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**United Nations Commission on  
International Trade Law**  
**Fifty-ninth session**  
New York, 29 June – 10 July 2026**Exploratory work on decentralized autonomous  
organizations - review and possible model text****Note by the Secretariat**

As described in [A/CN.9/1248](#), the UNCITRAL secretariat engaged an expert consultant to support the exploratory work on decentralized autonomous organizations (DAOs), which has thus far involved the conduct of a review of existing laws on DAOs and the preparation of an initial draft of a possible model law on DAOs. The review, entitled *Legal treatment of decentralized autonomous organizations: a review of existing national and transnational frameworks to support UNCITRAL's exploratory work in this area*, is set forth in Annex I. The initial draft of a possible model law is set forth in Annex II. This document is provided in English only, for information purposes.



## Annex I

### **Legal treatment of decentralized autonomous organizations: a review of existing national and transnational frameworks to support UNCITRAL's work in this area<sup>1</sup>**

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<sup>1</sup> The review was prepared for the UNCITRAL secretariat by Mariana de la Roche Wills, with review and contributions by Professor Maria del Sagrario Navarro (University of Castilla-La Mancha) and Tonia Damvakeraki, PhD candidate (University of Nicosia). It supports the ongoing exploratory work by the UNCITRAL secretariat on the private law implications of decentralized autonomous organizations (DAOs) and distributed ledger technologies (DLT) in international trade. Building on UNCITRAL's prior mapping of legal issues relating to DLT and DAOs (A/CN.9/1222; A/CN.9/1225), the report addresses a more specific question: how existing legal systems currently render DAOs legally operable within private law, and what those approaches imply for the development of a possible model law.

## Executive summary

1. The comparative analysis demonstrates that, to date, no jurisdiction has created DAOs as an entirely autonomous or ontologically sui generis category of legal person. Instead, DAOs are consistently accommodated within pre-existing private-law forms, most commonly limited liability companies, foundations, or associations, or addressed indirectly through regulatory frameworks focused on technology or function. Legislative and regulatory innovation has therefore concentrated on adapting existing legal concepts, rather than redefining legal personality itself. The reviewed frameworks illustrate a range of domestic techniques, including functional and non-institutional models, corporate overlays, association-based regimes, and bespoke statutory forms that may incorporate public-interest conditions or supervisory oversight.
2. Against this background, the comparative analysis identifies three broad techniques through which legal systems currently accommodate DAOs. While the use of existing legal forms without DAO-specific legislation and the deployment of technology- or function-focused regulatory and legal frameworks provide important contextual insight, the analysis shows that only DAO-specific statutory overlays on existing legal forms translate DAO-specific characteristics into a single, coherent private-law framework. By contrast, subsumption under general organizational law leaves DAO-specific issues largely unarticulated, while technology- or function-focused frameworks rely on the interaction of multiple regulatory regimes rather than a unified set of private-law principles.
3. On this basis, the report concentrates analytically on DAO-specific statutory overlays, with detailed examination of the frameworks adopted in the Republic of the Marshall Islands, the State of Wyoming (United States), and the Emirate of Ras Al Khaimah (United Arab Emirates). These regimes illustrate how legislatures have addressed attribution, liability, governance, disclosure, and the legal relevance of on-chain activity through explicit statutory design choices. The analysis is complemented by a review of the COALA Model Law, which offers a non-statutory, technology-neutral articulation of functional equivalence based on transparency and verifiability rather than formal registration.
4. A potential Model Law on DAOs should not seek to replicate national regimes, but to coordinate cross-border legal effects by articulating minimum conditions under which acts and transactions attributable to a DAO, as an organizational unit, may be recognized, attributed, and relied upon in international trade and private-law contexts. In this sense, the report positions a potential UNCITRAL Model Law not as a DAO-recognition mechanism per se, but as a framework for stabilising cross-border legal expectations while preserving domestic legal autonomy.

## Chapter 1: Purpose and Scope

5. This Chapter sets out the purpose, scope, and analytical framing of the report, situating it within UNCITRAL's ongoing exploratory analytical work on the legal implications of distributed ledger technology and DAOs, including the draft guidance on legal issues relating to the use of

distributed ledger technology in trade (A/CN.9/1222) and the note on legal issues relating to the use of DAOs in trade (A/CN.9/1225). Those documents provide a broad, technology-neutral mapping of legal issues and regulatory considerations arising from the use of DLT- and DAO-related arrangements across jurisdictions.

6. The present report does not seek to replicate that analysis. Instead, it responds to the need, identified in those documents, for a more focused and structurally comparative examination of how DAOs are accommodated within existing private-law frameworks, with a view to identifying design choices and legal techniques capable of informing the development of a future UNCITRAL Model Law.
7. Accordingly, this report is intended to serve as an analytical foundation for the subsequent development of a potential Model Law addressing DAOs and comparable decentralized organizational arrangements. It draws on existing comparative research, regulatory practice, and multilateral analytical work to assess how different legal systems currently accommodate DAOs within private law. Its focus is not on promoting a particular organizational or governance model, but on identifying common legal patterns, points of divergence, and structural constraints that are relevant for cross-border operation, legal certainty, and interoperability.
8. A central premise of this analysis is that, to date, no jurisdiction has established DAOs as a wholly new or sui generis category of legal person. Even where DAO-specific legislation has been enacted, DAOs are consistently embedded within pre-existing legal forms, most commonly limited liability companies, foundations, or association-type entities. Legislative innovation has therefore concentrated on adapting governance mechanisms, liability allocation, and asset-separation rules, particularly to accommodate decentralized, token-based, or algorithmic decision-making, rather than on redefining the foundations of legal personality.
9. Based on comparative analysis, the report identifies three principal techniques through which DAOs are legally accommodated:
  - i. **DAO-specific statutory overlays on established private-law forms**, which expressly recognise DAOs as a variant of an existing or bespoke organizational form and introduce tailored rules on governance, disclosure, liability, and the legal relevance of on-chain activity, including the interaction between smart contracts and legal instruments.
  - ii. **Use or adaptation of existing private-law entities without DAO-specific legislation**, allowing DAO-like arrangements to operate through companies, foundations, or associations by contractual and organizational adaptation rather than by express statutory recognition.
  - iii. **Technology- or function-focused regulatory frameworks**, which recognize DAO-related technologies or governance systems for regulatory or evidentiary purposes without creating legal personality or a distinct organizational form.
10. While the second and third categories provide important regulatory context, the report concentrates primarily on the first technique, DAO-

specific statutory overlays on existing legal forms, because it addresses DAO-specific characteristics in a single, coherent private-law framework. By contrast, the use of existing legal forms without DAO-specific legislation largely relies on subsumption under general organizational law, while technology- or function-focused frameworks depend on the interaction of multiple regulatory regimes rather than a unified set of private-law principles or standards suitable for model-law abstraction.

11. The report provides a global overview of selected jurisdictions and then undertakes detailed analysis of four leading examples of DAO-specific statutory approaches: the Republic of the Marshall Islands; the State of Wyoming (United States), including both DAO LLC and Decentralized Unincorporated Nonprofit Association (DUNA) frameworks; and the Emirate of Ras Al Khaimah (United Arab Emirates). Together, these regimes illustrate how legislatures have anchored DAO-based arrangements within private law through explicit statutory design choices, including elective legal status, tailored governance and liability rules, recognition of on-chain records, and disclosure- or registration-based safeguards, while preserving different degrees of decentralisation, organizational form, and regulatory oversight.
12. The scope of the report is limited to issues of legal recognition, governance structures, asset separation, and liability regimes, as well as related private-law considerations that affect the legal operability of DAOs in cross-border contexts. The report does not provide a comprehensive analysis of regulatory compliance or financial regulation, including AML/CFT, taxation, securities law, insolvency, or sector-specific licensing requirements, except insofar as such matters are expressly embedded in the private-law frameworks examined.
13. Building on this analysis, the report concludes with a structured comparative assessment and the identification of key design considerations intended to inform the possible development of a UNCITRAL Model Law on DAOs.

