and with the institutional objection that transplanting text without regulatory capacity produces text without enforcement.

KEYWORDS

property recognition ♦ safeguarding ♦ qualifying stablecoin ♦ designated activities ♦ transition ♦ client money ♦ perimeter

KEY DOCTRINES AND PRINCIPLES

- ♦ Recognising an object of property rights does not identify its owner or prove recovery
- ♦ Safeguarding is defined by control: who can move the value, not who holds keys
- ♦ Stablecoin issuance attaches to the redemption promise and backing assets, not to minting
- ♦ Platform admission to trading is the gatekeeper for public offers, with statutory liability for disclosure
- ♦ Timely applicants receive continuity; late applicants only performance of existing contracts

LEADING AUTHORITIES

- ♦ Property (Digital Assets etc) Act 2025
- ♦ AA v Persons Unknown [2019] EWHC 3556 (Comm)
- ♦ D'Aloia v Persons Unknown Category A [2024] EWHC 2342 (Ch)
- ♦ ByBit Fintech Ltd v Ho Kai Xin [2023] SGHC 199
- ♦ Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026, SI 2026/102
- ♦ Law Commission, Digital Assets: Final Report (Law Com No 412, 2023)

STILL OPEN

The chapter accepts that the UK design presupposes an established regulator, mature rulebook and specialist tribunal, an institutional objection that drafting alone does not answer.

19 The United Kingdom: Property, Permission and Transition

THE ARCHITECTURE OF THE CHAPTER

19.1	The United Kingdom after Brexit
19.2	Property: Recognition and Recovery
19.3	The Present Perimeter: Registration and Promotions
19.4	The 2026 Regulations: Technique and Commencement
19.5	New Regulated Activities
19.6	Offers, Admissions and Disclosure
19.7	Market Abuse
19.8	Transition
19.9	Custody, Insolvency, Sandbox and Law Reform
19.10	Review and Lessons for Pakistan

20

The European Union: MiCA and the Supranational Model

How do MiCA's supranational code and the UK's staged domestic regime each allocate consequences across legal layers, and what can Pakistan adapt from both?

ABSTRACT

A directly applicable EU regulation does not supply a complete private law for every cryptoasset transaction, and the UK's common-law route leaves entitlement to further rules. The chapter compares MiCA's perimeter, passport, token categories, custody article, market-abuse rules and transitional provisions with the UK regime, adding the transfer-of-funds, DLT pilot, resilience and data-protection instruments. It separates stability from enforceable redemption, and regulatory scale from legal simplicity. It concludes that Pakistan should allocate the interfaces between authorisation, private rights, resilience and data law expressly, and state when each new permission becomes available.

KEYWORDS

MiCA ♦ passport ♦ e-money token ♦ asset-referenced token ♦ custody ♦ operational resilience ♦ transition candour

KEY DOCTRINES AND PRINCIPLES

- ♦ A single regulation is not evidence of a complete single private-law system
- ♦ Stability is a promised relationship between values; redemption is a relationship between persons
- ♦ Classification precedes authorisation; functional analysis does not override the legislature's categories
- ♦ Outsourcing changes delivery of a function, not the regulated firm's responsibility
- ♦ Market integrity needs both prohibitions reaching unlicensed actors and surveillance duties on intermediaries

LEADING AUTHORITIES

- ♦ Regulation (EU) 2023/1114 (MiCA)
- ♦ Regulation (EU) 2023/1113 on information accompanying transfers
- ♦ Regulation (EU) 2022/858 (DLT pilot regime)
- ♦ Regulation (EU) 2022/2554 (DORA)
- ♦ Regulation (EU) 2016/679 (GDPR)
- ♦ SI 2026/102

STILL OPEN

The chapter states that Pakistan's constitutional competence and the notified PVARA baseline remain controlling, and that primary and institutional work remains at the interfaces of property, insolvency, tax, banking and constitutional review.

20 The European Union: MiCA and the Supranational Model

THE ARCHITECTURE OF THE CHAPTER

20.1	The European Union as a Supranational Legal Order
20.2	MiCA: Perimeter, Authorisation and Passport
20.3	Asset-Referenced and E-Money Tokens
20.4	Transfer of Funds and AML Framework
20.5	DLT Market Infrastructure and Tokenised Finance
20.6	Custody, Prudential Treatment and Operational Resilience
20.7	Market Abuse
20.8	Data Protection and Digital Identity
20.9	UK-EU Comparison and Lessons for Pakistan

21

Asian and Asia-Pacific Digital-Asset Orders

What does comparison across Asia-Pacific regimes show about which institution performs each legal function, and which mechanisms can Pakistan adapt without borrowing a single template?

