

The Future of Cryptocurrency Adaptation in Developing Countries

SHIMANTO BANK PLC

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5th DECEMBER, 2025

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Letter of Transmittal

MINHAZ UDDIN AHMED, PhD

Associate Professor ULAB School of Business (USB)

University of Liberal Arts Bangladesh (ULAB)

688 Beribadh Road, Dhaka-1207

Subject: Submission of Internship report on “The Future of Cryptocurrency Adaptation in Developing Countries”.

With due respect, I would like to inform you of my internship report titled Future of Cryptocurrency Adaptation in Developing Countries as a part of my course work which was done to complete my undergraduate degree of Bachelor of Business Administration (BBA) program in the University of Liberal Arts Bangladesh.

The report has been developed with regard to the academic needs of the university. Though I have done my internship in Shimanto Bank PLC, the topic of the research was chosen by self selection to undertake a more wide-range and more updated study in the sphere of finance. Instead of the real practice of conducting the internship, the study examines the opportunities, threats, and outlook of cryptocurrency adoption in the developing nations using secondary data and survey reports instead of real experience in the field. I do hope that the report will satisfy the program requirements expected. I would also like to get some constructive feedback or suggestions as to further improvement.

I am grateful to you, as you have been the one to assist me in writing this report so much, thanks to your invaluable help and advice.

Sincerely,

Mardiya Rahman

ID: 213011011

ULAB School of Business (USB)

University of Liberal Arts Bangladesh (ULAB)

Acknowledgement

I would like to thank and respect all those people who supported and advised me during the successful completion of this project report. This task was enabled by their support, collaboration, and encouragement that helped me to achieve this work in the stipulated time.

To begin with, I would like to say to Almighty Allah that I had the best opportunity due to his everlasting blessings, patience, and strength that helped me to deal with the difficulties and finish this project within the set deadline.

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Moreover, I want to say that my place of work and the Trade Operations Department significantly helped me by giving me some exposure and learning experience. I particularly owe much of my gratitude to Ms. Saima Hasan, Employee, Trade Operations at Shimanto Bank, who has always cooperated, patiently supported and helped me to comprehend the functions of the departments. My work on this report owes much to the support of Ms. Afrin Akter, Manager, Trade Operations at Shimanto Bank, who helped me get through this report and imparted her experience in the field without imposing any limitations or objections to my work.

And finally, I want to thank my family and well-wishers who showed unconditional support and encouragement to me. Their support made me write this project report with enthusiasm and good faith. Although I am still a novice, I have tried to make a significant and informative report that is grounded on real life experience and scholarly education. This achievement has indeed been the support of all the mentioned above.

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Part A

Chapter 01: Internship Preparation

1.1 Motivation to do Internship

Being one of the senior undergraduate students studying the field of Finance at the University of Liberal Arts Bangladesh (ULAB), completing an internship was a required step towards transitioning the theoretical knowledge into the practical one. One of the factors that specifically motivated me to venture into the banking industry is its central part in financial intermediation and stability of the economy. The interest of trade finance, documentation process, and international transactions led me to pursue opportunities in commercial banks. I was seeking to gain firsthand experience in Letters of credit (LC), foreign exchange operations and regulatory compliance-areas that I previously had just heard in my classes. Moreover, I perceived this internship as an opportunity to observe a working setting of a professional, develop skills in technology and create a foundation of further work opportunities in the banking and financial sector.

1.2 Internship Search Process

The process of acquiring an internship was enlightening as well as not that easy. My personal drive to seek opportunities in other organizations such as the private banks, global corporations and financial institutions was also proactive. Nevertheless, I still tried, but most of the companies were not recruiting interns during that period or had limited vacancies. This rendered the process to be quite stressful and de-motivating at certain stages. However, I was insistent and I kept searching among possibilities.

After realizing the hardness, I approached the Career Services Office (CSO) of ULAB so as to seek assistance and counsel. They assisted me very much in the searching process. They went through my resume, displayed the vacancies that are available and assisted me in the application process. I got attached to Shimanto Bank Limited through their contacts and network. Through them, I managed to get an internship opportunity that was of immediate significance to both my schooling and my areas of interest in a career. This experience showed me that determination is important and you should utilize it as much as possible in university.

1.3 Internship Interview Experience

Shimanto Bank PLC is a private commercial bank in Bangladesh and which is not listed on any stock exchange, began operations with the objective of giving modern and secure and convenient banking services. The bank places a strong emphasis on innovation and developing customer-based solutions that serve both individual and corporate customers. The main strategic objective includes

promoting financial inclusion as well as achieving compliance with regulations and efficiency of operations.

In facilitating international trade, the Trade Department where I was assigned plays a critical role in terms of controlling the imports and exports activities. The department is responsible for issuing and settling Letters of credit, processing trade documents, interacting with Bangladesh Bank, and meeting international trade standards. The department serves as an interconnection between the clients and the international suppliers, which helps in smooth monetary transactions and minimizes risks.

1.4 About the Internship Organization

I have begun my internship by getting a rough introduction of the culture, values, and operational processes of the bank. The Trade Department welcomed me with a warm welcome, and my supervisors were willing to explain various processes to me and assigned me practical tasks gradually. I was also involved in LC documentation, inputting data to the systems of Bangladesh Bank, and assisting in the verification and filing. The more time elapsed, the more confident I got and more responsibilities were assigned to me. This not only allowed me to have a better understanding of the trade finance processes, but it also allowed me to acquire essential workplace skills such as professionalism, precision and communication. Overall, the internship preparation phase helped me to form a willingness and readiness to the major educational experience that followed.

Shimanto Bank PLC, which was officially established on September 1, 2016, is a fourth-generation privately owned commercial bank in Bangladesh established to improve financial inclusion and support the welfare of the Border Guard Bangladesh (BGB) members and their families. Despite being a relatively young bank, Shimanto Bank has rapidly expanded its service portfolio, the central theme of which is transparency, innovation, and customer-oriented behavior. The bank provides a wide range of financial services such as personal banking, financing small and medium enterprises, corporate banking, online banking, and trade services such as imports and exports transactions.

