METAVERSE AND ITS IMPLICATION IN LAW AND BUSINESS

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Abstract

We hear that the future world is the world of the Metaverse. Metaverse is a virtual space created by digital versions of various aspects of life. This study aims to examine the function of law in the metaverse world. This study uses a normative juridical method. This study concludes that the metaverse world still requires the implementation of different laws. The current laws and regulations need to make implementation adjustments in the metaverse world. The change from the real world to the virtual world is like how communication in the real world becomes digital communication that we are experiencing. Adjustments to human behavior must be accompanied by adjustments to the governing regulations. State boundaries become fictitious, and applicable laws do not recognize state and government boundaries.

Keywords: Metaverse; Laws and Regulations; Virtual Reality.

A. Introduction

Facebook has changed its name to Meta. According to the company's CEO, Meta's future focus will be on the Metaverse concept. The term "Metaverse" refers to an open-ended virtual environment. Metaverse is a difficult concept to define. Neal Stephenson coined the term

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1 CNBC Indonesia, “Mengenal Apa Itu Metaverse Dan Bagaimana Cara Kerjanya” (CNBC Indonesia, 2021), Mengenal Apa Itu Metaverse dan Bagaimana Cara Kerjanya.
"Metaverse" in 1992. The Metaverse is as abstract as the internet was when humans invented it as a communication network. The term "Metaverse" refers to a virtual environment contained within a platform designed for economic purposes. The metaverse has piqued the interest of various sectors of society worldwide as a result of technological advancements.

In 2016, Mark Zuckerberg informed Indonesian President Joko Widodo about the Metaverse. The Metaverse is defined as the physical world elevated to a new level, where virtual and physical realities converge. Metaverse is a fictional universe. The metaverse is comparable to a new virtual world or planet. The Metaverse is a three-dimensional environment powered by cutting-edge technology. We can communicate virtually or pay a visit to a location. The Metaverse concept can be implemented using virtual world platforms and applications.

Avatars, humans, and virtual worlds form the backbone of the Metaverse. The Metaverse is a novel mode of communication that represents a paradigm shift in human thought. From a two-dimensional catalog to a three-dimensional virtual space platform, e-commerce will evolve. The Metaverse has the potential to assist individuals in resolving

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3 CNBC Indonesia, Op. Cit.
society's problems 5.0 and the unrestricted cooperation of humans.\textsuperscript{14} Metaverse enables teams to collaborate in three dimensions.\textsuperscript{15}

There hasn't been much study of the metaverse phenomenon. The most recent advancement in business and technology is called the metaverse. The impact of the metaverse on life is novel in human history. The role of law in the metaverse is discussed in this study. Humans require laws to control them as long as there is human connection. This study is innovative, particularly in the area of laws that will govern interpersonal interactions and commercial transactions in the metaverse. From a regulatory standpoint, research will help to establish the metaverse of virtual worlds.

The Metaverse world faces a number of challenges, one of which is a lack of scalability.\textsuperscript{16} The Metaverse can be improved if hardware, institutions, and community interests are backed up.\textsuperscript{17} Metaverses necessitate a robust infrastructure, efficient technology management, fundamental standard technology, object connectivity in virtual reality, and virtual reality convergence.\textsuperscript{18} Extended reality, user interaction, artificial intelligence, blockchain, computer vision, IoT and robotics, cloud computing, and future mobile networks must all be supported by the Metaverse.\textsuperscript{19} The Metaverse is a synthesis of business model expansion, ecosystem development through games, and technological advancement.\textsuperscript{20} To remain competitive, businesses must adapt to new technologies.\textsuperscript{21}

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The debate over the status of the Metaverse hits a stumbling block, raising the question of whether the Metaverse is real or virtual. The Metaverse concept has the potential to facilitate urban development. Applications of the metaverse are also possible in places of worship, most notably churches.

Regulations must be updated to reflect technological advancements, including the Metaverse. The law's objectives are justice, certainty, and legal expediency. The written law serves as a primary source of reference for law enforcement. Justice is a subset of morals, more precisely the subset that focuses on the attitudes of individual human beings rather than on individual human beings acting in community groups.

People require written and unwritten rules in everyday life that promote justice, certainty, and benefit. The law's purpose is to avert social anarchy. There should be no legal vacuum, and the law must evolve in lockstep with the development of society. There are times when legal certainty and justice collide in field law administration. While legal certainty is material and concrete, justice is intangible and abstract.

Legal education and law enforcement must be situated appropriately, as must efforts to enforce the law through legal education, legal knowledge, and public understanding of the law, legal structure, and legal culture, in addition to legal substance. This reflects the manner in which a society's laws are enforced.

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In the Metaverse, human transactions and legal relationships are possible. The business and legal relationships are summarized in Table 1. Indonesia is currently governed by Law No. 11 of 2008 on Information and Electronic Transactions and Law No. 19 of 2016. Meanwhile, the Metaverse has no law governing legal relations. Through the Metaverse, humans can engage in money laundering. Businesses can purchase land and conduct transactions in the Metaverse. Humans can conduct business in the Metaverse in the same way they do in the real world. Humans can now exercise in groups with other humans. Human beings can communicate with one another. This human-to-human relationship may develop into a legal relationship. Companies that own Metaverses will have a better understanding of their constituents than states with residents.

