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2025

Digital Assets in the Middle East and North Africa: 2025 in Review

Tokenization goes mainstream

Annual Report 2025

Published: 5 January 2026

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AT A GLANCE

$2bn
MGX's investment in Binance, announced in March and settled in the USD1 stablecoin

$1.5bn
Stolen from the Dubai-based exchange Bybit in February, the largest crypto theft on record

1st
Title deed tokenized in Saudi Arabia under government oversight, in November

42.25
Number of Morocco's draft law on crypto-assets, published in November

ABOUT THIS REPORT

Dubai sold property as tokens, Abu Dhabi paid $2 billion in stablecoins for a stake in Binance, Bahrain and the UAE licensed stablecoins, Saudi Arabia tokenized its first title deed, and North Africa split between Morocco's draft law and Algeria's ban.

01

Executive summary

2025 was the year tokenization left the laboratory. In March, the Dubai Land Department launched its Real Estate Tokenisation Project with VARA, the Dubai Future Foundation and the Central Bank of the UAE, and in May the first tokenized properties went on sale through PRYPCO Mint, with each token linked to an official ownership certificate. In November, Saudi Arabia's Real Estate General Authority completed the first tokenization of a title deed under government oversight.

Stablecoins became mainstream financial tools. Abu Dhabi's MGX invested $2 billion in Binance and settled the deal in a dollar stablecoin. Bahrain issued a framework for stablecoin issuers in July, the UAE central bank approved a second dirham stablecoin designed for public blockchains, and the United States adopted its first federal stablecoin law.

The year also brought hard lessons. In February, hackers linked to North Korea stole about $1.5 billion from Bybit, an exchange headquartered in Dubai, the largest crypto theft on record. Bybit later obtained a licence from VARA.

North Africa diverged sharply. Algeria criminalised all crypto activity in July, including holding and mining, while Morocco published draft law 42.25 in November to create a licensing regime. Tunisia presented a revised exchange code, and a Libyan court sentenced nine people for illegal mining.

> **Three lessons of 2025: tokenization works when it is anchored in official registries; stablecoins are becoming the settlement layer for large deals; and the region's regulatory divide is now a choice between two opposite models.**

02

The global backdrop: policy turns, markets swing

Global crypto policy changed direction in 2025, and markets swung between records and sharp corrections.

- **February — the Bybit hack.** Attackers compromised Bybit's cold-wallet signing process and stole about $1.5 billion in ether. The FBI attributed the attack to North Korean hackers. Bybit processed hundreds of thousands of withdrawal requests and stayed solvent.
- **July — the GENIUS Act.** The United States adopted its first federal law for payment stablecoins, requiring full reserves, licensing and regular disclosures.
- **October — record and crash.** Bitcoin reached an all-time high above $120,000 in early October. Days later, on 10 October, the largest liquidation in crypto history wiped out billions of dollars of leveraged positions, and by November Bitcoin had fallen back below $100,000.
- **All year — stablecoins grow.** The total value of stablecoins in circulation reached about $300 billion, driven by trading, payments and demand for digital dollars in emerging markets.

For the region, the year's message was double: international capital and policy support for regulated crypto grew, but so did the cost of security failures.

03

United Arab Emirates: tokenization and stablecoins at scale

The UAE moved from building rules to running markets on them.

Tokenized real estate. In March, the Dubai Land Department (DLD) launched the Real Estate Tokenisation Project with VARA, the Dubai Future Foundation and the Central Bank of the UAE. In May, PRYPCO Mint opened as the region's first licensed platform for tokenized real-estate investment. Each token is linked to a Property Token Ownership Certificate issued by the DLD, so the token reflects ownership recorded in the official registry.

MGX and Binance. On 12 March, MGX, an Abu Dhabi investment company, announced a $2 billion investment in Binance, a minority stake and one of the largest investments ever made in a crypto company. In May, at the TOKEN2049 conference in Dubai, it was announced that the deal would be settled in USD1, a dollar stablecoin.

Dirham stablecoins. In November, the central bank approved Zand AED, a dirham-backed stablecoin designed to run on public blockchains, after AE Coin's approval at the end of 2024.