Shimanto Bank is well known for providing secure, inclusive and modern banking services to all customers, especially the underserved communities. Its commitment to customer service centric approach, compliance, and wider digital structure has made it a rising and reputable force in the financial sector. The bank's intensive technology-driven solutions to simplify the banking processes, which will be simpler, faster, and more accessible.

By 2024-25, Shimanto Bank will have developed a growing presence across the country. The bank operates an increasing network of branches, sub-branches, agent banking points, and ATM services

that ensure that financial services are available in urban and rural regions. Shimanto Bank plans to enhance customer convenience by continually investing in digital platforms, mobile banking and online trading services.

The Shimanto Bank is also useful to the economies of Bangladesh, in the sense that it supports the economic development of the country by supporting small and medium enterprises (SMEs), facilitating trade finance, and improving the socio-economic well-being of the population via its affiliated relationship with BGB Welfare Trust.

1.4.1 Vision of Shimanto Bank PLC

Shimanto Bank PLC intends to be a stable, well-techno financial institution that offers high-quality, convenient, and customer-oriented banking services. The bank aims to create the environment in which every customer experience is safe, pleasant, and productive with the support of ethical values and modern amenities.

The vision statement of Shimanto bank is:

“To serve people who guard the nation and to provide safe, modern and inclusive banking to everyone.”

The bank stresses on reliability, transparency, quality of service, technological development, and inclusive financial solutions in order to achieve its vision. Shimanto Bank values the need to create value to all the stakeholders as it supports the financial development of Bangladesh at large.

1.4.2 Mission of Shimanto Bank PLC

The Shimanto Bank PLC mission is to provide the most comprehensive financial services supported by the high level of digital technology, effective ethical principles, and team of skilled, customer oriented professionals. The bank will be committed to encouraging financial inclusion, particularly among the BGB members and the under-served communities, and operate with operational excellence and standards adherence.

The mission statement of Shimanto Bank is:

“The vision is to provide credible, effective and technology-intensive financial services that guarantee inclusiveness, integrity, and long term growth.”

Chapter 02: About the Internship

2.1 Job Responsibilities and Roles:

My educational background was highly relevant to the responsibilities that I performed in the internship:

- My financial, banking, management and international business studies have provided plentiful knowledge of the processes of trade.
- Finance and banking courses made me understand how letters of credit work, what factors increase risks, and why documentation should be done correctly.
- The study of International Business has given me knowledge on the laws that govern international trade and the application of INCOTERMS as they occurred in the course of handling the letter of credit.
- The study of accounting concepts enabled me to comprehend transaction records, fee and balance sheets.
- Business communication courses enabled me to become better at writing business-related emails, summarizing information, and communicating.

Seeing these theories put into real-life operations made sense and made the ideas more relevant, which enabled me to understand better.

2.2 Takeaways from Internship:

The internship also provided me with valuable personal and professional knowledge. I learned the importance of accuracy, confidentiality, and compliance in banking. I realized that even slight mistakes in the trade documents lead to stalling or financial risks, and it is important to pay specific attention to details. The experience helped me in building my communication skills, since I interacted with colleagues and sometimes with customers. It also put me in the lesson that I would work under pressure especially when I needed to do a lot of LCs within tight deadlines. This post enriched my understanding of teamwork, professional ethics, and banking ethics.

2.3 Application of educational learning with Internship:

The studies I had done were highly applicable to the work that I was doing during the internship. Thoughts in the area of finance, banking, management, and international business helped me to have a better understanding of trade processes. Sure, send me the text that you would like to be paraphrased.

- Finance and Banking courses helped me to gain a better understanding of the LC mechanisms, risk factors that can be involved, and the importance of appropriate documentation.
- The coursework on International Business provided knowledge of trade laws and INCOTERMS in the international market, which I encountered when processing LCs.
- Accounting knowledge helped me to understand records of transactions, fee charges, and statement reconciliation.
- The courses in business communication assisted in the enhancement of the writing of emails, summarizing of information and professional interaction.

Analysing these theories in the real operations helped me to better understand the theories and simplified the concepts.

Chapter 03 Self Reflection

3.1 Likes and Dislikes about my organization

3.1.1 Likes:

Aspects of the Workplace Devoteed: I liked the positive and supportive environment at Shimanto Bank, particularly in the Trade Department. The trade officials proved to be very accommodating and open minded where they would always be willing to clarify complex procedures in a peaceful and easy understandable manner. They ensured that no one felt awkward or out of place and this enabled a fluid flow of communication and made the people not afraid of asking questions. I also observed that the work environment was highly accommodative where the interns were given ample time to develop at their own rate as they gradually acquired more responsibilities. The general sense was professional and motivating and this provided a favorable learning environment. Moreover, the structured manner in which the department was run allowed me to have a better understanding of what happens on a daily basis and made it easier to manage the LC process efficiently at all levels. The group of helpful colleagues, the friendliness of the interactions, and the possibility to work at any time were the significant advantages of my internship experience.

3.1.2 Dislikes:

The large amount of paperwork and the necessity to be precise was another significant challenge that I encountered in the course of the internship and tended to make the work routine rather slow. There were still numerous processes performed by hand, which only augmented the workload and reduced the overall level of overall digital efficiency within the department. Since I was an intern, I was not allowed to access some confidential systems, which, naturally, limited my opportunities to learn more about the technical nature of trade finance activities. Another problem was the fact that the department was not staffed to handle the workload. Consequently, there were often high work demands particularly at peak times, which enhanced a sometimes stressful atmosphere. Although they took place, the officers were very positive which made it possible to have an enjoyable and educational experience.

3.2 Ways to Improve the Internship Programs

During my internship with Shimanto Bank, I realized several aspects in which I can enhance my work and make more contributions. My reflections on how I can work on my performance in the future professional scenario include the following:

Improving Technical and Regulatory Knowledge.

I might improve my understanding of the regulations and policies at Bangladesh Bank, importation, LC requirements, and trade requirements. These topics would allow me to learn more, understand documents accurately and also help trade officers more confidently.

