



سازمان بورس و اوراق بهادار
SECURITIES & EXCHANGE ORGANIZATION

Current Status of the Crypto Market in Islamic countries: **A Survey Conducted by The Securities and Exchange Organization of Iran**

Shadi Nahifi

Financial Markets and Financial Instruments Analyst
Research, Development and Islamic Studies Department

Classification of Crypto-Assets

Crypto currencies

- These specifically mean crypto-assets as an alternative to a government-issued fiat currency, a general-purpose medium of exchange independent of central banks, and a store value.

Utility token

- This type of token can be offered by a holder in exchange for some type of resource, similar to a cash transaction.

Security token

- This type of token is akin to digitized stock, bonds, or money market funds, whereby the investor that purchases the token becomes a shareholder of the entity from which they purchased the token or an owner of the underlying financial instrument.

Asset-backed token

- This is a distributed ledger that can be used as a platform for maintaining a distributed record of any kind of data. Physical or financial assets, such as gold or stocks, can be “tokenized,” i.e., recorded as a token on a distributed ledger.

Stable coin

- This is a crypto-asset that aims to maintain a stable value relative to a specified asset, or a pool or basket of assets.



IRAN



MALAYSIA



OMAN



TURKEY



INDONESIA



TUNISIA



PAKISTAN



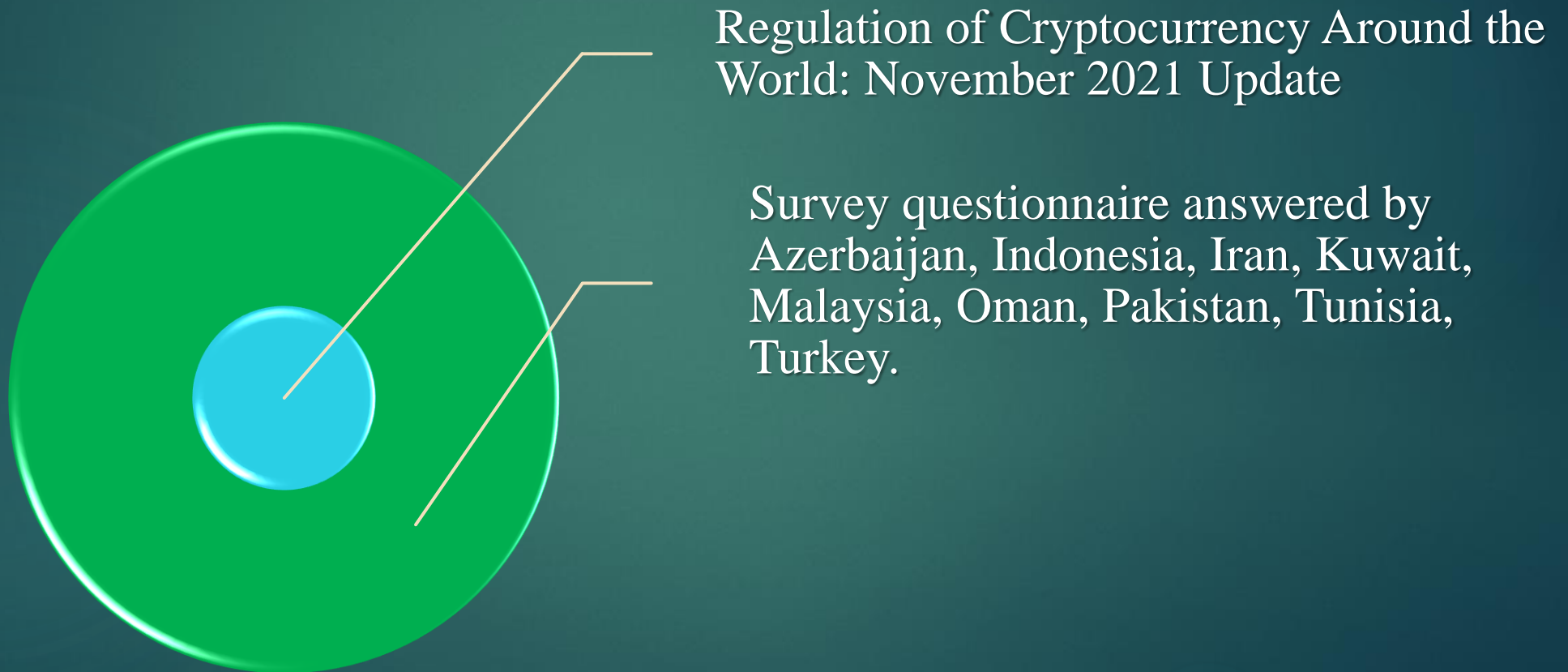
KUWAIT



AZERBAIJAN



References used to prepare the report



Legality: Ban on Cryptocurrencies?

