



Crypto Sponsorship and Licensing

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MLL MEYERLUSTENBERGER LACHENAL FRORIEP



Crypto Sports Sponsorships







The background of the slide features a large, stylized AC Milan logo, which is a red cross on a black shield with red vertical stripes. The logo is partially obscured by the text.

NFT

Soccer and crypto: AC Milan in partnership with MonkeyLeague on Solana

By [Stefania Stimolo](#) - 23 Sep 2022

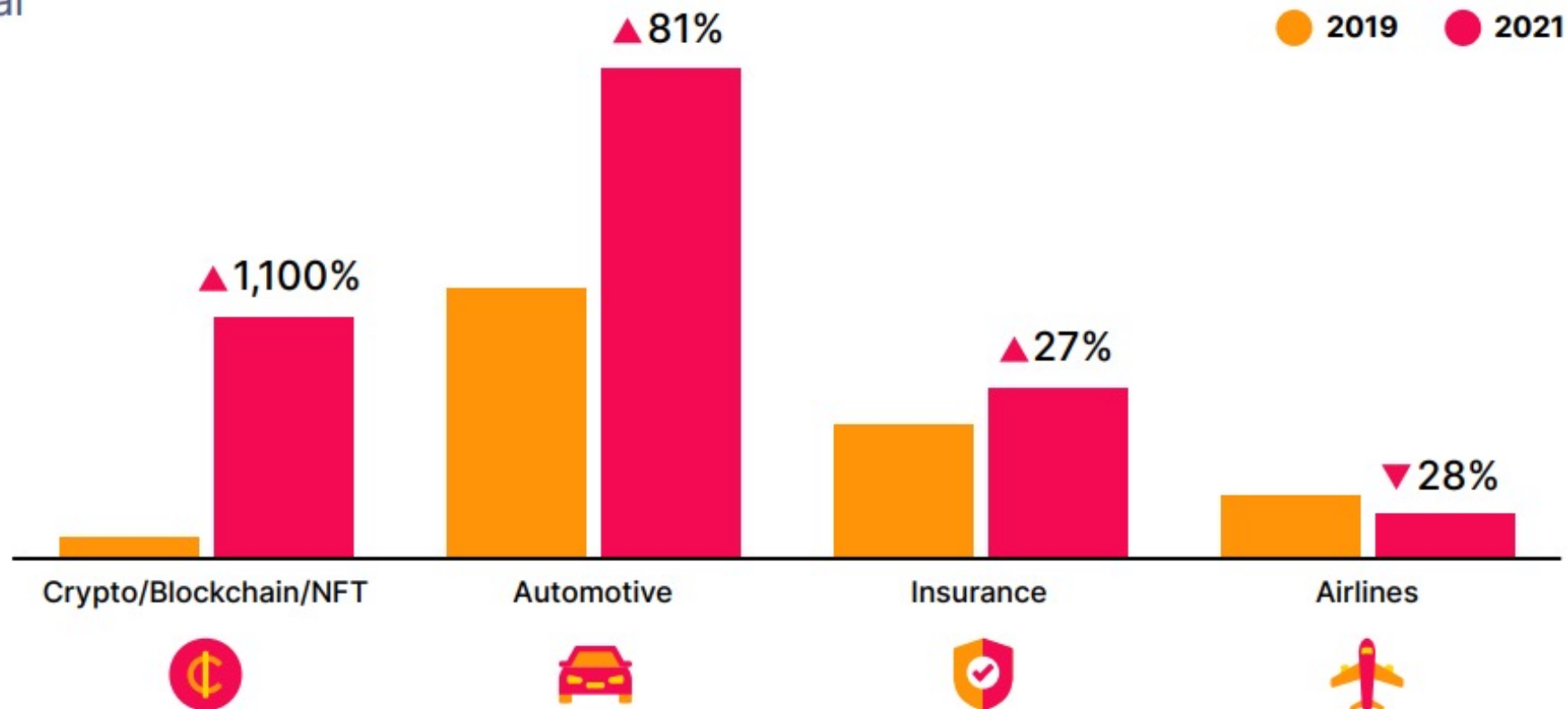
Crypto Companies Are Spending \$2.4 Billion on Sports Sponsorships

Crypto.com, Coinbase, and FTX are moving aggressively to match the marketing muscle of carmakers, beer brands, and other big-money advertisers.