More Productive in Stressful Situations.

The Trade Department is often operated within very rigid deadlines, especially when dealing with LC submissions and document retirements. I would also be able to deal with tasks of large magnitude better by increasing my ability to work faster and maintain accuracy.

Improving Digital and Technical Skills.

I would enhance my skills in Excel such as the use of formulas, creation of tables and organization of data to enable me to deal with trade related information more productively. Moreover, the improvement of my knowledge about digital banking tools would help to manage workflow more efficiently.

Improving Interpersonal Communication and Self-Confidence.

I can also work on communication and become more assertive in asking questions, seeking feedback, and getting more involved in conversations with colleagues. Which can help me to create healthy working relationships with people as well as my educational background.

3.3 How the Organization can better use my Skills

Other analytical tasks may be applied to the interns by the bank, such as reporting, LC evaluation, and helping in compliance documentation. Allowing interns to attend short training periods or workshops would enhance their learning and productivity. It is possible that providing more specific instructions to the task will allow interns to work more effectively. Furthermore, giving interns a chance to view senior officers as they carry out their job duties would help them to gain more practical skills in trade operations. Distributing the interns in minor project related assignments can help the organization tap their potential better and help achieve department goals.

Chapter 04 Personal Development Plan

4.1 Individual Growth Strategy:

The internship helped me to define my career and also helped me understand what I need to work on. In the future, I intend to:

- Improve my knowledge in trade finance and global banking.
- Improve my time management and multi tasking skills.
- Improve professional communication and reporting.
- Knows how to use complex Excel and other financial software packages.
- Develop confidence in problem solving and decision making.

4.2 Skills that I am ready to develop in the future.

- Improved Excel and Data assessment to understand finances better.
- Foreign exchange control and international trade policies.
- Risk Analysis and Adherence in regards to international trade.
- Company communication and business negotiation skills.
- Planning and executing financial models and forecasts to increase my skills in analysis.

PART B

Executive Summary:

The report is a research of the increasing use of cryptocurrency in developing countries, analyzing the factors that drive its use, the challenges that prevent its core use, and future prospects of its financial systems. With the increasing demand of digital currencies across the world today, it has become relevant in the emerging economies, especially in the regions where there is financial instability, inflation, limited banking services, and higher dependency on remittance.

The report has selected some of the major drivers that have led to the adoption of cryptocurrencies in developing countries. These are the necessity to enhance financial inclusion, safeguard against inflation and devaluation of currency, accelerate and reduce the cost of inter-border transfer, and rise in digital and mobile penetration. To a significant number of unbanked and underbanked people, cryptocurrency is a viable alternative to conventional banking, which offers freedom, convenience, and lower transaction fees. This trend is being followed in other countries like Nigeria, Kenya, India, Pakistan and the Philippines among others and cryptocurrency is not only used to make investments but also remittances and day-to-day financial transactions.

Despite its possibilities, cryptocurrency adoption is facing a lot of challenges. Uncertainty in regulation, poor financial condition and digital literacy, cybersecurity risks, and huge market volatility creates fear among the potential users. Many express concern on the issue of fraud, scams, price changes and unclear government regulations. According to the results of the survey, the awareness about cryptocurrency is increasing for most people, although most of the participants only know the basics; 67% have never used cryptocurrency. Concerns about scams (70%), price fluctuations (60%), and unclear regulations (50) remain significant problems. However, the future perspective is provisional positive since most of the stakeholders hope that more regulations would be implemented and that education would be improved.

The study concludes that the government must play a crucial role in determining the future of the use of cryptocurrencies. Clear and fair regulatory frameworks, consumer protection systems, and improved AML/CTF are essential to creating trust and ensuring the presence of safe digital finance environments. However, its long-term use will be based on joint efforts of regulators, financial institutions, technology vendors, and educators, which are vital in ensuring safe and responsible integration of cryptocurrency in the emerging economies.

Chapter 1: Introduction

1.1 Background of the topic:

Cryptocurrency has situated the factors of decentralized values based on the blockchain technology instead of traditional financial institutions. It focuses on its growing acceptance in the world as a protection against inflation and devaluation of currency in countries facing an economic deficit. The ability of cryptocurrencies to decentralize financial structures and reduce the transaction cost, as well as increase security and price volatility. In the former, it is perceived as an important safety net in times of financial crisis, whereas it becomes more focused on innovation in the former, which involves decentralized finance (DeFi).

Over the past decade, cryptocurrency has evolved into a niche technology concept to a vital part of global financial development. The countries like Nigeria, Vietnam, Kenya, India and the Philippines consistently feature in the list of major adopters of cryptocurrencies in the world. Despite the advantage of developed countries in terms of regulatory experiences and institutional investment, the developing countries are emerging as some of the fastest-growing crypto markets in the world. Factors such as limited access to traditional banking, high remittance costs, volatile local currencies, inflation and widespread mobile-phone penetration have created an environment in which cryptocurrencies can provide actual financial opportunities. Cryptocurrency provides millions of unbanked or underbanked individuals with quick and cheap money transfer, online savings, and investments.

There are different structural and socioeconomic traits of developing nations that facilitate the adoption of cryptocurrency:

- **Financial barriers and under-banked population:** A large number of individuals in some of the developing countries are not banked or are faced with barriers such as poor documentation, high costs, or lack of networks/branches.
- **Dependence on remittance and international transfer:** Many of the developing nations heavily rely on foreign remittances. Traditional ways of transferring money are often associated with huge expenses and time lags. International transfers can become cheaper, faster, and more transparent with the help of cryptocurrency, particularly stablecoins.
- **Currency fluctuation, inflation, and saving protection:** Local fiat environments in different third world countries are either inflated or their value is decreasing.

Cryptocurrencies (or stable digital assets) are increasingly considered as protection or as a saving choice, which offers people another opportunity to hold value.

- **Increasing digital and mobile infrastructure:** More people will gain access to the internet, use smartphones, and start using fintech/digital payments, which will create conditions to adopt crypto.

