

Trading Crypto in the Middle East – Advantages and challenges

This work has examined the advantages and challenges facing crypto trading in the middle east today. It has further exposed the list of the countries where crypto trading is legal in the middle east including those places where it is prohibited to trade crypto in the middle east today.

Introduction

The march towards crypto adoption across the globe is relatively slow in the Middle East today when compared to the West, especially in the US, UK, and Australia. While the governments of these latter countries have given clear regulations and policies guiding crypto trading in their countries, the case is quite different in the Middle east. Not all countries in the middle east have made a clear declaration of the status of Cryptocurrency trading within their country. While some Middle East countries such as Yemen, Turkey, Bahrain, Israel, the United Arab Emirates etc, have made a clear policy on crypto trading within the country – approving them as digital assets; other countries such as Iran, Iraq, Jordan, Kuwait and Qatar have prohibited all forms of cryptocurrency transactions within the country. Hence, based on the lack of government clarity on the status of crypto trading within some of the Middle East countries, most citizens tend to hold back in diving into cryptocurrency trading. Some just dabble into it, while others prefer to refrain entirely. This work has therefore exposed the state of cryptocurrency trading within the major nineteen Middle East countries. We have further exposed the advantages and challenges faced by crypto traders in the Middle East today. You will also learn from this work [how to buy Cryptocurrency](#)

[in the UAE](#). Readers will find this work an invaluable guide for crypto trading in the Middle East.

What is crypto trading

Crypto trading is a digital technology that enables investors to buy and sell virtual currencies built on a Blockchain, such as Bitcoin and altcoins. It is a popular decentralized finance (defi) invented in the 21st Century as a revolt against the fiat currencies controlled by the government. Crypto trading allows investors to predict the future prices of their favorite digital assets and place orders to buy or sell them at a given future price target. The volatility of the digital assets traded often makes crypto trading a lucrative adventure. However, it can as well bring losses when the trader makes the wrong price predictions.

Types of Cryptocurrency?

Cryptocurrency is broadly classified under two major headings known as Bitcoin and Altcoins. We shall explain them briefly below:

1. **Bitcoin:** Often the very mention of cryptocurrency brings to mind immediately the first invented cryptocurrency, equally regarded as the most important cryptocurrency existing today, known as [Bitcoin](#). This number one cryptocurrency is placed in high esteem by all crypto traders. It controls the movement of other Cryptocurrencies through a process known today as 'Bitcoin Dominance'.
2. **Altcoins:** This is the general name used to classify every other [cryptocurrency](#) outside Bitcoin. The choice of the name 'altcoins' is a subtle way of referring to other cryptocurrencies as second-class digital assets when compared to Bitcoin. Often, these altcoins include Coins and Tokens.

What is the best time to buy crypto?

Generally, the best time described by experts as most recommended for buying Cryptocurrencies for long-term investment is during the bear season. This is because the price of Bitcoin and every other cryptocurrency are largely discounted during the bear season; offering a low price for accumulating large quantities of a given crypto asset with just a little capital. Often most digital assets returned to their offering price during the bear season making it an ideal moment for crypto investment.

Why is the Bearish season considered the best time to buy crypto?

The bear season is often considered the best time to buy crypto based on the fact that the prices of all crypto assets are the cheapest during this season. Most coins often fall so low, returning to their offering price during the bear season.

Secondly, the optimism amongst crypto traders that the prices of all crypto assets are bound to rise again after each bear season based on past experience, often pushed more traders into buying huge quantities of their favorite assets during the bear season.

Is Crypto trading legal in the Middle East?

Crypto trading is moderately legal in the Middle east. The only challenge here is that some countries in the middle east have remained fairly silent without giving a clear declaration on the state of cryptocurrency trading within their countries. However, there is no law prohibiting crypto trading in most middle eastern countries today. Only a few middle east countries are opposed to cryptocurrency trading today.

Where can one buy Crypto in the Middle East?

The best place to buy crypto in the middle east is through registered crypto exchanges operating in the country. Aside from buying cryptocurrencies at the Spot market from the crypto exchanges which offers the investor a legal ownership of the digital assets purchased, one can also buy Cryptocurrencies as CFD from various licensed brokers operating in the middle east countries. The major difference here is that: digital assets purchased through forex brokers are given in the form of contracts. This means there is no legal ownership of such assets. We have further provided the list of the best ten Crypto exchanges to buy crypto in the middle east today. They are seen below.

List of Best Ten Crypto Exchanges to buy crypto in the middle east

- eToro
- Abra
- Cex.io
- Coinbase
- Biconomy
- Binance
- Pionex
- WazirX
- Coinmama
- Paybis

What are the popular strategies used in buying crypto during the bear season?