ABSTRACT

Asian and Asia-Pacific regimes cannot be sorted into permissive and restrictive; licensing, prohibition, sandboxes, taxation and state digital money are separate legal techniques. The chapter surveys Japan, Singapore, Hong Kong, China, South Korea, India, Australia and New Zealand, using selected disputes such as *Quoine v B2C2* and *Ruscoe v Cryptopia* to ask which part of a problem each decision actually resolved. It compares regimes by loss mechanism and by transition design. It concludes that the useful question is which institution performs each function, with what evidence of operational capacity, and draws lessons for Pakistan's PVARA baseline.

KEYWORDS

recognition ♦ custody ♦ stablecoin ♦ transition ♦ proportionality ♦ sandbox ♦ institutional fit

KEY DOCTRINES AND PRINCIPLES

- ♦ Property recognition and market authorisation answer different questions
- ♦ Time for preparation is distinct from immunity from existing duties
- ♦ Compare regimes by loss mechanism, not by number of rules enacted
- ♦ Restrictions affecting access need a connection between the identified risk, persons burdened and measure chosen
- ♦ A pilot or sandbox is not general permission; graduation requires ordinary permission or legislative change

LEADING AUTHORITIES

- ♦ *Quoine Pte Ltd v B2C2 Ltd* [2020] SGCA(I) 2
- ♦ *ByBit Fintech Ltd v Ho Kai Xin* [2023] SGHC 199
- ♦ *Ruscoe v Cryptopia Ltd (in liq)* [2020] NZHC 728
- ♦ *Internet and Mobile Association of India v Reserve Bank of India* (2020) 10 SCC 274
- ♦ Act on the Protection of Virtual Asset Users (Republic of Korea)
- ♦ Corporations Amendment (Digital Assets Framework) Act 2026 (Cth)

STILL OPEN

The chapter states that the exact constitutional standard and remedy for restrictions on access remain questions of Pakistani law, and that a foreign example cannot supply a missing domestic continuation power.

21 Asian and Asia-Pacific Digital-Asset Orders

THE ARCHITECTURE OF THE CHAPTER

21.1 Asia Is Not a Single Regulatory Model

21.2 Japan

21.3 Singapore

21.4 Hong Kong

21.5 People's Republic of China

21.6 South Korea

21.7 India

21.8 Australia

21.9 New Zealand

21.10 Comparative Lessons for Pakistan

22

GCC and Middle Eastern Digital-Asset Orders

What can Pakistan learn from Gulf and Middle Eastern regimes when every permission depends on territory, actor, activity and regulator, and no regional passport exists?

ABSTRACT

A group that says it is regulated in the Gulf may identify neither the permission relevant to a promotion nor the law governing a customer's claim. The chapter examines the UAE federal order, VARA, ADGM and DIFC, Bahrain, Saudi Arabia, Qatar, Oman and Kuwait, together with Islamic-finance governance and cross-border capital. It tests modular rulebooks, rehypothecation limits, free-zone reach and conditional recognition against the constitutional limits of Pakistan's own order. It concludes that every permission should be legible by actor, activity, territory and regulator, and that Shariah claims need reasoned product governance rather than labels.

KEYWORDS

free zone ♦ modular rulebook ♦ rehypothecation ♦ tokenisation ♦ Shariah governance ♦ conditional recognition ♦ regulatory arbitrage

KEY DOCTRINES AND PRINCIPLES

- ♦ A regional similarity must not be converted into a fictional passport
- ♦ Consent cannot cure every conflict between the transaction offered and the protection that the regulatory category promises
- ♦ Token form does not displace the underlying regulator's competence
- ♦ Branding an enclave as innovative cannot cure an unlawful delegation
- ♦ 'Asset backed' is incomplete until the underlying, the holder's rights, the transfer mechanism and the contractual promises have been identified

LEADING AUTHORITIES

- ♦ Cabinet Decisions Nos 111 and 112 of 2022 (UAE)
- ♦ Dubai Law No 4 of 2022
- ♦ VARA Custody Services Rulebook, pt III.B
- ♦ QFC Digital Assets Regulations 2024
- ♦ IFSB-31, Guiding Principles for Effective Supervision of Shariah Governance (2025)
- ♦ Pakistan Virtual Asset Services Regulations 2026, SRO 1419(I)/2026

STILL OPEN

The chapter states that any stronger Shariah mutual-recognition proposal, and any consolidated group supervision, requires a separate account of authority and legal basis that it does not supply.