1.2 Problem Findings:

Despite the fact that cryptocurrencies may lead to better access to money and ensure the availability of new economic prospects, their rapid proliferation in the developing countries is linked to various problems:

- **Regulatory risk and macro-financial risk:** Various developing nations are experiencing unclear regulatory policies, and the crypto boom may lead to monetary independence, inefficiency of monetary policies, or even financial meltdown in case crypto will take over local currencies as a savings, remittances, or transactions medium.
- **Unequal access and use:** In spite of this the research has indicated that although there are high rates of adoption in some developing countries, the rates of cryptocurrency adoption are more strongly correlated with the countries that exhibit high rates of financial market development and educational level as well as the level of infrastructure.
- **Probability of digital inequality and technological barriers:** Areas with little internet access, unstable power supply or a lack of digital literacy can be left behind - and the adoption of crypto in some areas will not be equal. Scam and fraud and criminal activities: Cryptocurrencies can be laundered or transferred or move funds without control and without the necessary control. This is very problematic in terms of governance and security.
- **Long-term socio-economic impacts unpopularity establishable:** It is not clear whether the widespread use of cryptocurrencies will lead to financial inclusion and empowerment or re-accept the emerging disparities, financial dangers, or turmoil.

1.3 Research Question and Objectives:

Research Question:

1. What do you think can be improved to increase use of cryptocurrency in emerging countries?
2. How does the government regulate digital currencies?
3. How can cryptocurrency be expected in emerging economies in the future?
4. What could be the future risks of cryptocurrency implementation on financial stability?

Research Objectives:

- To determine the attitude and views of people towards digital currencies.
- To establish the key sources of motivation and demotivation to use cryptocurrency in developing countries.
- To investigate monetary literacy and the usage of cryptocurrency.
- To test the role that blockchain technology could play in the fostering of financial growth in the developing economies.
- To understand the influence of global market trends on the interest in cryptocurrency in the local market.

Chapter 2: LITERATURE REVIEW

Cryptocurrencies refer to internet or digitally represented currencies that make use of cryptographic procedures to secure transactions. The underlying technology is known as blockchain and it is a distributed registry used to record transactions in a transparent and immutable format. In his study, Nakamoto (2008) points at the idea of decentralization as one of the essential facts of cryptocurrency, which grants independence of central banks.

There are certain challenges associated with the adoption of Cryptocurrency in Developing Nations. The rates of cryptocurrency adoption are higher in emerging countries than developed countries due to economic challenges and financial instability.

Africa and Asian research has shown that cryptocurrencies are increasingly being used to remit money, save money, and conduct business. Sure, would you like me to paraphrase the text that you have given.

Some of the most popular users of P2P cryptocurrency exchanges are Nigeria and Kenya.

India and Pakistan demonstrate a high level of interest in crypto investments, as their population consists of younger people.

Philippines include cryptocurrency in their labor remittance systems.

This is to suggest that adoption is driven not by speculation but by actual economic needs.

2.1 Drivers of Adoption:

In developing countries, the adoption of cryptocurrencies is implemented with the influence of many economic, technological, and social factors. A combination of these factors has an effect on the perception and the adoption of digital currencies by individuals and businesses as alternatives to traditional financial instruments. The predominant factors are described below:

2.1.1 Financial Inclusion:

A major driver of cryptocurrency in developing countries is the need to have a higher financial inclusion. There are millions of unbanked and underbanked people in developing economies due to

geographical factors, high cost of banking services, lack of documents, and lack of trust in formal financial institutions.

Cryptocurrencies fix these challenges since they enable individuals to access financial services straight through a mobile phone- they do not need a traditional bank account. This especially has been radical especially to the community living in rural and underserved regions where bank locations might be few and some absent.

Some of the benefits which have influence on adoption include:

- Low barriers to entry: The person who has a smartphone and access to the Internet can open a crypto wallet without going through traditional verification processes.
- Decentralization: Users are given control of their own funds without having to rely on the centralized authorities and this is just beautiful in places where banking systems fail or are not trusted.
- Reduced transaction fees: Traditional banks often charge high maintenance/withdrawal fees, but crypto wallets usually incur lower costs.
- Strengthening of vulnerable populations: Women, low income and informal workers in some regions gain access to financial resources which were formerly not accessible.

2.1.2 Inflation and Unstable Currency:

One of the main reasons why crypto is adopted in emerging economies is the persistence of inflation and currency devaluation and the uncertainty in the economy. Weak economies of nations often experience:

- High inflationary levels.
- Currency depreciation
- Financial restrictions
- Mistrust of the government in the money policies.

In this case, cryptocurrencies can be considered alternative forms of value storage. Such as:

- In hyperinflation in Venezuela, when the bolivar lost over 90 percent of its value, people turned to Bitcoin.

- To secure their buying power, Argentinians tend to buy stablecoins in order to be exposed to less devaluation of the peso.
- In Turkey and Nigeria, the transaction of cryptocurrencies rose as the local currencies dropped drastically in value against the US dollar.

2.1.3 Technological Penetration:

The use of cryptocurrency is considerably accelerated by technological advances, which in developing nations, although there are no traditional banking systems, a wide penetration of mobile phones and the internet makes it easy to switch to digital financial systems. The crypto wallets can best be implemented on the platform of mobile phones which have been shown to grow rapidly in the regions such as Africa and south Asia, where mobile phones are more than bank accounts. Participation in digital finance is further enhanced by the increase in the accessibility of the internet as well as cheap internet rates. At the same time, as the fintech systems like bKash developed, users have become used to fintech systems on the mobile level and, therefore, have become able to transfer to cryptocurrency much easier and less confusingly. Moreover, the emerging countries will enjoy a youthful and technologically advanced population that is open to new technologies and are the consumers of online investment platforms. Social media such as Tik Tok, YouTube, Telegram, and Facebook continue to promote this trend with information, tutorials, and market knowledge on cryptocurrency. Combined, all of these technological elements can make a powerful base that will allow the overwhelmingly popular cryptocurrencies even in marginalized and low-income neighborhoods.