There are two popular strategies used in buying crypto during the bear season. We have discussed them below:

- **Spot Trading (HODL/Long-term investments):** This involves buying Cryptocurrencies at low prices at the spot trading platform and holding them for long term in one's wallet address either on the exchange or using one's storage wallet outside the exchange; in the hope of

selling them in the future when the prices boom. Often this strategy is referred to as Buy and HODL.

- **CFD trading:** This trading strategy is quite different from the spot trading positions. This is because there is no legal ownership of the assets purchased as CFDs. Often, CFD trading comes in the form of contracts reached with the broker to either buy or sell at an indicated future price in the hope of making profits using high leverages. It is important to note that CFD trading is often associated with the highest risk as the investor can lose his whole assets if he makes the wrong predictions.

Advantages of buying crypto in the Middle East

There are several reasons why people purchased crypto in the middle east today. We have discussed them below:

- **Diversifying Investments:** Often investors considered crypto trading as an avenue to diversify their investments.
- **Facilitate international payment:** Cryptocurrency transactions make it easy to make payments across borders at a low cost.
- **Fast means of payment:** Cryptocurrency payments are one of the fastest means of payment. This has become one of the major reasons why traders are attracted to it today.
- **Exposure to the financial market:** Crypto trading exposes traders to the financial market where they learn about the various financial instruments and other digital assets.
- **Lucrative:** Often traders consider crypto trading as a lucrative adventure hoping to take advantage of the market volatility in making profits.

- **Decentralized means of payment:** Crypto trading offers traders some kind of anonymity in making payments. Some traders take advantage of its decentralized nature to shield their wealth from government scrutiny.

Disadvantages of buying Crypto in the Middle East:

- **It is not regulated:** Cryptocurrency trading is not regulated across the globe. This means there is none to hold responsible in cases of loss of assets.
- **Crypto assets are very risky:** The volatile nature of Crypto assets make them very risky to trade them. There is no guarantee of profits in cryptocurrency trading. Prices fluctuate rapidly leading to a devaluation of assets. Also, most of the crypto assets purchased are so vulnerable and prone to rugpulling.
- **Prone to hack and attack:** Often some crypto online wallets and other crypto exchanges are vulnerable to attacks from hackers. This can lead to a total loss of assets. It is equally very difficult to trace the hackers due to the decentralized nature of cryptocurrency transactions.
- **Commissions are charged for transactions:** Most cryptocurrency exchanges charge some commissions for using their platforms for trading. This reduces the trader's profits.

Major Challenges in buying crypto in the Middle East

There are a few challenges experienced by crypto traders in the middle east today. We have discussed them below:

- **Not allowed in all the middle east countries:** Some countries in the middle east have banned their citizens from participating in crypto trading today. In such countries, it is a crime once caught in any form of cryptocurrency transactions. This has slowed down the

pace of cryptocurrency adoption in the middle east today.

- **Taxes are Charged:** The tax agencies operating in the various countries in the middle east have made it compulsory to pay tax on all gains from crypto trading. This reduces the trader's profits.
- **Promotes crime:** Cryptocurrency is often used today to sponsor terrorism and other criminal activities. This is due to the decentralized nature of cryptocurrency trading.
- **Encourages money-laundering:** Often fraudsters and looters use crypto to move their money to a safe zone and avoid being caught by the financial authority. Money transferred through cryptocurrency is often difficult to trace.
- **Not environmental friendly:** Cryptocurrency transactions have been considered unfriendly to the ecosystem.
- **A lot of energy is consumed in mining:** Mining cryptocurrency often required a lot of energy. This saps the useful energy that could have been used for more productive activities within the country.
- **Banks are prohibited from facilitating Cryptocurrency:** The fact that the government of some countries in the middle east forbids the banks from facilitating Cryptocurrency transactions makes it difficult for buying and selling cryptocurrency easily.

List of the Nineteen countries that make up the Middle East

Armenia, Azerbaijan, Bahrain, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Gaza, Westbank, Georgia, Iran, Iraq, Israel, Jordan, Syria, Turkey, Yemen, and United Arab Emirates.

List of Countries where Cryptocurrency trading is allowed in

the Middle East

Armenia: There is no law prohibiting citizens from trading Crypto in Armenia. The Central Bank of Armenia had only cautioned citizens to be careful of the risk involved in cryptocurrency trading within the country.

