

Everyone is asking what regulators should do.  
Here is a practical answer.

# Bangladesh doesn't need to ban or legalise. Just regulate.

The informal USDT market already exists at scale. The only question is whether Bangladesh Bank shapes it — or ignores it until it's too late.

**This framework applies equally to Nepal, Sri Lanka, and Pakistan — any South Asian economy with a large informal digital FX market.**

# Stop pretending it isn't happening.

Bangladesh ranks #14 globally in crypto adoption — despite a complete ban. The informal USDT market is not a future risk. It is the present reality.

## What is already happening

Informal FX via Binance P2P · Online gambling via 1xBet/Mostbet · Capital flight via USDT wallets · Freelancer dollar holdings outside the banking system

## What banning has achieved

Zero visibility into flows · Zero tax collection · Zero consumer protection · A growing informal ecosystem regulators cannot see or influence

**The first step is not a policy. It is honesty. Acknowledge the market exists — then decide how to engage it.**

# Don't legalise. Experiment first. Learn. Then decide.

Singapore's MAS ran a controlled sandbox before full regulation. Bangladesh Bank can do the same — low risk, high learning, full control.

## Who participates

2–3 licensed PSPs — bKash, Nagad, and one new entrant. All operating under Bangladesh Bank direct supervision.

## What they can do

Offer a USDT or USDC on-ramp and off-ramp within strict volume caps. Mandatory full KYC. Mandatory BDT conversion on exit.

## What Bangladesh Bank gets

Real transaction data · AML/CFT visibility · Market size estimates · Tax collection from day one · Intelligence before full policy is set.

**A sandbox is not approval. It is controlled observation — and the smartest first move any regulator can make.**

# Make the formal system more attractive than the informal one.

People use informal USDT because it is faster, cheaper, and easier than the formal system. Fix that — and the informal market shrinks on its own.

## ① Stablecoin remittance corridor

Use USDC as back-end rail for UAE–Bangladesh transfers. User sends AED. USDC settles in seconds. BDT arrives. Under 1% cost. Legal.

## ② Licensed FX on-ramp for eligible users

Freelancers and exporters get a Bangladesh Bank-licensed stablecoin wallet. Hold USDC up to a limit. Convert to BDT through licensed PSPs only.

## ③ Mandatory reporting at conversion

Every BDT conversion is reported to Bangladesh Bank in real time. AML flags raised automatically. Tax collected at point of conversion.

**The goal is not to stop stablecoins. It is to make the regulated path the path of least resistance.**

# The 3-step framework for any South Asian regulator.

- 1 Acknowledge reality — the market already exists.
- 2 Run a sandbox — observe, learn, collect data before committing.
- 3 Build rails that make formal better than informal.



Full South Asia policy framework:

**Digital Money, Stablecoins & Monetary Sovereignty**

[Link in the first comment ↓](#)

**Which step is hardest for Bangladesh Bank right now?**

Drop your view ↓ — 1, 2, or 3?