

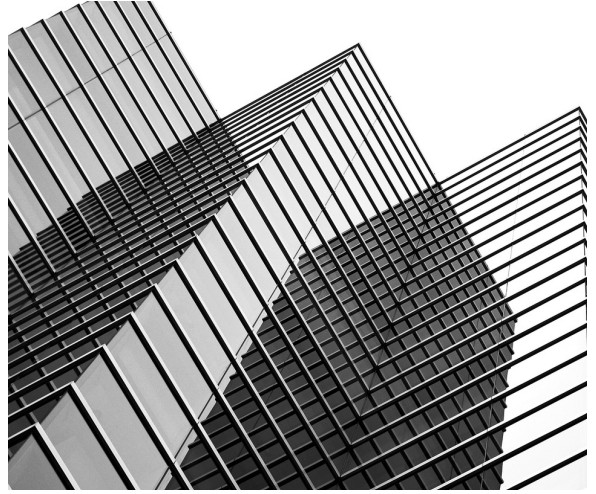
CRYPTO ASSET REGULATIONS IN GCC COUNTRIES: A COMPARISON WITH TÜRKİYE

Crypto assets and their underlying technologies are reshaping the global financial system. Yet the legal nature of crypto assets, their economic implications, and the risks they pose to financial stability have led states to adopt markedly different regulatory approaches. Despite sharing similar economic structures and a common ambition to position themselves as financial hubs, the Cooperation Council for the Arab States of the Gulf (the Gulf Cooperation Council) (GCC) countries have not converged on a uniform regulatory framework for crypto assets. Instead, they have developed multi-layered and fragmented regimes shaped by differing policy priorities.

As of the first half of 2026, this fragmentation persists, though licensing regimes have expanded to cover a broader range of activities, and dedicated frameworks have emerged for tokenization and payment tokens.

Development of Crypto-Asset Regulation in Türkiye

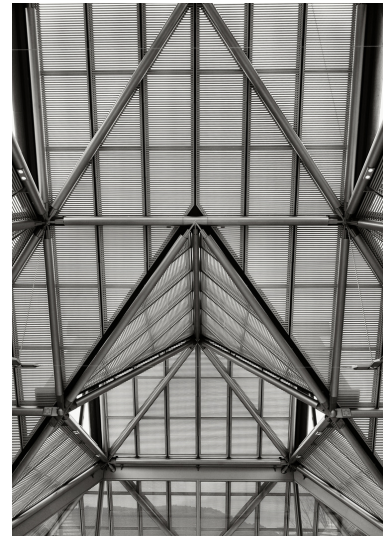
Türkiye's regulatory approach to crypto assets has evolved incrementally, driven primarily by concerns over financial stability and the fight against money laundering and terrorist financing. Crypto assets were initially excluded from recognition as fiat currency, electronic money, payment instruments, or capital markets instruments, and their use in payment transactions was prohibited outright, effectively barring their integration into the payment system.



As the market expanded, policy shifted from restricting retail use to bringing market infrastructure under regulatory oversight. As of 2024, capital markets legislation had defined core concepts —crypto assets, crypto asset service providers, trading platforms, and custody services— laying the sector's legal foundation, while compliance obligations were simultaneously expanded under Financial Crimes Investigation Board (MASAK) regulations. Throughout 2025, a series of measures followed in quick succession: the “transfer rule”, requiring the recording and transmission of sender and recipient data in crypto transfers became mandatory; detailed requirements were introduced covering minimum capital, organizational structure, internal controls, and risk management and operational obligations were set out in detail; and supervisory mechanisms were strengthened. The introduction of account suspension and seizure regimes further expanded administrative authorities' powers to intervene directly in the market and tightened the sanctions regime. Together, these developments have transformed Türkiye's crypto market from a largely unregulated environment into one subject to comprehensive and stringent regulatory oversight.

In 2026, minimum capital requirements for obtaining a Capital Markets Board (CMB) license were raised, and custody services were brought under security standards comparable to those applied in the banking sector. As of 30 June 2026, the transition period requiring unlicensed platforms to wind down operations came to an end, consolidating the market around licensed and supervised entities.

Under MASAK regulations, additional operational restrictions—including transfer waiting periods, limits on stablecoin use, and enhanced KYC/AML obligations—have tightened the system beyond licensing and behavioral compliance alone. On the tax front, a legislative proposal on crypto-asset taxation was submitted to Parliament in March 2026 but was subsequently withdrawn; as of mid-2026, no crypto-specific tax regime is yet in force, though preparatory work continues.



