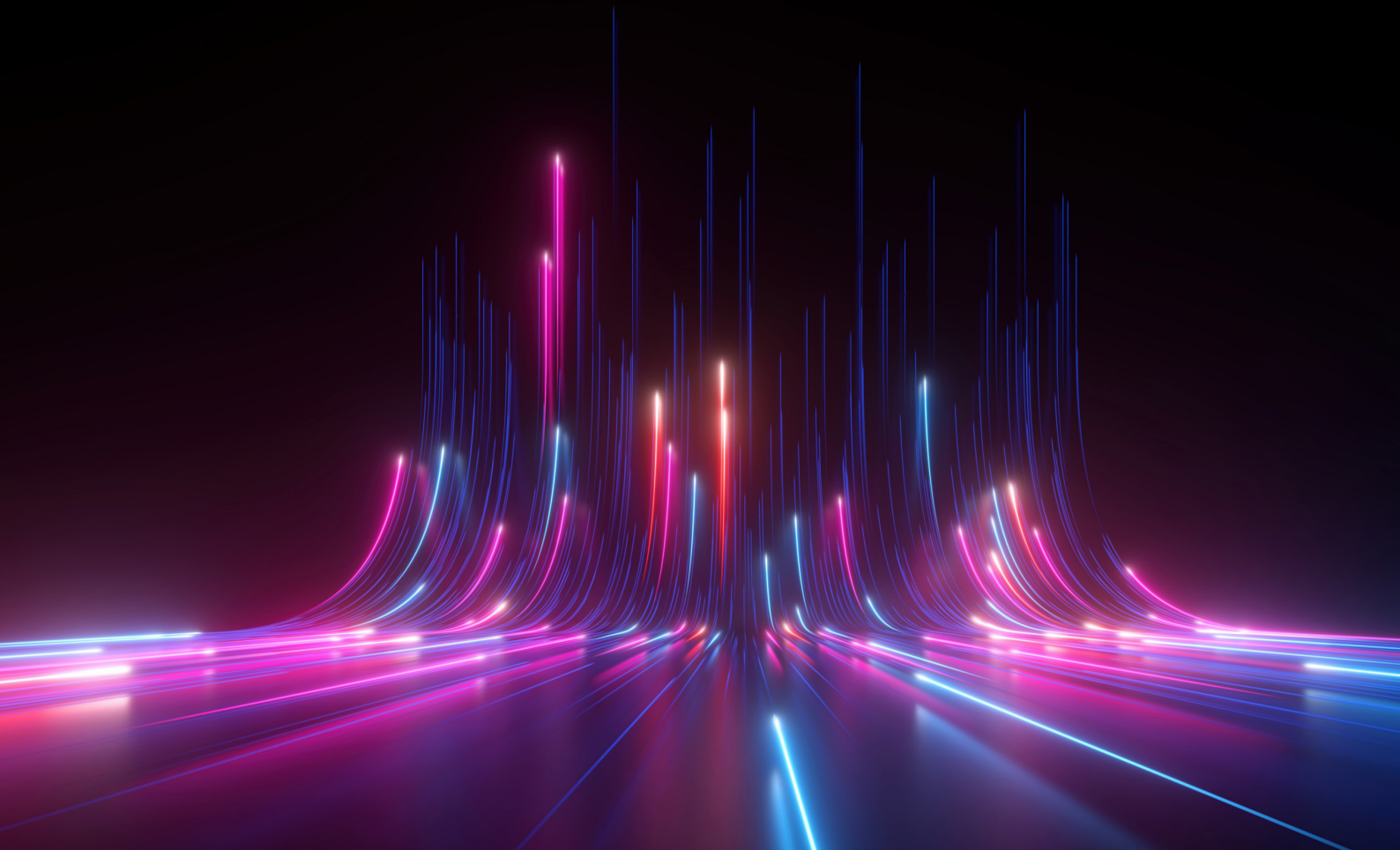




Law

We navigate the future of the metaverse with you

The future is virtual – we help you shape it





2 The future of the metaverse

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From idea to implementation – our metaverse experts are there for you

Welcome to the fascinating world of the metaverse. Do you have an idea but you don't know how you should implement it? Don't worry – our experienced experts at KPMG and KPMG Law will help you make your visions a reality.