Rules keep evolving. VARA released version 2.0 of its Rulebooks, which cover the issuance of fiat-referenced and asset-referenced virtual assets, such as tokenized real estate. Federal Decree-Law No. 32 of 2025 transforms the Securities and Commodities Authority into the Capital Market Authority from 1 January 2026 and brings virtual assets used for investment within its scope, with a transition period until 1 January 2027. In December, the ADGM's regulator announced enhancements to its framework for fiat-referenced tokens, taking effect on 1 January 2026.

The Bybit test. When Bybit was hacked in February, VARA said it was monitoring the situation and clarified that Bybit did not yet hold a licence in Dubai. In October, Bybit announced that it had obtained its VASP licence from VARA.

04

Saudi Arabia and the wider Gulf

The rest of the Gulf made its own moves on stablecoins and tokenization, while Kuwait doubled down on enforcement.

Bahrain. On 4 July, the Central Bank of Bahrain issued its framework for regulating stablecoin issuance. Licensed issuers can offer fully reserved stablecoins backed by the Bahraini dinar, the US dollar or other accepted currencies, building on the country's crypto-asset licensing regime in place since 2019.

Saudi Arabia. On 19 November, the Real Estate General Authority (REGA) announced the first completed tokenization of a real-estate title deed under government oversight, traded between the National Housing Company and investors through the national Real Estate Registry. Crypto trading remains outside the regulated system, but the Kingdom has chosen tokenization anchored in official registries as its entry point.

Kuwait. The Ministry of Interior led a crackdown on illegal crypto mining in residential areas, which authorities linked to strain on the electricity grid, enforcing the 2023 ban.

Qatar continued to develop tokenization under the QFC Digital Assets Framework, while cryptocurrencies remained excluded. **Oman** continued to host industrial mining while preparing its approach to virtual-asset services.

Country	2025 milestone
Bahrain	Stablecoin issuance framework (July)
Saudi Arabia	First government-supervised tokenization of a title deed (November)
Kuwait	Crackdown on illegal mining in residential areas
Qatar	Tokenization under the QFC framework; crypto excluded

05

North Africa: two opposite models

In 2025, North Africa's choices became explicit: Morocco moved towards regulation, Algeria towards criminalisation.

Algeria. Law No. 25-10 of 24 July 2025, amending the anti-money-laundering law, prohibits issuing, buying, selling, holding, using and promoting virtual assets, operating platforms or wallets, and mining. Reported penalties range from two months to one year in prison and fines of 200,000 to 1,000,000 dinars.

Morocco. In November, the Ministry of Economy and Finance published draft law 42.25 on crypto-assets, prepared with Bank Al-Maghrib and the capital markets authority (AMMC). Modelled on the EU's MiCA, it would have the AMMC license crypto-asset service providers and supervise token offerings, and Bank Al-Maghrib supervise stablecoins. Crypto-assets would be treated as financial assets, not as a means of payment. Until it is adopted, the 2017 prohibition still applies.

Tunisia. In October, a revised version of the foreign-exchange code was presented. It would subject crypto activities to central bank authorisation, but it had not been adopted by the end of the year.

Libya. In November, the Tripoli Court of Appeals sentenced nine people to three years in prison for mining crypto at the Zliten steel factory, the site raided in 2023.

Egypt maintained its position: crypto activities require a central bank licence under Article 206, and none has been granted.

Country	Model	2025 step
Morocco	Regulate	Draft law 42.25 published
Tunisia	Authorise under exchange rules	Revised exchange code presented
Egypt	Licence required, none granted	No change
Algeria	Criminalise	Law 25-10 bans all crypto activity
Libya	Illegal	Prison sentences for illegal mining

06

Market and adoption

The region's market in 2025 was shaped less by retail trading and more by institutions, tokenization and stablecoins.

$2bn
Settled in a stablecoin in the MGX–Binance deal

$1.5bn
Lost in the Bybit hack, later traced to North Korean hackers

~$300bn
Global stablecoins in circulation by the autumn

Chainalysis's 2025 report again placed the UAE among the region's leading crypto economies, with activity dominated by large, institutional transactions.

Four trends shaped the market:

- **Institutional capital.** Sovereign-linked investors such as MGX moved from observing to investing directly in the industry's largest companies.
- **Tokenized property.** Retail investors could, for the first time in the region, buy fractions of properties recorded in an official registry.
- **Stablecoins as settlement.** From billion-dollar investments to cross-border trade, dollar and local-currency stablecoins became a practical settlement tool.
- **Security as a deciding factor.** After Bybit, institutional clients paid closer attention to custody, signing processes and the licences of the platforms they use.

