

BIG STORY **big story**

Decoding the crypto future

Bahrain will be introducing cryptocurrency regulation in the near future

● **Cryptocurrency companies including SprinkleXchange are working in the Kingdom for a trial period**

● **Rain is the first digital currency exchange to be admitted to the Sandbox**

TDT | Manama

Global trading volume of cryptocurrency as per latest report has rocketed above its 300-day trading high, with its value touching a massive \$33.85 billion.

The trading activity data points to the fact that the cryptocurrency market is growing. In fact, it is now growing faster than earlier with a renewed investor interest in the market, even though the sector remains largely unlicensed and unregulated in major financial hubs.

As coin desk reported, Bitcoin (BTC) and tether (USDT) recorded 24-hour trade volumes above \$9 billion, each accounting for roughly 27 per cent of the 24-hour total, which is also among the 10 largest cryptos by market cap.

That said, it might be interesting to see where the investors and the governments stand in the race to conquer the crypto dream in the Gulf Cooperation Council region.

According to reports, only a few markets in the region has formally indicated a desire to regulate cryptocurrency trading, with Bahrain being a front-runner by issuing draft regulations on digital assets in December last year.

The draft rules issued for consultation for crypto asset platform operations, according to CBB provides regulations for "the licensing and supervision of Crypto asset services."

The move according to Bahrain Economic Development Board CEO, Khalid Al Rumaihi, opens a "huge opportunity for Bahrain."

Khalid Hamad, Executive Director of Banking Supervision, said: "This regulatory framework will address the demand from the market for these services and the need to also recognise this innovation in financial services. The CBB's experience with the participants within the Regulatory Sandbox was insightful in shaping these rules."

Apart from Bahrain, Abu Dhabi Global Market (ADGM) has issued its desire to regulate cryptocurrency trading, with it also launching a Crypto Asset Regulatory Framework to provide a set of rules



Dalal Buhejji, business manager of Bahrain's Economic Development Board (Courtesy of siliconAngle)

“The Bahraini central bank allows companies to test their solution on a limited number of users, with a limited number of transactions. The program's purpose is for companies to find a quick way to enter the market”

**DALAL BUHEJJI
BUSINESS MANAGER OF BAHRAIN'S
ECONOMIC DEVELOPMENT BOARD, TOLD
BLOOMBERG**

governing spot trading of crypto assets by exchanges, custodians and other intermediaries.

On a global basis, the United States, the United Kingdom and India also issued regulations that restricted or banned trading in cryptocurrencies.

However, Bahrain, as the regulators here have said, is determined to seize the opportunity to hold the Olympic torch in the upcoming crypto wave that is set to

sweep the global financial industry.

Bloomberg quoting Dalal Buhejji, business manager of Bahrain's Economic Development Board, said the Bahraini Central Bank now allows companies "to test their solution on a limited number of users, with a limited number of transactions."

The programme, as Buhejji said, is for allowing companies to find a quick way to enter Kingdom's market.

28 companies in sandbox

As per the report, a total of 28 companies have received CBB's approval to work under its regulatory sandbox, which allows enabling firms to test and develop their products in a virtual space.

Currently being evaluated in the sandbox is SprinkleXchange, an initial public offering platform built using blockchain. The companies will now operate in the virtual space, under temporary regulations, for the next nine months. As they run, CBB will choose the regulations which are best to regulate the arena of digital assets.

According to *Bloomberg*, SprinkleXchange, run by New York-based Sprinkle Group SA, will go live this month -- with an initial cap of 10 listings.

The exchange, the report quoting Chief Executive Officer Alexander Wallin said, aims to float the first company by May.

Rain to hit GCC

Another in the fray is Rain, which started in November 2017 as part of the FinTech sandbox trial. The company now has plans to exit the trail for a full-fledged launch this year.

Co-founded by Abdullah Almoaiqel (blockchain consultant), Yehia Badawy (business and technology consultant) along with se-

rial tech entrepreneurs Joseph Dallago and AJ Nelson, Rain is currently awaiting a financial institution licensed by the CBB.

