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2024

Digital Assets in the Middle East and North Africa: 2024 in Review

The year money moved on-chain

Annual Report 2024

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AT A GLANCE

$338.7bn

Crypto value received in the Middle East and North Africa, July 2023 to June 2024, 7.5% of the world total (Chainalysis)

AED 50m

The UAE's first cross-border payment in Digital Dirham, sent to China through mBridge in January

$100,000

Bitcoin crossed this level for the first time in December

2018

The UAE's VAT exemption for virtual-asset transfers applies retroactively to 1 January 2018

ABOUT THIS REPORT

Bitcoin ETFs went mainstream, the UAE paid China in digital dirhams, Gulf regulators wrote rules for payment tokens and tokenization, and Morocco announced a crypto law: the year digital money became infrastructure.

01

Executive summary

In 2024, digital assets stopped being a side story for the region's financial system. In January, the Central Bank of the UAE sent its first cross-border payment in Digital Dirham, AED 50 million to China, through the mBridge platform. In June, the Saudi Central Bank joined mBridge as a full participant, and the UAE central bank issued rules for payment tokens that define which stablecoins can be used, and for what.

Tokenization gained a legal foundation. The DIFC enacted a Digital Assets Law that recognises digital assets as property, and on 1 September the Qatar Financial Centre's Digital Assets Framework took effect, the first in Qatar to cover the tokenization of securities and real assets.

The UAE also made itself more attractive: it left the FATF grey list in February and exempted virtual-asset transfers and conversions from VAT, retroactively to 2018. Dubai's regulator showed it would enforce its rules, fining seven unlicensed firms in October. At year end, the central bank approved AE Coin, the first licensed dirham stablecoin.

Globally, the approval of spot bitcoin exchange-traded funds in the United States in January opened crypto to mainstream investors, and Bitcoin crossed $100,000 in December. In North Africa, the most important signal came from Morocco, where Bank Al-Maghrib announced in November that a draft law on crypto-assets was ready.

> **Three lessons of 2024: central bank money can already move on blockchain rails; tokenization needs property law as much as technology; and even cautious North African regulators are preparing for regulated crypto.**

02

The global backdrop: crypto goes mainstream

2024 was the year traditional finance embraced crypto products.

- **January — spot bitcoin ETFs.** The US Securities and Exchange Commission approved the first exchange-traded funds that hold bitcoin directly. Within months they had attracted tens of billions of dollars from investors who had never opened a crypto account.
- **April — the halving.** The bitcoin network cut its mining reward in half, testing miners' economics, including the new industrial operations in the Gulf.
- **June and December — Europe's rules apply.** MiCA's stablecoin rules applied from 30 June and the full regime from 30 December, creating licensing for crypto service providers across the EU.
- **December — $100,000.** Bitcoin crossed $100,000 for the first time on 5 December and ended the year more than doubled.

The lesson for the region was that regulated products bring in capital that unregulated markets never reach. Gulf regulators, already ahead on licensing, now competed to host the issuers, custodians and asset managers serving this new institutional demand.

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United Arab Emirates: from rules to infrastructure

The UAE spent 2024 connecting its digital-asset rules to the real economy: payments, property law and tax.

Date	Measure	Why it matters
January	First cross-border Digital Dirham payment (AED 50 million to China via mBridge)	Central bank money settles across borders in seconds
February	UAE removed from the FATF grey list	Lower compliance friction for banks and licensed firms
March	DIFC Digital Assets Law	Digital assets recognised as property in the DIFC
June	Payment Token Services Regulation	Clear rules for dirham tokens and foreign stablecoins
October	VAT exemption for virtual-asset transfers, retroactive to 2018	Removes a cost and legal uncertainty for trading
October	VARA fines seven unlicensed firms	Enforcement against unlicensed activity
December	AE Coin approved by the central bank	First licensed dirham stablecoin

Payment tokens. Under the central bank's Payment Token Services Regulation, only dirham payment tokens issued by licensed issuers can be used to pay for goods and services in the UAE. Foreign stablecoins from registered issuers can be used only to buy virtual assets. At the end of the year, AE Coin became the first dirham-backed stablecoin approved under these rules.

