

FRENCH PARLIAMENT TAKES STEPS TO REGULATE NFT GAMES

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Europe Corporate Alert

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On 18 October 2023, the French National Assembly voted in favour of a [law aiming to secure and regulate the digital space](#) ("Loi visant à sécuriser et réguler l'espace numérique" or SREN), otherwise called the "Sorare Act." This new development marks a first step towards the establishment of a regulatory framework dedicated to games integrating non-fungible tokens (NFTs) and monetisation models based on digital assets.

These new provisions are aimed at the creation of a new category of games under French law called games with monetisable digital objects ("jeux à objets numériques monétisables" or JONUM). This new regime will enter into force 'on an experimental basis and for a period of three years' from the promulgation of the law and will authorise Web3 games with monetisable digital objects (including NFTs).

The Sorare Act defines JONUMs as "game elements, which only confer on players one or more rights associated with the game, and which may be transferred, directly or indirectly, for consideration to third parties," while excluding digital assets covered by 2° of [Article L. 54-10-1 of the French Monetary and Financial Code](#).

France is one of the first jurisdictions in the world to create a specific regime for companies using NFTs as part of their games and the objective is to provide certainty to the industry.

Please reach out to our team if you need further information on this new development.

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