	Azerbaijan	Indonesia	Iran	Kuwait	Malaysia	Oman	Pakistan	Tunisia	Turkey
Absolute	No	No	No	No	No	No	No	Yes	No
Implicit	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes

Explanation of Ban

Indonesia does not allow cryptocurrencies to be used as a payment instrument, but does allow them to be traded as a commodity.

Ministry of Finance Says [It] Does Not Recognize Virtual Currency Bitcoin,

Financial institutions are prohibited from dealing in cryptocurrencies. Omani citizens should be cautious when dealing in cryptocurrencies.

The State Bank has not imposed a ban on cryptocurrency in Pakistan, the central bank lawyer told the Sindh High Court.

Tunisia's Central Bank does not recognize or deal in cryptocurrencies as a form of payment.

while purchase of cryptocurrencies on exchanges is not banned, cryptocurrencies may not be used in payments.

[illegible]

Legal Definition

Indonesia	Malaysia	Turkey
Crypto Assets, hereinafter referred to as Crypto Assets, are intangible Commodities in the form of digital assets, using cryptography, peer-to-peer networks, and distributed ledgers, to regulate the creation of new units, verify transactions, and secure transactions without interference other parties.	Prescribed as securities.	Crypto asset refers to intangible assets that are created virtually using distributed ledger technology or a similar technology and distributed via digital networks, but are not classed as fiat money, deposit money, electronic money, payment instrument, securities, or other capital market instruments. There is no legal definition yet for cryptocurrency.

Crypto Exchanges

Indonesia

Based on COFTRA/ Bappebti policy, crypto exchanges shall have

- Paid-in Capital of Rp500 Billion and Equity Rp400 Billion
- Physical Market rules and regulations
- Physical Market Committee
- Trading facilities for maintenance
- Monitoring and reporting system
- Minimum 3 certified employees Certified Information Systems Security Professional (CISSP)

Approval from the Head of CoFTRA

Malaysia

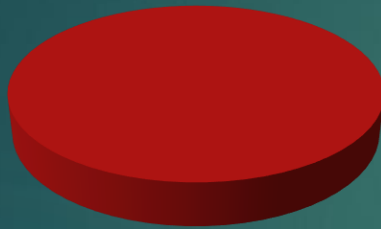
Depends on services:
currently have guidelines and requirements for trading and custodian activities

Classification of crypto exchanges

Centralized Exchanges (CEXs)	Decentralized Exchanges (DEX)	Hybrid Exchanges
Centralized Exchanges (CEXs) are organizations that coordinate crypto trading on a large scale, using a similar business model to traditional asset exchanges like stock exchanges.	Decentralized crypto exchanges (DEXs) are blockchain-based apps that coordinate large-scale trading of crypto-assets between many users. They do that entirely through automated algorithms, instead of the conventional approach of acting as financial intermediary between buyers and sellers. DEX is an alternative to CEX without a central point of failure, no company is in charge of the assets. In comparison with traditional CEX, the transactions and trades are automated by using smart contracts and decentralized applications.	Hybrid Exchanges it is the combination of CEX and DEX that applies the advantages of both models. Hybrid crypto exchanges mainly focus on the usability and liquidity of CEX platforms, as well as the anonymity and protection of DEX platforms.