Source: <https://www.bloomberg.com/news/articles/2022-08-05/crypto-nfl-nba-sponsorship-deals-cost-companies-2-4-billion>

New sports sponsorship deals by brand category

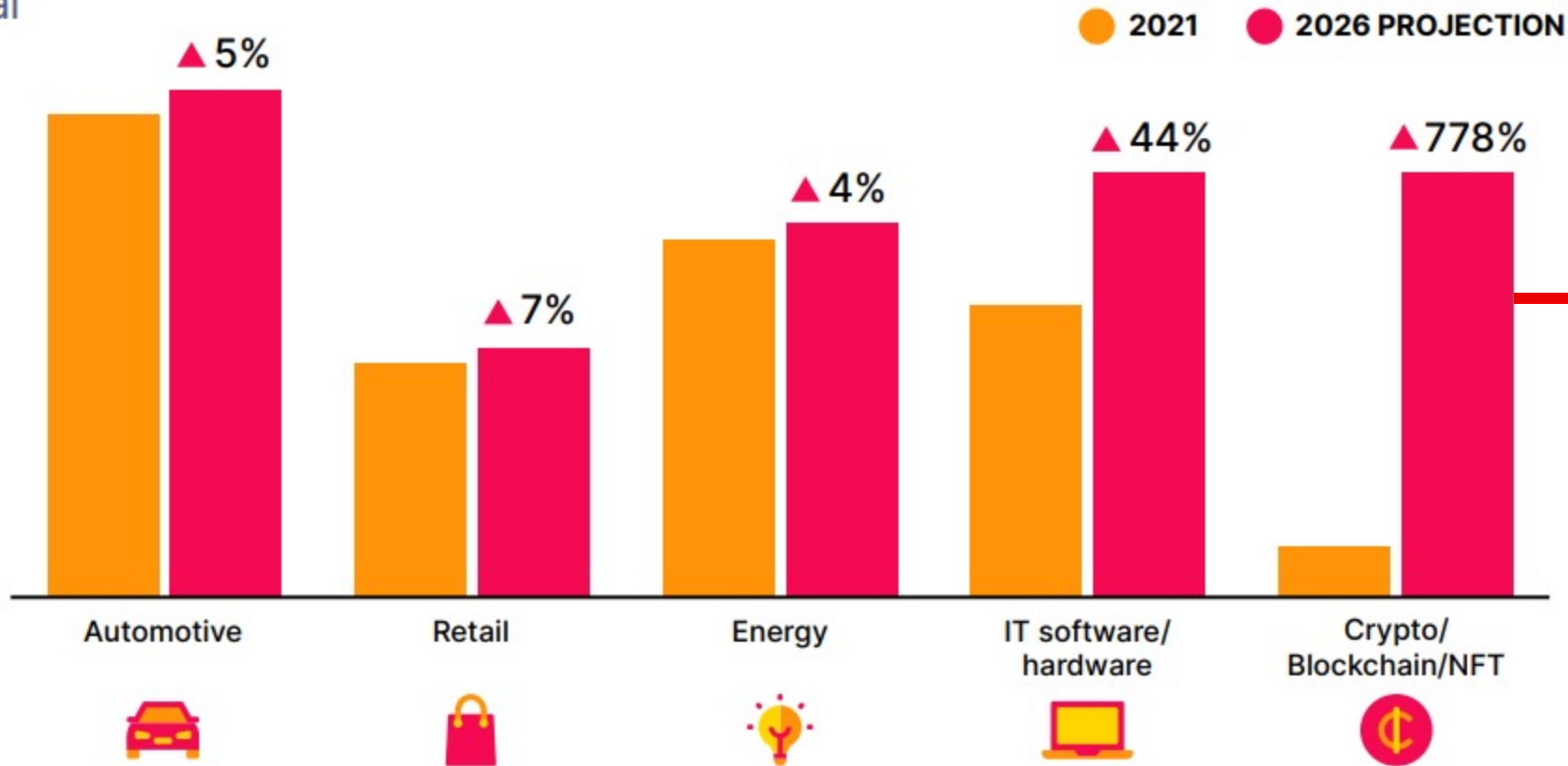
Global



Source: Nielsen Sports Sponsorglobe

Projected sports sponsorship investment growth by brand category

Global



Projected to reach
USD 5 billion by
2026

Source: Nielsen Sports Sponsorglobe

FTX Super Bowl Commercial 2022



Crypto Sports Sponsorships



1. Crypto Rally (until 2021)



2. Crypto Reputation









3. Not yet a well-known and established brand



4. Gray Area



5. Target Group



6. Offshore Jurisdiction + Reverse Solicitation



7. Offshore Jurisdiction + Reverse Solicitation

	
Industry	cryptocurrency industry
Founded	2017
Founders	Changpeng Zhao ("CZ") Yi He
Headquarters	Cayman Islands; ^[1] Mahé, Seychelles ^[citation needed]
Area served	Global, except for the United States ^[1]
Key people	Changpeng Zhao (CEO)
Products	Cryptocurrency exchange, cryptocurrencies
Website	www.binance.com

