

Paid Project Study

Legal and accounting assessment of (real estate) assets in the metaverse - between Markets in Crypto-Assets Regulation (MiCAR) and International Financial Reporting Standards (IFRS)

Supervision:

Associate Professorship Corporate Governance & Capital Markets Law (Prof. Maume)
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TUM School of Management

Projekt Partner:

WTS Advisory AG
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Overview

- Desired start: Immediately (in coordination with the chair).
- Remuneration: 14 EUR/hour + active support at WTS office in Munich (Werksviertel).
- Extent: Approx. 3 months, 2 days per week (8h/day) - (part-time).
- Degree: Bachelor's degree and active Master's degree (TUM BWL an advantage).
- Language skills: English, German of advantage.
- Other Knowledge: Accounting knowledge (IFRS advantageous) and internships in management consulting & auditing advantageous.
- Responsible WTS Advisory AG: Nikolaus Färber, Member of the Management Board WTS Advisory AG & Philipp Alexander Reiss, WP StB.
- Please contact Benedict Heidbüchel, LL.M. (benedict.heidbuechel@icloud.com).

Description

1. Background

Technology companies are expanding their activities in the metaverse and digitizing consumption. Business in the metaverse is expected to be largely underpinned by cryptocurrencies and non-counterfeitable tokens, raising issues of ownership, misuse, interoperability, and valuation. The current draft version of MiCAR (as of October 5, 2022) explicitly addresses the issue of Non-Fungible Token (NFT). However, the draft does not

provide absolute clarity. Whether and to what extent a token falls under MiCAR depends decisively on the properties of the respective token (e.g., Art. 3 par. 1 no. 2 MiCAR & Art. 2 par. 2a MiCAR). A precise analysis is required in each individual case.

2. Objective

The objective of the project study is to develop a presentation of the harmonized regulations for Markets in Crypto-Assets Regulation (MiCAR), the classification of NFT (especially real estate assets in the metaverse) and the development of (accounting) valuation approaches of real estate assets in the metaverse.

In the course of this, the participants of the project study are to work on the following tasks independently, academically well-founded and with the requirement to contribute in this way to the scientific discourse as well as to be a guide for practice:

- Overview of the main regulatory content, presentation of the requirements and framework conditions imposed on Markets in Crypto-Assets Regulation.
- Outline of the process of a metaverse (real estate asset) transaction - What is the metaverse? What are virtual assets (e.g., Non-Fungible Tokens (NFTs) and/or digital properties)? Where and how do I buy digital assets and how are they transferred?
- How are digital assets valued? A comparative overview of valuation methods and fair value considerations for (crypto) assets (IFRS 13, determining the active market, valuation in the absence of an active market).
- Developing an indicative business case for WTS - A metaverse practice? - How companies can explore the metaverse and navigate between hype and reality.

3. About WTS Advisory AG

WTS is a global full-service provider of Tax Advisory and Financial & Deal Advisory services. With more than 1,500 experts in Germany and one of the most advanced digital units worldwide, WTS develops innovative and integrated solutions to safely navigate tax and finance functions through increasing regulatory challenges and to support digital transformation. Since its foundation in 2000, WTS has continuously evolved into one of the leading providers in the market. Today, WTS is present in Germany with thirteen locations and generated revenues of 203 million euros in fiscal year 2021. Through its own international network WTS Global, WTS is represented in more than 100 countries worldwide and offers global consulting services. Over the past three years, WTS has been recognized several times as a top employer in the categories "Germany's Best Jobs with a Future", "Germany's Most Family-Friendly Company" and most recently by JUVE as a Top Employer 2022 for Tax Experts.