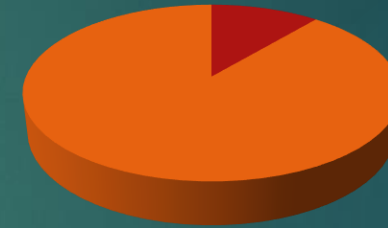
Acceptability

New Financial Instrument



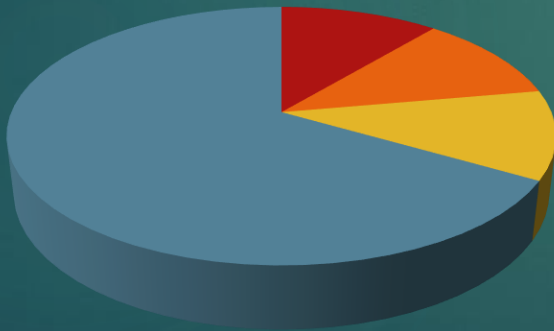
■ Jurisdiction

New Class of Assets



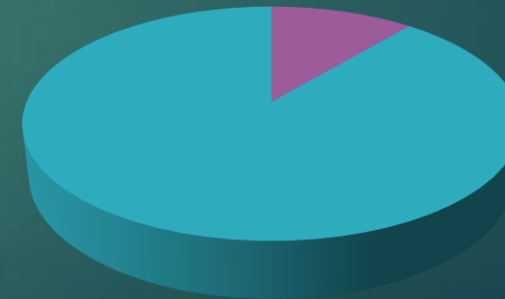
■ Turkey ■ Other Jurisdictions

Competitive Market for Capital Market



■ Oman ■ Turkey ■ Malaysia ■ Other Jurisdictions

Tokenization of Financial Instruments



■ Malaysia ■ Other Jurisdictions

Asset Tokenization

Monetizing assets has a long and established pedigree:



Securitization

Project Finance



Production Payments

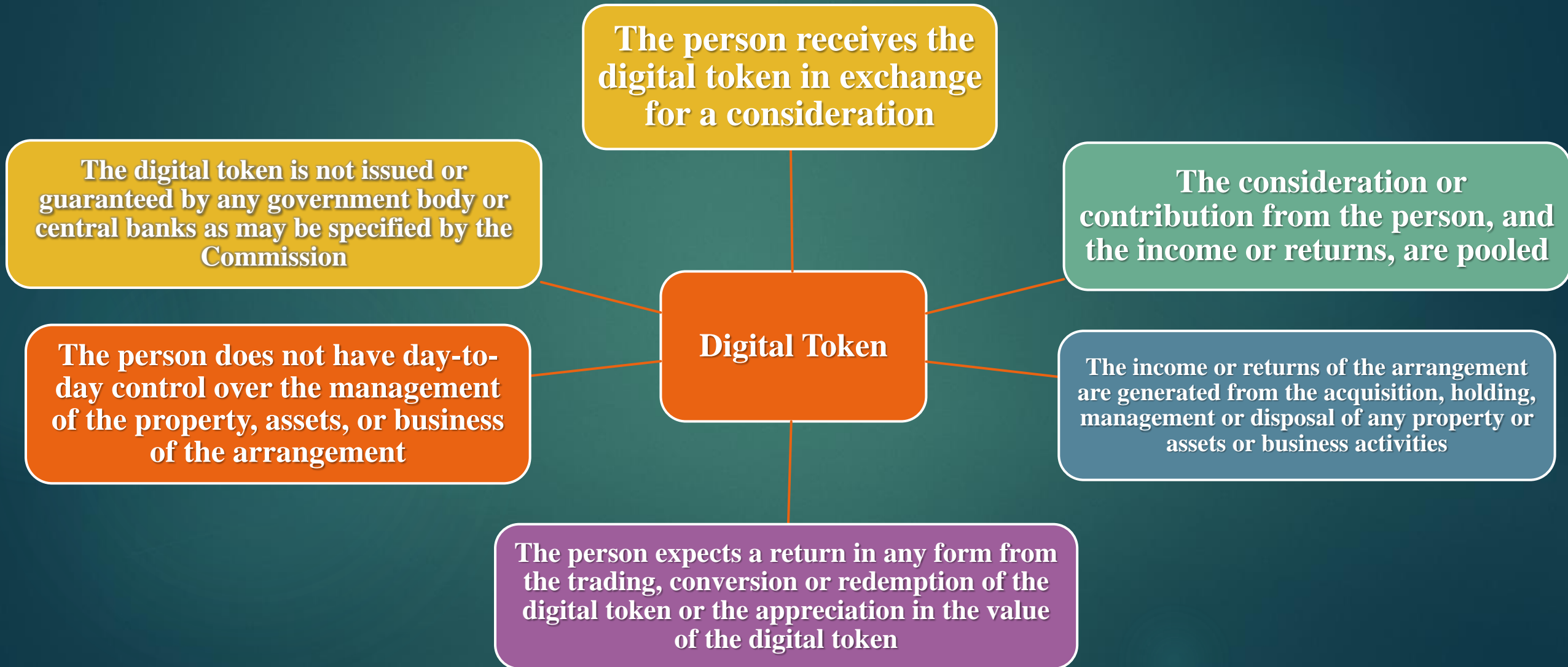
Similar Transactions



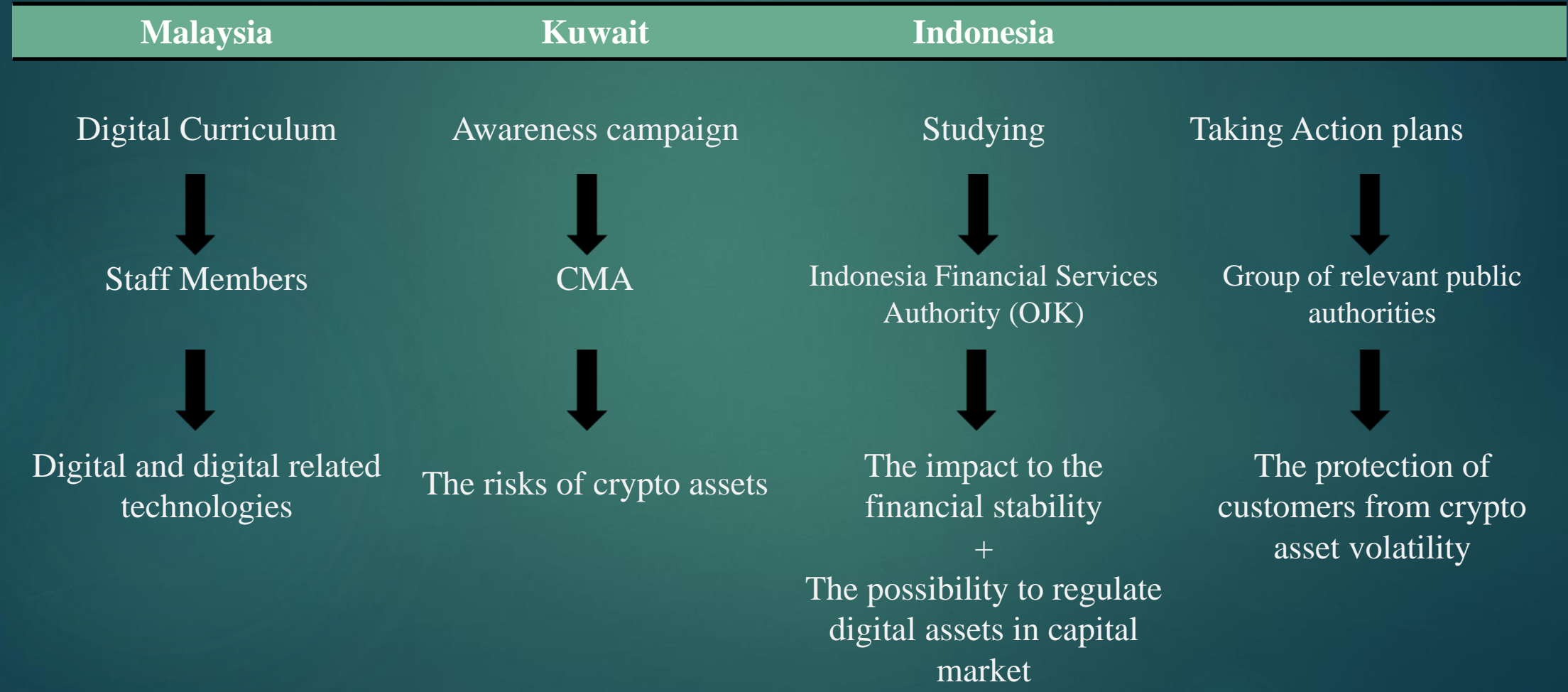
Securitization Tokenization

Investment Funds	Asset-Backed Securities (ABSs)	Crowdfunding	Warehouse Receipts	Depository Receipts (DRs)	Exchange Traded Products (ETPs)
Whether with legal personality or without legal personality, investment funds issue security (share or unit) that mimics characteristics of underlying assets (stocks, debt, goods, etc.).	Including Mortgage-Backed Securities (MBSs), they are securities derived from a pool of underlying assets usually ones that generate a cash flow from debt.	Crowdfunding is a way of raising money to finance projects and businesses. It enables fundraisers to collect money from a large number of people via online platforms.	