

Gaming e pagamenti nel WEB3

un'analisi legale

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INTRODUCTION



FROM PAY TO PLAY TO EARN TO PLAY

THE GAME MODEL EVOLUTION



1990s

PAY-TO-PLAY

THE USERS SHOULD PAY FOR THE GAME TO PLAY. THE BUSINESS MODEL OF THIS GAME IS BASED ON NUMBER OF COPY SOLD



2010s

FREE-TO-PLAY

THE GAME IS FREE AND THE USERS DON'T NEED TO BUY THE DISC. THE BUSINESS MODEL IS BASED ON IN GAME MICRO-TRANSACTION



NOW

PLAY-TO-EARN

THE USERS WILL EARN THE GAME TOKEN BY PLAYING. THIS GAMES BUSINESS MODEL IS MORE FAIR FOR THE PLAYERS



PLAY TO EARN

- Play to earn games are games who allows gamers to earn value
- Value is usually in the form of NFT
- By playing the game the gamer create new NFTs that she/he can sell or increase the potential of her/his NFT, therefore increasing its value





What is a Metaverse?

WHAT IS A METAVERSE TODAY?

Metaverse is:

- a digital platform (mainly without VR, but will change in the future)
- Allowing experiences in a digital landscape through an own avatar
- Giving creators free access to the infrastructure

Metaverse can be:

- Centralized or decentralized
- Blockchain based or traditional
- Open to the public or private

Metaverse Monthly Active Users



VW Type	Browser/VR	Type	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23
Web2	Browser Virtual Worlds	Kids/Tweens	305	315	320	325	330	350	405	435	450
		Older Users	14	15	18	20	29	35	38	42	45
	Virtual Worlds in VR	Rooms	4	4.5	5.5	6	6.5	7.5	7	8	9
		Worlds	2	2.25	2.5	2.75	3	3	3.25	3.5	4
Web3	Virtual Worlds in VR	Ethereum	0	0	0	0.25	0.25	0.5	0.5	1	1
		Non-Ethereum	0	0	0	0	0	0	0.25	0.25	0.5
	Browser Virtual Worlds	Ethereum	1.5	2.5	2.75	3	3.5	3.75	3	3.5	4
		Non-Ethereum	0.25	0.25	0.25	0.5	0.75	0.75	1	1.25	1.5
		Total (m)	326.75	339.5	349	357.5	373	400.5	458	494.5	515

Metaversed
The Metaverse Consulting Company

ISSUES RELATED TO WEB 3.0 GAMING

1. IP Law
2. Data Protection
3. Online selling rules
4. VAT
5. Money Games (or even gambling)
6. Financial laws
7. Money Laundering



7. MONEY LAUNDERING

- Money laundering is the process of making illegally gained proceeds appear legal.
- Anti-money laundering act (AMLA) is applicable to financial intermediaries (FI) and natural persons and legal entities that deal in goods commercially and in doing so accept cash in the amount exceeding CHF 100'000.-.
 - FI are casinos, promoters of large-scale games and banks, trading facilities for DLT securities
 - FI are also persons who on a professional basis accept or hold on deposit assets belonging to others or who assist in the investment or transfer of such assets; they include in particular persons who: **provide services related to payment transactions**, in particular by carrying out electronic transfers on behalf of other persons, or who issue or manage means of payment such as credit cards and travellers' cheques.