Property law. The DIFC's Digital Assets Law, enacted in March, gives digital assets a clear legal status as property that can be owned, transferred and protected in insolvency, the legal basis that tokenization needs.

Tax. Under Cabinet Decision No. 100 of 2024, announced on 2 October, the transfer and conversion of virtual assets are exempt from VAT, retroactively to 1 January 2018.

Enforcement. On 9 October, VARA fined seven firms between AED 50,000 and AED 100,000 each for operating without a licence and ordered them to stop. In December, Abu Dhabi's FSRA introduced a framework for fiat-referenced tokens issued in the ADGM.

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Saudi Arabia and the wider Gulf

Beyond the UAE, 2024 brought one major step in Saudi Arabia and a new framework in Qatar.

Saudi Arabia. In June, the Saudi Central Bank (SAMA) joined Project mBridge as a full participant, alongside the central banks of the UAE, China, Hong Kong and Thailand. Crypto trading remains outside the regulated system, but the Kingdom is now part of the region's most advanced project for cross-border central bank digital money. The Capital Market Authority's strategic plan for 2024 to 2026 made developing the sukuk and debt market a top priority, an area where tokenization could later play a role.

Qatar. The QFC Digital Assets Framework took effect on 1 September. It provides a legal basis for tokenization, including property rights in tokens, custody, transfer and smart contracts, through the Digital Assets Regulations, the Investment Token Rules and guidelines for token service providers. It does not cover cryptocurrencies or stablecoins, which remain excluded.

Bahrain. On 29 April, the Bahrain-based exchange Rain lost about $14.8 million from its wallets in a security breach. The theft was disclosed weeks later, and the company covered the losses from its own funds. The incident was a reminder that licensing does not remove operational risk.

Kuwait maintained its 2023 ban. **Oman** continued to host industrial mining while preparing its approach to virtual-asset services.

> **With Saudi Arabia joining mBridge, the two largest Gulf economies now share a platform for cross-border central bank digital currency payments.**

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North Africa: first signs of change

North Africa remained restrictive in 2024, but two countries began moving towards regulated frameworks.

Morocco. In November, Bank Al-Maghrib's governor announced, at a regional symposium on financial stability in Rabat, that the central bank had prepared a draft law to regulate crypto-assets, with technical support from the World Bank. It is the clearest sign yet that the 2017 prohibition could give way to a licensing regime.

Tunisia. In March, the Council of Ministers approved a draft foreign-exchange code and sent it to parliament. According to the finance ministry, it would for the first time provide a framework for crypto-assets, with activities subject to prior authorisation by the central bank.

Egypt maintained its position: crypto activities require a central bank licence under Article 206, and none has been granted. **Algeria** maintained its 2018 ban, and **Libya** continued to treat crypto as illegal while its mining problem persisted.

Country	Direction in 2024
Morocco	Draft crypto-asset law prepared by the central bank
Tunisia	Draft exchange code with crypto authorisation sent to parliament
Egypt	No change: licence required, none granted
Algeria	No change: prohibited
Libya	No change: illegal; informal mining persists

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Market and adoption

Chainalysis ranked the Middle East and North Africa as the world's seventh-largest crypto market in 2024.

$338.7bn
Value received in MENA, July 2023 to June 2024

7.5%
Share of global crypto activity

$30bn+
Value received in the UAE, the region's third-largest crypto economy

Türkiye remained the largest market in Chainalysis's regional data, with $136.8 billion received. The UAE received more than $30 billion and grew strongly, with most of its volume coming from institutional and professional investors, a sign of the market that its licensing regime has attracted.

Three trends shaped the market:

- **Institutional products.** Bitcoin ETFs and regulated custody made crypto accessible to wealth managers and family offices in the Gulf.
- **Stablecoins as payment infrastructure.** Rules for payment tokens in the UAE and for fiat-referenced tokens in the ADGM made stablecoins part of the regulated financial system.
- **Security.** The Rain breach showed that hot-wallet security remains the industry's weakest point, pushing exchanges towards stronger custody solutions such as multi-signature and MPC wallets.

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Central banks and digital money

2024 was the year central bank digital money in the region moved from pilots to real transactions.