22 GCC and Middle Eastern Digital-Asset Orders

THE ARCHITECTURE OF THE CHAPTER

22.1	The GCC as a Regional Setting
22.2	United Arab Emirates: Federal Order
22.3	Dubai and VARA
22.4	ADGM and DIFC
22.5	Bahrain
22.6	Saudi Arabia
22.7	Qatar, Oman and Kuwait
22.8	Islamic Finance and Digital Assets
22.9	Cross-Border Capital and Regional Competition
22.10	Lessons and Limits for Pakistan

23

ASEAN and Emerging Regional Models

What legal consequences can ASEAN's incremental, nationally grounded connections actually promise, and which of them can Pakistan adopt without claiming a regional passport or harmonised asset law?

ABSTRACT

ASEAN has not conferred competence for a directly applicable cryptoasset code, so market permissions and sanctions rest on national law. The chapter distinguishes a common technical message, a recognition arrangement and harmonisation of rules, then reviews payment connectivity, Singapore's regional role, and the Malaysian, Indonesian, Thai, Philippine and Vietnamese models, with wider comparators. It asks whether each connection allocates liability, continuity and redress. It concludes that incremental connectivity, staged entry and managed institutional transfer suit Pakistan better than immediate harmonisation, provided each arrangement is operationally narrow, legally complete and states its route back to ordinary law.

KEYWORDS

payment connectivity ♦ recognition ♦ institutional transfer ♦ extraterritorial reach ♦ pilot regime ♦ Shariah endorsement ♦ redress

KEY DOCTRINES AND PRINCIPLES

- ♦ A common message, a recognition arrangement and harmonisation are distinct achievements
- ♦ Interoperability without liability rules can transmit operational failure as efficiently as value
- ♦ Institutional transfer requires continuity of permissions, liability and evidence
- ♦ Extraterritorial rules need a domestic connecting factor and a proportionate, authorised response
- ♦ A pilot needs a defined route back to ordinary law and treatment of claims already created

LEADING AUTHORITIES

- ♦ ASEAN Leaders' Declaration on Advancing Regional Payment Connectivity (10 May 2023)
- ♦ Capital Markets and Services (Prescription of Securities) (Digital Currency and Digital Token) Order 2019 (Malaysia)
- ♦ OJK Regulation No 27 of 2024, as amended by No 23 of 2025 (Indonesia)
- ♦ Emergency Decree on Digital Asset Businesses BE 2561 (2018) (Thailand)
- ♦ BSP Circular No 1108 (2021) (Philippines)
- ♦ Government Resolution No 05/2025/NQ-CP (Vietnam)

STILL OPEN

The chapter states that incrementalism is not self-justifying, since several bilateral links may create inconsistent duties, duplicate compliance and uncertain complaint routes.

23 ASEAN and Emerging Regional Models

THE ARCHITECTURE OF THE CHAPTER

23.1	ASEAN's Institutional Character
23.2	Regional Financial Integration
23.3	Singapore's Regional Role
23.4	Malaysia
23.5	Indonesia
23.6	Thailand
23.7	Philippines
23.8	Vietnam
23.9	Divergence Among Member-State Models
23.10	Cross-Border Payments and Regional Settlement
23.11	Other Significant Comparative Models
23.12	Lessons for Pakistan

CODE, LAW AND CAPITAL

PART SIX

VI



Global Standards and International Law

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| 24 | Global Standards and Transnational Regulatory Coordination |
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| 25 | Public International Law and Digital Assets |
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| 26 | Private International Law and Cross-Border Digital Assets |
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24

Global Standards and Transnational Regulatory Coordination

How can Pakistan give operational effect to international standards without treating soft law, guidance or implementation reviews as domestic legislation?

ABSTRACT

Standards from FATF, the FSB, IOSCO, Basel, CPMI, the OECD and UNIDROIT carry different legal effects, yet can shape licensing, supervision and market access. The chapter sets a seven-part comparative method, then tests Pakistan's baseline against each standard, identifying the remaining delta between enacted text and demonstrated effectiveness. It separates tax transparency under CARF and DAC8 from PVARA licensing and notes that Pakistan is not shown on the OECD commitment lists. It concludes that each international proposition needs an identified domestic instrument, competent institution and evidence, recorded in a public concordance with revision control.