## **Chapter 2: Global Overview of DAO-Related Frameworks**

14. This chapter draws on the findings of the Blockstand-BlackVogel Comparative Analysis Report: Legal Frameworks for DAOs (December 2024), which examined how selected jurisdictions have approached the legal recognition, governance, liability, and regulatory treatment of DAOs. Rather than reproducing a jurisdiction-by-jurisdiction analysis, this section provides a consolidated overview of the principal regulatory approaches that have emerged globally, highlighting converging patterns and structural divergences relevant for comparative analysis and harmonization-oriented work.
15. Existing regulatory approaches consistently embed DAO-like arrangements within pre-existing private-law legal forms, most commonly limited liability companies, foundations, or association-type entities. Jurisdictions diverge primarily in the legislative and regulatory techniques used to accommodate decentralized or algorithmic governance, rather than in the creation of new categories of legal personality.

16. These techniques may be broadly characterized as three recurring regulatory approaches through which DAOs are accommodated within domestic legal systems. First, some jurisdictions have adopted DAO-specific statutory regimes that expressly qualify DAOs as an existing legal form, while introducing targeted rules on governance, disclosure, or liability without creating a new category of legal personhood. Second, other jurisdictions rely on the use or adaptation of existing private-law entities, such as companies, foundations, or associations, allowing DAO-like arrangements to obtain legal personality through established organizational forms without DAO-specific legislation. Third, a number of jurisdictions have developed technology- or function-focused regulatory frameworks that recognize DAO-related technologies or governance mechanisms, such as smart contracts, tokenized participation, or distributed ledger systems, while leaving legal personality and organizational structure anchored in general private law.
17. The following sections illustrate these approaches through selected jurisdictions, beginning with those that have adopted DAO-specific statutory regimes.

**(i) DAO-specific statutes that anchor decentralized organizations within private law**

18. Examples include the Republic of the Marshall Islands, where DAOs are registered as DAO LLCs under the Decentralized Autonomous Organization Act 2022; Ras Al Khaimah (United Arab Emirates), which has established a bespoke DAO legal form through the DAO Association Regulations 2024 issued by the RAK Digital Assets Oasis Authority; and the United States (Wyoming), which has adopted a dual-track DAO-specific statutory approach. First, the Wyoming Decentralized Autonomous Organization Supplement operates as a statutory overlay to the limited liability company framework, enabling DAOs to obtain legal personality and limited liability through an adapted corporate form. Second, the Decentralized Unincorporated Nonprofit Association Act (2024) establishes a non-corporate organizational form expressly designed to accommodate decentralized and on-chain governance for nonprofit and public-purpose organizations, granting separate legal personality and liability shielding without incorporation.
19. While these statutes differ in terminology and organizational form, they share a common legislative technique: the deliberate anchoring of decentralized, code-governed organizations within private law through explicit rules on legal personality, governance, liability, and continuity. A detailed examination of these frameworks is provided in Chapter 3.

**(ii) Use or adaptation of existing private-law entities without DAO-specific legislation, allowing DAO-like arrangements to obtain legal personality through established company, foundation, or association law.**

20. Examples include the Cayman Islands (foundation companies under the Foundation Companies Law, 2017), Estonia (private limited companies under the Commercial Code), and Switzerland (associations and foundations under the Swiss Civil Code).

- **Cayman Islands - Foundation Companies Law, 2017, Foundation Company**

21. Allows the formation of Foundation Companies, a hybrid entity blending features of companies and trusts. The Foundation Companies Law, 2017 does not contain any reference to DAOs, nor does the Cayman Islands have a bespoke or DAO-specific legal framework. In practice, foundation companies are commonly used as legal wrappers for DAOs, but this usage arises from market practice rather than statutory recognition and on-chain governance mechanisms have no legal effect per se unless reflected in the company's constitutional documents.
22. A foundation company is a body corporate with separate legal personality, formed by registering a memorandum and articles of association with the Registrar of Companies. Notably, it does not require shareholders and may operate without members after formation. Each foundation company must have a licensed resident secretary (§16(1)). Governance is handled by a board of directors, and supervisors may be appointed to oversee compliance. The bylaws are not publicly filed and do not form part of its constitution (§12(3)–(4)).

- **Estonia - Commercial Code, Private Limited Company (OÜ)**

23. Estonia does not have DAO-specific legislation, nor does the Commercial Code contain any reference to DAOs. In practice, DAOs may operate using a Private Limited Company (osaühing, OÜ) as a legal wrapper, but this as well results from market practice rather than statutory recognition of DAO structures.
24. An OÜ is a corporate body with separate legal personality (§ 2(3) Commercial Code) and limited liability for shareholders (§ 136). It is established through entry in the Commercial Register (§ 137) and governed by its articles of association (§ 139) and mandatory statutory corporate organs, in particular the management board (§ 180 ff.) and, where applicable, a supervisory board (§ 316 ff.). Estonia's digital-by-default public infrastructure enables fully remote incorporation, management, and filing, making the OÜ operationally attractive for internationally distributed projects, including DAO-like arrangements.
25. DAO governance mechanisms, such as on-chain voting, token-based participation, or automated execution of internal rules, may be mirrored or contractually referenced within the company's internal governance framework, including shareholder agreements or internal rules supplementing the articles of association. However, legal capacity (§ 25), external representation (§ 181), and liability attribution derive exclusively from the OÜ as a legal person and its statutory organs, not from the DAO itself or from smart-contract systems as such.
26. Token-related activities conducted by an OÜ may trigger separate regulatory obligations under Estonian financial, AML, or licensing regimes, depending on the nature of the activities. The use of an OÜ provides legal recognition and legal personality to the incorporated entity under Estonian company law. However, it does not constitute recognition of the DAO itself as a distinct legal form, nor does it attribute legal effects to on-chain governance or smart-contract mechanisms independently of the OÜ's statutory corporate structure. The entity remains subject to all

applicable regulatory and supervisory requirements arising from its activities.

- **Switzerland – Swiss Civil Code (ZGB), Associations and Foundations**

27. Switzerland does not provide a DAO-specific legal regime. However, DAOs may operate through existing legal forms under the Swiss Civil Code, primarily as Associations (Art. 60–79 ZGB) or Foundations (Art. 80–89 ZGB).
28. Associations may be formed with minimal formal requirements and acquire legal personality upon adoption of written statutes defining purpose, resources, and organization (Art. 60(1) ZGB). They allow for member-based governance structures, which may be aligned with on-chain or hybrid governance mechanisms, without statutory requirements for capital endowment.
29. Foundations require a dedicated endowment and must pursue a defined and lasting purpose (Art. 80 ZGB). Legal personality arises upon registration in the commercial register (Art. 52(2) ZGB in conjunction with Art. 81 ZGB). Governance is exercised by a foundation board, subject to supervisory oversight.
30. Both structures confer separate legal personality and limited liability, enabling DAOs to interface with the legal system for contractual, regulatory, and asset-holding purposes. Their use does not equate to recognition of a DAO as such, but rather provides a legal wrapper through which decentralized or smart-contract-based governance arrangements may operate within Swiss private law.

**(iii) Technology- or function-focused regulatory frameworks that operate alongside general private law, recognising DAO-related technologies or governance systems without creating a distinct legal entity or automatically conferring legal personality.**

31. Examples include Abu Dhabi Global Market (Distributed Ledger Technology Foundations Regulations 2023), Liechtenstein (Token and Trusted Technology Service Provider Act) and Malta (Innovative Technology Arrangements and Services Act, 2018), where DAO-style governance may be implemented on-chain while legal personality remains anchored in an underlying company, foundation, or association.

- **ADGM - Distributed Ledger Technology Foundations Regulations 2023 (UAE), DLT Foundation**

32. The Regulation established a bespoke foundation-based legal structure under which decentralized or DLT-enabled projects may obtain legal personality and limited liability through the formation of a DLT Foundation. A DLT Foundation is constituted as a separate legal entity under ADGM law via a charter and registration process, with a minimum initial asset value of USD 25,000 to be contributed within six months of registration (§19(1)–(2)). Each DLT Foundation must maintain a registered office in ADGM and is generally required to appoint a licensed Company Service Provider, unless an exemption applies (§11(1)–(2)).