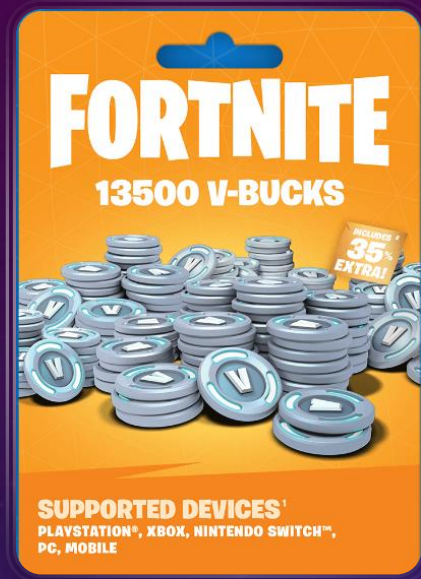
7. MONEY LAUNDERING

- A **payment transaction service** is notably provided when the FI:
 - a. Transfers liquid financial assets to a third party on behalf of its contractual party, physically possesses these assets, credits them to its own account, or orders the transfer of assets in the name and on behalf of the contractual party;
 - b. Assists in transferring virtual currencies to a third party, provided it maintains an ongoing business relationship with the contractual party or exercises control over virtual currencies on behalf of the contractual party, and the service is not exclusively provided to adequately supervised financial intermediaries;
 - c. **Issues or manages non-cash payment instruments and uses them to make payments on behalf of its contractual party to third parties;**
 - d. Conducts money or value transfer transactions.
- **Non-cash payment instruments** notably include:
 - **Virtual currencies actually used or intended by the organizer or issuer as a means of payment for the purchase of goods or services or for money and value transfers.**

MONEY LAUNDERING

- **Illustrative cases:**

- Online casino accepting bitcoin
 - Online Casino are considered large scale games and therefore AML measures are relevant to operate online casinos
- Metaverses allowing internal P2P transactions
 - Using a token to transfer value from a user to another is considered a Services Related to Payment Operations and is subject to money laundering
- App games, allowing Purchase of nonrefundable vouchers (in form of Crowns, Jewels, stars or other form)
 - Money laundering not applicable since not acting as a mean of payment.



Fortnite is being used by criminals to launder cash through V-Bucks

MONEY LAUNDERING

- Many video games feature virtual currencies, like “gold” or “V-Bucks” that can be collected and redeemed for in-game benefits and assets that can be earned, found, or attained in “loot boxes.”
- While some games enable players to convert virtual currency into real-world value, the majority, including those with trading options, do not permit such transactions. Despite this restriction, the popularity of specific games has given rise to secondary markets where players trade in-game items or even entire accounts for fiat currency or cryptocurrencies.
- The risk of money laundering arises when players can trade in-game items, especially if there is an active market exchanging virtual assets for real money or cryptocurrency, despite such transactions typically being prohibited by the game's publisher.

MONEY LAUNDERING

- **Closed loops games:** Players are encouraged to accumulate in-game currency and assets, but the system operates in a "closed-loop," meaning there is no option for players to trade with each other or convert virtual items into real-world value.
- AMLA is not applicable when the issuance of tokens is primarily intended to enable access to the use of the blockchain for purposes outside the financial sector, or if the payment token can only be used in relation to the issuer within a closed system (two-party relationship).
- Due to the absence of a mechanism for trading in-game content between accounts, players are limited to transferring their in-game currency and assets by transferring their entire account to another player. While some individuals do sell accounts on the secondary market, it's important to note that in these instances, the account is treated as a product for sale rather than functioning as a "denominator of value" in the way cryptocurrency does.



MONEY LAUNDERING

- **Semi open loop games:** Semi-open-loop systems allow players to trade in-game currency or assets with each other, but players cannot redeem items for real-world value.
- Semi open loop systems allow the transfer of value through the use of the virtual currency. However, being the system closed in the sense that it does not allow the parties to extract the value from the closed system. It is not really possible to transfer the value, unless there is a transfer of the account outside the system.
- It is discussed if semi open loop virtual currencies fulfill the requirement of virtual currencies under the AMLA.



MONEY LAUNDERING

- **Open loop games:** In open-loop systems, players have the flexibility to trade among themselves, exchange items for real-world value, and potentially utilize virtual currency or items across various games within the publisher's gaming universe.
- Because in-game currencies and assets in an open-loop game can be traded for and exchanged with real-world money and things, the impression that these items have real monetary value is particularly strong and they could be regarded as non-cash payment instruments if the virtual currencies are actually used or intended by the organizer or issuer as a means of payment for the purchase of goods or services or for money and value transfers.





Thank you for your attention

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