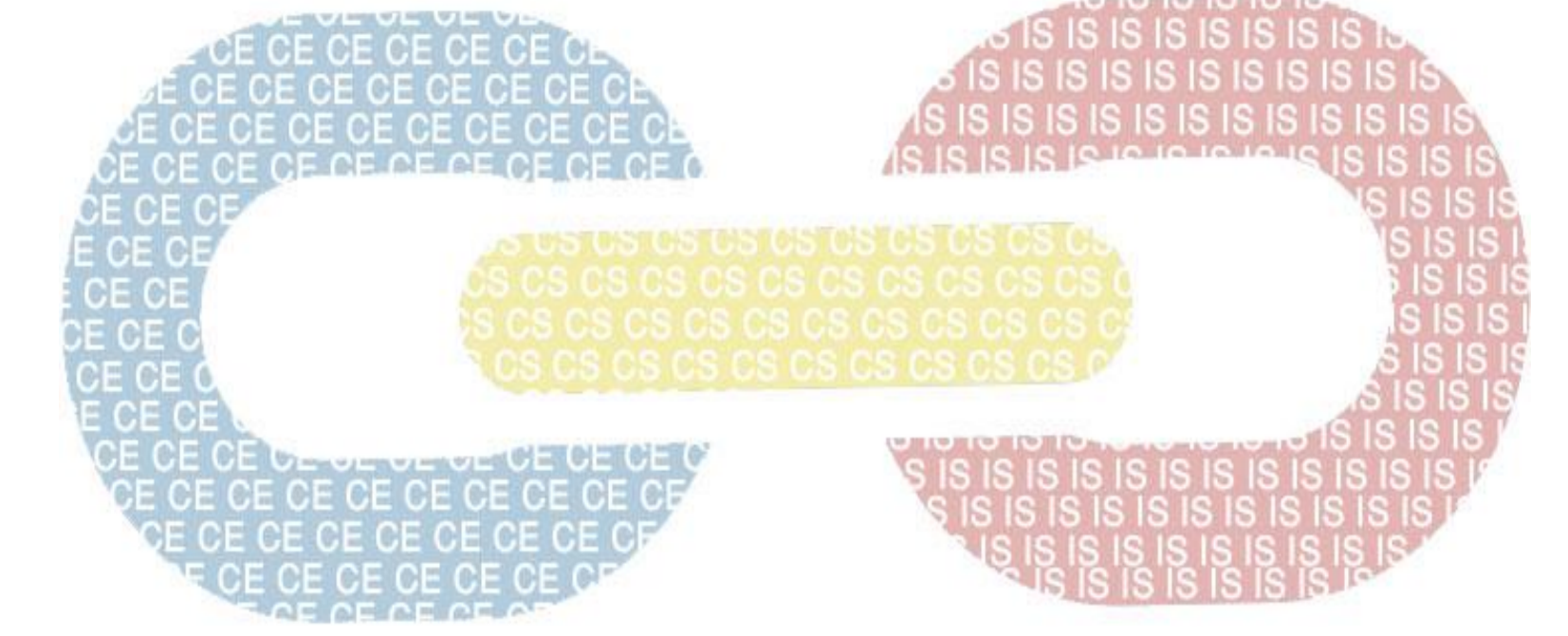




UNIVERSITY OF BAHRAIN
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THE BAHRAINI CRYPTO PARADOX

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ABSTRACT

This research investigates the “Bahrain Crypto Paradox,” where the Kingdom of Bahrain has developed one of the most advanced regulated cryptocurrency infrastructures in the Middle East, yet retail and active-trader adoption remain relatively low. The study used direct platform testing, surveys conducted with students from University of Bahrain, and informal interviews with exchange insiders and retail cashiers to identify the main barriers to adoption. Findings revealed three key challenges: the dominance of fast and free payment solutions such as BenefitPay and Apple Pay for daily transactions, strict regulations and compliance requirements imposed by the Central Bank of Bahrain that increase exchange costs and limit services, and limited public awareness that contributes to fear and hesitation toward cryptocurrency usage and investment. The research recommends reducing compliance burdens, encouraging businesses to focus on high-value crypto transactions rather than micro-payments, and introducing cryptocurrency education initiatives within universities.