- **Reverse solicitation**
- is the name given to the circumstances in which a prospective client
- approaches a "Crypto Player"
- on its **own exclusive initiative.**





crypto.com

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Coins: 13,390 Market Cap: \$991.8 B USD 24H Change: **+1.94%** 24H Volume: \$88.81 B USD Dominance: BTC: 37.88%, ETH: 16.61% ETH Gas: 18 Gwei

All Coin

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Wrapped...

WLUNA



Apollo Currency APL



Golden Ball GLB



Yield Guild Games YGG



Zigcoin ZIG



Luna Classic LUNC

Top Movers 📌



Ethernity Chain ERN

\$2.37



+55.39%



Reef REEF

\$0.005749



+13.23%



Helium HNT

\$5.30



+11.45%



Synthetix SNX

\$2.47



+10.30%

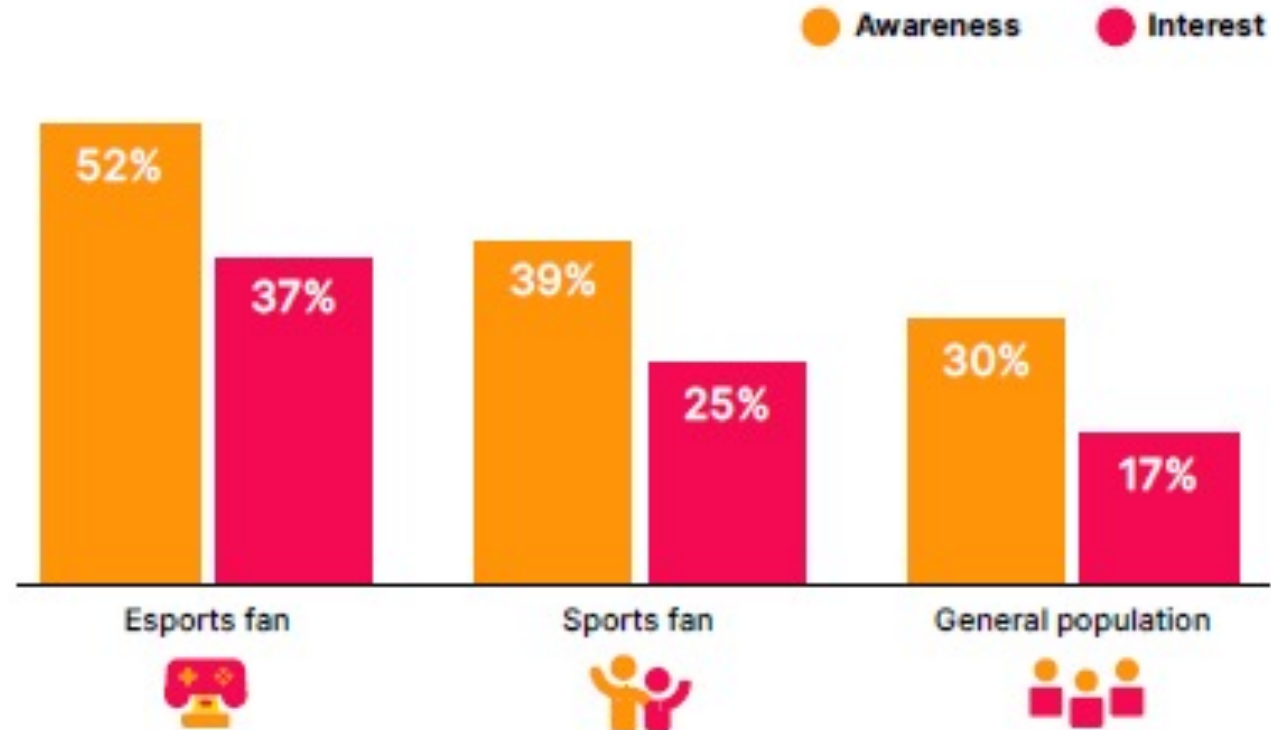
Reverse Solicitation vs Marketing?