33. The Regulations do not recognise DAOs as a distinct legal form. Instead, they permit DLT-enabled or DAO-like governance arrangements to be implemented within the foundation structure. Governance is vested in a Foundation Council consisting of at least two members (§29(1)), whose duties and responsibilities are defined by statute (§29(3)–(4)). The foundation, rather than any underlying protocol or community, is the legal subject that enjoys limited liability. Beneficial ownership disclosure and annual reporting obligations apply in accordance with ADGM regulatory requirements.

- **Liechtenstein - Persons and Companies Act (PGR) with Tokenised Governance under the TVTG (2019)**

34. Liechtenstein does not recognize DAOs as a distinct legal form. DAO-like arrangements obtain legal personality exclusively through existing private-law entities, most commonly associations or foundations governed by the PGR, while the TVTG operates as a complementary, function-based framework for tokenization and TT services.

35. Similar to Switzerland, under the PGR, associations provide a flexible structure for membership-based governance, whereby members collectively form the supreme body and exercise decision-making powers in accordance with the articles of association (Arts. 246–260 PGR). Foundations, by contrast, are used where assets are irrevocably dedicated to a specific purpose, with governance exercised through designated organs in accordance with the foundation deed and statutes, rather than through members (Arts. 552–570 PGR). DAO governance mechanisms may be mirrored or complemented through on-chain voting or token-based participation arrangements; however, legal capacity, external representation, and liability derive exclusively from the underlying PGR entity and its statutory organs (Arts. 246 ff. PGR for associations; Arts. 552 ff. 565 ff. PGR for foundations), and not from the on-chain governance mechanisms or smart contracts as such.

36. The TVTG introduces a technology-neutral Token Container Model, allowing tokens to represent membership rights, governance rights, claims, or other absolute or relative rights under civil law (Art. 2(1)(c) TVTG). Where applicable, tokens are recognised as assets located in Liechtenstein (Art. 4 TVTG), and the lawful transfer of tokens produces legal effects on the underlying rights represented (Arts. 5–7 TVTG). This enables DAO-style governance and participation to be implemented on-chain while remaining legally anchored in an off-chain association or foundation.

37. Legal certainty is reinforced through the involvement of registered TT service providers, including tokenization service providers and, where relevant, physical validators, who are responsible for ensuring that tokenized rights are legally and technically enforceable vis-à-vis third parties (Art. 2(1)(m), Art. 9a TVTG). Supervision applies only to regulated TT activities and is exercised by the Financial Market Authority Liechtenstein (Arts. 11–13, 18–23 TVTG).

38. Accordingly, Liechtenstein follows an indirect and layered approach to DAOs: DAO governance and coordination may occur on-chain, but legal

personality, liability, and internal organization remain governed by PGR association or foundation law, with the TVTG applying only where DAO-related activities trigger regulated token or TT service functions.

- **Malta - Innovative Technology Arrangements and Services Act, 2018 (Cap. 592) Innovative Technology Arrangements (ITAs)**

39. The Act provides a technology-neutral regulatory framework under which DAOs may fall within the category of innovative technology arrangements, specifically as “smart contracts and related applications, including decentralized autonomous organizations” (First Schedule, item 3). The Act does not create a standalone DAO legal entity, nor does it constitute or presume legal personality for a DAO as such.
40. Instead, it establishes a voluntary certification and recognition regime administered by the Malta Digital Innovation Authority (MDIA), under which DAOs and other DLT-based systems may obtain formal certification as technical arrangements, either within or independent of any legal organization (art. 8(8)).
41. Where an innovative technology arrangement is held within a legal organization, certification is issued in the name of that organization; where no such organization exists, certification may be issued in the name of the applicant and the registered technical administrator, without attributing legal capacity or external representational authority to the DAO itself (art. 8(8)).
42. Certification focuses on governance, accountability, auditability, and legal compliance, including the mandatory appointment of a registered technical administrator, systems auditing, disclosure of governance parameters, and the existence of intervention mechanisms to ensure compliance with mandatory laws (arts. 3(2)–(4), 7, 8(1), 8(6)).
43. Accordingly, the framework enables legal recognition of smart-contract-based governance systems (First Schedule, item 3) for regulatory and evidentiary purposes only, without equating certification with incorporation, legal personality, or the attribution of rights and obligations to the DAO as a legal subject (art. 8(8)).
44. Certificates issued under the Maltese framework function as statutory technical certification for evidentiary and supervisory purposes of technical governance, auditability, and compliance characteristics, serving evidentiary and supervisory purposes, without constituting a legal entity, conferring legal personality, or attributing legal capacity to the DAO itself.
45. In ADGM, DAO-like governance is accommodated through a bespoke statutory organizational form, with decentralized or DLT-enabled arrangements embedded within a DLT Foundation that constitutes the legal person and bears legal capacity, representation, and liability. Liechtenstein, by contrast, does not recognize DAOs as legal persons under the TVTG; instead, DAO-style governance operates alongside existing PGR entities, with legal personality, capacity, and liability anchored exclusively in an association, foundation, or company constituted under general private law.

46. Malta occupies a distinct intermediate position: it neither establishes a DAO legal form nor embeds DAO governance within a dedicated organizational statute, but instead recognizes DAOs as certified technical governance arrangements for regulatory and evidentiary purposes, while deliberately leaving questions of legal personality, capacity, and external legal effects to existing legal organizations or contractual structures.
47. Conceptually, Malta's approach is therefore closer to the logic of a coordination or model-law technique than to that of a DAO-specific incorporation regime. Rather than constituting DAOs as legal persons, the Maltese framework focuses on the recognition of technical governance arrangements and their legal effects, separating recognition from constitution and emphasising technology-neutral functional equivalence, an approach that closely mirrors the techniques traditionally employed in Model Laws.
48. Notwithstanding the differences in regulatory technique, a degree of convergence can be observed around three core objectives: the allocation of legal personality to an associated legal entity or statutory form, the limitation of participant liability, and a recurrent regulatory focus on governance and compliance considerations, particularly where DAOs engage in financial activities, token issuance, or other regulated conduct.
49. Taken together, these regimes illustrate a gradual but cautious convergence toward recognizing DAOs as legally cognizable organizational arrangements, while deliberately avoiding the creation of wholly new categories of legal personhood. Legal personality and limited liability are increasingly treated as prerequisites for DAO interaction with off-chain legal and financial systems, whereas governance flexibility remains bounded by the constraints of existing company, foundation, or association law.

### **Chapter 3: DAO-Specific Statutory Overlays to Existing Legal Forms**

50. Building on the typology developed in Chapter 2, this chapter focuses exclusively on technique (i): DAO-specific statutes that anchor decentralized organizations within private law.
51. Under this approach, DAOs are not treated as informal associations or purely contractual networks, nor are they addressed indirectly through regulatory guidance. Instead, legislatures deliberately anchor DAOs within a recognized legal personality, while adapting corporate law concepts to accommodate decentralized and code-based governance.
52. This chapter examines four leading examples of this technique within three jurisdictions:
  - The Republic of the Marshall Islands, where DAOs are registered as DAO LLCs under the Decentralized Autonomous Organization Act 2022;
  - Ras Al Khaimah (United Arab Emirates), which has established a bespoke DAO legal form through the DAO Association Regulations 2024 issued by the RAK Digital Assets Oasis Authority; and