Legal Approach to Crypto Assets in GCC Countries

Regulatory approaches across the GCC countries have been shaped chiefly by the objectives of maintaining financial stability, combating money laundering, and protecting the banking system. Crypto-related activity was initially curtailed through public warnings and de facto prohibitions, owing to their speculative nature and persistent legal uncertainty. Over time, however, growing recognition of blockchain's potential within financial infrastructure has driven a shift toward more flexible and selective regulatory approaches.

As of 2026, this trend has become more pronounced, given rise to a dual policy structure across the region: private-sector crypto activities remains restricted, while state-controlled digital currency (CBDC) initiatives and tokenized financial instrument projects are actively promoted.

In this context, three main regulatory models have emerged in the GCC region:

Licensed and Regulated Regimes

Bahrain, under the regime established by its Central Bank, subjects crypto asset service providers to requirements covering minimum capital, risk management, client asset protection, technology standards, and cybersecurity obligations. Digital token offerings also fall within the regulatory scope, further reinforcing investor protection. While crypto assets are not recognized as legal tender, activity continues in a controlled manner through regulatory sandboxes and bank cooperations. Between 2025 and 2026, Bahrain extended its regulatory framework to cover stablecoins and tokenized financial products, and reinforced its ambitions as a regional financial hub by licensing international crypto exchanges.

The United Arab Emirates (UAE), and Dubai in particular, has built a comprehensive legal framework aimed at establishing itself as a global crypto hub. The Virtual Assets Law introduced licensing requirements for crypto asset service providers and designated the Virtual Assets Regulatory Authority of Dubai (VARA) as the competent administrative authority, while the Dubai International Financial Centre operates under its own separate regime. Individual investors' crypto transactions are generally permitted, though businesses face strict anti-money laundering and reporting obligations; tax advantages and regulatory clarity have helped drive high crypto adoption rates.

As of 2026, the UAE's regulatory landscape has grown markedly more complex. At the federal level, the capital markets authority (CMA) restructured crypto-related activity into eight distinct licensing categories. VARA issued guidance on token issuances, introduced specific rules for derivative products, and provided for supervision of DeFi and payment tokens by the Central Bank. The result is a multi-layered structure in which five different administrative authorities exercise concurrent powers—meaning market participants may need multiple licenses depending on the scope of their activities.

Hybrid Regimes

Qatar maintains its ban on cryptocurrencies while permitting the tokenization of capital markets instruments, drawing a clear line between the two. Its digital bond issuances illustrate this approach: cryptocurrencies remain restricted, while tokenization of capital market instruments and distributed ledger technologies are embraced. Under the “excluded token” approach adopted after 2024, conventional crypto assets remain banned, whereas tokenized financial instruments are treated as regulated market activity.

Saudi Arabia takes a cautious stance on public crypto markets while prioritizing central bank digital currency initiatives and institutional blockchain projects —a dual-track policy centered on state-controlled and permissioned digital finance solutions.

Prohibitive and Uncertain Approaches

Kuwait maintains one of the strictest regimes in the region. Crypto assets have no legal status, and their use for payment or investment purposes is prohibited: banks and regulated entities are barred from crypto-related activity altogether. Between 2025 and 2026, this approach tightened further, with increased sanctions on crypto mining and significant operational restrictions driven by energy consumption concerns.

Oman, while stopping short of an outright ban, maintains a cautious, gradual regulatory strategy built on public warnings and registration requirements.

Comparative Assessment

Legal approaches across the GCC vary by country-specific risk perceptions and strategic objectives rather than converging on a single model. Türkiye, by contrast, presents a distinctive transitional model grounded in licensing, supervision, and compliance obligations.

As of 2026, the key distinction between Türkiye and the GCC lies in structure: Türkiye is moving toward a centralized, uniform licensing regime, while regulatory authority in the GCC remains distributed among multiple administrative bodies and fragmented structures persist. Nevertheless, both regions share a common trend —imposing bank-like obligations on service providers and excluding unlicensed actors from the system.

While private crypto activity remains restricted across the GCC, state-backed digital currency and tokenization initiatives are receiving strong emphasis. In Türkiye, by comparison, developments in this area remain at an early stage.

In both the GCC and Türkiye, crypto regulation is shifting away from outright prohibition toward a risk-based, incremental approach to lawmaking. Looking ahead, tokenization initiatives and CBDC projects are likely to remain central to the regulatory agenda — positioning Türkiye’s regulatory trajectory in broad alignment with global developments.

Authors



İrem Cansu Demircioğlu Mercan
icdemircioglu@kolcuoglu.av.tr



Deniz Onuk
donuk@kolcuoglu.av.tr