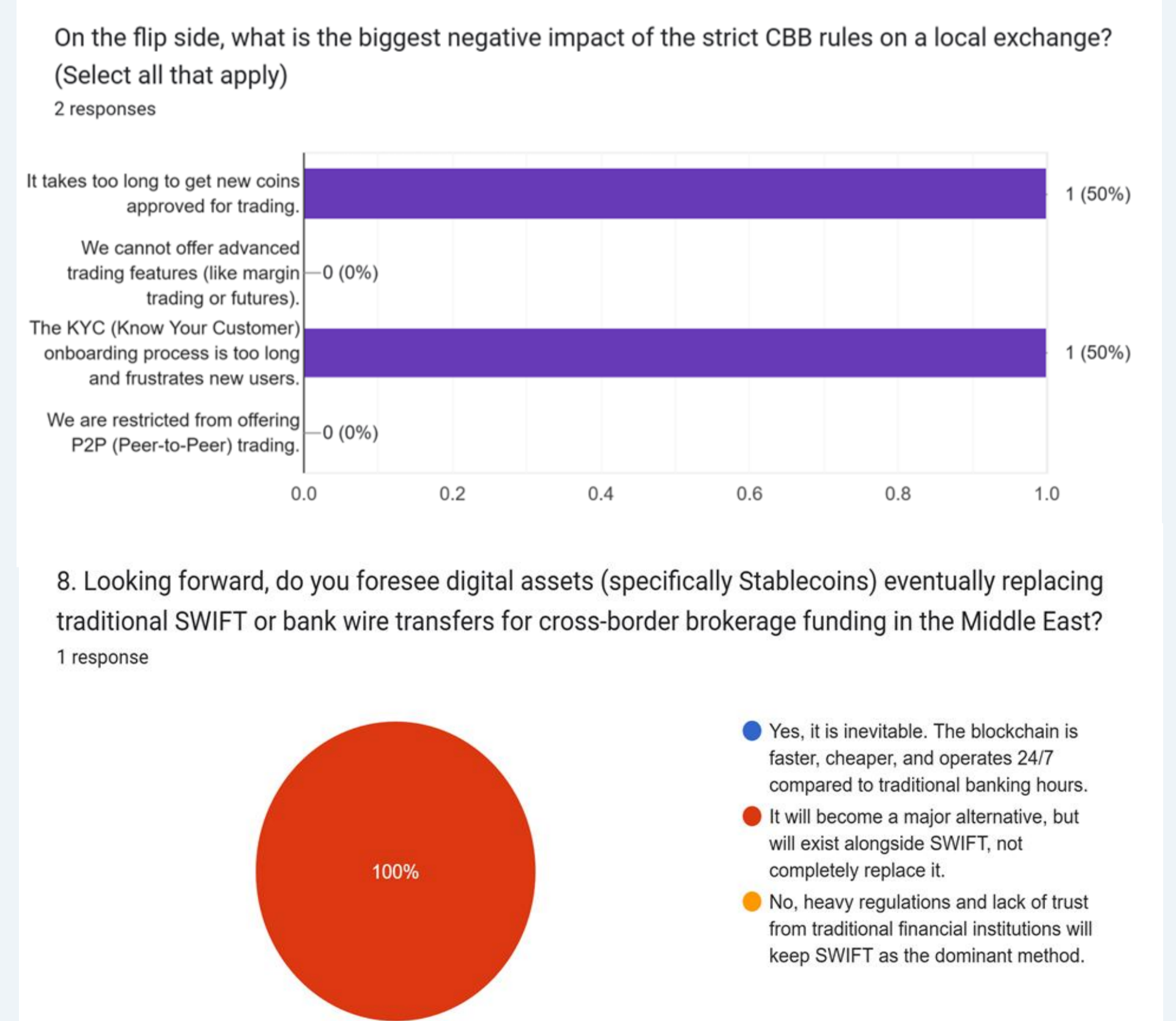
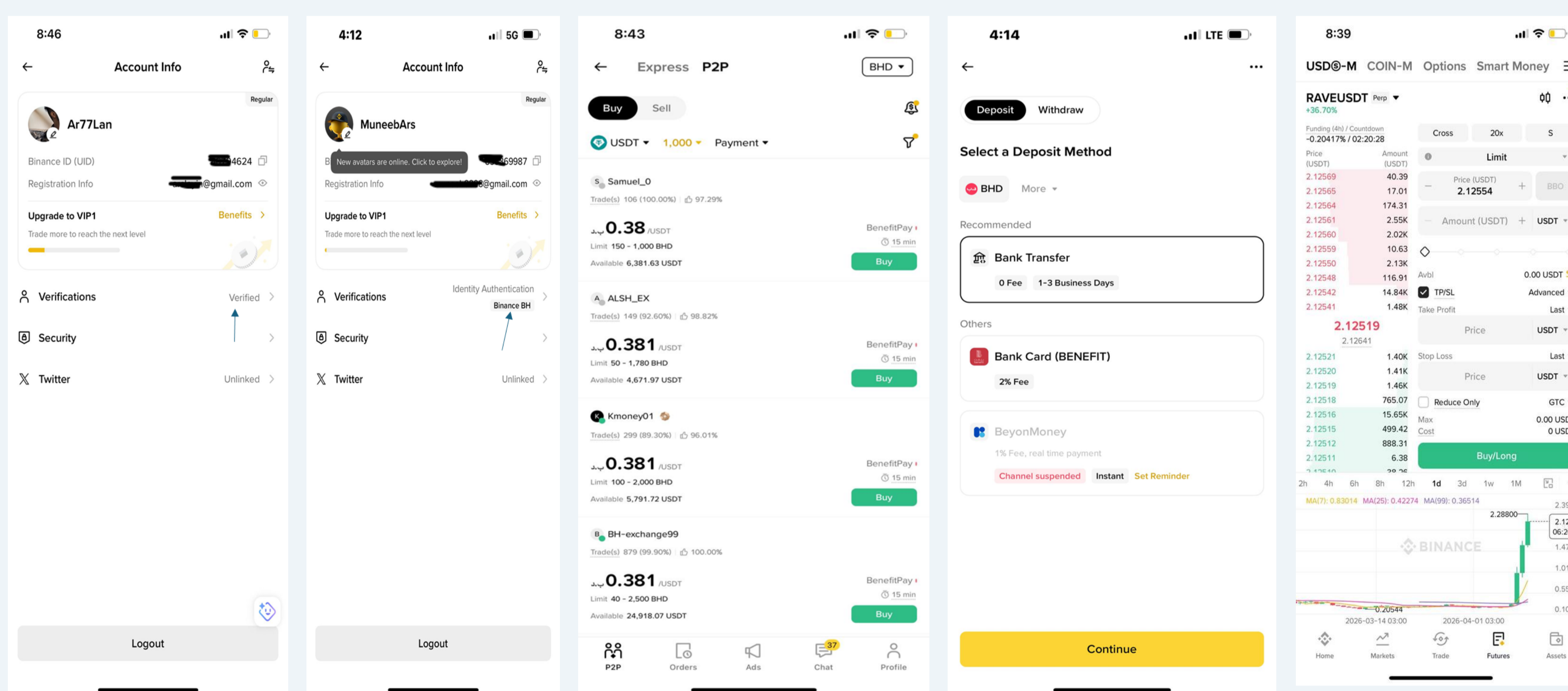
OBJECTIVES