- The United States (Wyoming), which has adopted a dual-track DAO-specific statutory approach:
    - the Decentralized Autonomous Organization Supplement, which operates as a statutory overlay to the limited liability company framework; and
    - the Decentralized Unincorporated Nonprofit Association Act (2024), which establishes a DAO-specific, non-corporate legal form for nonprofit and public-purpose DAOs.
53. These jurisdictions have been selected because they represent among the most developed statutory articulations of DAO legal recognition within private law currently in force. Together, they illustrate that DAO-specific statutory anchoring can be achieved through both corporate and association-based legal forms, while maintaining explicit rules on legal personality, governance, liability, and continuity.
54. The decision to focus on technique (i) is directly linked to the objective of supporting the development of a future Model Law suitable for consideration within UNCITRAL. Technique (i) provides a particularly suitable foundation for Model Law-related work because it resolves core private-law questions that are essential for cross-border legal certainty. By situating DAOs within an established legal form, these statutory approaches expressly address legal personality, legal capacity, liability allocation, representation, and organizational continuity, thereby reducing uncertainty at the interface between on-chain governance and off-chain legal effects.
55. In addition, anchoring DAOs in familiar organizational forms, most commonly limited liability entities, but also other associative forms enhances the transposability of this technique across different legal traditions. This approach allows DAO-specific rules to be adapted within both common-law and civil-law systems without requiring the creation of an entirely new category of legal person. While technique (ii) may also result in legal personality and limited liability, it relies on organizational frameworks that were not originally designed to accommodate distributed ledger technologies or Web3-specific governance features, and therefore requires extensive interpretative or contractual adaptation. By contrast, technique (i) statutes expressly regulate the interaction between smart contracts and legal governance instruments, disclosure obligations, the modification or exclusion of fiduciary duties, and dissolution mechanisms. Technique (iii), in turn, would typically require the interaction of multiple normative layers, or the creation of a separate regulatory regime that must operate alongside commercial and corporate law while accounting for the particularities of the underlying technology. These elements are particularly important for abstraction into model-law provisions, as technique (i) translates technological features into legally cognizable rules within a single, coherent private-law framework.
56. Finally, the statutory frameworks falling within technique (i) exhibit a level of legislative maturity and normative clarity that is generally absent from purely experimental or guidance-based approaches. Rather than relying on interpretative accommodation, these regimes reflect deliberate legislative choices regarding autonomy, risk allocation, and public-interest safeguards. As such, they provide a concrete and evaluable basis for

comparative analysis and for the extraction of principles capable of informing a future UNCITRAL Model Law.

- ***Republic of the Marshall Islands - Decentralized Autonomous Organization Act 2022***

57. The Decentralized Autonomous Organization Act 2022 establishes a dedicated legal regime for DAOs in the Republic of the Marshall Islands by recognizing them as a specialized form of resident domestic limited liability company (DAO LLC) under Title 52 of the Associations Law. The Act is expressly anchored in the Limited Liability Company Act 1996, which continues to apply to the extent not inconsistent with the DAO framework (§703(1)(a)).
58. A DAO is defined as a resident domestic LLC whose certificate of formation or limited liability company agreement explicitly elects DAO status (§704(1)). An existing LLC may convert into a DAO by amending its formation documents to include the required DAO election (§704(2)). The Act further requires that the certificate of formation or LLC agreement contain a conspicuous statutory notice stating that the entity is a DAO and warning that members' rights may differ materially from those of members in traditional LLCs, including the potential reduction or elimination of fiduciary duties and restrictions on transfers, withdrawal, return of capital, and dissolution (§704(3)).

#### **Governance architecture and smart-contract recognition**

59. The Act explicitly recognizes DLT, automated transactions, and smart contracts as foundational elements of DAO operations (§702(a)–(c), §702(1)). Smart contracts may directly manage, facilitate, or operate the DAO, and any such smart contract must be referenced through a publicly available identifier in the certificate of formation or LLC agreement (§706(2)).
60. DAO LLCs may be structured as member-managed or algorithmically managed, with governance vested in members or in smart contracts respectively (§708). Where no governance model is specified, the DAO is presumed to be member-managed (§704(5)). This structure allows governance to be exercised either through traditional collective decision-making or through automated, code-based processes, depending on the design choices of the DAO.

#### **Internal organization and membership rights**

61. The Marshall Islands regime adopts a highly permissive contractual approach. The certificate of formation, the LLC agreement, and/or the applicable smart contracts may govern virtually all aspects of the DAO's internal affairs, including member relations, voting mechanisms, quorum rules, transferability of membership interests, amendment procedures, distributions, withdrawal, dispute resolution, and the modification of smart contracts themselves (§706(3)).

62. Membership interests may be represented through digital assets or governance tokens. In for-profit DAO LLCs, these interests may include economic rights, while in nonprofit DAO LLCs they are limited to governance or voting rights (§702(i)). Voting power is typically determined by governance token holdings unless the governing documents provide otherwise (§710).

#### **Fiduciary duties and standards of conduct**

63. A defining feature of the Act is its treatment of fiduciary obligations. Unless the DAO's governing documents provide otherwise, members owe no fiduciary duties to the DAO or to other members, apart from the implied contractual covenant of good faith and fair dealing (§709). This represents a deliberate shift away from traditional corporate fiduciary frameworks in favour of private ordering and code-based governance.

#### **Records, transparency, and information rights**

64. The Act modernizes corporate record-keeping by allowing on-chain records to substitute for traditional books and meeting minutes. Where actions, transactions, votes, and decisions are recorded on a DLT and remain publicly accessible for at least five years after dissolution, no separate record-keeping obligation applies (§711(1)). Cryptographic signatures satisfy statutory writing and signature requirements (§711(2)), and members have no right to demand off-chain inspection of records where the relevant information is publicly available on-chain (§711(4)).

#### **Interaction with securities, tax, and investment law**

65. The DAO Act carefully limits the application of other regulatory regimes. Governance tokens conferring no economic rights are expressly excluded from securities classification (§703(2)(d)), and digital assets issued by nonprofit DAO LLCs in furtherance of their nonprofit purpose are not treated as securities (§703(2)(b)). DAO LLCs that do not conduct business in the Republic are generally not subject to income tax, although for-profit DAO LLCs must file annual gross-revenue tax returns and pay tax accordingly (§703(3)).
66. Where a DAO LLC is not doing business in the Marshall Islands, it is also exempt from Foreign Investment Business License requirements, with disclosure obligations limited to beneficial owners holding 25% or more of governance or membership interests (§703(4), §712(5)).

#### **Beneficial ownership and compliance safeguards**

67. Despite its permissive governance approach, the Act imposes robust beneficial ownership disclosure requirements. Each DAO LLC must submit a Beneficial Owner Information Report at formation and annually, identifying beneficial owners by name, date of birth, address, passport details, and associated blockchain wallet addresses (§712(1)–(2)). Willful misreporting or failure to update beneficial ownership information is expressly prohibited and sanctionable (§712(4)).
68. For the purposes of the Act, a beneficial owner (referred to as a “beneficial member”) is defined as any member who directly or indirectly holds 25%

or more of the DAO's membership interests or voting rights. Where no member meets this threshold, the beneficial owner is the person or persons who exercise actual, effective, or sufficient responsibility or control over the DAO (§702(r)).

#### **Dissolution and residual safeguards**

69. A DAO LLC may be dissolved by member vote, smart-contract triggers, expiration of duration, court order, or Registrar intervention (§714(1)). Notably, the Registrar may dissolve a DAO that no longer serves a lawful purpose or is no longer under the control of at least one natural person, introducing a clear legal backstop against fully autonomous or ownerless structures (§714(1)(d)).