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Stablecoins and digital money

2025 was the year regulated stablecoins took root in the region, alongside central bank and bank-issued digital money.

Jurisdiction	Stablecoin framework	2025 development
UAE (federal)	Payment Token Services Regulation (2024)	Zand AED approved for public blockchains (November)
ADGM	Fiat-referenced token framework (2024)	Enhancements announced, effective January 2026
Dubai	VARA Rulebooks 2.0	Rules for fiat- and asset-referenced virtual assets
Bahrain	Stablecoin Issuance and Offering module	Framework issued (July)
United States	GENIUS Act	First federal stablecoin law (July)

The common principles are clear: full reserves in high-quality assets, licensed issuers, the right to redeem at par, and regular public disclosure. Local-currency stablecoins, such as dirham tokens, are designed for domestic payments, while dollar stablecoins dominate trading and international settlement.

> **Regulated stablecoins, tokenized deposits and central bank digital currencies are no longer competing ideas in the Gulf: each now has a defined role.**

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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 2025.

01 Dubai's Real Estate Tokenisation Project and PRYPCO Mint

What happened. The DLD, VARA, the Dubai Future Foundation and the central bank launched tokenized property ownership, with the first sales in May.

Why it matters. Tokens are tied to official ownership certificates, the model other markets are studying.

02 MGX's $2 billion investment in Binance

What happened. An Abu Dhabi investor took a minority stake in the world's largest exchange, settled in a dollar stablecoin.

Why it matters. It showed sovereign-linked capital using stablecoins for a deal of record size.

03 Bahrain's stablecoin framework

What happened. Rules for licensed issuers of fully reserved stablecoins backed by the dinar, the dollar or other currencies.

Why it matters. It made Bahrain one of the first Gulf states with dedicated stablecoin rules.

04 Saudi Arabia's first tokenized title deed

What happened. REGA completed a government-supervised tokenization of a title deed through the national registry.

Why it matters. It opened the Kingdom's path to digital assets through real estate and official records.

05 Morocco's draft law 42.25

What happened. A MiCA-style licensing regime for crypto-assets, published for consultation.

Why it matters. If adopted, it would make Morocco North Africa's first regulated crypto market.

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2025 month by month

February	Bybit, headquartered in Dubai, loses about $1.5 billion in a hack attributed to North Korea (21 February).
March	MGX announces a $2 billion investment in Binance (12 March). The Dubai Land Department launches its Real Estate Tokenisation Project.
April–May	TOKEN2049 Dubai; the MGX–Binance deal is to be settled in the USD1 stablecoin. PRYPCO Mint opens with the first tokenized properties.
July	Bahrain issues its stablecoin framework (4 July). The US adopts the GENIUS Act. Algeria adopts Law 25-10 banning crypto (24 July).
October	Bitcoin reaches a record above $120,000, then the largest liquidation in crypto history (10 October). Bybit obtains its VARA licence. Tunisia presents a revised exchange code.
November	Morocco publishes draft law 42.25. REGA completes Saudi Arabia's first tokenized title deed (19 November). The UAE central bank approves Zand AED. A Libyan court sentences nine people for illegal mining.
December	The ADGM announces enhancements to its fiat-referenced token framework, effective 1 January 2026.

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Outlook: what to watch in 2026

Entering 2026, the region's question is no longer whether digital assets will be regulated, but how fast regulated markets can grow. Six themes will matter.

- **The UAE's new Capital Market Authority.** It begins work on 1 January 2026, with a transition period for virtual-asset firms until 1 January 2027.
- **Secondary markets for tokenized property.** After the first sales in Dubai, the next step is allowing investors to resell their tokens on regulated platforms.
- **Saudi tokenization.** Whether REGA's first title-deed tokenization grows into a programme open to more developers and investors.
- **Dirham and dinar stablecoins in use.** Licences have been granted; 2026 should show whether businesses and consumers adopt them for payments.
- **Morocco's vote.** Whether draft law 42.25 is adopted, and how quickly the first licences follow.
- **Security and custody.** After Bybit, expect stricter requirements on signing processes, cold storage and incident disclosure across the region's regulators.

> **Our view: in 2026, the winners will be the financial centres that connect tokens to real legal rights, from title deeds to bank deposits.**

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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. Figures are rounded, and dates refer to official announcements.

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