A warehouse receipt is a document on which are itemized the goods stored in a warehouse. The receipt represents the title to the goods.	A depository receipt is an instrument issued by a bank to represent shares in a foreign public company, which allows investors to trade in the global markets.	(ETPs) such as (ETCs) and (ETNs) are listed exchange-traded securities structured to track the performance of an underlying index or a single commodity.

Tokenization

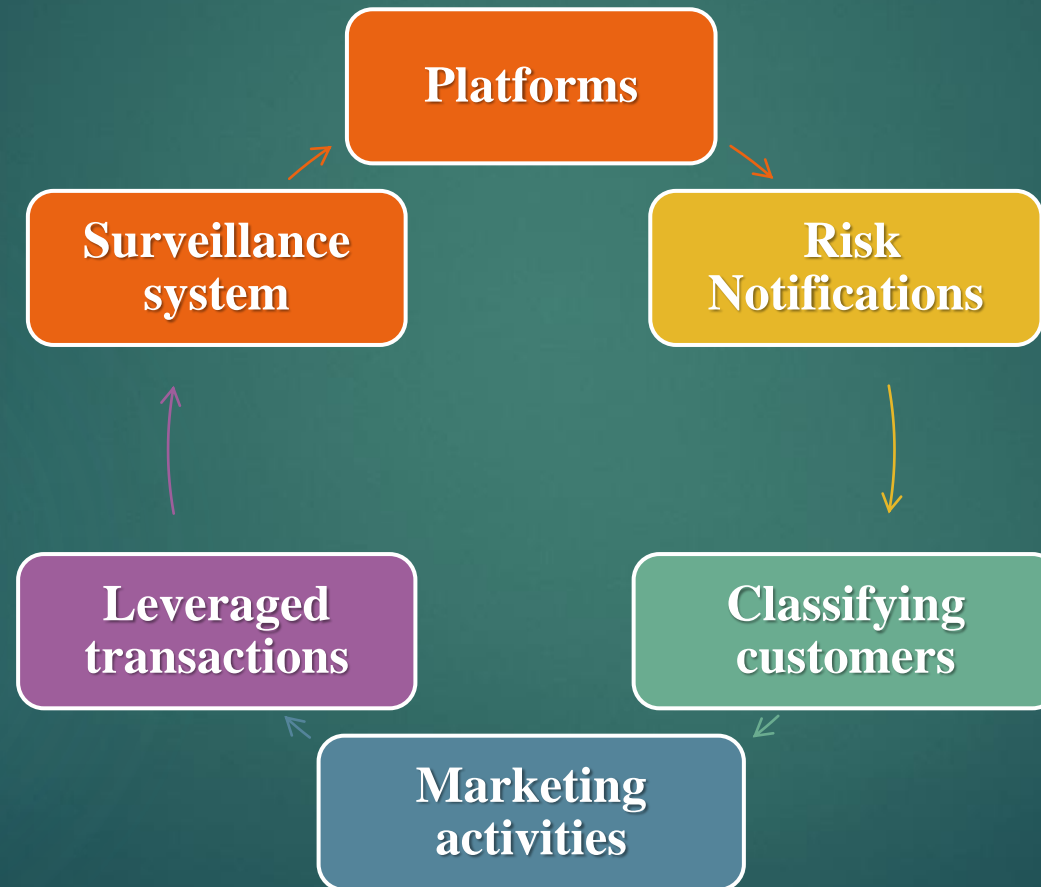


Crypto Literacy (Actual Actions)



Crypto Literacy

(protection of customers from crypto asset volatility)





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- Shadi Nahifi
- Email: Nahifi.sh@seo.ir
Shadi.nahifi71@gmail.com
- Website: www.rdis.seo.ir