#### **• *Ras Al Khaimah (United Arab Emirates) – DAO Association Regulations 2024***

70. The DAO Association Regulations 2024, issued by the RAK Digital Assets Oasis Authority, establish a dedicated statutory regime for DAOs in Ras Al Khaimah by recognizing the DAO Association as a body corporate with separate legal personality (Reg. 8). A DAO Association incorporated under the Regulations may acquire assets, enter into contracts, and incur liabilities in its own name, while the liabilities of the DAO Association are expressly separated from those of its Members, Token Holders, and Officers, subject to limited guarantee-based commitments.
71. Unlike DAO regimes that operate as overlays to existing company law, the RAK framework creates a bespoke organizational form expressly designed for DAO-based governance, rather than adapting an existing corporate or associative structure. Incorporation is effected through registration with a dedicated Registrar of DAO Associations, accompanied by the issuance of both a certificate of incorporation and a trade licence, situating the DAO Association firmly within the Emirate's private-law and regulatory architecture.
72. The RAK framework further distinguishes between different categories of DAO Associations at the point of incorporation, most notably between so-called Alpha DAOs and Startup DAOs. This distinction is structurally significant. Alpha DAOs function as umbrella or coordinating entities and are expressly permitted to establish Sub-DAO Associations, enabling a legally recognised group architecture with segregated assets and liabilities. Startup DAOs, by contrast, are conceived as standalone organizational units without an inherent group function. The Alpha DAO model therefore introduces, at the level of DAO law, a concept analogous to a corporate group, adapted to decentralised governance and token-based coordination.

#### **Governance architecture and token-based participation**

73. Governance authority within a DAO Association is allocated between a mandatory Council, which functions as the executive and supervisory body, and Governance Token Holders, who exercise decision-making powers through Governance Proposals. The Regulations permit governance to be exercised through fully electronic and on-chain mechanisms, including token-based voting, while retaining an identifiable

governance organ responsible for external representation, compliance, and oversight.

74. The Council and Officers are subject to fiduciary-style duties, including duties of good faith, care, diligence, and purpose-alignment (Reg. 44), reflecting a more institutionalized governance model than that adopted in the Marshall Islands or Wyoming regimes. By contrast, Token Holders do not owe fiduciary duties by virtue of token ownership alone, and their rights and obligations are defined by the Constitution and the characteristics of the tokens issued.

#### **Nonprofit character and structural constraints**

75. A defining feature of the RAK regime is its mandatory nonprofit orientation. A DAO Association may only be incorporated if its Constitution expressly prohibits the distribution of profits or dividends and requires the reinvestment or reallocation of assets in furtherance of the DAO's stated Purpose (Regs. 12–13). While DAO Associations may engage in economic activity consistent with their trade licence, surplus value cannot be distributed to Members or Token Holders, distinguishing the RAK model from for-profit DAO LLC frameworks.
76. The Regulations also impose technical eligibility conditions as a prerequisite for incorporation. A DAO Association must be deployed on a permissionless distributed ledger and must utilize publicly accessible open-source code (Reg. 14). These requirements are framed not as optional design choices, but as constitutive conditions for legal recognition, embedding technological characteristics directly into the legal form.

#### **Internal organization, records, and disclosure**

77. DAO Associations are required to maintain a Constitution and a separate Memorandum of Association, both registered with the Registrar. Internal registers must be kept in electronic form, recording information on founding members, governance bodies, and governance actions. While selected registry information may be made public, broader transparency obligations are mediated through the Registrar, reflecting a hybrid model combining private-law organization with administrative oversight.
78. Token issuance is subject to registrar-level controls, including the submission of a white paper, a legal opinion confirming compliance with UAE law and non-securities classification, and a cybersecurity audit of relevant smart contracts. These requirements position token governance as an integrated component of the DAO Association's legal and compliance framework, rather than as a purely private or technical matter.

#### **Continuity, restructuring, and dissolution**

79. The Regulations provide detailed rules on amalgamation, continuation into and out of the jurisdiction, and the creation of Sub DAO Associations with segregated assets and liabilities. Dissolution may occur voluntarily, by court order, or through registrar-initiated strike-off. Where a DAO Association is dissolved and not restored, residual assets vest in the

Government of Ras Al Khaimah, introducing a public-law backstop absent from other DAO regimes.

- ***Wyoming - Decentralized Autonomous Organization Supplement (SF0038, 2021) (United States), DAO LLC***

80. The Wyoming Decentralized Autonomous Organization Supplement, enacted as Chapter 162 of the Laws of Wyoming, establishes a statutory framework under which DAOs are recognized as a form of limited liability company. The statute expressly positions the DAO regime as a supplement to, rather than a replacement of, the Wyoming Limited Liability Company Act (§17-31-101; §17-31-103). The Wyoming DAO Supplement entered into force on 1 July 2021.

#### **Definitions and conceptual scope**

81. For the purposes of the statute, a “decentralized autonomous organization” is defined as a limited liability company organized under the Supplement (§17-31-102(a)(ii)), with the term “limited liability autonomous organization” used interchangeably. Core concepts such as blockchain, digital assets, and smart contracts are incorporated by reference from existing Wyoming digital asset legislation (§17-31-102(a)), thereby anchoring the DAO framework within the state’s broader digital asset regulatory environment. Membership interests are defined as ownership interests that may be structured and governed through articles of organization, operating agreements, or smart contracts, and may be designated as digital securities or digital consumer assets where expressly provided (§17-31-102(a)(vi)).

#### **Application of LLC law and election of DAO status**

82. The Wyoming Limited Liability Company Act applies to DAOs except to the extent that it is inconsistent with the DAO Supplement (§17-31-103(a)). The statute further clarifies that it does not affect LLCs that do not elect DAO status (§17-31-103(b)), confirming that DAO treatment is entirely elective. DAO status is obtained through an explicit statement in the articles of organization, and existing LLCs may convert into DAOs by amending their articles accordingly (§17-31-104(a)–(b)). The law mandates the inclusion of a conspicuous statutory notice warning that fiduciary duties may be reduced or eliminated and that transfer, withdrawal, and dissolution rights may be materially restricted (§17-31-104(c)). In addition, the legal name of the entity must clearly indicate its DAO status through the use of “DAO,” “LAO,” or “DAO LLC” (§17-31-104(d)).

#### **Formation and types of DAOs**

83. The statute distinguishes between member-managed and algorithmically managed DAOs, with a presumption in favour of member management unless otherwise specified in the articles (§17-31-104(e)). Algorithmically managed DAOs are permitted only where the underlying smart contracts are capable of being updated or upgraded (§17-31-105(d)), reflecting a legislative preference for technical adaptability and risk mitigation. Any person may form a DAO by filing articles of organization with the Secretary of State, and the organizer need not be a member of the

organization (§17-31-105(a)). A registered agent in Wyoming is required at all times (§17-31-105(b)), and DAOs may be formed for any lawful purpose, whether for profit or not (§17-31-105(c)).

#### **Governance architecture and smart contracts**

84. In addition to standard LLC requirements, the articles of organization of a DAO must include a publicly available identifier for any smart contract directly used to manage, facilitate, or operate the organization (§17-31-106(b)). The statute provides that the articles of organization and the smart contracts together govern all internal affairs of the DAO, including member relations, rights and duties, governance, voting, transferability, withdrawal, distributions, amendment procedures, and the modification of smart contracts (§17-31-106(c)). Where relevant matters are not addressed by the articles or smart contracts, an operating agreement may supplement the governance framework (§17-31-108). The law creates an explicit linkage between on-chain and off-chain governance by requiring amendments to the articles of organization whenever a DAO's smart contracts are updated or changed (§17-31-107(a)(iii)).

#### **Management and standards of conduct**

85. Management authority is vested either in the members or in the smart contracts, depending on whether the DAO is member-managed or algorithmically managed, unless otherwise provided in the governing documents (§17-31-109).
86. Unless otherwise provided in the articles or operating agreement, members owe no fiduciary duties to the DAO or to other members, aside from the implied contractual covenant of good faith and fair dealing (§17-31-110). This again, like in Marshall, represents a departure from traditional corporate and LLC fiduciary norms and places substantial reliance on contractual and code-based governance mechanisms.

#### **Membership interests, voting, and information rights**

87. For member-managed DAOs, default voting rules provide that membership interests are calculated proportionally to digital asset contributions, unless the governing documents specify otherwise (§17-31-111(a)(i)). Where no digital asset contribution is required, voting defaults to one vote per member (§17-31-111(a)(ii)). A quorum requires a majority of the membership interests entitled to vote (§17-31-111(a)(iii)). These defaults are fully alterable through the articles, smart contracts, or operating agreement.
88. The statute significantly limits traditional information rights. Members have no statutory right to inspect or copy records where the relevant information is available on an open blockchain, and the DAO has no obligation to provide off-chain disclosures in such circumstances (§17-31-112).

