





How Binance turned regular people who plug crypto into millionaires: Inside its 26,000-person influencer army

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 Growing up in Malawi, Grey Jabesi spent most of his childhood sleeping on a sand floor. But rather than pursue a path of hard labor on tobacco or cattle farms, Jabesi dreamed of a different life. Upon graduating from high school, he traveled over 2,000 miles to Cape Town, where he marked time as a gardener and laundromat operator while looking for a big break.  The eureka moment came in 2013, when Jabesi attended a Reddit AMA where Bill Gates praised Bitcoin's potential for regular folks to make routine payments in developing countries. The youngster was sold. He started accepting Bitcoin for odd jobs in coding and graphic design. Realizing that he could exchange the signature crypto for U.S. dollars and local currencies, he pivoted to full-time day trader and crypto evangelist.  

Jabesi's trading flourished over the next several years as Bitcoin's price kept surging. In 2020, he learned of the "Affiliate Program" offered by Binance, the company that in just two years had raced from nowhere to reign as the world's largest crypto exchange. Having built a following of upwards of 8,000 followers across platforms, Jabesi qualified as a recruiter who could earn big commissions on the trades placed by every user he attracted to register on the global Binance platform. With every trade his referred users make, Binance sends Jabesi rewards equivalent to as much as 40% in commissions. Now, Jabesi says, he makes between \$3,000 and \$5,000 every month. "I'm from Africa, and if someone sees me standing next to a Lambo dressed nice, at some place that they could never imagine themselves, it will make

them believe that “Okay, this crypto thing seems to be real, if this guy can make it, I can, too,” says Jabesi.

Nobody does FOMO quite like crypto influencers. In Sweden, Carl Runefelt uses the handle @TheMoonCarl and invites his 255,000 million [Instagram](#) followers to pine over his 1,001-horsepower Bugatti Veyron, tour what he describes as “my yacht” in the Monaco harbor, and his \$1 million watch. He even paid to have his face appear on a Formula 2 race car as a high-speed billboard for his brand. In Costa Rica such riches are attainable, at least if you sign up for Finnish “online entrepreneur” Roope (Robert) Kiuttu’s Binance Affiliate Rewards Bootcamp, a seven-step training program in which aspiring members learn such skills as “transform[ing] your invitees into active users.” And in Manilla, Archie Lim, known to his nearly 100,000 TikTok followers as @archielim.eth, can be found touting the potential upside of myriad coins while inviting viewers to tour the world (he’s recently been spotted on social media riding the Binance jeepney in Manilla, and posting from a summit in Vietnam).

We may be deep into a Crypto Winter, but may not know it perusing some accounts of commission-based influencers around the world who have become a key part of the growth strategy for Binance. Binance incentivizes influencers to rapidly sign up their followers using affiliate codes, then the original influencer gets a cut of every trade each follower makes for their lifetime on the platform. Multiple sources told *Fortune* that Binance’s affiliate arm is focused on enlisting influencers whose followers are below the age of 35 and live in developing nations. Crypto proponents argue that such networks expand access to new forms of investment to underserved populations who have been largely ignored by traditional financial institutions. And for those atop the trading structure, the rewards can be huge: A Binance blog post from 2019 reported that the top affiliate made \$10.4 million in two years. In an email to *Fortune* responding to questions for this story, a Binance spokesperson stated that fewer than 50 affiliates earn over \$1 million a year. Still, that means many of these whales are netting paydays that would make Wall Street investment bankers envious. *Fortune* interviewed Binance affiliates in Argentina, Dubai, South Africa, and the Philippines who report pocketing between \$1,000 and \$10,000 per month from Binance. The combination of relatively low regulation, economic volatility, and poverty make these places hotspots for crypto. In fact, Africa is one of the fastest growing crypto markets in the world, according to Chainalysis data cited by the [International Monetary Fund](#).

Though Binance is the biggest crypto exchange in the world, it’s far from the only one that employs influencers as marketers. [Coinbase](#), Bybit, KuCoin, and many other exchanges have significant social media affiliate marketing operations. And many crypto affiliate marketers work to simultaneously make commissions from multiple platforms. “I’ve seen people get thousands of people in referral links, and they make a significant amount of money—like \$50,000 a year—just from having a link,” says Rex Tabb, who oversaw social media for Binance.US from May 2021 to July 2022 and continues to be a DeFi and crypto evangelist.

But red flags abound. Binance does not hide that its affiliates are paid via rebates, and that they can ratchet up earnings if their users trade more and more. Still, one of the principal problems plaguing crypto is that influencers often plug obscure coins without disclosing potential payments from the currencies’ issuers, as well as encouraging trades regardless of market conditions. “That’s the newcomer dark side of influencers,” says Tabb. “The newcomers—they’ll push referral links or shell altcoins...they promote whatever they can get their hands on.” Adds Anthony Georgiades, general partner Innovating Capital and founder of NFT-focused blockchain company Pastel Network: “A bunch of bullshit influencers have dominated the space...I’m surprised that the FTC hasn’t clamped down on it.” Affiliates like Jabesi counter that the intentionality of their content gives it a green flag. “I create content that I like or that I think my audience would find useful. I care about my audience, and not about the exchanges,” says Jabesi. “The fact that my content is educational should meet [the exchanges’] regulatory compliance.”

But there has been a sudden crackdown on influencers who appeared just a few months ago to be doing God’s work in promoting crypto. Super-lawyer David Boies and others are going after the most high-profile names, and as the legal ramifications of touting crypto over social

media evolve, some predict Binance and its army are playing with fire. “It seems quite nefarious,” notes Peter Howson, an academic and author of the soon-to-be-released *Let Them Eat Crypto*. He thinks these influencers are preying on highly vulnerable populations with promises of wealth that will never materialize—and their ‘advice’ will come back to haunt them and stain Binance.

Sphere of influence

For as secretive as Binance is, interestingly the Affiliate Program has operated openly since the company’s founding in 2017. Binance’s website contains page after page detailing its generous rewards and the qualifications required for the different levels of recruiters. But the exchange’s founder, Changpeng Zhao, also known as CZ, rarely talks about Binance affiliates to the public. Compared with peers, says Joseph Edwards, an investment advisor at London crypto firm Enigma Securities, Binance provides by far the most aggressive programs: “Binance was behind FTX in spending on the likes of sports sponsorships, but it was far more active in these retail-focused referral plans.” Edward believes that the programs were a major source of Binance’s growth during its 2020 and 2021 boom periods and are a large component of expenses. Two sources close to Binance tell *Fortune* they believe that the exchange is spending around \$1 billion a year on its Affiliate Program, inclusive of marketing expenses and commissions from trades.

That’s a big number. But in its response to our questions on the program’s size, a Binance spokesperson stated that “while the Affiliate Program is an important way to bring in new users who trust Binance to learn about our products, it represents far too small a portion of our new users to consider it a pillar if we were to discontinue (which is important to note, we have no plans to do).” In a second email, the spokesperson said that Binance has a total of 26,000 affiliates, and that the social media mavens attract around 2 million new users a year to its base audience of 120 million. Binance also said that the affiliates don’t just sign individual investors: “A small percentage of affiliates [have] large followings from trader audiences.” (It should be noted that Binance operates another referral program for non-influencer users to refer connections; one source tells *Fortune* that program has around 600,000 participants.)

Binance has never revealed how much the affiliates contribute to revenues, and the equation still has a lot of unknowns. But on average, affiliates are getting rebates of 30% to 50% of the total commissions their invitees generate. So the revenues the affiliates generate are two to three times what they collect in rebates. Binance acknowledges that somewhat under 50 influencers are making seven figures and up, and given that the program boasts 26,000 members, it’s likely the affiliates are powering some \$1 billion or more of the company’s revenues, which *Fortune* estimated to be \$12 billion at most in 2022 (but certainly could be much lower now).

For an in-depth look at how Binance makes money—including how its Standard and Affiliate programs are structured—you can read [this story](#).

One thing is not up for debate: that Binance makes it worthwhile for the hosts to keep building their rosters. The details of the program are spelled out on Binance’s Affiliate Program websites. The affiliates receive standard kickbacks of 41% on spot trades and 30% on futures. Keeping the 41% rebates requires attracting at least five new customers every 90 days that all told generate at least the equivalent of 50 Bitcoin or about \$1.4 million in new trades. On spot, the rebate rises to 50% if a recruiter attracts 10 new traders over 90 days who do \$14 million in volumes. (That \$14 million in trades yields around \$14,000 in revenue to Binance.) As a recruiting tool, the affiliates can split their BNB (Binance token) discounts with their invitees. That perk provides an additional financial boost to budget-conscious traders in the developing world, Binance’s biggest retail market by far.

The world’s biggest exchange outdoes all comers in terms of sweetness of its carrots. Kraken rebates 20% of the commission affiliates attract from their troops. Coinbase pays 50%, but

only for the first three months. By contrast, once a Binance affiliate registers a user with their code, the host gets a part of the recruit's spot commission forever.

A mutually beneficial relationship

Not only does work as a Binance affiliate provide a healthy income, it also provides community—complete with local and global hierarchy. Manila-based Binance affiliate Archie Lim says that Binance organizes gatherings for him and his fellow local affiliates once or twice a month. “Of course, there’s food, there’s giveaway contests, they introduce new products, new features; it’s community meetup networking,” says Lim, who has been working as a Binance affiliate since 2020. He says he was making \$10,000 per month from hawking the platform at crypto’s peak, but now reports earning less than \$1,000 per month amid Crypto Winter, a period when coin prices and trading volumes have plunged. Still, he says, “That’s a lot [of money] in the Philippines because things are very cheap here.” He posted clips from one of these Binance outings—a trip to Phu Quoc, Vietnam, featuring a beach covered in Binance flags, a lavish buffet dinner and Lim eating a popsicle—to [his TikTok](#), where he has 1.2 million likes on his mostly financial advice content.

In many ways, the affiliates’ commission-based salaries are a bargain for the company, according to Howson, the author of *Let Them Eat Crypto* and assistant professor of geography and environmental science at Northumbria University in the U.K. “When there’s a 30% to 70% unemployment rate, and then you’re saying that this is your only chance of ever getting a paid job—is to come on board and work for free until we go bust—that’s quite questionable,” he says. He believes companies like Binance are not only misleading future clients, but the influencers themselves by having them do “all the donkeywork” that includes recruitment and customer service in exchange for payments in Binance’s proprietary token, BNB, and “exclusive” access to executives like Zhao.

And to be clear, despite the photos you may see on social media of Lamborghinis and mansions, not everyone is getting rich. David Gan, founder and general partner of \$100 million Web3-focused venture capital shop OP Crypto, points out that only “1% to 2%” of the crypto affiliate marketers “actually make money,” because “most people don’t know what they’re doing.” And former Binance insider Rex Tabb, who worked as a marketing manager for Binance.US from May 2021 to July 2022, characterizes the bulk of the Binance Affiliate Program as “not very lucrative.”

Future risks

For now, the affiliate plans appear to be perfectly legal. Indeed, such competitors as Coinbase and Kraken have their own long-running affiliate platforms. Still, the bigger the program, the bigger the potential liability risks. The first is the danger of fraud. “A legal problem would also arise if the host is falsifying their own qualifications or their own trading record,” says Kevin Thompson, an MLM attorney at Thompson Burton in Nashville. “This kind of program creates a compliance burden for the company.”

Second, the future course of cryptocurrencies hinges in large part on how they’ll be classified, and hence regulated, in future. The courts haven’t yet determined if digital coins will continue to be governed under what’s long been its main designation as a commodity, or if it will be newly designated as a security. In recent months, the SEC has brought cases maintaining that digital coins are securities, and subject to the super-strict regulations governing the area. It judged CEL a security in its case versus now-bankrupt lender Celsius and took the same position on FTT in its action against FTX and Sam Bankman-Fried. The SEC is also suing crypto asset entrepreneur Justin Sun and his companies for issuing two coins that it deems “unregistered crypto asset securities.” In the same case, the SEC charged eight celebrities for “illegally touting [the coins] without disclosing they were being paid for doing so.” As disclosed in an SEC [press release](#), the agency won \$400,000 in damages from six celebrities who didn’t admit or deny the charges, including actress Lindsay Lohan and singer Shaffer Smith (Ne-Yo). Sun responded that the SEC action “lacks merit” and that “it’s

no secret that the SEC's regulatory framework for digital assets is still in its infancy and is in need of further development."

In mid-March, the Moskowitz Law Firm and Boies Schiller Flexner, home to famed attorney David Boies, brought a \$1 billion class action suit, on behalf of people who bought FTT, against nine prominent paid influencers and a talent agency who plugged the failed coin, among them "BitBoy" Ben Armstrong and "Meet Kevin" YouTube star Kevin Paffrath. On April 1, *Fortune* reported exclusively that Moskowitz Law Firm and Boies Schiller Flexner brought a new action specifically against Zhao, Binance.US, Binance's foreign companies, and one of its brand ambassadors, Miami Heat basketball star Jimmy Butler. Also named are two alleged affiliates, Ben Armstrong, a.k.a. BitBoy Crypto, and YouTube personality Graham Stephan. The suit seeks \$1 billion in damages. "We filed the complaint on behalf of plaintiffs who bought crypto that the Binance influencers touted," managing and founding partner Adam Moskowitz told *Fortune*. Moskowitz will once again argue that cryptocurrencies are securities. "We've been working on the case for a year," he says. He's suing in the Southern District of Florida under the Florida Securities Act. "It states clearly that if influencers promote the coins and have a personal financial incentive to do so, and the coins are unregistered securities, the influencers can be found liable for all losses suffered by people who bought those coins," says Moskowitz. "The law wanted the burden to be on the promoters, not the victims. It doesn't matter whether the victims were swayed by the ads or not."

In a video posted after the suit was filed, Paffrath argued that though he promoted FTX, he isn't responsible for anyone's losses, adding, "People have to put on their big-boy pants and realize that if you make a decision because of something you heard online, that's your responsibility." Armstrong reacted to the suit with multiple tweets, in one calling Moskowitz the "bully who plays the victim." In an email to *Fortune*, Armstrong wrote, "We have barely pushed the Binance affiliate program for the past two years. Sure, we were in good standing with them, but it's not a super lucrative deal for us." For its part, Binance wrote to *Fortune* in response that: "Binance is committed to a safe and secure platform for its global users. We will not comment on the pending litigation and plan to vigorously contest the untrue allegations in this lawsuit." *Fortune* reached out to the Miami Heat's front office requesting comment from Butler on the lawsuit. At the time this story went to press, we hadn't received a response, and Butler's lawyers had yet to contact the attorneys for the plaintiffs.

“The penalty for “aiding and abetting” the sale of unregistered securities is what’s called “rescissory damages.” That judgment could make the influencers liable for the total amount of the unregistered security purchases, or total victim losses. The penalties could apply to the affiliates who championed those coins to their invitees. Moskowitz asserts that the requirement wouldn’t just extend to affiliates at Binance’s relatively small U.S. arm, but to affiliates working for the global exchange. “Internal evidence recently uncovered confirms that it was Binance’s main objective to target and conquer the U.S. investor market,” says Moskowitz. “The suit will apply not just to U.S. citizens and residents who were victims but even to non-U.S. citizens.” (Of course, it’s not at all certain that the Florida court will rule that digital coins are securities, and that

finding is crucial to the success of the suit. But Moskowitz believes that the multiple coins-as-securities cases brought by the SEC greatly boost his chances of success.)”

“Once again, the outcome of the action is highly uncertain. But a ruling in the plaintiffs’ favor could deal a death blow to Binance’s and all other crypto affiliate networks.”

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