KEYWORDS

soft law ♦ Travel Rule ♦ functional perimeter ♦ same activity, same risk ♦ CARF ♦ Domestic concordance ♦ implementation evidence

KEY DOCTRINES AND PRINCIPLES

- ♦ A standard, guidance, a foreign enactment and an implementation review have different legal force
- ♦ Similarity of words does not establish similarity of law
- ♦ Enactment is not effectiveness: instrument issued, capability tested and live outcome are separate states
- ♦ Tax transparency is not market licensing; the CARF lane belongs to FBR
- ♦ Citation of the UNIDROIT Principles is not incorporation

LEADING AUTHORITIES

- ♦ FATF Recommendation 15 and Interpretive Note
- ♦ FSB, High-level Recommendations for Crypto-asset Activities and Markets (2023)
- ♦ IOSCO, Policy Recommendations for Crypto and Digital Asset Markets (2023)
- ♦ OECD Crypto-Asset Reporting Framework (CARF)
- ♦ Council Directive (EU) 2023/2226 (DAC8)
- ♦ UNIDROIT Principles on Digital Assets and Private Law (2023)

STILL OPEN

The chapter states that Pakistan is not shown on the OECD CARF commitment lists, so no exchange commitment can be asserted and feasibility, legislation and safeguards must precede any commitment decision.

24 Global Standards and Transnational Regulatory Coordination

THE ARCHITECTURE OF THE CHAPTER

24.1 Hard Law, Soft Law and Regulatory Standards

Different sources and different legal effects · Domestic incorporation, evidence and institutional influence · Comparative Method and Selection Criteria

24.2 Financial Action Task Force

Virtual assets, VASPs and risk-based supervision · Travel Rule, beneficial ownership and proliferation financing · FATF: From Statutory Recognition to Operational Financial Integrity

24.3 Financial Stability Board

Global regulatory framework and systemic risk · Cross-border consistency and implementation review · FSB and IOSCO: Systemic, Market and Multi-Function Deltas

24.4 BIS and the Basel Committee

Bank exposure and prudential treatment · Tokenised deposits, stablecoins and market infrastructure

24.5 Committee on Payments and Market Infrastructures

Payment and settlement principles · Stablecoin and cross-border payment arrangements

24.6 International Organization of Securities Commissions

Market integrity and investor protection · DeFi, conflicts and multi-function platforms

24.7 International Monetary Fund and World Bank

Monetary, fiscal and institutional assessment · Technical assistance, conditionality and development

24.8 OECD and Crypto-Asset Reporting Framework

Tax transparency and reporting · Implementation, data exchange and legal limits · CARF and DAC8: Tax Transparency Is Not Market Licensing

24.9 UNIDROIT Principles on Digital Assets and Private Law

Control, custody and transfer · Use as persuasive principles rather than domestic enactment

24.10 Accounting and Prudential Standards

Recognition, measurement and disclosure · Institutional exposure and comparability

24.11 Supervisory Colleges and Information Exchange

Cross-border coordination · Confidentiality, due process and accountability

24.12 Convergence, Fragmentation and Legal Effect in Pakistan

Standards as evidence, influence and conditionality · Domestic concordance, implementation evidence and revision control

25

Public International Law and Digital Assets

When does technical reach over a borderless digital-asset network become lawful jurisdiction for Pakistan, and what cooperation routes remain when it does not?

ABSTRACT

A foreign exchange used by Pakistani customers may suffer a cyber theft and freeze withdrawals, yet Pakistani investigators cannot seize a foreign server or compel a foreign bank without consent, treaty process or the requested state's law. The chapter separates prescriptive, adjudicative and enforcement jurisdiction and applies nationality, attribution, sanctions, mutual legal assistance, confiscation, investment protection and CBDCs to that problem. It records Pakistan's actual treaty status instrument by instrument. It concludes that a disciplined nexus, and not a claim of control over a borderless network, makes an order enforceable abroad.