#### **Withdrawal, dissolution, and hierarchy**

89. Withdrawal from a DAO is permitted only in accordance with the governing documents (§17-31-113(a)), and members may not cause

dissolution due to a failure to return capital contributions (§17-31-113(b)). Unless otherwise provided, a withdrawn member forfeits all membership interests, including both governance and economic rights (§17-31-113(c)).

90. Dissolution of a DAO may occur upon expiration of its stated duration, by majority vote of members in a member-managed DAO, upon events specified in smart contracts or governing documents, after one year of inactivity, or by order of the Secretary of State if the DAO no longer performs a lawful purpose (§17-31-114(a)). Following dissolution, a formal statement of intent to dissolve must be filed (§17-31-114(b)).
91. The statute establishes a clear hierarchy of governance instruments. In the event of conflict, smart contracts prevail over the articles of organization, except with respect to specified statutory disclosures and filing requirements, while the articles prevail over the operating agreement (§17-31-115).

#### **Foreign DAOs and entry into force**

92. Finally, the law expressly excludes foreign DAOs from registration, as the Secretary of State may not issue a certificate of authority to a DAO formed outside Wyoming (§17-31-116).

- ***Wyoming – Decentralized Unincorporated Nonprofit Association Act (2024) (United States), DUNA***

93. The Wyoming Decentralized Unincorporated Nonprofit Association Act establishes a DAO-specific statutory framework for nonprofit and public-purpose decentralized organizations operating without incorporation. Enacted as Chapter 32 of Title 17 of the Wyoming Statutes, the Act entered into force on 1 July 2024. It creates a distinct legal form: the decentralized unincorporated nonprofit association (DUNA), granting separate legal personality, limited liability, and full capacity to contract, own property, and participate in legal proceedings, while expressly accommodating decentralized and code-based governance.

#### **Definitions and conceptual scope**

94. For the purposes of the Act, a DUNA is defined as an unincorporated nonprofit association consisting of at least one hundred members, formed by mutual consent for a common nonprofit purpose and electing to be governed by the Act (§17-32-102(a)(iii)). The statute expressly incorporates DLT, digital assets, and smart contracts into its conceptual framework (§17-32-102(a)(v), (xii)), recognizing that governing principles may be contained in records, inferred from established practices, or embedded in on-chain governance mechanisms. Membership interests are defined as voting rights determined by the association's governing principles, including ascertained through distributed ledger technology (§17-32-102(a)(ix)).

#### **Legal personality, liability, and capacity**

95. The Act provides that a DUNA is a legal entity separate from its members for purposes of contract and tort (§17-32-107(a)). Members and administrators are not personally liable for the obligations or tortious acts of the association solely by virtue of their participation (§17-32-107(b)–(d)). The association has standing to sue and be sued, to participate in judicial and administrative proceedings, and to assert claims on behalf of its members where representative standing requirements are met (§17-32-108).

#### **Nonprofit character and economic activity**

96. While the association may engage in profit-making activities, all profits must be used in furtherance of, or set aside for, the nonprofit purpose (§17-32-104(a)). Distributions of income or profits to members or administrators are prohibited, subject to limited exceptions for reasonable compensation, expense reimbursement, benefit conferral consistent with the nonprofit purpose, and permitted distributions upon winding up (§17-32-104(b)–(c)). This structure clearly distinguishes DUNA entities from for-profit DAO regimes.

#### **Governance architecture and use of DLT**

97. The Act expressly authorises governance through DLT, including smart contracts (§17-32-121). Governing principles may specify the mutability of the underlying ledger, the public or private nature of access, and voting procedures implemented on-chain, including proposal systems for governance changes and protocol upgrades (§17-32-121(b)). The statute further permits the adoption and modification of consensus formation algorithms used for validation of records and organizational decision-making (§17-32-122).

#### **Members, administrators, and standards of conduct**

98. Members acquire and exercise rights in accordance with the governing principles, and membership interests are generally transferable unless restricted (§17-32-115; §17-32-119). Administrators are optional; where appointed, their authority and duties are defined by the governing principles (§17-32-123). The statute adopts a permissive approach to standards of conduct: members owe no fiduciary duties solely by reason of membership, aside from the implied contractual covenant of good faith and fair dealing (§17-32-117). Administrator liability may be limited or eliminated, subject to enumerated exceptions for intentional misconduct, improper benefit, criminal violations, and improper distributions (§17-32-123(d)).

#### **Information rights, records, and transparency**

99. Members and administrators are entitled to access records material to their rights and duties, unless the relevant information is already available on the distributed ledger relied upon by the association (§17-32-124). The Act permits reasonable confidentiality restrictions and does not require the maintenance of a comprehensive off-chain member registry (§17-32-124(c), (e)).

### **Continuity, dissolution, and structural flexibility**

100. DUNAs have perpetual existence unless otherwise provided in their governing principles (§17-32-114(a)). Dissolution may occur pursuant to the governing principles, by member approval, by court order, or automatically if membership falls below the statutory threshold (§17-32-114(b)). The statute provides detailed rules on winding up, asset distribution, mergers, and conversions, enabling continuity and structural adaptability while preserving nonprofit and charitable constraints (§§17-32-126–128).
101. The statutory frameworks examined in this chapter demonstrate that DAO-specific legislative anchoring within private law can be achieved through multiple organizational pathways, including both adapted corporate forms (such as limited liability companies) and bespoke or statutorily defined associations designed for nonprofit or public-purpose activity. While some of these regimes expressly identify DAOs as such, others adopt technology-descriptive formulations or create dedicated organizational forms that do not replicate traditional corporate typologies, yet are nevertheless expressly designed to accommodate decentralized, code-based governance structures.
102. Despite these differences in terminology, structure, and regulatory intensity, the approaches analysed share a common legislative technique: the recognition of decentralized organizations as legal persons, the deliberate accommodation of smart-contract-based governance, and the articulation of tailored rules on liability, governance, continuity, and dissolution within a single private-law framework. Together, these approaches provide a concrete and diverse reference base for identifying recurring design choices and legal mechanisms capable of abstraction beyond their domestic contexts.
103. Chapter 4 builds on this analysis by examining the COALA Model Law, with a view to assessing how such elements may be systematized and articulated within a technology-neutral model-law framework suitable for consideration within UNCITRAL.

### **Chapter 4: COALA Model Law**

104. The Coalition of Automated Legal Applications - COALA Model Law is conceived as a technology-neutral framework intended to facilitate the legal recognition and regulation of DAOs without forcing them into traditional corporate forms. Its stated objective is to “bridge the gap between the multiple existing and potential activities of unregistered DAOs ... and the regulatory frameworks in the many jurisdictions within which unregistered DAOs already operate” (Preamble; see also Objective section).
105. Rather than creating a standalone or sui generis legal regime, the Model Law relies on the principles of functional equivalence and regulatory equivalence, seeking to achieve familiar legal objectives, such as legal certainty, asset separation, and accountability, through technological means where possible. As the commentary explains, the aim is “to achieve traditional objectives of corporate law by relying on technological means”

while avoiding unnecessary fragmentation of the regulatory landscape (Preamble; Article 19).

106. The Model Law is expressly designed as a best-practice reference, encouraging States to adopt or transpose its provisions into domestic law while remaining close to its objectives in order to ensure cross-border consistency (Preamble; Article 19).
107. In essence the COALA Model Law is built on the idea that DAOs should enjoy maximum autonomy, similar to party autonomy in private law. Instead of imposing rigid statutory templates, the Model Law recognizes that governance can be self-executing and self-defined through smart contracts and community rules.