The Metaverse is an entirely new concept in terms of human life. Discussions of the Metaverse in relation to a specific aspect of human life are still rare. The purpose of this study is to examine the role of law in the Metaverse. Relationships are formed as a result of human interaction with other humans. This relationship has the potential to become legally binding. The research examines the Metaverse's legal system. During the trial of Meta's Metaverse, Horizon Worlds, sexual harassment occurred.

In light of the preceding, this research will address the following questions: How do legal consequences manifest in the Metaverse? How are laws and regulations implemented? And What impact does the Metaverse have on business and legal standards?

B. Research Method

The purpose of this research is to determine how the law is applied in the Metaverse. The methodology used in this study is one of normative juridical. Information and data are gathered from secondary and tertiary data sources. The data for this study were compiled from a variety of sources. Furthermore, this research analyzes current laws and regulations and forecasts the Metaverse's future.

Primary data is raw material or a source of data that has been collected directly from the field. This study observes the metaverse phenomenon. The research data collection technique was carried out by examining the documentation of secondary materials. Secondary legal materials used include: literature in the form of legal journals, legal theories, scientific books related to research titles, results of symposiums/seminars, and scientific articles. While secondary materials may include primary, secondary, and tertiary legal materials, primary materials are those found in libraries. Tertiary legal materials are secondary data sources such as websites and articles that contextualize secondary data.36

C. Result and Discussion

For a brief period, the physical world was supplanted by the virtual world. We were still shopping in the early 2000s. We visit the Mall and make some purchases. E-commerce evolved as a result; we now shop via applications or websites. We acquire necessities through applications and e-commerce. We no longer perceive objects in three dimensions, but in two.

Metaverse will bridge the divide between virtual and augmented reality. While we purchase items in the virtual Metaverse, we can experiment with them in three dimensions. We communicate virtually with our friends. Humans are depicted using avatars. This is illustrated in Figure 1.

Numerous businesses adopted Work From Home (WFH) policies in the aftermath of the Covid-19 Pandemic. Meetings are conducted via web-based collaboration tools such as Google Meet, Zoom, and Microsoft Team. Meetings are two-dimensional. This meeting is distinct from the one that occurred prior to the pandemic. Metaverse is a virtual reality platform that enables face-to-face meetings in virtual reality. Virtual or in-person meetings are both possible. This process is depicted in Figure 2.

Metaverse will be a virtual reality simulation environment. Humans previously had the ability to convene meetings and play chess. Humans are capable of doing so both virtually and physically. Due to the Metaverse, the human presence will shift from two to three dimensions.

1. Legal Effects in the Metaverse

A legitimate government is responsible for enacting the laws that govern a society. The people elect their government and it serves their interests. This is the type of government we are examining. Additionally, this is a form of democracy that has existed since the French revolution and continues to exist today.

The Metaverse is a self-materializing virtual world. Avatars are humans who interact with the Metaverse. Avatar is a humanoid three-dimensional avatar that is used to represent humans in the virtual world.

Metaverse evolves into a virtual world in which business transactions and legal proceedings can take place. Businesses have the option of acquiring land and erecting structures. Employers are possible. Employees have the ability to convene meetings. Businesses can make their wares available to potential customers. Numerous types of businesses operate in the Metaverse. Businesses are permitted to host concerts. Businesses can offer shared sports services in the Metaverse. Additionally, businesses can sell merchandise.

In the Metaverse, e-commerce will conduct business. Two-dimensional computer applications are currently being converted to three-dimensional. Three-dimensional renderings of the vendor's product are included. Purchasers make three-dimensional purchases. Apart from purchasing and selling, the Metaverse enables a variety of commercial transactions. This sale will necessitate financial resources. This currency should be recognized by the Metaverse. Consider how we play monopoly, amassing wealth and establishing businesses until we are forced to pay taxes and face fines and imprisonment.

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This is analogous to playing monopoly according to mutually agreed-upon game rules or according to the rules established by the creator. We can amass wealth by participating in this game. We can become the master of a monopoly game if we are fortunate enough to win.
Additionally, the Metaverse world has the potential to make us winners. Naturally, if the parties or participants agree that the Metaverse world has value, our price in that world will be higher.

The Metaverse world is not governed by any rules. There is no government in the Metaverse capable of regulating or legitimately reigning. The company that invented the Metaverse will exercise complete control over the Metaverse world. This company will establish the type of currency, the manner in which transactions are conducted, and the obligations of all Metaverse businesspeople. The rules, in their entirety, are detailed in Table 2.

Legitimate governments are powerless in the Metaverse. The company's strength is in the metaverse. This will be a flashpoint in the legitimate government's attempt to regulate the Metaverse. Entrepreneurs are not considered citizens of any particular country. Entrepreneurs resemble Avatars more than humans. A person may have multiple Avatars.

2. **Implementation of Legislation in Metaverse**

Metaverse is not bound by territorial or national regulations. Metaverse is similar to social media in that it is a global community with members from all over the world. Humans communicate with one another via avatars. Human behavior as a Metaverse member is governed by the Metaverse's rules. These rules are established by the company that created Metaverse.

We are all familiar with the social media world. We must follow the rules or terms and conditions of the social media platform. We will be banned from social media platforms or our accounts will be deactivated if we violate social media community rules.

This is comparable to the game of monopoly. If we violate the game's rules, we will be expelled, fined, and imprisoned. We will be kicked out of the game if we violate the game's rules. The players or the game's creator agree on the game's controls. This is a gambling game. The casino manager makes the game selections. If we violate the rules, we will be removed from the game.

The Metaverse possesses authority that extends beyond the state's legal boundaries. Legitimate governments will have difficulty enforcing Metaverse-specific laws and regulations. The Metaverse is not bound by national borders. The government must be committed to defining the Metaverse's boundaries. The company that owns the Metaverse will determine the type of currency, transaction method, contract and business relationship that will be used in the Metaverse. Additionally, this company has the authority to decide how disputes between
members are resolved. Legitimate government will be difficult to regulate in a country due to the
Metaverse's position, which is populated by Avatars and extends beyond the country's borders.

The Avatar is a Metaverse resident. The Metaverse has a monetary system. It is possible
that this currency is a cryptocurrency. Metaverse is a privately held company, not a government
entity. The Metaverse corporation's rules apply, not those of any particular country. The
Metaverse is a virtual land with a resident Avatar and a corporation-based practice or
government. The Metaverse, unlike the real world, does not require recognition from other
legitimate countries. Facebook is the world's largest community, with over three billion active
users.

3. The Influence of the Metaverse on Business Ethics and Legal Norms

Legal standards are created by government officials with written authority and a specific
system. Legal standards are derived from a country's or territory's positive law. Traffic law,
business law, and human rights law are all examples of legal standards. The legitimate
government of the Metaverse is the company that owns the Metaverse world. Profitability is the
primary goal of this enterprise. Businesses and governments are not synonymous. The
government of the country has a long history of defining the country's characteristics. The nation
adheres to universal religious, moral, politeness, and legal standards.

It is also referred to as business ethics in the business world. Business ethics is critical
because it relates to the company's objective of maximizing profit. In the business world, we
discuss corporate social responsibility, good corporate governance, social entrepreneurship, and
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because they relate to the company's ultimate goal of profit maximization. In the business world,
we discuss corporate social responsibility, good corporate governance, social entrepreneurship,
and business ethics.

It's as if the world is ungoverned and social media behavior is not governed by any rules.
As a result, the applicable values or standards are universal. National values and standards have
vanished. We are able to discern the behavior of those who were formerly active on social
media. They began with prostitution, illegal services and goods, and social media insults directed
at others.
Countries must collaborate to establish the Metaverse's rules. State regulation is critical for community protection. The public must adhere to the Metaverse's community rules. Technology companies must adhere to societal rules, standards, and legal principles. Violations of the law must be vigorously prosecuted. Ethical violations must also be addressed.

Table 1. Legal Relations in Metaverse

<table>
<thead>
<tr>
<th>No.</th>
<th>Relation</th>
<th>Legal Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business Relationship</td>
<td>Default or Unlawful Acts</td>
</tr>
<tr>
<td>2</td>
<td>Human relationship</td>
<td>Abuse; Insult; Personal Data Protection; Other Actions</td>
</tr>
<tr>
<td>3</td>
<td>Personal Relationship with Company</td>
<td>Industrial Relationship</td>
</tr>
</tbody>
</table>

Source: Research Result

Table 2. Rule of State in Media Social and Metaverse

<table>
<thead>
<tr>
<th>No.</th>
<th>Basic Components as State</th>
<th>Media Social</th>
<th>Metaverse</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government</td>
<td>Technology Company</td>
<td>Technology Company</td>
</tr>
<tr>
<td>2</td>
<td>Citizen</td>
<td>Member</td>
<td>Member</td>
</tr>
<tr>
<td>3</td>
<td>Territory</td>
<td>Platform/Application</td>
<td>Virtual</td>
</tr>
</tbody>
</table>

Source: Research Results

Figure 1. From Reality to Virtual Reality

Figure 2. Reality Meeting to Virtual Reality Meeting
D. Conclusion and Recommendation

The Metaverse is a world with rules that differ from those of the real world. Humanity's world will transition from physical to virtual reality. Governments from a variety of countries must work cooperatively to regulate the Metaverse. Money laundering, black market transactions, and other illegal transactions are possible on Metaverse. The government must be capable of enforcing the laws of the Metaverse. Governments must be able to place a premium on the enforcement of Metaverse regulations, including tax regulations. This Metaverse has the potential to supersede some of the current business norms and laws in the human world. The minimum age requirement is no longer governed by an agreement. Contracts do not have to be written; they can be electronic or in another format. Additional research can be conducted by examining the Metaverse's impact on human life from a variety of angles, including the Metaverse's legal status or the legal status of specific business transactions.

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