Crypto Assets That Give Fans a Voice



Awareness and interest in crypto tokens is growing



Source: Nielsen Fan Insights, August 2021, 12 countries



Risks of Crypto Sponsorships

Gambling

- **Potential ban on gambling sponsorships**
- **Similarities to gambling**
- **Investing in certain types of crypto highly speculative**

- **Cryptocurrency still largely unregulated**
- **Limited protection for consumers**
- **Generally difficult for sports fan to understand investment**

Regulation

Reputation

- **Links between cryptocurrencies and financial crime**
- **Links between dark web and online black market**
- **Hacking, ransomware attacks, and tax evasion schemes**

- **Large energy requirements of some cryptocurrencies**
- **Bitcoin's annual carbon footprint estimated at 125 Terra Watt hours (roughly annual energy consumption of Sweden)**

Environmental

Financial

- **Financial stability of the sponsors**
- **E.g. Terra**
- **Costs of finding new sponsors, gaps in sponsorship, expensive legal battles**

Crypto Ads Starring Matt Damon, Tom Brady Vanish From Television

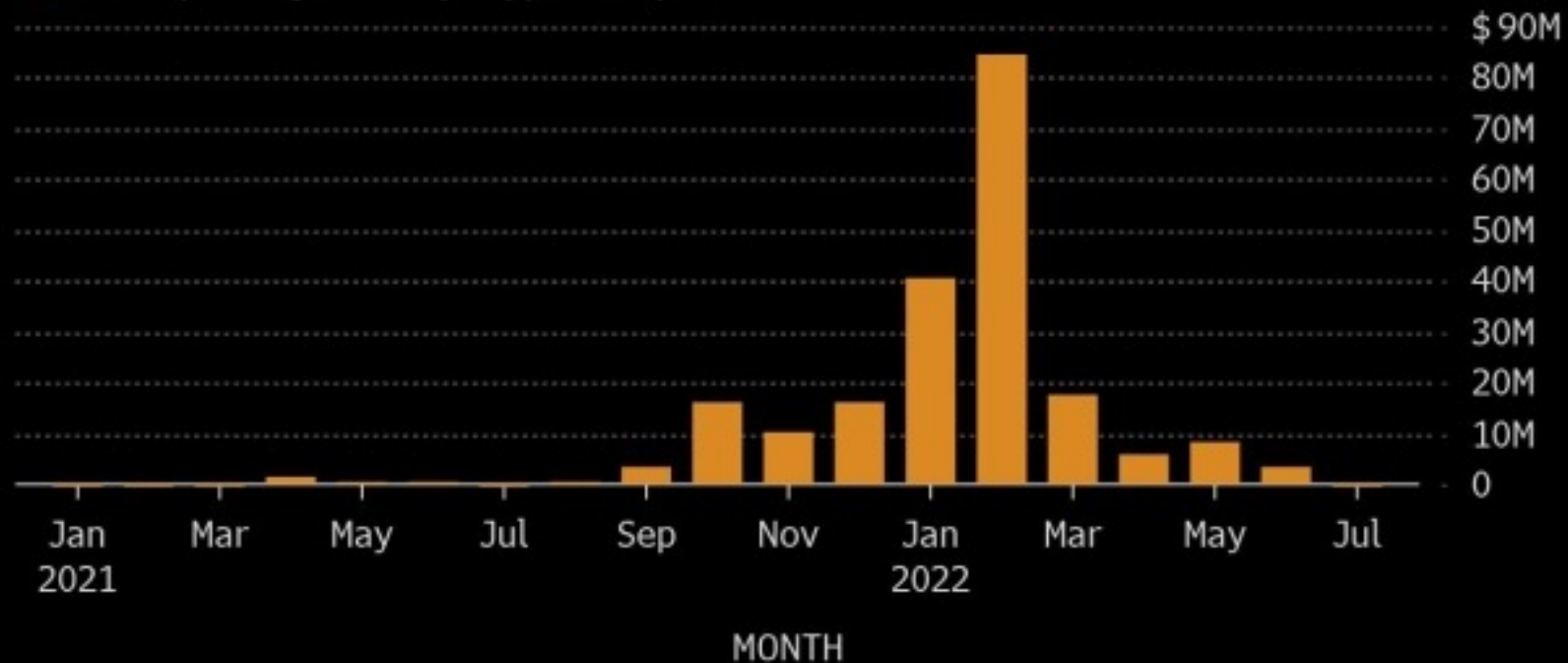
Amina Niasse, Bloomberg News



Highs and Lows

Crypto firms have drastically cut US TV marketing

■ TV ad spending in US by crypto companies



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