- **Legal recognition and legal personality**

108. At the core of the Model Law is the recognition that DAOs may constitute legally relevant organizational forms (Article 1). This recognition is operationalized through the attribution of legal personality, without conditioning the concept on profit purpose, which allows a DAO to act as a single legal subject distinct from its members or participants (Article 2). The document expressly notes, however, that all jurisdictions should adopt the same criteria for legal personality, otherwise the legal scope of a particular DAO could be fragmented and unpredictable.
109. The commentary to Article 2 emphasizes that legal personality serves the public policy goal of entity shielding, enabling a DAO to operate “as a single contracting party distinct from those owning or managing the firm, with a single pool of assets” that is separated from the personal assets of members. This separation is essential to protect both external counterparties and participants interacting with the DAO (Article 2, Commentary).
110. The scope of the Model Law is not unlimited. The definition of a DAO requires at least the potential for decentralized governance. Decentralization, as embodied in the governance framework, is required to be technical in nature, though not necessarily operational. A smart contract that is ultimately controlled by a single externally owned account does not qualify, because such control allows “one single entity to unilaterally affect the operation” of the system (Article 3(7), Commentary).

- **Formation and proof of existence**

111. The Model Law adopts a flexible approach to formation, departing from traditional incorporation or registration requirements. A DAO may establish its existence through on-chain deployment, provided that minimum governance and transparency criteria are met (Article 4).
112. These requirements include the existence of by-laws, a governance mechanism, and appropriate disclosures. While by-laws are typically embedded in software code, the Model Law stresses that meaningful legal recognition requires accessibility beyond code alone. Protection under the

Model Law is realistically available only where DAOs provide “a one-to-one version of the rules in plain language” in addition to code-based governance (Article 4(1)(f), Commentary).

113. The Model Law requires DAOs to make key information publicly accessible as a condition for legal recognition and limited liability. This includes disclosure of the DAO’s by-laws, governance mechanisms, and the smart contract code as deployed on a public permissionless blockchain, enabling third parties to inspect and understand its operation. Transparency also extends to disclosure of software quality assurance measures through publicly accessible interfaces or forums. The Model Law does not mandate an open-source licensing regime, but requires functional transparency and inspectability of the smart contracts (Article 4).
114. This disclosure- and assurance-based approach to smart-contract governance is conceptually aligned with the Maltese framework for Innovative Technology Arrangements, reviewed in previous chapters. Under the Maltese regime, legal and regulatory effects are similarly anchored in software quality assurance, system audits, and technical documentation, including the appointment of a systems auditor and the submission of governance, risk, and operational documentation to the MDIA for certification purposes (Innovative Technology Arrangements and Services Act, Articles 7–10; 12–15). In both frameworks, technical assurance functions as an evidentiary and trust-enabling mechanism, rather than as a constitutive act of incorporation or a grant of legal personality. While the Maltese regime institutionalizes this assurance through a formal statutory certification process administered by a public authority (ITAS Act, Articles 18–21), the COALA Model Law relies on public disclosure and privately organized software quality assurance, reflecting a shared regulatory logic but differing implementation models. In the Maltese framework, certification serves supervisory and evidentiary purposes only and does not constitute a legal entity, confer legal personality, or attribute legal capacity to the DAO itself; in the COALA Model Law, serve a comparable evidentiary and trust-enabling function, without operating as a registration, incorporation, or authorization mechanism, and without independently conferring legal personality outside the conditions set out in the Model Law.

- **Limited liability, assets, and participation**

115. A central feature of the Model Law is the provision of limited liability for members. As a general rule, members are responsible only for their committed on-chain contributions and are not personally liable for obligations incurred by the DAO (Article 5(1)–(2)).
116. This limitation is not absolute. The Model Law introduces targeted exceptions, notably where a DAO refuses to comply with an enforceable judgment, order, or award. In such cases, members who voted against compliance may incur liability (Article 5(3)), reflecting a deliberate balance between innovation-friendly protection and accountability. The proposal also raises an interesting debate regarding possible mechanisms to prevent abuse of limited liability, such as introducing an obligation for DAO members to make contributions to a reserve fund or mechanisms akin

to insurance. The doctrine of piercing the corporate veil is also mentioned (Article 5, Commentary).

117. The Model Law recognizes that DAOs may involve multiple categories of participants and recognizes only token holders with voting rights as members of the DAO, thereby allowing DAOs to acknowledge the possibility that financial rights and governance rights may not coincide (Article 7). Voting rights are deliberately left flexible and may be structured through token-based, reputation-based, or other governance mechanisms, as defined in the by-laws (Article 8). Delegation through proxies is also permitted (Article 9).
118. With respect to minority protection, the Model Law does not impose mandatory safeguards but requires transparency. DAOs must clearly state in their by-laws whether minority protections exist and how they operate (Article 10(1)). The commentary highlights that ease of entry and exit, combined with extensive disclosure, can serve as a first line of protection against majority abuse (Article 10, Commentary).

- **Internal organization, administration, and representation.**

119. The Model Law reflects the technical reality that DAO governance often occurs through continuous and asynchronous processes rather than formal meetings. It therefore recognizes that decision-making through proposals may amount to a “continuously ongoing online general meeting” (Article 12, Commentary) As a general principle, the organization of the DAO shall be structured without rigid rules in its By-Laws, allowing for a very broad degree of autonomy.
120. Formal meetings are optional and need only be organized where the by-laws so provide (Article 12). Given the global and often pseudonymous nature of DAOs, physical meetings are generally discouraged unless explicitly required.
121. DAOs may appoint administrators to perform predefined operational functions (Article 13) and legal representatives for off-chain interactions (Article 14). Importantly, the Model Law avoids importing traditional corporate fiduciary duties by default. Administrators do not have an implicit fiduciary status unless such duties are expressly established in the by-laws (Article 15).

- **Forks, restructuring, and failure.**

122. The Model Law addresses DAO-specific issues arising from blockchain infrastructure, including contentious forks. Where a fork occurs, the majority chain is designated as the authoritative representation of the DAO (Article 16). Minority chains lacking sufficient support are generally not considered authoritative expressions of the DAO community (Article 16, Commentary).
123. Where the majority chain cannot be immediately identified, the Model Law provides criteria for determination, including security, market capitalization, ecosystem support, and community recognition (Article 16).

124. DAOs may restructure through their governance mechanisms, including migration to new technical infrastructures (Article 17). In the event of failure, the Model Law emphasizes the application of predefined rules and transparency, rather than the wholesale application of traditional insolvency regimes (Article 18). Importantly, the Model Law makes clear that, following restructuring or other material changes, the minimum formation requirements set out in Article 4 must continue to be satisfied in order for the DAO to preserve its legal recognition, including legal personality and limited liability. Where these minimum formation and disclosure requirements are no longer met, the protections afforded by the Model Law may cease to apply (Articles 4, 5 and 17).

- **Relationship with general law and taxation.**

125. The Model Law clarifies that general business organization law applies only insofar as it is compatible with the DAO's structure and operation (Article 19). In the event of conflict, DAO-specific provisions prevail.

126. On taxation, the Model Law deliberately refrains from prescribing outcomes. It recognizes the difficulty of establishing nexus and residence for entities whose processes are "predetermined and deterministic, carried out by code existing in cyberspace" (Article 20, Commentary) and leaves taxation to domestic law.

127. The COALA Model Law provides a functional, technology-neutral reference framework for the legal recognition and operation of DAOs, emphasizing flexibility, internal governance, and disclosure-based safeguards rather than formal registration or incorporation. Against this baseline, the following chapter turns to a comparative analysis of selected jurisdiction-specific approaches, namely those adopted in the Republic of the Marshall Islands, the State of Wyoming, including both DAO LLC and DUNA, and the Emirate of Ras Al Khaimah.

128. The analysis examines how these regimes operationalize DAO recognition through statutory anchoring, registration or formation requirements, and differing allocations of governance authority, liability, and regulatory oversight, and how they converge with or diverge from the principles reflected in the COALA Model Law.

