DIGITAL LAW

WHAT IS THE LEGAL PRACTICE OF GAMING, BETTING AND ESPORTS?

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With this publication we inaugurate a series of five articles that will cover the main legal concepts and aspects related to gaming, betting, and eSports. In general, the legal practice related to these subjects encompasses all issues associated with regulation and business related to electronic games or games, betting of any kind, typical casino games and electronically practiced sports.

The series is divided into five articles that will be published on our website:

- What is the legal practice of gaming, betting, and eSports?
- Games, fantasy games and eSports: main aspects
- What are loot boxes and play-to-earn practices?
- An overview of gambling, gaming and betting practices
- Gaming, gambling and eSports: the road to legal certainty

All these practices are growing rapidly. Generations Z and Alpha (today's and tomorrow's consumers) have migrated from more static social media content to video and interactive content. The new generations are looking for spaces to get entertainment and content and, at the same time, socialize in a real way. Games have players, not just users, and function as spaces for interaction and, often, escape from the patterns artificially established by social media.

Concepts about these practices are not uniform and are sparse. They may vary from country to country or according to the literature consulted. The most important thing is to identify each practice individually and its own elements in order to then understand the specific regulation applicable (in material and territorial terms) and the risks that need to be addressed.

Depending on the elements, the classifications can intersect: a game can be recognized as or contain a gambling practice, and vice versa. In fact, there is growing convergence between gaming and gambling practices. The inclusion of gambling elements in electronic games is increasing. The so-called loot boxes, discussed in another article in this series, are perhaps the greatest example of this interaction.

The legality or illegality of each practice is not automatically related to its category or denomination. It depends on individual analysis. For example, gambling may or may not be legally permitted. A specific game may contain unauthorized gambling elements, making the practice prohibited by law or deserving of adjustments.

These practices and the development of the metaverse are connected precisely by the socialization provided and sought in games. These practices will dictate a large part of the rules and risks, especially considering that the new generations are already directly responsible for business and regulatory guidelines.

The metaverse is much more than just virtual reality. It is the interconnection between our physical (analog) and digital lives. It represents an uninterrupted flow between what we are and what we see in the analog world, to a completely digital environment. An interoperable digital environment created jointly by the initiatives of various organizations.

Businesses, products and content have been directed towards this new environment. As a result, strategy, compliance and risk mitigation activities need to be directly related to this new reality.

In the next article in the series, we'll look at the legal aspects of games and electronic games.