2.2 Obstacles to Adoption:

Despite the growing popularity of cryptocurrency in the developing countries, there are still many barriers to its rapid adoption. These issues are attributed to uncertainty in regulations, the lack of awareness among people, threats of security and natural characteristics of the cryptocurrency markets, which influence the levels of trust and sustainability of the users.

2.2.1 Uncertainty in Regulations:

Lack of consistent and clear regulatory governance is also a major challenge. Many governments within the developing economies still debate on how to classify cryptocurrencies as assets or commodities, as currencies or securities. This uncertainty introduces different policies: some countries impose strict bans or restrictions on trading and mining, and some countries take a neutral or least-regulated approach. The existence of uncertain laws in some regions will discourage

institutional investment and the engagement of financial institutions with crypto platforms. Without effective regulations to protect consumers and encourage innovation, individuals are hesitant to go to digital currencies, and businesses are not comfortable enough to operate in the crypto world.

2.2.2 Insufficient Awareness:

Financial and digital illiteracy are also limiting factors to adoption. Much of the population in third world countries, the elderly, rural, and individuals with a small amount of formal training, often fail to understand the concepts of basic finance, let alone the complex technologies like blockchain. The alternatives to crypto usage, which are misperceptions that it should be used exclusively by illegal activities, as well as the lack of clarity about the roles of wallets, private keys, and exchanges, are also detractors. Devoid of a large-scale education and awareness campaigns, many people lack the necessary knowledge about the benefits of digital currencies or are afraid of the risks associated with the use of unknown financial tools.

2.2.3 Threats of Security:

Another major challenge is a security threat. There are significant cases of hacking, exchanges breaches, and growing cases of crypto frauds, Ponzi schemes, and fake investment websites, which promote distrust in potential users. Individuals with little or no technological knowledge are most of the time victims of phishing, fraudulent apps, and fraudulent online adverts. Besides, the irreversible nature of crypto transactions means that the user can never recover money sent to a wrong address or stolen. This has caused most people to perceive cryptocurrency as unsafe or highly risky, especially where the protection of consumers is weak or absent.

2.2.4 Market Fluctuation:

Cryptocurrencies are known to have serious price fluctuations and they are capable of fluctuating greatly in a matter of hours or even minutes. This instability is a great challenge to people in the developing countries, with many earning low salaries or relying on daily earnings. The fear of money loss keeps risk averse people out of the investment or transaction with the virtual currencies. Besides, economies at local levels that had volatile currencies could view volatility as a burden rather than a solution. Stablecoins are more reliable but are sometimes viewed with doubt due to the lack of knowledge or confidence in people.

2.3 Government role:

Government control in determining the route towards cryptocurrency adoption is very important in developing countries. Regulators always emphasize the fact that any regulatory framework must be able to provide a delicate balance by encouraging technological development without harming economic interests and consumer protection. Clear and clear policies enhance the confidence of the people, and this is attributable to the fact that they provide a safe environment for the users, investors, and the financial institutions. The effective regulation includes a number of critical points:

- The establishment of clear legal regulations regarding cryptocurrency exchange, wallet service, and blockchain organizations.
- Development of tax policies that stipulate reporting and management of cryptocurrency earnings.
- The main goal is to improve the current AML and CTF laws against misusing digital currencies.
- The adoption of cryptocurrency licensing systems whereby crypto service providers bear the liabilities of security and transparency.
- Setting up regulatory sandboxes that can facilitate the fintech innovators to test new products in controlled settings.
- Using consumer protection measures, such as conflict resolution mechanisms and mandated transparency.

Countries such as Singapore, Japan and the United Arab Emirates have demonstrated successful regulatory frameworks by promoting innovation and protecting users by:

Tough compliance requirements to cryptocurrency companies.

Attracting blockchain startups to their business ecosystems.

Develop clear operational guidelines regarding custody, trade and issuance of digital assets.

On the other hand, too strict restrictions or total bans, as witnessed in such countries as China or some Africa states, were likely to lead to negative outcomes:

- Moving crypto activities to shadowy places, making them hard to monitor.
- The increasing threats to the users due to inadequate oversight or protection.
- Scaring away serious investors and fintech developers to join the local crypto market.

In that way, reasonable and measured regulation remains one of the key elements of sustainable cryptocurrency usage in the developing economies.

2.4 Threats to Financial Stability:

Despite all the mentioned benefits, scientists caution that cryptocurrencies also represent a significant threat to the financial security of the countries and families. Some of the crucial problems include:

- Weakening the central bank authority: Wide usage of decentralized cryptocurrencies can threaten the financial authorities of central banks in controlling the money supply, curbing inflation, and ensuring consistent interest rates.
- Disconnection of financial regulation: The government might struggle to apply economic regulation effectively in case a large number of people transfer their savings and exchanges to cryptocurrencies and not to local currencies.
- High volatility levels in pricing: Cryptocurrencies such as Bitcoin and Ethereum have high volatility in value. This volatility poses a big threat to families in the developing countries whereby monetary reserves are often not adequate.
- Impact on family resources: Sudden declines in the market may lead to significant financial losses, which empty savings and increase economic vulnerability among the low-income population.
- Capital outflow risks: Cryptocurrency has offered individuals the opportunity to bypass government limitations on capital by converting domestic currency into digital currency and transferring them abroad.

Lack of consumer protection: There is lack of consumer protection in most developing nations due to lack of proper regulatory mechanisms in most countries.

Absence of financial literacy: In a financial crisis, individuals may make risky decisions due to the absence of proper education and awareness making their financial status worse.

2.5 Global Market Impact:

Global trends of cryptocurrency within the developing countries are factual in the use of the currency in such countries. Since digital currencies operate through a networked and decentralized international platform, the change in prices of major cryptocurrencies such as Bitcoin and Ethereum directly affects user behavior in the third world. During good conditions in the global environment, such as bull markets that can arise because of institutional investments, technological innovations, or policy shifts, interest and adoption rates in the developing countries tend to skyrocket. People tend to invest, trade, or use crypto in their daily activities when prices are on an upward trend and the media

publications have been favorable. On the contrary, global market downturns or major exchange failures tend to increase the decrease in domestic adoption because panic and uncertainty spread extremely fast via the social media and news channels. This dependence on the international fashion makes this adoption in the local area highly sensitive and unpredictable at times. Secondly, these effects are reinforced by influencers, international crypto communities, and global trading platforms, creating a direct relationship between the international market cycles and operations of cryptocurrencies in developing nations. This therefore means that the trends in cryptocurrencies in the region cannot be independent, but are pegged to the global financial processes.

