

Answer the following questions by providing roughly 5 sentences for each of the following questions below:

1. Have any new laws or bills been created and put into law? If so, how many and what are they? When were they created?

There are currently no regulation specifically governing cryptocurrencies in Saudi Arabia. The Ministry of Finance in Saudi Arabia had previously warned against the use of cryptocurrencies in Saudi Arabia since they are not recognised and not within the regulatory framework of any of the financial entities in the Kingdom. This is mainly due to the lack of supervision relating to cryptocurrencies and its non-compliance with sharia principles. Saudi Arabia has nevertheless displayed its clear intention to liberalise its economic and financial structure by allowing the use of certain cryptocurrencies. This is evident through the introduction of Ather, a cryptocurrency to be used between the United Arab Emirates and the Kingdom, and through SAMA's efforts with cryptocurrency and blockchain-based company Ripple to introduce blockchain cross-border payments and transfers in the Kingdom. SAMA's efforts will lead to cheaper, faster and more transparent cross-border transactions, along with the enhancement of the consumer experience. This makes SAMA only the second central bank to adopt blockchain technology to enhance payment structures, following the Bank of England's successful trial with Ripple. Saudi Arabia is trying to increase the proportion of electronic payments to 70% of the country's total by 2030, but the kingdom wants to ensure continuity of cash transactions and the availability and acceptance of paper and metal cash as a means of payment, according to the interview. The representative said the target is likely to be achieved five years earlier, in 2025. Saudi Arabia's central bank is experimenting with emerging technologies like blockchain for the finance sector, but doesn't intend to phase out cash in favor of digital payments

2. Are there working groups or partnerships formed with the government? If so, how many and what are they?

- The Kingdom of Saudi Arabia's Capital Market Authority (CMA) has granted to UAE based, Wethaq Capital Markets a permit to use Blockchain and DLT (distributed Ledger Technology) to arrange the

offering of securities, known as Sukuk as a stated to investors. This will be carried out in coordination with the issuer and authorized person assigned by the issuer as an offering advisors.

- Pravica is an Egyptian emerging technology company specialized in providing secure communication services based on blockchain technology.
- Taibah University in Al-Madinah Al-Munawwarah has also tended to employ this technology to serve its goals and in line with the Kingdom's 2030 vision. It announced that the certificates of its graduates will be issued, during the coming period, based on the "Blockchain" technology, which reduces dependence on paper.
- The Saudi Customs Authority was a pioneer among its counterparts in the Middle East in seeking to invest in Blockchain technology in its various activities, through cooperation with the Saudi Company for Electronic Information Exchange “Tadawul”, which worked to link the “Al-Fatah within 24 Hours” platform and the “Import” system. unified electronic export” with the “TradeLens” system, a system supported by “blockchain” technology, developed by “Maersk” and “IBM”; With the aim of strengthening and protecting shipping operations.

Are there any special economic zones or regulatory sandboxes? If so, how many and what/where are they?

SAMA offers its own regulatory sandbox to help the growth and development of fintech businesses that wish to enter into the Saudi market. The SAMA sandbox programme was introduced in 2018 to promote the Kingdom's economic and investment growth and diversification in line with the Kingdom's "KSA 2030 Vision". The SAMA sandbox seeks to attract both international and local fintech businesses. It aims to develop the financial industry by supporting innovation and new technologies developed by local and international fintechs and start-ups that want to experiment with their fintech solution in a "live" environment with respect to their financial services and products in the Saudi market.

3. Are there any standards organizations? If so, what are they working on?

The Communications and Information Technology Commission (CITC) launched a Regulatory Sandbox for delivery applications. The initiative comes as part of the authority's mandate to regulate and supervise the postal sector, including the licensing and regulation of delivery apps operating in Saudi Arabia. This regulatory sandbox has been specifically crafted to support, enable, and sustain the growth of the Kingdom's delivery app ecosystem, for the benefit of all sector stakeholders, including consumers, producers, and delivery drivers.

Specifically, it aims to reduce time to market for apps and potentially lower the cost of delivery services. It will also give app designers the ability to test innovative products and services in a controlled environment. By doing so, and providing better access to financing, CITC will help to develop an ecosystem conducive to innovation.

4. Anything else that you discovered?

Abdullah Al-Sawaha, Minister of Communications and Information Technology, revealed that Saudi Arabia's share of the "blockchain" economy will reach \$250 billion by 2028, and added that the "Blockchain" technology will enrich an economy of nine trillion dollars, according to the World Economic Forum report by 2028, amounting to The Middle East's share of it is half a trillion dollars.