KEYWORDS

jurisdiction ♦ attribution ♦ mutual legal assistance ♦ sanctions ♦ confiscation ♦ investment treaty ♦ CBDC

KEY DOCTRINES AND PRINCIPLES

- ♦ Territory and nationality are primary bases; universal jurisdiction is exceptional and offence-specific
- ♦ Technical attribution and legal attribution are distinct proofs; confidence in one does not establish the other
- ♦ Designation, blocking and confiscation are separate steps; a freeze does not transfer title
- ♦ Token ownership alone does not guarantee treaty coverage as an investment; consent to arbitration remains decisive
- ♦ Treaty signature, ratification, reservation, designation and domestic implementation are separate status fields

LEADING AUTHORITIES

- ♦ S.S. "Lotus", P.C.I.J. Series A No 10 (1927)
- ♦ ILC Articles on Responsibility of States for Internationally Wrongful Acts (2001)
- ♦ UNCAC, art 46 and ch V; UNTOC
- ♦ Mutual Legal Assistance (Criminal Matters) Act, 2020
- ♦ Virtual Assets Act, 2026
- ♦ ICSID Convention

STILL OPEN

The chapter treats claims of a general duty to prevent every harmful transnational transaction as contested, resting firmer duties on specific treaty, sanctions, AML and cybercrime obligations.

25 Public International Law and Digital Assets

THE ARCHITECTURE OF THE CHAPTER

-
- 25.1 Digital Assets as an International-Law Subject**
State interests, private systems and transnational effects · The limits of category-based international claims
-
- 25.2 Sovereignty and Territorial Jurisdiction**
Territorial links and digital infrastructure · Monetary sovereignty and regulatory space · Cross-border stablecoins and divided regulatory links
-
- 25.3 Prescriptive, Adjudicative and Enforcement Jurisdiction**
Bases of jurisdiction · Comity, reasonableness and enforcement limits · Applying the jurisdictional distinctions
-
- 25.4 Nationality and Active-Personality Jurisdiction**
Persons, corporations and beneficial ownership · Offshore conduct and state connection
-
- 25.5 State Responsibility and Attribution**
Internationally wrongful acts · Attribution of digital conduct and private actors · Technical and legal attribution
-
- 25.6 Treaty Obligations and International Organisations**
Financial, trade, investment, crime and cyber instruments · Institutional competence and domestic implementation · Instrument status, participation and domestic effect
-
- 25.7 Sanctions and Countermeasures**
Unilateral and multilateral measures · Digital assets, blocking, evasion and due process · Designation, blocking and confiscation
-
- 25.8 Cyber Operations and Digital Financial Infrastructure**
Critical infrastructure and cross-border harm · State duties, cooperation and response
-
- 25.9 Investigation, Mutual Legal Assistance and Extradition**
Evidence and person-based cooperation · Speed, dual criminality and digital records · Pakistan's cooperation-readiness package
-
- 25.10 Confiscation and Asset Recovery**
Freezing, tracing and return · Third-party rights and cross-border enforcement · Asset-recovery request design
-
- 25.11 Investment Treaties and Investor Protection**
Digital-asset investments and state measures · Jurisdiction, legitimate expectations and regulatory power · Transition, proportionality and review
-
- 25.12 CBDCs, Monetary Sovereignty and Human Rights**
State digital currency and cross-border systems · Privacy, property, equality and access
-
- 25.13 Limits of Unilateral Extraterritorial Regulation**
Overreach, conflict and fragmentation · Cooperation and principled jurisdiction · Reciprocity and emergency limits
-

26

Private International Law and Cross-Border Digital Assets

Which law should a Pakistani court apply to each issue in a cross-border digital-asset dispute, if no single situs can be given to a distributed ledger?

ABSTRACT

A Pakistani customer transfers tokens to a foreign exchange, which places them with a sub-custodian abroad; after a disputed transfer and insolvency, the customer seeks repayment and proprietary recovery. The chapter argues that contract, transfer, ownership of the pool and recognition of the insolvency need not share one governing law. It works through scholarly proposals on connecting factors, party autonomy, intermediated holdings and forks, and recommends characterising the issue first. It proposes purpose-specific statutory rules, custody disclosure and record-keeping, and acknowledges that some permissionless-asset cases remain difficult.