Chapter 03 Research Methodology

3.1 Type of Research:

The primary data were collected from primary sources using a structured survey; secondary data sources included academic journals, international financial reports, and policy documents.

This proposed research would involve a quantitative research method with secondary qualitative analysis in order to explore the future of cryptocurrency acceptance in developing countries. Primary data would be obtained based on a survey questionnaire, which is in a structured form and undertaken among the people who have familiarity with digital financial technologies. In order to refine and contextualize the findings, the study uses secondary qualitative information on reputable academic journals, world financial institutions and government or industry reports.

This combination approach allows the research to present findings based on data and reconcile them to accepted world research and policy requirements.

3.2 Research Methodology:

This study employs descriptive and analytical survey design that is mostly used in the social science literature to evaluate perceptions, awareness, attitudes, and behavioral intentions.

1. **Descriptive Layout:** The descriptive element focuses on defining the characteristics of the respondents, their knowledge, possession, frequency of use, and credibility with regard to cryptocurrency.
2. **Analytical Design:** The analytic section looks at relationships between variables in the survey:
 - Does a significantly high level of digital literacy increase the desire to adopt cryptocurrency?
 - Is the presence of relatives working abroad a source of impact on the use of cryptocurrency to remit money?
 - Are people who face banking barriers more willing in decentralized digital finance?

These trends are analyzed using subsequent qualitative secondary literature.

3.3 Method of Sampling

A non-probability purposive method of sampling was used.

The selection of the participants was based on:

- Access to telephone connectivity or access to the internet.
- Familiarity with or knowledge in the use of digital financial tools.

- Residing or operating in a developing-country setting.

This methodology is suitable as the study aims at assessing the attitudes of technology in digitally active people.

3.4 Size of Sample

The research was conducted on a group of 30 participants.

A 30 sample will be sufficient to conduct the exploratory research with giving first information about trends and perceptions on the adoption of cryptocurrency in developing countries.

Although it is small, this size is appropriate in cases where:

- The research type is exploratory.
- The participants must meet some criteria.
- Wide sampling is limited due to time constraints and lack of accessibility.

The example provides considerable preliminary results and serves as the foundation of the further larger studies.

3.5 Sources of Data

Primary Data

The primary data collection involved an online structured survey which includes:

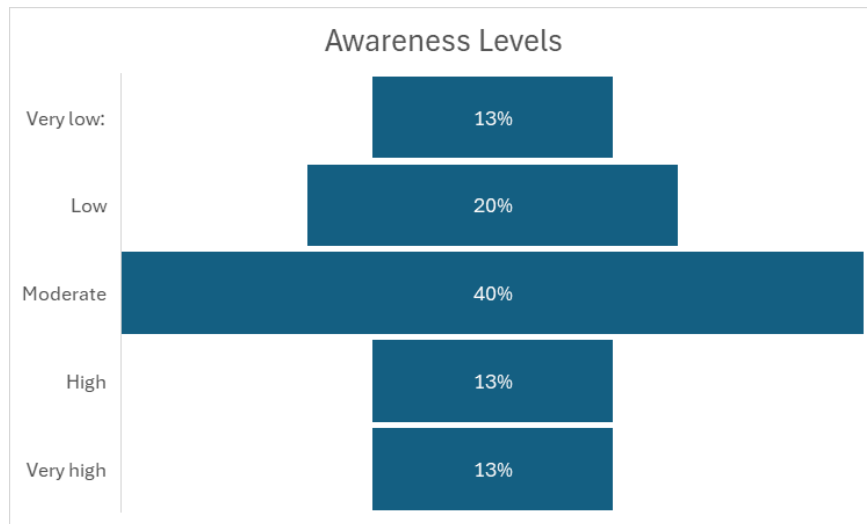
- Multiple choices
- Claims made using a Likert scale,
- Behavioral intention items,
- Perceptual based questions.

The survey had the objective of gaining a multipurpose understanding of how respondents could view cryptocurrency by looking at the levels of their understanding, trust towards cryptocurrency technologies, perceived financial risks or benefits, willingness to invest or adopt, and their perceptions about their involvement in regulation. It aimed to assess their digital currency consciousness and their trust, perceived usefulness, and concerns on risk, security, and government regulations providing an all-inclusive view of the factors that affect adoption of cryptocurrency in developing countries.

The secondary data used in the study was gathered by means of numerous reputable academic and institutional sources and included peer-reviewed studies published by MDPI, ScienceDirect, Springer, and Elsevier, as well as important international publications such as the world bags of Digital Economy publications, the Global Financial Stability Reports research on the topic of digital currencies.

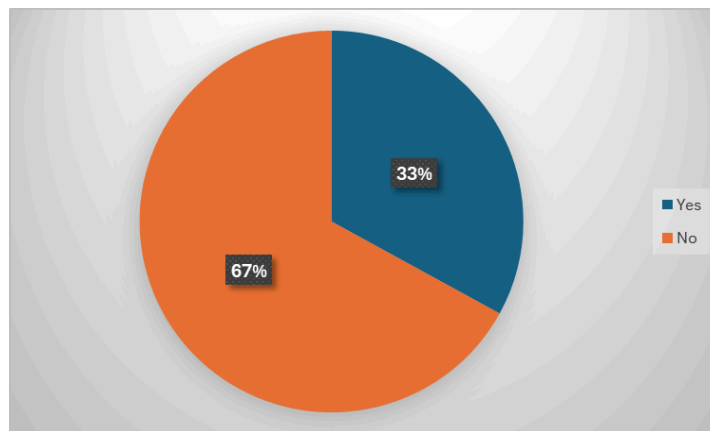
Chapter 4: Data Analysis and Interpretation