Azerbaijani: There is no general law existing at the moment that guides crypto trading in Azerbaijani. Traders just presume that cryptocurrency trading is legal within the country since no law forbids it at the moment. This explains the reason for the high interest in crypto trading in Azerbaijani.

Bahrain: This is one of the most crypto-friendly countries in the middle east with clear laws describing cryptocurrency as digital assets. Citizens are free to trade crypto within the country, hence we find the highest number of crypto exchanges operating in Bahrain today.

Lebanon: This is generally a tolerant attitude towards crypto trading in Lebanon today. The Lebanese laws consider crypto as a digital asset that could be bought and sold, or used for other purposes. However, it does not recognize crypto as a legal tender for making payments up to this point.

Oman: There is no law forbidding crypto trading in Oman today. However, the government always warned the citizens to be very cautious of the risk involved in crypto trading within the country.

Gaza: There is no law prohibiting crypto trading in Gaza today. In fact, due to the high rate of unemployment within the country, citizens today view it as a secondary job alternative to survive the hardships in the country.

Westbank: There is generally no law proscribing crypto trading in this country. A great number of its citizens today are involved in crypto trading. Many use it to bypass the

limitations on international transactions and bypass border limitations.

Georgia: Georgia is one of the existing crypto-friendly countries in the middle east. It is very legal to own and trade crypto in Georgia today. Often, there are no taxes charged for trading crypto in Georgia. However, the government is yet to recognize it as a legal tender for buying and selling different items within the country but recognizes it as a digital asset.

Israel: Crypto trading is not yet considered a legal tender in Israel today, however, it is considered as a virtual asset and subject to taxation by the Israel Tax Authority. All cryptocurrency traders within the country are required to report themselves to the financial regulatory authorities and to provide an accurate report of all their crypto transactions to ensure proper tax payment.

Saudi Arabia: Cryptocurrency is recognized as a digital asset in Saudi Arabia. Its citizens are permitted to trade crypto at different exchanges. However, the government forbids banks and other financial institutions from participating in Cryptocurrency trading within the country.

Syria: Cryptocurrency trading is regulated in Syria. All cryptocurrency traders are required to report to the financial authority and to pay tax too. However, Cryptocurrency trading is not yet recognized as a legal tender in Syria today.

Turkey: Cryptocurrency has been recognized as a legal asset in Turkey. However, it is not yet recognized as legal tender. The government forbids the bank from participating in cryptocurrency transactions and warns citizens of the risk involved. However, the law does not proscribe cryptocurrency trading. This means individuals can trade crypto and are required to pay tax on their gains.

Yemen: Cryptocurrency trading is legal in Yemen today. There

is no law prohibiting citizens from trading Crypto within the country. However, cryptocurrency is not yet considered legal tender within the country.

United Arab Emirates: There is no law prohibiting crypto trading in the United Arab Emirates today. Cryptocurrency is considered a commodity within the Emirates and tradeable on the exchange market. Hence, there is a high volume of Cryptocurrency trading recorded daily in the United Arab Emirates today. However, the United Arab Emirates is yet to recognize crypto as a legal tender within the Emirates.

Countries in the middle east where crypto trading is prohibited

Kuwait: This is one of the middle east countries that has shown a hostile attitude towards crypto trading today. In fact, in 2017, the minister of Finance in Kuwait declared that it does not recognize Bitcoin and other Cryptocurrencies as legal tender and therefore prohibited the banks from participating in any crypto transactions. Despite the restrictive attitude from the government and Central Bank of Kuwait, the citizens still traded cryptocurrencies within the country today though secretly.

Qatar: Crypto trading is categorically prohibited in Qatar. The law has proscribed crypto trading within the country and forbids banks and other financial institutions from facilitating Cryptocurrency trading within the country. Despite this ban, citizens still manage to trade crypto secretly within the country.

Iran: Crypto trading is generally banned in Iran today. The central bank of Iran proceeded to ban crypto trading within the country after the Country's head of economic commission – Mohammad Reza reported that over \$2.5 billion were discovered to have left the country through cryptocurrency transactions with no clear purpose of such transactions stated.

Iraq: Crypto trading has been prohibited in Iraq since 2017. All cryptocurrency transactions are proscribed in Iraq and punishable under the anti-money laundering law guiding the country. However, citizens still trade cryptocurrency today albeit secretly.

Jordan: Cryptocurrency trading is prohibited in Jordan today. The Central Bank of Jordan had created laws forbidding the banks and other financial institutions from involving in any form of cryptocurrency transactions. It further warned the citizens to stay away from crypto trading due to the risk involved in such dealings. However, despite the ban, citizens still traded cryptocurrencies secretly today.



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