KEYWORDS

characterisation ♦ situs ♦ party autonomy ♦ connecting factor ♦ intermediated holdings ♦ recognition of judgments ♦ cross-border insolvency

KEY DOCTRINES AND PRINCIPLES

- ♦ Characterise the issue first; a connecting rule then selects the law, which supplies the answer
- ♦ Technological neutrality constrains a rule's design but is not itself a connecting factor
- ♦ Party autonomy is easier to justify between the choosing parties than against strangers
- ♦ The law governing proprietary effects and the law governing the contract are separate categories
- ♦ Recognising an insolvency proceeding does not determine whether customer assets belong to the debtor

LEADING AUTHORITIES

- ♦ UNIDROIT Principles on Digital Assets and Private Law (2023)
- ♦ Hague Securities Convention (2006)
- ♦ Code of Civil Procedure 1908 (Pakistan)
- ♦ *Ruscoe v Cryptopia Ltd (in liq)* [2020] NZHC 728
- ♦ *ByBit Fintech Ltd v Ho Kai Xin* [2023] SGHC 199
- ♦ UNCITRAL Model Law on Cross-Border Insolvency (1997)

STILL OPEN

The chapter admits that a closest-connection fallback may merely postpone uncertainty to litigation, and that some permissionless-asset cases remain difficult.

26 Private International Law and Cross-Border Digital Assets

THE ARCHITECTURE OF THE CHAPTER

26.1	The Cross-Border Character of Digital Assets
26.2	Jurisdiction and Forum
26.3	Choice of Law
26.4	Situs of a Digital Asset
26.5	Proprietary and Contractual Characterisation
26.6	Tokens, Networks and Governing Law
26.7	Custody and Intermediated Holdings
26.8	Consumers, Investors and Decentralised Transactions
26.9	Recognition and Enforcement of Judgments
26.10	Cross-Border Insolvency
26.11	Freezing, Disclosure and Service-Provider Failure
26.12	Arbitration, Smart Contracts and DAOs
26.13	Conflict-of-Laws Solutions for Pakistan

VII



Building Pakistan's Future Digital-Asset Order

27	Building Pakistan's Digital-Asset Order
28	Human-Governed Machine-Readable Regulation
29	Future Scenarios and Anticipatory Legal Intelligence
—	Implementation Appendix: Implementation Horizons and Dashboards

27

Building Pakistan's Digital-Asset Order

What must Pakistan still build, beyond enacting the Virtual Assets Act 2026, for the statute to operate as an executable, evidenced and contestable legal order?

ABSTRACT

Pakistan enacted a federal regulator and notified Regulations, but did not inherit a mature, licensed market with settled custody, tax, insolvency and inter-regulator practice. The chapter treats the task as construction and tests each dependency: transition under section 70, primary-law gaps, the instrument hierarchy, licensing, customer-asset return, financial-integrity duties, tax, data, cyber resilience and appeals. It ranks each question by the lowest instrument that can lawfully answer it and sets implementation tests. It concludes that comparative models must be adopted, adapted or rejected, never copied.

KEYWORDS

operability ♦ transition ♦ customer-asset return ♦ perimeter determination ♦ instrument hierarchy ♦ failure simulation ♦ adopt, adapt or reject

KEY DOCTRINES AND PRINCIPLES

- ♦ Notification proves legal publication, not staffing, supervisory coverage or customer redress
- ♦ Place each question at the lowest instrument that can lawfully and durably answer it
- ♦ Guidance may explain compliance but cannot create an offence, tax or licensing class
- ♦ An NOC or pending application is not a licence; section 70 is not a general amnesty
- ♦ A memorandum cannot transfer statutory power; only exercised interfaces prove implementation

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ Pakistan Virtual Asset Services Regulations, 2026
- ♦ Anti-Money Laundering Act 2010
- ♦ Income Tax Ordinance 2001
- ♦ Public Finance Management Act 2019
- ♦ Constitution of Pakistan, Article 175F

STILL OPEN

The chapter states that if the enacted transition cannot safely be completed, Parliament and not guidance must alter it, and it leaves the Tribunal's constitutional route to be maintained against the current allocation.