4.1 Awareness & Knowledge:



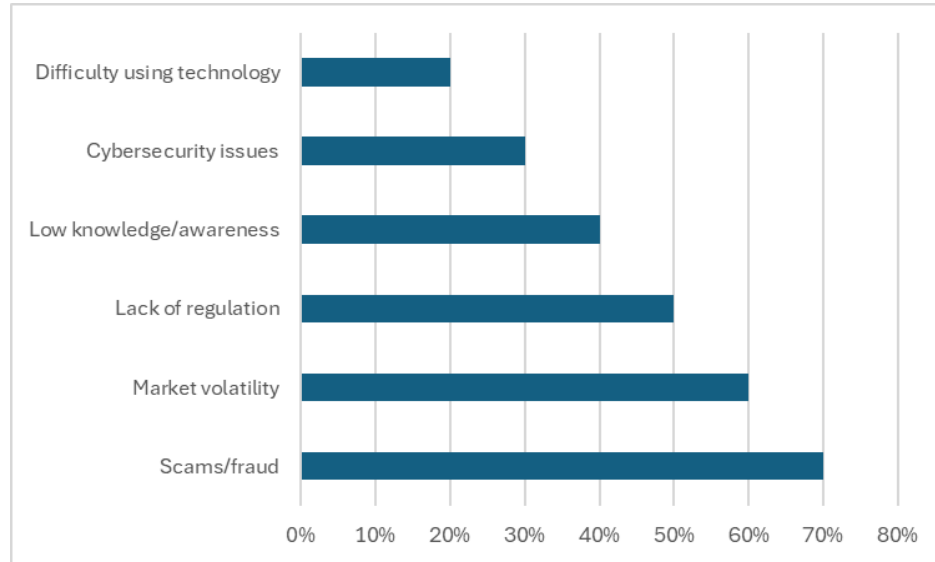
The majority of respondents are low (30) to moderate (40) knowledge levels, suggesting that although many people have heard of cryptocurrency concepts - primarily through social media, friends, or other materials on the internet - they are knowledgeable only superficially and do not have technical knowledge. Only a very small portion, 16% (13% with high knowledge and 3% possessing very high knowledge), has strong understanding, which can be the tech-oriented people / early adopters, who are more engaged in digital finance. The awareness dissemination highlights the growing interest in cryptocurrency and the wide knowledge gap that might impede safe and effective implementation in developing countries.

4.2 Used or Invested in Crypto:



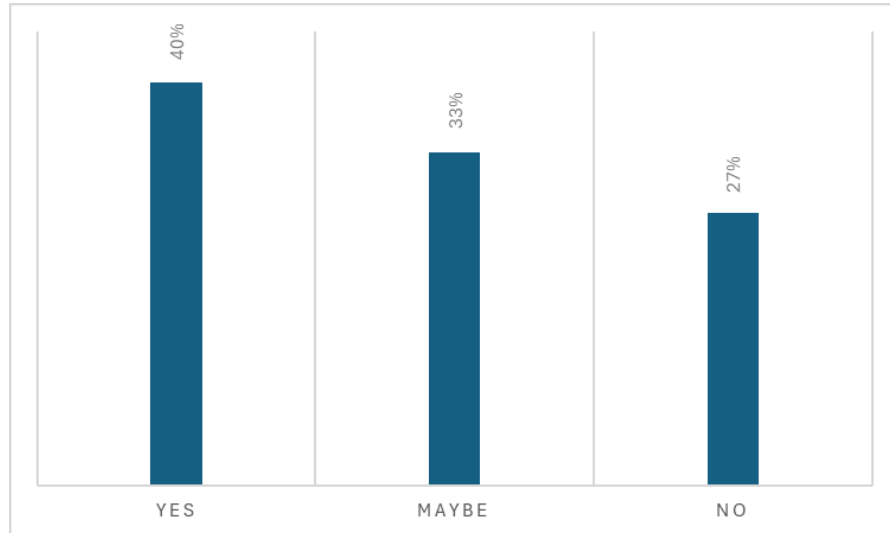
The survey results of investment behavior also show that the actual participation in cryptocurrency is considerably low compared to the general level of knowledge. Only a third of individuals (33 percent) said that they used or invested in cryptocurrency, and a decisive majority (67 percent) have never done anything with crypto. The proportion of users (33 percent) is relatively small, which may be the reason why more digitally literate people, people interested in finances, or driven by opportunities to invest in crypto. The large proportion of non-users (67 percent) also indicates that there is a necessity to give clear instructions, enlightenment campaigns, and enabling regulations to develop confidence and participate in the activity safely. On the whole, it can be seen that although awareness is on the increase, the degree of actual adoption is low, and it is possible to achieve significant growth rates in case the obstacles to such as risk perception, knowledge gap, and ambiguity in regulations are overcome.

4.3 Major Concern:



According to the results of an opinion poll regarding the primary concerns, it can be stated that there are considerable obstacles to the introduction of cryptocurrency. The first problem is cheats and fraud (70%), this means that people have created a high level of disbelief based on the propagation of fraudulent schemes and untrue information. The most significant problem is market volatility 60%, because cryptocurrency is not safe enough for common users to use due to the sudden fluctuations in the prices. Another source of uncertainty is the absence of regulation 50%, since many people are not necessarily certain as to the legal protection and the government policy. Further, there is a 40% lack of knowledge and awareness, which means that quite a significant number of people do not believe they will be aware of the work principles of cryptocurrency. There are some concerns related to the cybersecurity 30 and issues with technology use 20, while the problems of the use of technologies show there are some digital and technical obstacles. In general, the results suggest that there is interest; however, issues of trust, risk, regulation, and digital literacy are still the problems that hold back from wider adoption.