Our experts support you all the way from generating ideas to successfully implementing your project in the metaverse.

In doing so, our objective is to provide a 360° view of the challenges in the metaverse.

Our Consulting colleagues provide support here with developing a clear strategy, selecting the right technology and implementing effective business models. We help you to position your brand and products in the metaverse and address your target group effectively.

Our Tax team supports you with all tax law questions in connection with the metaverse. In addition, our colleagues at KPMG Law can advise you on all legal matters. Together they ensure that you meet the necessary (tax-related) legal requirements and compliance/governance regulations and help you organise your business activities in the metaverse successfully.

With our support, you can implement your ideas in virtual reality and fully unlock the incredible potential of the metaverse.

Our 360° consulting approach means that we work with an exploratory, iterative procedure. At each stage of the project, the right experts from KPMG, KPMG Law and the customer can thus work together to solve the identified challenges in a targeted way in implementation.

We look forward to working with you. Let's implement your ideas in the metaverse together.



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The metaverse offers many opportunities – but also many challenges



New ways of approaching customers



Legal uncertainties



Training



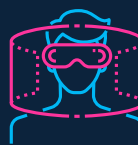
Uncertainties regarding tax law



New way of working together



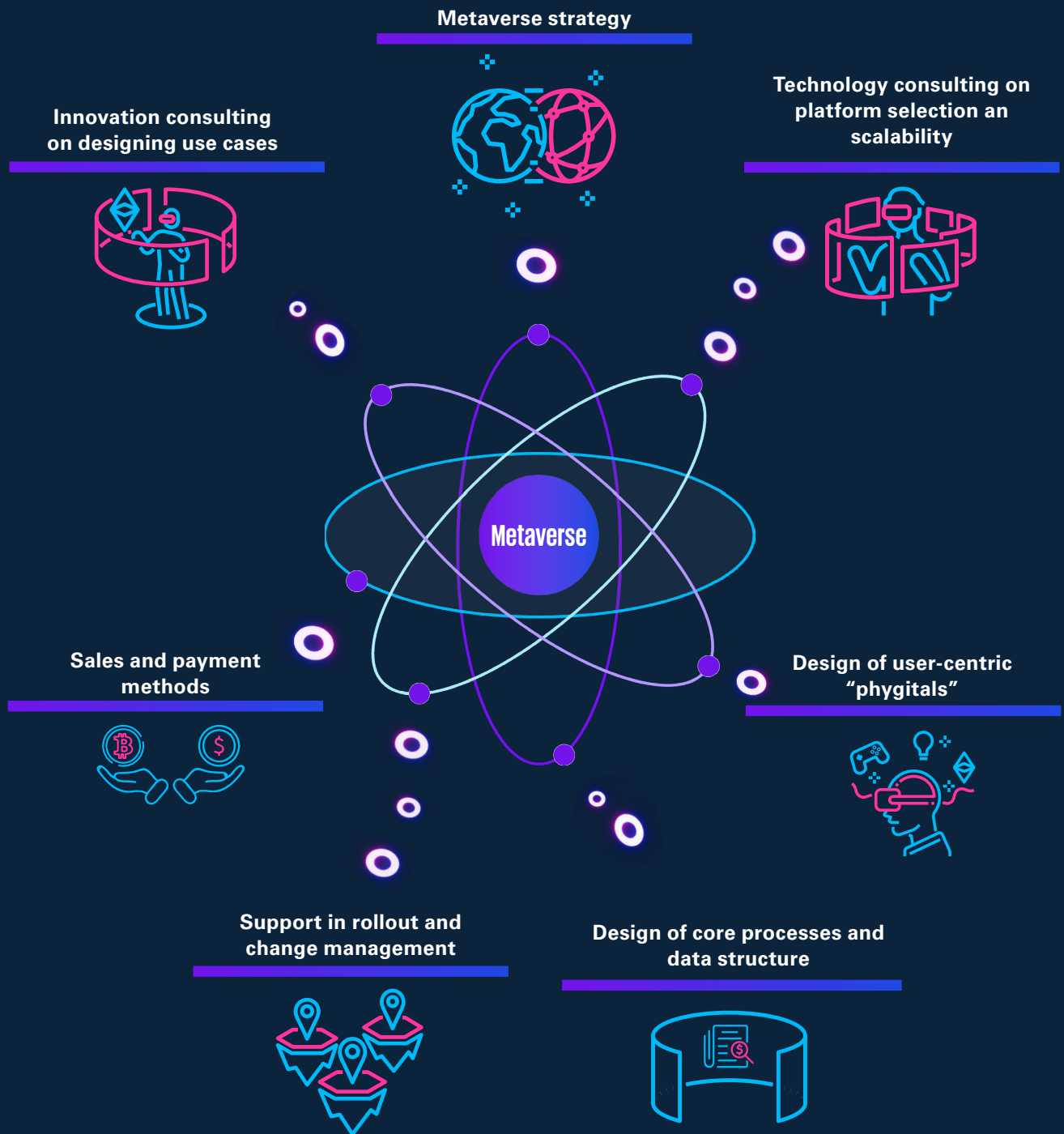
New asset classes



Innovative product experience



Support with strategic consulting



The metaverse gives companies a unique opportunity to

We help you to implement metaverse concepts, thereby facilitating your growth. To enable it to respond optimally to the multi-faceted individual issues, KPMG works together with KPMG Law with a 360° consulting approach. We in Consulting provide the strategic angle and complement our colleagues' tax and legal expertise in order to implement your metaverse project successfully from every perspective.

Our implementation approach starts with designing the metaverse strategy. After that, relevant use cases are defined. This involves integrating them in the organisational structure while also taking account of the associated process and innovation structures. In the subsequent implementation, we naturally support

your project through to the rollout. We also offer the necessary qualifications and comprehensive enabling of the organisation.

Whether you want to build an immersive virtual environment for your company, create new product experiences, develop an interactive gaming world or simply bring your creative ideas to life – we have the expertise and resources to support you.

We look forward to accompanying you on your first steps in the metaverse.



Sascha Glemser

Partner, Consulting



Michael Zarm

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Christian Naumer

Consulting

Support with tax consulting



Data protection



Deriving suitable intellectual property right strategies

Applying for relevant intellectual property rights



Liability

Identifying and protecting against risks



Cryptocurrencies

Compliant integration of payment functions



Smart contract(ing)

How does CLM work in a virtual, augmented or hybrid environment?



Financial supervision law

Securing BaFin permission requirements



Intellectual property

Monitoring own IP and avoiding infringement of third-party IP



Complying with regulatory requirements

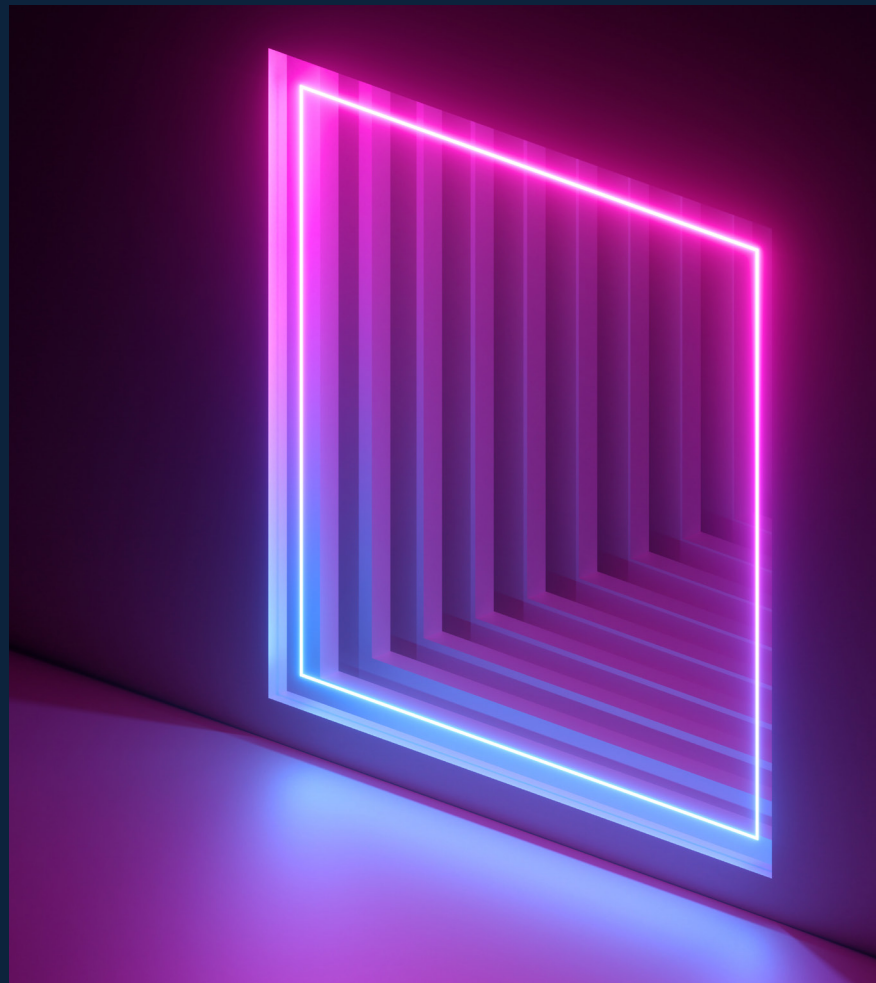


Complying with requirements under money laundering law



Copyright and ownership rights

Complying with copyright for the (physical) original, purchasing rights of use



The metaverse and the real world are in dialogue with one another. As the metaverse grows and becomes more important, the analogue and digital worlds are increasingly merging. The avatar can be seen as a substitute for the real legal entity. For this reason, its virtual yields must also be secured and the legal framework for each and every engagement in the metaverse needs to be considered. Under civil and commercial law, goods and services need to be considered digitally and in a different way:

Acquisition and trading with NFTs? Can or should digital assets be subject to “wear”? What is a digital value chain? How does the digital supply chain work and which standards apply? What impact can blockchain encryption achieve?

With regard to IP law, it is important to take account of sufficient rights for future forms of use at an early stage, whether purchasing licences for copyright-protected items, creating designs or using trademarks.

Not least, IT and data protection law:

- The global and often decentralised structure of Web 3.0 necessitates corresponding contractual agreements between the different parties involved (users, platform providers, service providers, other third parties).
- Data (personal and technical data) are immensely important in Web 3.0. Who do the data belong to, how can data protection requirements be met, how can the large number of parties involved use the data jointly?
- How can providers comply with the many different regulatory requirements (DSA, AI Act, Data Act, etc.) in Web 3.0 while still implementing innovative business models?

With regard to financial supervision law, it must be ensured that the integration of NFTs or cryptocurrencies does not trigger any permission requirements and that compliance regulations are followed, particularly with regard to money laundering prevention..



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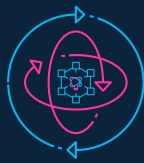
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Support with tax law organisation

Taxation of fungible and non-fungible tokens

Classification of digital assets and services



Validation of permanent establishment



Taxation of cryptocurrency



Tax classification of business transactions in the metaverse

Distinction between central and decentralised platforms



Ensuring correct intercompany offsetting



Complying with documentation and record-keeping requirements



Taxes are an important factor in the metaverse, too. Many tax issues have not yet been clarified. We see this as an opportunity to make innovative concepts a success with innovative tax consulting. From Bitcoin and other cryptocurrencies to NFTs to utility and security token, we provide comprehensive advice in relation to digital assets.

- Where should the income be taxed? In a digital world without borders, it is clear to us that we shouldn't think about tax consulting only in national terms. We keep track of the developments in international tax law, and thanks to our global network, a competent specialist is always just a phone call away.

- What taxes are due? In new areas like the metaverse, even just having clarity as to the specific tax consequences is very valuable and is essential for plannable business concepts: value added tax on NFTs, play-to-earn concepts, streamer payments, paying with data, utility tokens as vouchers, portal regulation, gift taxes for airdrops, withholding tax deduction for license payments, etc. etc. etc.... The tax issues are manifold and challenging. We help you to stay on top of everything. This also includes reliable handling of things that have not yet been clarified at present.
- Where is there potential for optimisation? Considering tax issues is one thing. But we want to go further. Our objective is to implement solutions.



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More detailed information



The metaverse: opportunities and strategies – KPMG
in Germany

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