27 Building Pakistan’s Digital-Asset Order

THE ARCHITECTURE OF THE CHAPTER

27.1	Construction, Not Assumed Reform <i>Why Pakistan is completing an incomplete order rather than repairing a mature one · The minimum elements of an operational legal system</i>
27.2	The Present Position of Citizens, Holders and Incumbent Providers
27.3	Legal Validity and the Authoritative Instruments Register <i>Authentication of appointments, delegations and decision authority · The operative, historical and superseded instruments record</i>
27.4	A Lawful Transition and Continuity Framework <i>Existing holders, own-account P2P users and incumbent providers · No implied amnesty; any grace, safe harbour or regularisation must be express, bounded and legally valid · Instrument-by-instrument continuity determination</i>
27.5	Primary Legislative Completion <i>Clarifying the perimeter and regulator interfaces · Completing the issuer lifecycle · Making customer-asset protection portable across insolvency · Repairing AML/CFT allocation and the issuer gap · Correcting enforcement, penalties and appellate architecture · Correcting public-finance, tax and textual defects</i>
27.6	Federal Rules, PVARA Regulations and Guidance <i>Federal Rules under section 67 · PVARA Regulations under section 68 · Standards and technical specifications · Guidance, supervisory statements and forms · Consultation, amendment and commencement controls</i>
27.7	Licensing and Market Entry <i>Separating entity status from activity permission · A lawful transition matrix · Continuing fitness, ownership and governance · Prudential requirements calibrated to loss channels · Foreign reliance without automatic passporting</i>
27.8	Monetary, Banking and Market Perimeters <i>A joint perimeter mechanism · Regulating stablecoin functions rather than labels · A lawful security-token and real-world-asset bridge</i>

27 Building Pakistan’s Digital-Asset Order

THE ARCHITECTURE OF THE CHAPTER (CONTINUED)

27.9	Property, Custody and Customer Protection <i>The safeguarding chain · An executable recovery and wind-down plan · A complete market-integrity rulebook · Complaints, compensation and remedy</i>
27.10	Financial Integrity and Enforcement Capability <i>Completing the AML/CFT legal allocation · Operationalising the Travel Rule · Integrating targeted financial sanctions</i>
27.11	Fiscal Architecture and Existing Holdings <i>A federal tax taxonomy through fiscal law · Cooperative resolution of provincial services-tax treatment</i>
27.12	Data, Cybersecurity and Digital Identity <i>General data law and an interim sectoral bridge · Operational resilience and incident rules</i>
27.13	Institutions, Tribunal, Courts and Federalism <i>The institutional responsibility protocol · Making the Tribunal an operational institution · Connecting administrative redress to legal remedy · Resourcing and holding institutions accountable</i>
27.14	International and Comparative Positioning
27.15	Public Outcomes, Evidence and Accountability <i>Digital Nation finance-sector implementation plan and constitutional tests · Separating regulatory foundations from market initiatives</i>
27.16	The Final Proposition <i>A digital-asset order worthy of code, law and capital · Authority remains human, public and legally accountable · Bottom line and eight governing design principles</i>

28

Human-Governed Machine-Readable Regulation

Under what conditions can a machine-readable representation of law guide or automate a decision without acquiring authority the law has not conferred?

ABSTRACT

As regulators and the Digital Nation Pakistan framework move legal requirements into data systems, a representation of law may begin to steer decisions the law assigns to an accountable person. The chapter separates the authoritative instrument, its interpretation, the computational model, the administrative decision and the remedy. It tests a VASP-perimeter demonstrator against those layers, sets typed states for missing information, release gates and stop rules, and proposes phased evidence gates. It concludes that the legal source authorises, the model represents, the program assists and a competent person decides.

KEYWORDS

Rules as Code ♦ controlled legal knowledge architecture ♦ machine-consumable ♦ human control ♦ automation bias ♦ perimeter screen ♦ stop rules

KEY DOCTRINES AND PRINCIPLES

- ♦ The official instrument authorises; the model represents; the program assists; the competent person decides
- ♦ Machine-readable, machine-consumable and machine-executable describe capability, not authority
- ♦ Missing information yields a typed state (UNKNOWN, GAP, DRAFT, CONFLICT), never a guessed value or refusal
- ♦ Code may not grant or refuse a licence, impose a sanction, freeze property or dispose of an appeal
- ♦ Meaningful human control requires time, evidence and power to depart from the model's recommendation

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ Digital Nation Pakistan Act
- ♦ Pakistan Virtual Asset Services Regulations, 2026
- ♦ OECD, Rules as Code working paper (2020)
- ♦ New Zealand Better Rules discovery
- ♦ European Legislation Identifier

STILL OPEN

The chapter notes that no approved digital-assets Rules-as-Code sector plan was evidenced at its cut-off, so the programme is a recommendation for possible inclusion, and the demonstrator is a research artefact and not a deployed system.

28 Human-Governed Machine-Readable Regulation

THE ARCHITECTURE OF THE CHAPTER

28.1	Rules as Code without Fictional Institutions or Automated Authority
28.2	From Authenticated Law to Reviewable Implementation
28.3	The Controlled Legal Knowledge Architecture
28.4	Structured Propositions, Permissible Automation and Typed Uncertainty
28.5	From Anticipatory Indicators to Executable Representation
28.6	Law as Code, Rules as Code and the Authority Boundary
28.7	Normative Hierarchy, Source Status and Version Control
28.8	Demonstration: The VASP Activity-Perimeter Screen
28.9	Regulatory Data, Interoperability, Privacy and Evidence
28.10	Human Authority, Explanation and Contestability
28.11	Governance, Assurance and Controlled Change
28.12	National Digital Masterplan Integration and Institutional Ownership
28.13	A Five-Phase Controlled Demonstration Programme

29

Future Scenarios and Anticipatory Legal Intelligence

Which safeguards in Pakistan's digital-asset order would hold under plausible future stresses, and when may a scenario justify preparation without justifying the exercise of a power?

ABSTRACT

Decisions that are first considered during a run, a failure or a constitutional challenge tend to be made badly. The chapter tests the corrective package of Chapter 27 against divergent scenarios: an incomplete baseline, licensed-market deepening, stablecoin scale, tokenisation, DeFi and AI agents, compound cyber failure, and cross-border fragmentation. It rates consequence, not likelihood, and assigns no probabilities. It proposes observable indicators tied to a lawful decision-maker, with Watch, Escalate and Act levels, and concludes that a trigger never invents power.

KEYWORDS

Anticipatory legal intelligence ♦ scenario ♦ trigger ♦ stablecoin ♦ tokenisation ♦ AI agent ♦ watch, Escalate, Act

KEY DOCTRINES AND PRINCIPLES

- ♦ Scenarios test the robustness of legal arrangements; they cannot establish a future fact
- ♦ Stress ratings describe consequence if a scenario occurs, not likelihood
- ♦ A trigger never invents power; where authority is absent the response is amendment, court process or referral
- ♦ Registry before token: identify the legal source of truth before public issuance
- ♦ Emergency power should not become a permanent substitute for legislation

LEADING AUTHORITIES

- ♦ Virtual Assets Act 2026
- ♦ FSB Thematic Review on crypto-asset activities (16 October 2025)
- ♦ FATF Targeted Update on virtual assets (26 June 2025) and revised Recommendation 16
- ♦ IOSCO Policy Recommendations for Decentralized Finance
- ♦ Electronic Transactions Ordinance 2002
- ♦ NIST concept paper on software and AI-agent identity and authorisation (5 February 2026)

STILL OPEN

The chapter records that duration of incomplete implementation, future stablecoin use, and the capabilities of future agents and protocols cannot be quantified from the verified record.

29 Future Scenarios and Anticipatory Legal Intelligence

THE ARCHITECTURE OF THE CHAPTER

29.1	Market, Technology, Geopolitical and Institutional Scenarios
29.2	Scenario Method, Horizon and Uncertainty
29.3	Baseline Order: Prolonged Incompleteness
29.4	Regulated-Market Deepening
29.5	Stablecoin and Payment Stress
29.6	Tokenised Assets and Capital-Market Expansion
29.7	DeFi, DAO and Autonomous-Agent Diffusion
29.8	Cyber, Fraud or Institutional-Failure Shock
29.9	Cross-Border Fragmentation or Harmonisation
29.10	Mining, Energy and Environmental Pathway
29.11	Rights and Distribution under the Scenarios
29.12	Decision Triggers and Early Indicators
29.13	No-Regret Moves

STATUS OF THIS RELEASE

This release comprises the planned contents of the Pakistan Library Edition, following the Author’s chapter structure as locked on 30 September 2026. The text of the chapters is not released here.

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FORTHCOMING AND BETA PROJECTS

BETA	budget.codes Pakistan’s tax and budget law as executable code. Free public beta.
BETA	JUS.smart A public beta research environment for tracing institutional acts through authority, evidence, reasons and remedy (jus-smart.digital).
FORTHCOMING	Sovereign OS A prototype of the Sovereign Governance Intelligence Engine.
FORTHCOMING	JUSNREM.LEGAL A free legal resource and Pakistani Legal Intelligence Engine, with machine-readable laws and Rules-as-Code (RaC) legal maps.
FORTHCOMING	JUSNREM Codex A register of the treatises, doctrines and applied frameworks of the work.

These projects are in development. Their scope, names and availability may change.

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