- Analyze barriers to cryptocurrency adoption in Bahrain
- Compare regulated local exchanges with international platforms
- Study consumer payment behavior and awareness
- Evaluate retail crypto-payment infrastructure
- Recommend solutions for regulators, businesses, and universities

METHODOLOGY

- 119 survey responses from students and young professionals
- Interviews with exchange insiders and retail workers
- Retail payment testing using Binance Pay and EazyPay
- Platform comparison between Binance Global and Binance Bahrain
- Observation of customer behavior and payment preferences
- Analysis of public sentiment through Reddit and social media discussions

DIAGRAMS/FIGURES



RESULTS

- BenefitPay dominates daily micro-transactions in Bahrain
- 66.7% of respondents were unaware that crypto payments existed locally
- Binance Bahrain lacks important features such as:
 - P2P Trading
 - Futures Trading
 - Alpha Projects
- Retail workers often lacked training on crypto payment systems
- Users preferred international exchanges because of:
 - Faster liquidity
 - Lower friction
 - Better trading features
- Most consumers viewed crypto as:
 - A risky investment
 - Not practical for everyday purchases

CONCLUSION & FUTURE WORK

Bahrain successfully created one of the safest crypto regulatory environments in the GCC. However, excessive compliance friction and lack of retail utility slowed real-world adoption.

Future Recommendations:

- Improve merchant and cashier training
- Introduce university blockchain education programs
- Reduce onboarding and withdrawal friction
- Focus on stablecoin-based high-ticket transactions
- Improve integration between crypto and local payment systems