Startupbahrain quoting AJ Nelson said that the platform, initially, will offer three cryptocurrencies to users: Bitcoin, Ethereum, and Litecoin.

Rain, as quoted in the report, is currently offering its services to an undisclosed number of clients from inside the CBB FinTech sandbox. The exchange claims to offer the best rates in the region with the transaction fee for buy/sell at 1.5 per cent on their brokerage and 0.25pc on the exchange.

According to Rain, the platform has also received Shari'a compliance certification by Shariyah Review Bureau (SRB), which means that the activities of Rain are in compliance with Shari's principles.

Rain, the first digital currency exchange to be admitted to the Sandbox, also suggested that it will seek a full operational licence for the region.

Yehia Badawy, in a recent

What is a Cryptocurrency

A digital or virtual currency that uses cryptography for security. A cryptocurrency is difficult to counterfeit because of this security feature. Many cryptocurrencies are decentralized systems based on blockchain technology, a distributed ledger enforced by a disparate network of computers.

The first blockchain-based cryptocurrency was Bitcoin, which still remains the most



popular and most valuable.

Today, there are thousands of alternate cryptocurrencies with various functions or specifications.

Cryptocurrencies hold the promise of making it easier to transfer funds directly between two parties in a transaction, without the need for a trusted third party such as a bank or credit card company.

How does Rain work?

According to AJ Nelson of Rain, at first a buyer would send a wire transfer to Rain's bank, and then use their updated online balance to buy Bitcoins, upon which their Bitcoin (BTC) balance is updated.

"A seller may al-



ready have a BTC balance with Rain or could send Bitcoin to Rain through an external source.

"Once they have sold their Bitcoins they then receive the equivalent amount in their local fiat currency via bank transfer."

talk to *Zawya*, said: "(As for scaling in the GCC, the biggest one is Saudi... So for us... We are looking to cover Saudi Arabia, go to Egypt and then Turkey and Pakistan."

In August 2018, the Saudi Arabian Monetary Authority made it illegal to trade bitcoin in the kingdom. Governments in the region including those of Egypt and Morocco have officially banned cryptocurrencies, urging residents not to invest in them. The hesitance may perhaps be stemming from reports of negative associations between cryptocurrencies and criminal activity or between blockchain technology and borderless information sharing, as experts

put in. If successful, Rain will become the first crypto exchange in the Gulf to be regulated by a central bank.

The race is on

So the race is on. And Bahrain is not alone in this run to secure the digital future.

As Rain Financial stated in the report: "The biggest issue in this industry is that of trust. We want our customers to feel safe when they are using our product and have taken measures to ensure this, including establishing two stable bank partnerships and incorporating banking grade security checks and verification into our product."

FIND YOUR FUTURE IN **ATLANTA**

Developer will be in Bahrain from Feb 21 to Feb 24
Contact person: Mr. Durga Prasad Gadde
USA Mobile & WhatsApp +1 248 787 6994
Meeting one to one

SECURE A GREEN CARD QUICKLY THROUGH SHOORA EB5 FUND

Eligibility:
A minimum investment amount of \$500,000 USD or equivalent currency is required. These funds have to be validated, must be an accredited investor. There are no minimum educational or English Knowledge requirements for the Green Card under the EB5 Program.

The minimum age of primary applicant has to be 21 years, with no criminal records. Parents / Friends can gift \$500,000 USD to their children for investment, too.

Investors Benefits:

- No hidden fees. (your cost is USD 500K + attorney fees + USCIS fees)
- Exit term is 5 years
- 1% interest
- After 5 years of exit period, the option of converting to replace permanent loan with 4% interest.

WHAT IS EB-5?
The EB-5 Program is a great way for foreign nationals with the necessary capital to achieve permanent resident status in the United States. The EB-5 Visa does not require an employer to act as a sponsor and there are no education, experience, or language requirements.

Shoora EB5 Fund
56 Perimeter Center East, Suite 450 Atlanta, GA 30346, USA
Email : gadde@shooraeb5.com | Website : www.shooraeb5.com

