Shareholders’ Meetings in the Metaverse

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The Metaverse represents the convergence of physical and virtual realities in a unique online space shared by all, composed of a user-centric ecosystem. In the same way social media has revolutionized online marketing, unleashing possibilities for business ideas limited to our current reality, the Metaverse promises to be the new frontier of online interaction.

In other words, it is fair to say that the new reality consists in a virtual space in which individuals from around the world can connect via the internet, to coexist, socialize, and even work. For example, it may become possible to decide both ordinary and urgent matters that arise in a company by means of shareholders’ meetings that offer an interface similar (but augmented) to a physical meeting, all from the comfort of the participants’ homes.

There can be no doubt that the covid-19 pandemic accelerated the process of integrating real life into computers. Where shareholders’ meetings are concerned, the year 2020 saw the introduction of Provisional Measure 391 (later converted into Law 14.030/2020) and CVM Instruction 622/2020 (amending CVM Instruction 481/2009), which allow listed Category A companies to hold hybrid or exclusively digitally shareholders’ meetings.

Shareholders’ meetings held in the Metaverse hold out the promise of unlocking a new level up from the digital meetings made possible during the pandemic. The technology involved in the Metaverse is capable of creating an augmented reality that can change ways of thinking, help people achieve goals faster, and resolve recurring issues more efficiently.

Holding annual general meetings and special shareholders’ meetings in the Metaverse would revolutionize the legal reality we live in today. The physical location of the Chairperson and Secretary of the meeting would become irrelevant, as all that would be needed is a digital platform capable of holding the event. Instead, participants could access the meeting through their mobile devices and, depending on the circumstances, put on augmented reality or virtual reality headsets for an even better experience.

The new, still-developing Metaverse technology will make it possible to access shareholders’ meetings from anywhere in the world, which in turn should contribute to greater activism by shareholders around the globe who are interested in investing in Brazilian companies or doing business in Brazil.

Shareholders’ meetings in the Metaverse should also foster a greater sense of shared endeavor among participants, in comparison with virtual meetings: interactions in the Metaverse will be more realistic and adaptable because the participants’ avatars will have characteristics very similar to the characteristics of the person they represent.

Using the Metaverse does not depend only on technological advances, however. Transactions will take place in the Metaverse, and that means that the Metaverse also depends on regulations.

Brazil's Securities and Exchange Commission, the CVM (*Comissão de Valores Mobiliário*s), is the regulatory authority with jurisdiction to issue regulations on proceedings – like shareholders' meetings – that take place in the Metaverse.

The CVM's jurisdiction is summarized in article 8 of Law 6.385/1976, which provides that, among other things, CVM has power to issue regulations on the matters specified in the Brazilian Corporations Law (Law 6.404/1976), to oversee and inspect activities and services in the securities market, and to oversee and inspect publicly-traded companies.

Because of its powers of oversight and inspection, CVM will have to make its presence felt in proceedings conducted in the Metaverse, such as shareholders' meetings, to repress conduct that is harmful to the equity market.

The fact is that the Metaverse is not far off, and when it arrives it will have an enormous, even revolutionary impact. The CVM must act decisively and soon to ensure that the Metaverse realizes its dreamed-of potential and does not unexpectedly become a nightmare.

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