



# THE BAHRAINI CRYPTO PARADOX

Mapping the Awareness Gap in Retail Cryptocurrency Payments

Mohammad Arsalan & Ayesha Zulfiqar | Supervisor: Dr. Orlando

"Bahrain has the infrastructure. It lacks the awareness."

## // ABSTRACT

This research investigates the 'Bahrain Crypto Paradox': Bahrain possesses one of the most advanced, regulated crypto infrastructures in the Middle East, yet suffers remarkably low retail adoption. Through platform testing, UoB student surveys, and interviews with exchange insiders and retail cashiers, three major obstacles emerge:

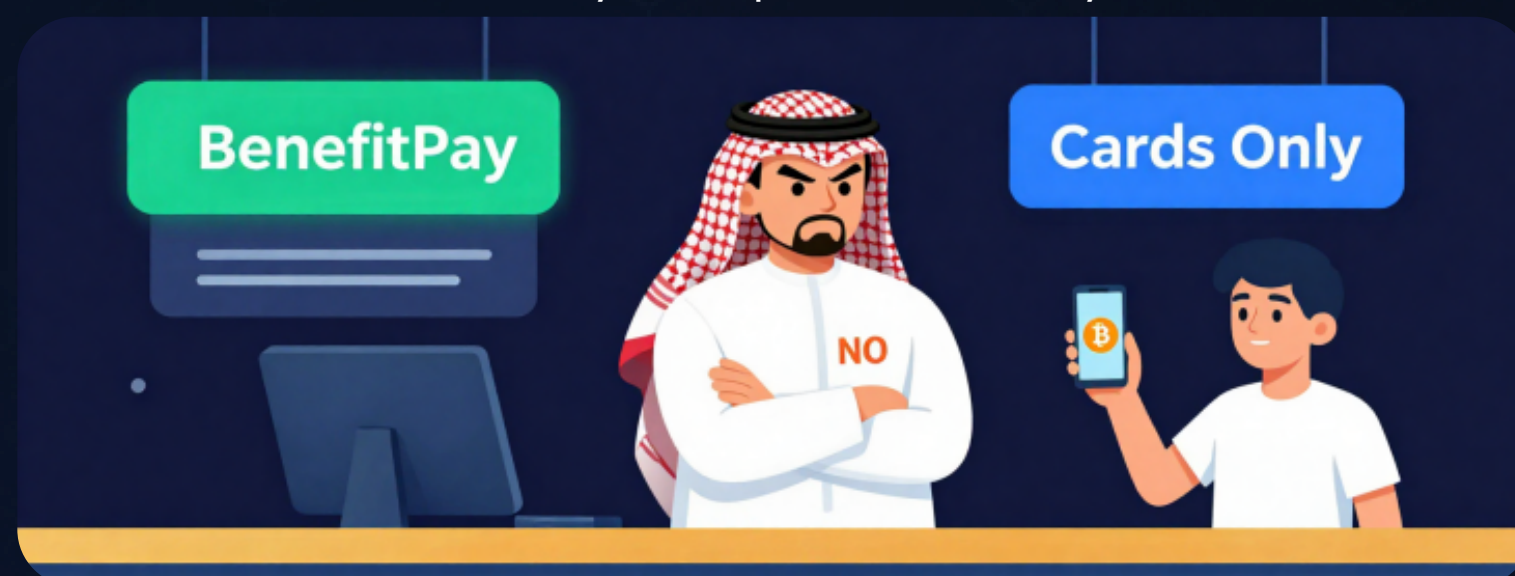
- (1) BenefitPay and Apple Pay's free instant transactions outcompete crypto for daily micro-payments,
- (2) strict CBB regulations and weekly compliance audits drive active traders to offshore platforms like Binance Global, and
- (3) widespread consumer and merchant ignorance creates fear and missed opportunities.

## VISUAL NARRATIVE



EAZYPAY CRYPTO-ENABLED POS NETWORK

Merchant: "NO! We only accept BenefitPay or cards."



Customer: "Do you accept crypto payments?"

## ◆ INFRASTRUCTURE SIGNAL MATRIX

CBB Crypto Licensing Framework	ACTIVE
EazyPay Crypto Payment Support	OPERATIONAL
Merchant Awareness of Crypto Options	CRITICALLY LOW
National Promotion Campaign	NON-EXISTENT
Consumer Crypto Payment Attempts	ANECDOTAL / RISING
Merchant Onboarding Infrastructure	FRAGMENTED

## PROBLEM STATEMENT

Bahrain has CBB-regulated crypto infrastructure, EazyPay with 5,000+ POS terminals, and Binance Pay integration - yet retail adoption is near-zero.

Consumers default to BenefitPay (free up to 100 BD), Merchants don't know crypto payments exist, and active traders flee to offshore platforms to avoid compliance costs.

## MAPPED INEFFICIENCIES

1. Free BenefitPay kills crypto micro-payment use case
2. CBB compliance costs passed to consumers as fees
3. No merchant training or onboarding programs
4. Zero public awareness campaigns launched
5. Capital flight to offshore exchanges (Binance Global)
6. No fiat-crypto bridge visibility at point of sale

## // METHODOLOGY

### 1. Quantitative Data Collection

- Merchant Awareness Surveys: Field data from local retail & F&B merchants measuring knowledge of crypto POS (EazyPay)
- Consumer Adoption Questionnaires: UoB student surveys quantifying payment habits, crypto willingness & UX priorities

### 2. Qualitative Industry Interviews

- Rain Exchange: Interview-based 'Institutional Trust Index' on consumer preference for CBB-regulated safety vs lower fees
- CFI Tech Review: Mapping stablecoin implementation, proprietary tech & CBB AML/KYC compliance

### 3. Secondary Research & Netnography

- CBB Crypto-Asset Module (CAM v2.4) review for SME accessibility
- Digital ecosystem mapping confirming EazyPay readiness alongside absent promotion/onboarding campaigns

## // KEY FINDINGS

1. BenefitPay (free up to 100 BD) kills crypto micro-payments
2. CBB weekly audits force higher local exchange fees
3. Active traders bypass local for Binance Global
4. Retail cashiers: zero crypto payment awareness
5. No national education/promotion campaign exists

## RECOMMENDATIONS

1. Ease CBB compliance to reduce fees & retain traders
2. Pivot crypto payments to high-ticket items
3. University crypto education programs
4. National merchant awareness campaign
5. Small incentives to push crypto learning & usage