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UAE Bank Enters Crypto Trading as SEC Eases ETP Rules

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July 30, 2025 – In a major regulatory shift, the U.S. Securities and Exchange Commission (SEC) has approved in-kind creation and redemption mechanisms for cryptocurrency exchange-traded products (ETPs), marking a step forward in crypto asset integration into traditional finance. Simultaneously, the UAE's Rakbank has become the first conventional bank in the country to offer crypto trading to retail clients, underscoring the Middle East's growing embrace of digital assets.

The SEC's announcement, made on Tuesday, enables authorized participants of approved Bitcoin and Ether funds to exchange shares directly for the underlying assets rather than cash. This "in-kind" mechanism is designed to reduce transaction costs and improve operational efficiency.

SEC Chairman Paul Atkins stated, "It's a new day at the SEC. A key priority of my chairmanship is developing a fit-for-purpose regulatory framework for crypto asset markets."

Jamie Selway, director of the SEC's Division of Trading and Markets, emphasized the benefits: "This move brings flexibility and cost savings to ETP issuers and investors, leading to a more efficient market."

Meanwhile, the National Bank of Ras Al Khaimah (Rakbank), a government-owned institution in the UAE, announced the launch of a retail crypto trading feature through its mobile banking app. This marks a regional first among traditional banks and allows users to buy, sell, and swap digital assets directly from their UAE dirham accounts.

"Our customers deserve a seamless crypto journey that is fully regulated and conducted entirely in AED," said Raheel Ahmed, Rakbank's Group CEO. "We are proud to offer secure and regulated access to a world-class digital assets platform."

The service is powered by Austria-based Bitpanda, with trading facilitated by Bitpanda Broker MENA DMCC, a VARA-regulated entity based in Dubai. Customers benefit from local currency integration, eliminating foreign exchange fees and avoiding the need to use third-party exchanges.

In a related development, hedge fund manager and Bridgewater Associates founder Ray Dalio has suggested investors consider allocating up to 15% of their portfolio into Bitcoin or gold. Speaking on the *Master Investor* podcast, Dalio cited concerns about U.S. debt levels and inflation.

"If you were optimizing for the best return-to-risk ratio, you'd have about 15% of your money in gold or Bitcoin," Dalio said, calling the U.S. debt outlook a "doom loop."

As regulatory frameworks evolve and traditional banking systems begin integrating digital assets, the global financial landscape continues to shift, with the Middle East emerging as a notable hub for innovation.