4.4 Future Outlook:



The results of the survey as to the future outlooks show that people are mostly positive and skeptical about the widespread use of cryptocurrency. An impressive share of the respondents, 40 percent, believe that, in their country, cryptocurrency will attain wide usage-a proof that people are increasingly trusting the system of digital finance and the benefits of cryptocurrency, including faster payments and increased financial inclusion. At the same time, the largest proportion, 43%, responded with Maybe, which shows that they were not always certain how such factors as regulation, technology, stability of the market, and trust of the population are going to evolve. This means that many people are aware of the adoption potentials but they feel that there are certain issues that should be improved first before it becomes acceptable by the masses. Meanwhile, 17% of the participants do not see extensive adoption, likely due to concerns about volatility, fraud, low awareness, and unstable regulations. The statistics indicate that despite a high degree of interest in the future of cryptocurrency, its broader adaptability will be highly dependent on the improved education, stronger regulation, and technological availability.

Chapter 05. Recommendations

5.1 Government and Regulatory Bodies recommendations.

Define Open and Fair Rules: Governments should regulate crypto exchanges, tax frameworks, user protection, and AML/CTF laws and not ban them completely.

Develop Regulatory Sandboxes: Allow fintech innovators to test blockchain solutions in regulated environments.

Create Consumer Protection Systems: This will include complaint procedures, mediation and transparency that is required by exchanges.

5.2 Education and Awareness Essays.

Increase Knowledge on Digital and Financial: Governments, higher education, and non-profit organizations should initiate educational programs about blockchain and the risks of cryptocurrency and safe practices.

Awareness Raising: Fraud Prevention Campaigns: Clear directions should warn about Ponzi schemes, fraudulent trading software and phishing attacks.

5.3 Technology and Infrastructure Recommendation.

Enhance use of cryptocurrency solutions based on mobile: Since majority of the users are on smartphones, there should be promotion of convenient mobile wallets and platforms with small fees.

Introduce Blockchain to Government Services: The familiarity and trust can be enhanced by the use of blockchain in land registry, identity checking, or government finance.

5.4 Economy and Market recommendations.

Adoption of Stablecoin in Remittances: The stablecoins have the capability to cut the transactional costs and safeguard the users against volatility.

Support regional cryptocurrency start-ups: Supportive funding, incubation and investment policies may trigger innovation and employment.

Chapter 06: Conclusion

The report shows that the attitude of the cryptocurrency in the developing countries is formed by the combination of the excitement, rising interest, and the strong apprehension. Respondents confirm that cryptocurrencies have a number of transformative benefits, such as better financial inclusion of the unbanked, quicker global transfers, less reliance on its traditional banking intermediaries, and more accessible using digital platforms. These identified advantages show that citizens are getting more conscious of how electronic currencies can transform financial frameworks and assist economic progress.

The results however indicate that there are significant concerns that curb this excitement. Several members raised the issue of the future credibility of cryptocurrencies, citing the excessive volatility of prices, cybersecurity, and the lack of regulatory authority. All these points indicate that the situation could use better institutional backing and more articulated policies to minimize the skepticism of the users and make them feel more comfortable entering the crypto sphere.

In addition, the analysis demonstrates that knowledge and acceptance are stronger in younger and people who may be considered high-tech and this fact proves that demographic variables are the most significant determinant in the attitudes to cryptocurrency. The tendency highlights the significance of digital literacy classes, as well as technological resources that may be availed in an attempt to motivate a larger number of individuals in the various socio-economic brackets

It is concluded that despite the fact that cryptocurrency is possessing an immense potential to enable financial innovation and financial transformation in the developing countries, the degrees of acceptance have not been reached so far. The policy makers, financial institutions, teachers, and the technology creators will be in need of collaborating in order to attain mainstream integration. The combination of stricter control, population awareness, high-quality technology, and dealing with the security issue will assist the stakeholders to provide a more stable environment, in which people will embrace the cryptocurrencies in a more responsible and sustainable manner.

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Appendix:

Survey Questionnaire:

1. Demographic:

- Age Distribution
 - 18-25:
 - 26-35:
 - 36-45:
 - 46-55:
- Gender
 - Male:
 - Female:
- Education Level
 - Higher Secondary:
 - Bachelor's:
 - Master's:
 - Others:
- Occupation
 - Students:
 - Employed:
 - Freelancers:
 - Business Owners:
- **General Awareness**
 - Have you ever heard about cryptocurrency?
 - Yes:
 - No:

2. Consciousness & Analysis of Knowledge.

- Self-rated Knowledge
No knowledge:
Basic knowledge:
Moderate:
Advanced:

- Source of Awareness
Social media:
Friends/family:
Online news:
Educational sources:
Other:

- Blockchain knowledge.
Yes:
Somewhat:
No:

3. Usage Behavior

- Used or Invested in Crypto?
Yes:
No:

- Reason of using cryptocurrency (Out of 10 users)
Investment:
Trading:
Remittance:
Savings (inflation hedge):
Online transactions:

- Frequency of Use
Rarely:
Monthly:
Weekly:

Daily:

Never:

- Preferred Cryptocurrency

Bitcoin:

Ethereum:

Stablecoins:

Others:

4. Perceived Benefits

- Financial Inclusion

Strongly Agree:

Agree:

Neutral:

Disagree:

Strongly Disagree:

- Low-cost Intercountry Dealings.

Strongly Agree:

Agree:

Neutral:

Disagree:

Strongly Disagree:

- Insurance against Inflation.

Strongly Agree:

Agree:

Neutral:

Disagree:

Strongly Disagree:

- Income or Investment Opportunities.

Strongly Agree:

Agree:

Neutral:

Disagree:

Strongly Disagree:

5. Challenges & Risks

- Major Concerns (Multiple-Choice Allowed)
Scams/fraud:
Market volatility:
Lack of regulation:
Low knowledge/awareness:
Cybersecurity issues:
- Is Crypto Safe?
Yes:
Somewhat:
No:
- Trust in Government Policy
Yes:
Somewhat:
No:

6. Future Perception

- Will Cryptocurrencies Go Mainstream?
Yes:
Maybe:
No:
- Pro Government Regulation.
Yes:
Maybe:
No:
- Likelihood of Future Use
Very likely:
likely:
Neutral:

Unlikely:

- Stablecoins/CBDCs Gaining Ground?

Yes:

Maybe:

No: