

Blockchain & the Metaverse

Emerging Risks in Web 3.0

ISACA Netherlands Chapter
Risk Event The Great Risk Reset
November 2022

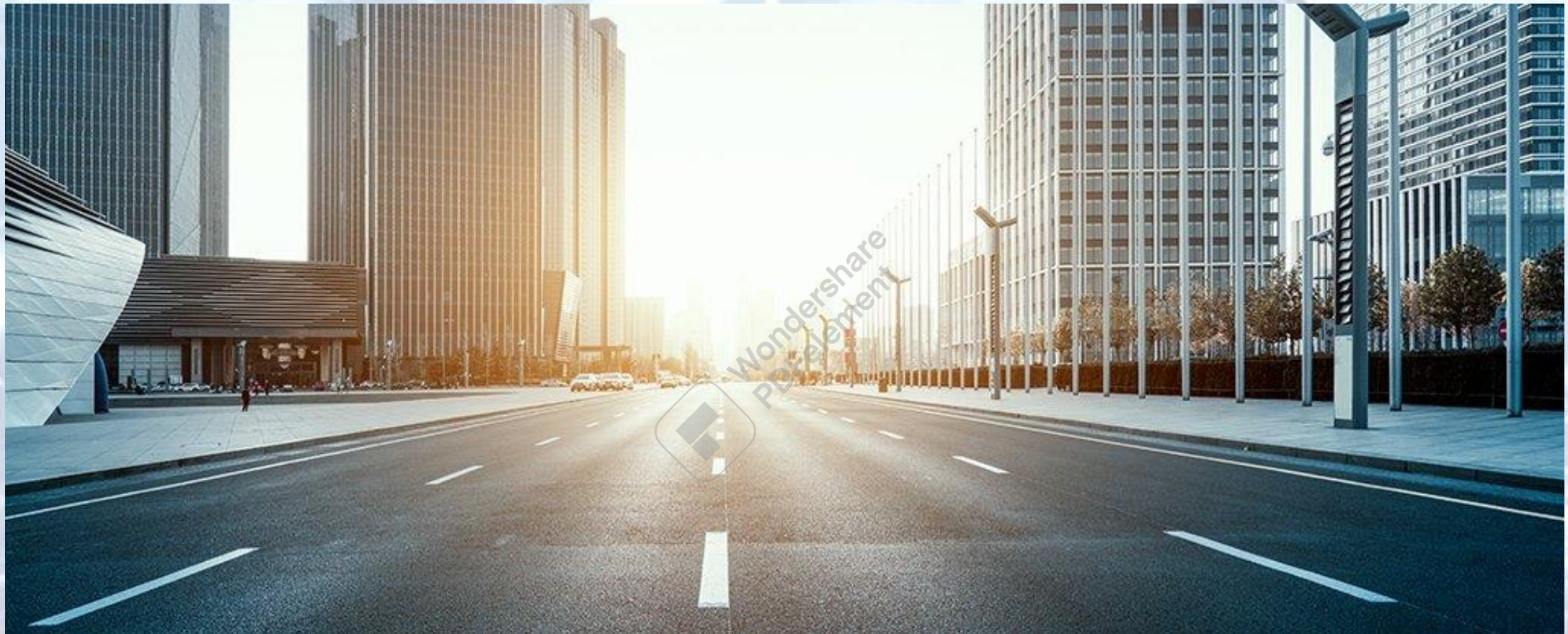
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Overview

The purpose of the presentation is to showcase **business opportunities** that stem from **blockchain** and the **emerging risks** within web 3.0 and metaverse.

Undoubtedly, the **new digital ecosystem** of transactions based on smart contracts, cryptocurrencies, and NFTs presents a **multitude of scenarios**.

How can we **successfully select** and **identify** emerging risks for each **strategic solution**?



Agenda



- Introduction
- What is Blockchain?
- How does Blockchain work?
- Blockchain Applications
- A new World Web 3
 - DeFi
 - NFTs
 - Metaverse
- Emerging Risks

WHAT?

Blockchain is a **versatile** and **programmable** platform, that is:

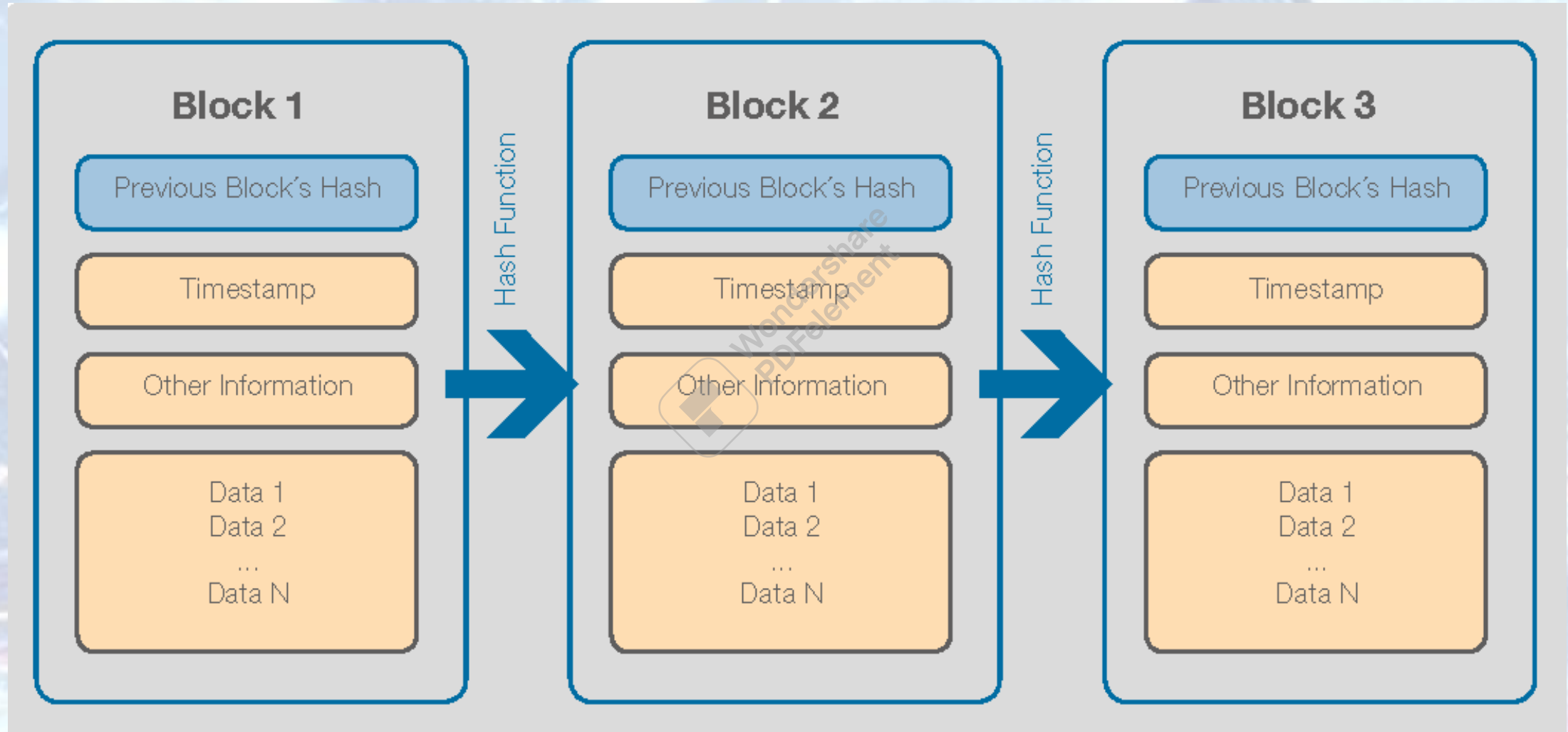
Collaborative
Transparent
Unchangeable

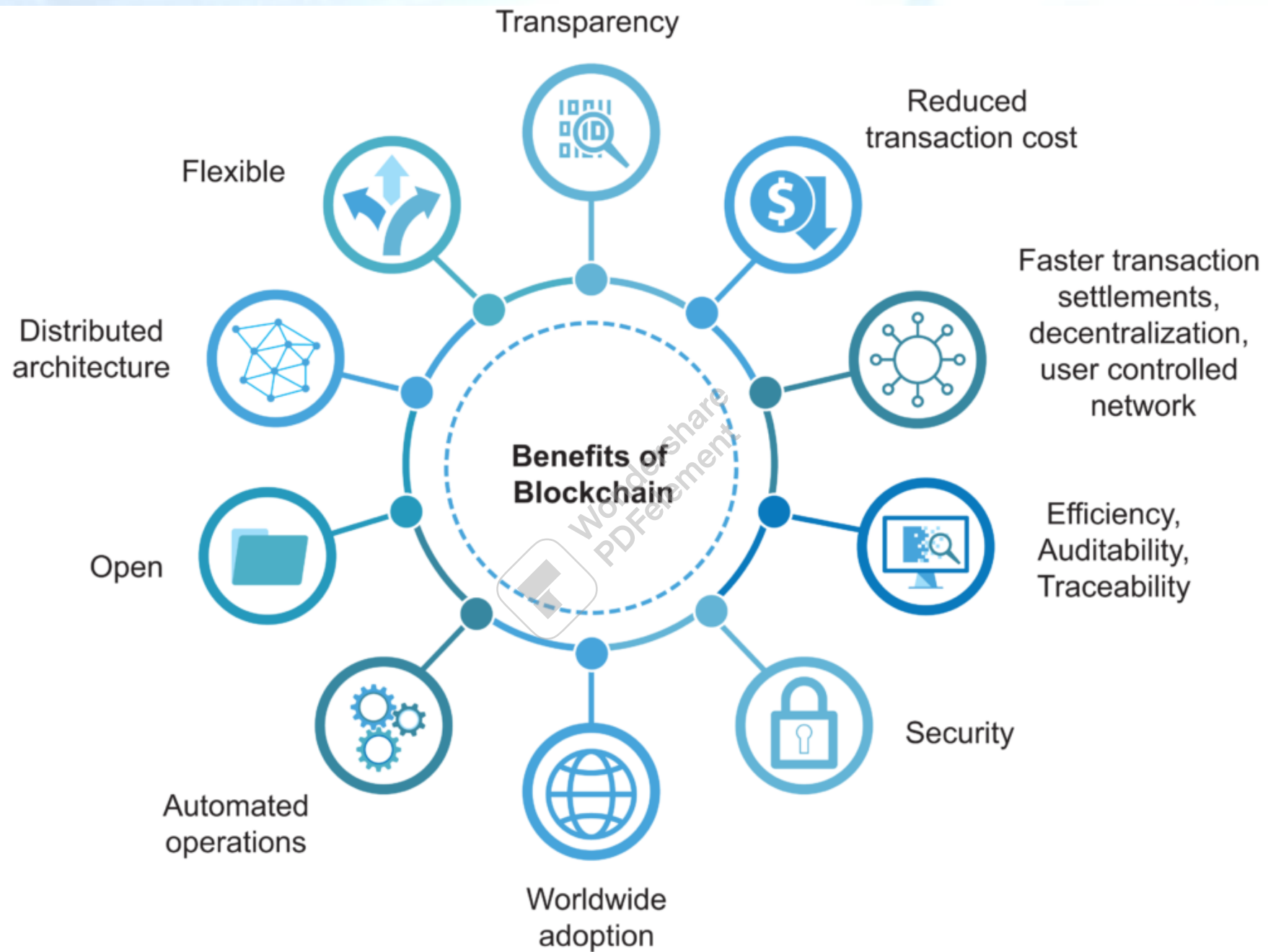
And allows, through a verification system, the proof of the authenticity of each transaction.

Macdonald, Lui-Thorold and Julien (2017)



How does Blockchain work?





APPLICATIONS

Blockchain is reinventing the way

- Potential to **transform industries** and Business Models
- Help companies that currently lag behind to gain **market share leap**





“To avoid criticism, say nothing, do nothing, be nothing.”

ARISTOTLE

It's not a Revolution It's an Evolution

Blockchain

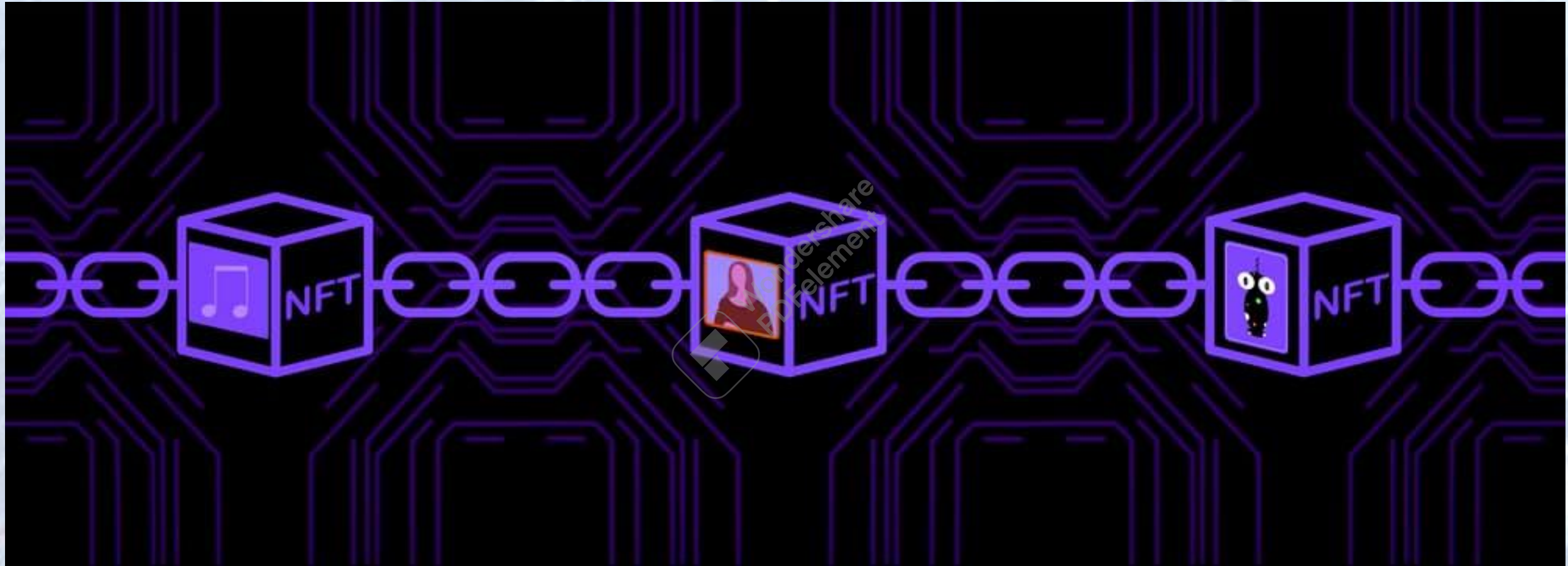
Smart Contract

Cryptocurrency & CBDC

DeFI
(Decentralized Finance)

NFTs

Metaverse





NFT

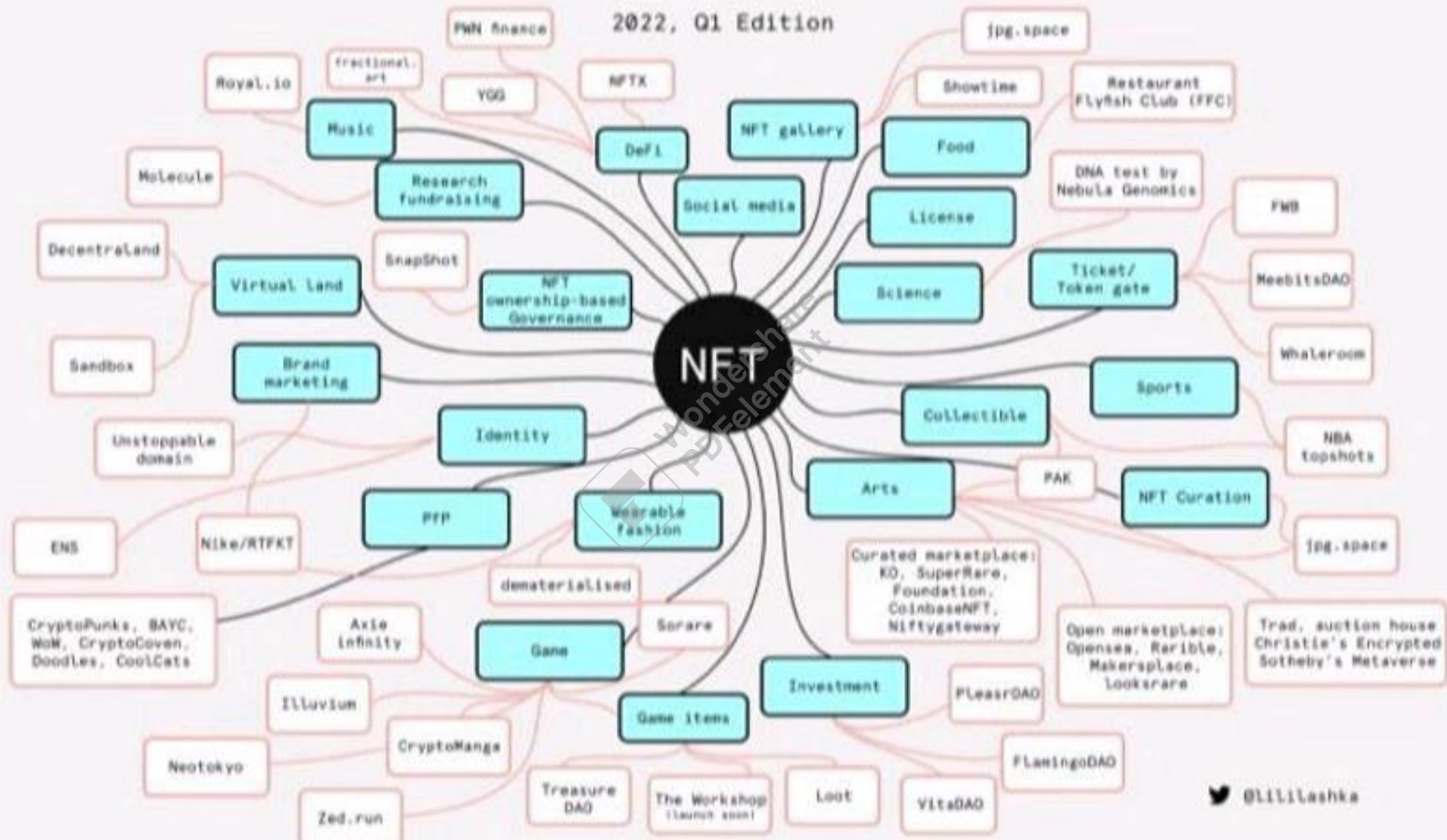
Mike Winkelmann
known as Beeple.

69 million USD

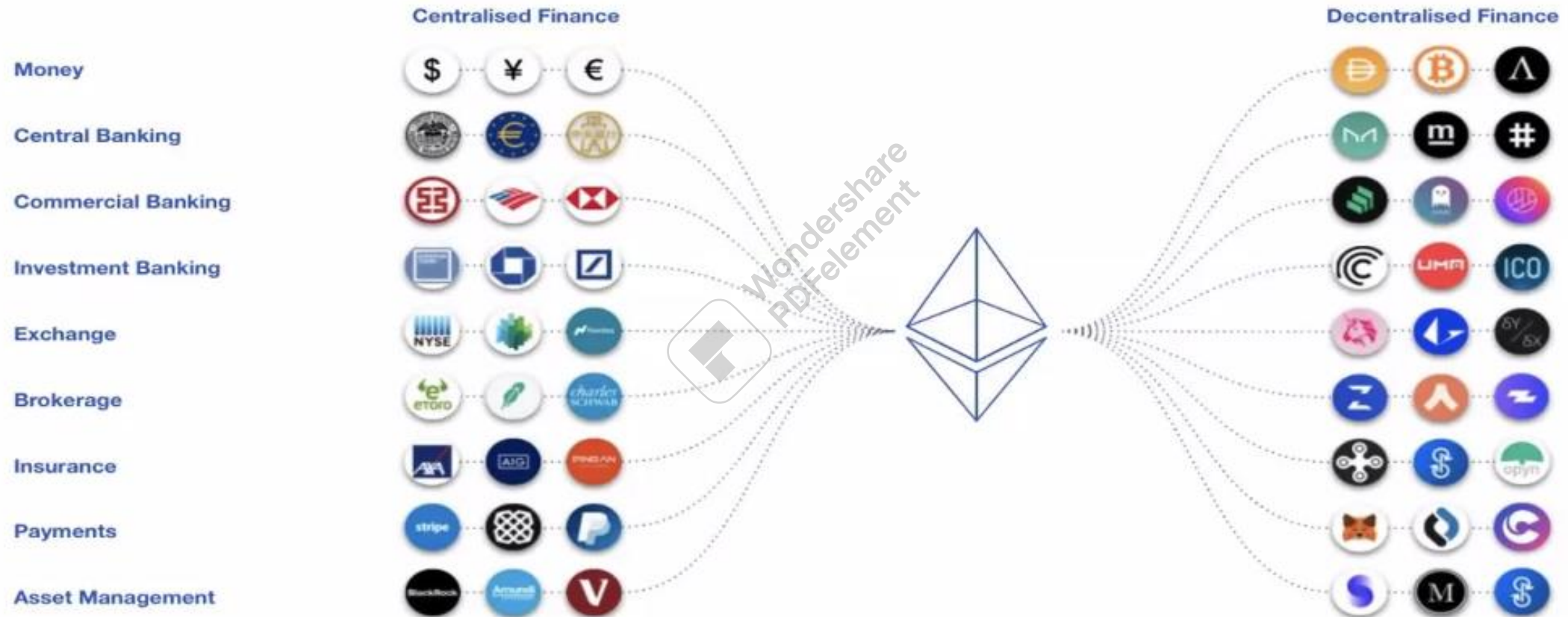
Everyday: The First 5000
Days by Beeple

NFT use cases 2022

2022, Q1 Edition



Decentralised Finance (DeFi) - Protocols for every financial instrument and function



Source: Consensys

JP Morgan executes first DeFi trade on a public blockchain: Finance Redefined



Cryptocurrency

17 hours ago (Nov 04, 2022 05:40PM ET)



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COINTELEGRAPH





Forbes

BREAKING | Feb 9, 2022, 05:43pm EST | 17,178 views

McDonald's Files Trademark For Metaverse-Based 'Virtual Restaurant'

**Mason Bissada** Forbes Staff

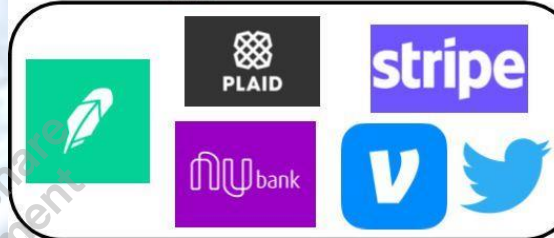
Business

I'm a Los Angeles-based news desk reporter for Forbes.

web2 Companies Building in web3



Fintech



Automotive



Sports @glennmon



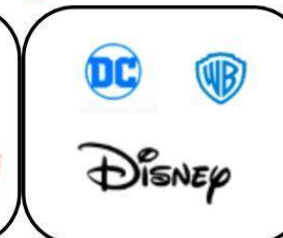
Consumer



Social



Entertainment



Loyalty



Infrastructure



Risks

Blockchain Risk Management Framework

Risk management framework											
Business objectives	Growth / innovation			Client experience		Cost reduction		Improved time to market		Risk and compliance management	
	Information technology			Human resources		Compliance		Finance		Other	
Core processes, supporting functions	Standard risk considerations			Value transfer risk considerations			Smart contract risk considerations				
	Strategic	Reputational	Business continuity	Security	Consensus protocol	Data confidentiality	Business and regulatory	Legal liability			
Risk considerations	Regulatory	Ops and IT	Contractual	Supplier	Key management	Liquidity	Enforcement of contract	Governance			
	Governance and oversight			Policies and standards		Management processes		Tools and technology		Risk metrics and reporting	
Operating model components	Governance and oversight			Policies and standards		Management processes		Tools and technology		Risk metrics and reporting	
	Governance and oversight			Policies and standards		Management processes		Tools and technology		Risk metrics and reporting	

*Source: Blockchain risk management - Deloitte Development

JUN 20, 2021

SAM BOURGI

\$71B in crypto has reportedly passed through 'blockchain island' Malta since 2017

The Financial Action Task Force, a membership body of 37 jurisdictions and two regional organizations, has flagged Malta's initial push to attract cryptocurrency business as "problematic."

7733 Total views

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2:17



Malta's strategy to become a global enclave for digital assets appears to be working, though lax regulatory oversight has raised concerns over money laundering and other financial crime.



\$ 71 billion in crypto has been reported since 20 nm. moved to the "Blockchain Island" Malta

June 20, 2021 in Market

367



“I would love to have an **ecosystem** that has lots of **good** crazy and **bad** crazy.

Bad crazy is when there’s just huge amounts of **money** being **drained** and all it’s doing is subsidizing the hacker industry.

Good crazy is when there’s tech work and **research** and **development** and **public goods** coming out of the other end. So there’s this battle.

And we have to be **intentional**, and make sure more of the **right things** happen.”



Created by 101blockchains.com



Metaverse Key Points



- Update Data Strategy
- New Economy
- Regulations – Rethink security
- Intangible Identity
- Experience
- Build trust – rethink digital services - Blockchain combined with artificial intelligence (AI)

Final Thoughts

The Start Point

- Starting point does not necessarily have **rules**
- A lot of **investment**
- Essential to **anticipate** and **mitigate risk**
- New **business models**: new roles, profiles & transactions
- A new social and financial **ecosystem** has been and is being created



Source: Nokia

Through the **creation** of **digital structures**, the implementation of blockchain creates **scalability** in **synergies**.

As a result, NFT's and metaverse present new business, new products and services, new interactions and definitely a new economy



Intelligence is the ability to adapt to change.

Stephen Hawking



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