

Cristiano Ronaldo faces \$1bn lawsuit, implicated in Binance crypto fraud

By  Lindsey Schutters

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Football player Cristiano Ronaldo is facing a [class-action lawsuit](#) by aggrieved customers over his promotion of Binance NFTs. The lawsuit, which seeks at least \$1bn in damages, alleges that Ronaldo's promotion of the cryptocurrency-related non-fungible tokens was 'deceptive and unlawful'. The case is currently under review by the relevant legal authorities.



Cristiano Ronaldo is the most prominent spokesperson for Binance. Source: x.com

"Evidence now reveals that Binance's fraud was only able to reach such heights through the offer and sale of unregistered securities, with the willing help and assistance of some of the wealthiest, powerful and recognised organisations and celebrities across the globe - just like Defendant Ronaldo," the suit reads.

It's reported that internet searches for Binance spiked by 500% after the player announced his CR7 set of NFTs in the lead up to the 2022 Fifa World cup. [The collection went live in December 2022](#) on the Binance NFT Marketplace with the exchange saying "since our initial announcement of the groundbreaking multi-year partnership between Binance and CR7, we've been working closely with Ronaldo to craft a first-of-its-kind experience, one that will change the NFT game forever," at the time.



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This is the latest court case facing the embattled crypto exchange after Changpeng Zhao, also known as "CZ", the founder and CEO of Binance, pleaded guilty to a number of violations on the 21 November 2023.

“ Today, I stepped down as CEO of Binance. Admittedly, it was not easy to let go emotionally. But I know it is the right thing to do. I made mistakes, and I must take responsibility. This is best for our community, for Binance, and for myself. Binance is no longer a baby. It is...

Zhao faces a potential prison sentence of up to 10 years. However, prosecutors are reportedly seeking a sentence of 18 months. The final sentencing will take place on 23 February 2024.

Local market impact

A week ago, Crypto Fest 2023 invited Web3 enthusiasts to experience *Cryptopia* at Cape Town's exclusive Cabo Beach Club and hundreds answered the call. Hannes Wessels, General Manager of Southern and Francophone Africa at Binance – the title sponsor of Crypto Fest 2023 – reiterated the role of blockchain as a tool for innovation in the event's opening keynote. He also didn't shy away from the news circling the company and Zhao.



Changpeng Zhao, also known as "CZ", the founder and former CEO of Binance.

"I know as much as you do, which is what we have all read in the news," admitted Wessels before explaining that he couldn't engage on topics about the international company, only the local Binance operations.

Conversations about South Africa's crypto regulations dominated discussions with these decisions poised to have a major impact on the startup and fintech industry.

Gideon Rossouw, Web3 enablement executive at Nedbank had a different view of things in the Future of Stablecoin Regulation panel discussion. "The reality is that even if one of the big players like Binance had to fail today and go bust, it wouldn't really have a such a big effect on the global economy."

"They're still a little blip in the grand scale. This is why regulators are happy to sit back and give these guys a little space to play around and develop, and

learn in the process," he continued.

"However, we as banks can't take the risk because if we go bust, the economy will certainly be affected. Regulators are looking at it from the perspective of applying a level control in proportion to the effect on the market."

Cryptocurrencies do not have widespread status as legal tender, but they are regarded as assets in South Africa and can be tendered to a creditor as a valid and legal offer of payment, if you can find a vendor who accepts crypto.

Lightning Network and related payment technologies have managed to plug the gap in retail acceptance of crypto, there is a lot of development happening in anticipation of future regulatory landscape shifts.

Little effect on crypto market

These news events have had little effect on the [crypto market prices](#) with most coins seeing green in the wake of these revelations.

The growing importance of crypto in Africa is a trend that is poised to continue into 2024, especially if Bitcoin holds to its current R720,000 price - which is still almost half of its peak on 14 April 2021, but significantly up on the lows following FTX founder Sam Bankman-Fried's arrest a year ago.

"Bitcoin dominates cryptocurrencies in sub-Saharan Africa because it's seen as a better way to preserve wealth as a store of value," Chainalysis senior solutions architect Zakaria Ellaoui explained during his market insights session at Crypto Fest that focused on the company's [Crypto Adoption Index](#).

“Nigeria has seen a nine percent year on year increase in crypto transactions and there is significant demand for stablecoins across the continent because people see these as safer options. There is an appetite for risk, though. We’ve seen a surge in altcoins in the region.”



Crypto Fest 2023

Ellaoui had high praise for South Africa’s efforts in establishing crypto regulations and said that the country is a leader on the continent in this regard. “It was a great move to license crypto businesses because we’re seeing a migration of fintech startups to South Africa.”

There have been calls for a single central bank digital currency (CBDC) or US dollar-pegged stablecoin for the African continent, but analysts like Rossouw dismiss this as a utopian idea that would quickly become dystopian if applied.

“There are currency blocks that you can look at around the world, like the Euro. Each country has different political and fiscal processes, and it makes it difficult to establish a single currency to trade in. Even in Europe it’s not working that well.”

ABOUT LINDSEY SCHUTTERS

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