The Digital Dirham's first payment. In January, the Central Bank of the UAE carried out its first cross-border payment with the Digital Dirham, sending AED 50 million to China through mBridge. The transaction settled directly between the two central banks' systems, without correspondent banks.

mBridge grows. The Saudi Central Bank joined in June as a full participant. In October, the Bank for International Settlements said it would step back from the project, leaving the platform to be run by its participating central banks.

Stablecoins regulated. The UAE's Payment Token Services Regulation, the ADGM's framework for fiat-referenced tokens and Europe's MiCA all point in the same direction: stablecoins backed by high-quality reserves, issued by licensed firms and used under clear rules.

> **Three forms of digital money are now regulated in the UAE: the central bank's Digital Dirham, licensed dirham payment tokens such as AE Coin, and foreign stablecoins for buying virtual assets.**

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Projects of the year

Our selection of the five initiatives that did the most to shape the region's digital-asset landscape in 2024.

01 The Digital Dirham's first cross-border payment

What happened. The UAE central bank sent AED 50 million to China through mBridge.

Why it matters. It proved that central bank digital money can settle real cross-border payments in seconds.

02 The DIFC Digital Assets Law

What happened. A law recognising digital assets as property in the DIFC.

Why it matters. Tokenization needs legal ownership, not just technology; this law provides it.

03 The QFC Digital Assets Framework

What happened. Qatar's first legal framework for tokenizing securities and real assets.

Why it matters. It brought Qatar into the tokenization race while keeping cryptocurrencies excluded.

04 The Payment Token Services Regulation and AE Coin

What happened. Federal rules for payment tokens, followed by the approval of the first dirham stablecoin.

Why it matters. They define which stablecoins can be used in the UAE, and for what.

05 The UAE VAT exemption for virtual assets

What happened. Transfers and conversions of virtual assets exempted from VAT, retroactively to 2018.

Why it matters. It removed a cost and a legal uncertainty for trading and investing.

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2024 month by month

January	US spot bitcoin ETFs approved (10 January). The UAE sends its first cross-border Digital Dirham payment to China via mBridge.
February	The UAE is removed from the FATF grey list.
March	The DIFC enacts its Digital Assets Law. Tunisia's Council of Ministers approves a draft exchange code.
April	TOKEN2049 holds its first Dubai edition. The bitcoin halving takes place. Bahrain's Rain loses about $14.8 million in a breach (29 April).
June	The UAE central bank issues its Payment Token Services Regulation. SAMA joins mBridge as a full participant. MiCA's stablecoin rules apply in the EU.
September	The QFC Digital Assets Framework takes effect (1 September). Chainalysis ranks MENA the seventh-largest crypto market.
October	UAE VAT exemption for virtual assets announced (2 October). VARA fines seven unlicensed firms (9 October). The BIS says it will step back from mBridge.
November	Bank Al-Maghrib announces a draft crypto-asset law. The UAE VAT changes take effect.
December	Bitcoin crosses $100,000 (5 December). AE Coin approved as the first licensed dirham stablecoin. The ADGM introduces its fiat-referenced token framework.

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Outlook: what to watch in 2025

Entering 2025, the region has the rules and the infrastructure. The question is now scale. Six themes will matter.

- **Tokenized real-world assets.** Real estate, funds and sukuk are the natural candidates in the Gulf. Watch for the first tokenized products open to the public, backed by legal title.
- **Dirham and riyal stablecoins.** More licensed local-currency payment tokens, and their first uses in retail and business payments.
- **Stablecoin rules elsewhere.** Bahrain and other jurisdictions are expected to set rules for stablecoin issuers.
- **US policy.** A new US administration has promised a friendlier approach to crypto, which could shift global capital and competition between financial centres.
- **Morocco's draft law.** Whether the draft announced in November is published and how it divides supervision between the central bank and the capital markets authority.
- **Security and custody.** After 2024's incidents, expect regulators to raise requirements for wallet security, custody and incident reporting.

> **Our view: 2025 will be judged by how many real assets and payments move on-chain under regulation, not by the price of Bitcoin.**

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Methodology and sources

This report compiles public information available at the time of publication: laws, regulators' announcements, official statements and industry data. Market figures come mainly from Chainalysis's Geography of Cryptocurrency report, whose Middle East and North Africa region includes Türkiye. Figures are rounded, and dates refer to official announcements.

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