## **Chapter 5: Comparative Frameworks and Implications for Model-Law Design**

129. This chapter synthesizes the comparative findings developed in the preceding analysis in order to identify the principal legal techniques through which DAO and DAO-like arrangements are accommodated within private law, and to assess their implications for the design of a potential UNCITRAL Model Law. It examines how different legal systems address common private-law challenges raised by DAO-based organization, including attribution of acts, allocation of liability, recognition of on-chain governance, continuity of legal relations, and the role of disclosure and oversight.

130. The comparative framework draws on both statutory and non-statutory approaches. The COALA Model Law is examined as a functional, technology-neutral reference that articulates legal effects through principles of transparency, verifiability, and internal governance, without reliance on formal registration,

incorporation, or territorial anchoring. It serves as a baseline against which the design choices reflected in jurisdiction-specific regimes may be assessed.

131. Against this reference point, the chapter analyses the statutory approaches examined in Chapter 4, which illustrate DAO-specific legislative techniques for anchoring decentralized organizations within private law through explicit legal forms, including statutory overlays to existing company law as well as bespoke association-based entities, subject to varying degrees of public oversight and substantive constraints.
132. In line with UNCITRAL's mandate to promote legal certainty, predictability, and coordination in cross-border commercial activity while respecting domestic legal diversity, the comparative analysis proceeds from a functional perspective. The objective is not to prescribe uniform institutional forms for DAOs or decentralized organizations, but to identify common legal effects, such as recognition, attribution, transparency, and continuity, and to examine how different legal systems achieve those effects through registration-based, association-based, or functionally equivalent mechanisms.
133. This approach allows convergence at the level of legal outcomes while preserving flexibility in domestic implementation. It also enables the identification of transferable elements and structural limits that are directly relevant to the formulation of a future Model Law on DAOs, particularly one intended to operate across jurisdictions with divergent traditions in company law, association law, and private-law organization.

## ***5.1 Conceptual Scope & Legal Qualification***

134. The COALA Model Law, the Marshall Islands DAO Act, the RAK DAO Association framework, the Wyoming DAO LLC framework, and the DUNA framework all seek to render decentralized, code-mediated organizational activity legally cognisable. Each addresses the core challenge that decentralized governance mechanisms may generate legally relevant effects, such as decision-making, asset control, and external engagement, without fitting neatly within traditional organizational categories. At the same time, all five frameworks share the premise that decentralized, code-based coordination cannot, by itself, replace foundational private-law constructs such as attribution, representation, and legal accountability.
135. A first point of convergence across the frameworks lies in their rejection of DAOs as a wholly new or *sui generis* category of legal person. None of the regimes examined treats DAOs as autonomous legal subjects detached from existing private-law techniques. Instead, decentralized organizational activity is consistently accommodated either through functional equivalence (COALA), adaptation of existing organizational forms (Marshall Islands and Wyoming), or the creation of purpose-specific or association-based entities (RAK and DUNA). This shared orientation frames DAOs not as a rupture from private law, but as a variation in how legally relevant coordination is organized and recognized.
136. Within this common orientation, the frameworks diverge in how legal qualification is achieved, particularly with respect to scope of application, the role of registration, and the attribution of legal personality.

137. A first area of divergence concerns application and territorial scope. The COALA Model Law adopts the broadest and most technology-driven scope, applying to DAOs deployed on publicly accessible, permissionless distributed ledger infrastructure that satisfy minimum formation, governance, and disclosure requirements, without requiring registration, incorporation, or a territorial legal seat (Arts. 1, 3, 4). Its scope is functionally delimited by the presence of decentralized governance and excludes centralized smart-contract arrangements.
138. By contrast, the Marshall Islands and Wyoming DAO LLC regimes restrict application to entities formed under their respective domestic company-law systems. In the Marshall Islands, the DAO Act applies to resident domestic limited liability companies that elect DAO status, with the general Limited Liability Company Act continuing to apply except where inconsistent (§703(1); §704(1)). Wyoming similarly confines application to DAOs organized under Wyoming law, treating DAO status as an elective statutory overlay within the LLC framework and excluding foreign DAOs (W.S. §§17-31-103, 17-31-116).
139. RAK and DUNA illustrate a further approach to scope, grounded not in corporate-law adaptation but in purpose-specific or association-based techniques. RAK limits application to DAO Associations incorporated under a dedicated statutory regime administered by a specialized registrar, with legal existence arising through registration and licensing rather than through functional equivalence or adaptation of existing company-law forms. DUNA applies to decentralized unincorporated nonprofit associations that elect to be governed by the Act and are not subject to another nonprofit statute (§17-32-102(a)(iii)). Although DUNA avoids DAO-specific terminology, it expressly accommodates decentralized, ledger-based governance and on-chain decision-making, positioning it as a private-law organizational technique for decentralized systems rather than as a sector-specific DAO statute.
140. These differences in scope correspond to distinct approaches to legal personality and organizational qualification. The COALA Model Law intentionally avoids defining DAOs as legal persons, instead relying on functional equivalence to enable DAOs to achieve effects commonly associated with legal personality, such as asset separation, continuity, and limited liability, through verifiable technical and organizational characteristics, without mandating incorporation (Preamble; Art. 19).
141. The Marshall Islands and Wyoming adopt an express legal-personality technique by anchoring DAOs within the limited liability company form. In the Marshall Islands, a DAO is recognized as a resident domestic LLC with separate legal personality upon registration (§702(c); §104). Wyoming similarly subsumes DAOs within the LLC category, treating them as a specialized variant of an existing corporate form rather than as an independent organizational construct (W.S. §17-31-102(a)(ii); §17-31-103).
142. RAK and DUNA again reflect an alternative pathway. RAK establishes a bespoke DAO Association legal form with separate legal personality, designed specifically to accommodate decentralized governance within a purpose-constrained organizational structure. DUNA, by contrast, achieves legal personality through an association-law technique, establishing a statutory unincorporated nonprofit association capable of holding assets and acting in its own name while remaining distinct from corporate forms. Together, these

regimes demonstrate that legal personality for decentralized organizations may be achieved through association-based or bespoke entities, expanding the range of private-law techniques available beyond corporate incorporation.

143. Divergence is also evident in the treatment of definitions and technology. COALA adopts a principles-based definition of a DAO centred on decentralized governance implemented through smart contracts deployed on public permissionless blockchains, without making specific technologies determinative (Art. 3(7)). The Marshall Islands and Wyoming rely on statutory definitions of smart contracts drawn from or integrated with existing electronic-transactions law (§702(l); W.S. §17-31-102(a)(ix)). DUNA similarly defines smart contracts and automated transactions relying on DLT (§17-32-102(a)(xii)), while framing decentralization as a characteristic of an association rather than as a distinct organizational category. RAK departs from this approach by embedding technical criteria directly into legal qualification, conditioning DAO Association status on deployment on permissionless DLT and the use of publicly accessible open-source smart-contract code.
144. Notwithstanding these differences, a further point of convergence across several of the statutory regimes is an implicit or explicit reliance on publicly accessible, permissionless DLT infrastructure, either as a formal eligibility requirement (RAK), or indirectly through transparency, verifiability, and record-substitution mechanisms (Marshall Islands; Wyoming; COALA). Although these regimes are frequently framed as technology-neutral, their operational design choices tend to presuppose public blockchain infrastructures, raising important considerations for model-law design concerning infrastructure neutrality, privacy, and the accommodation of permissioned or hybrid architectures.
145. Finally, the frameworks diverge in their approach to formal designation and signalling. The Marshall Islands and Wyoming require explicit DAO identifiers and statutory notices to signal DAO status to regulators and counterparties (§704(3); W.S. §17-31-104). RAK relies on registration, licensing, and public registries to perform a similar signalling function. By contrast, COALA and DUNA do not impose DAO-specific naming or election requirements, relying instead on disclosure, transparency, and functional assessment to render decentralized activity legally cognisable.
146. Taken together, the comparison demonstrates that convergence is achievable at the level of legal recognition and effects, while institutional form, legal-personality technique, scope, and signalling mechanisms remain matters of domestic implementation choice. This plurality of approaches underscores that the legal qualification of decentralized organizations need not be tied to a single organizational archetype, but may instead be achieved through multiple private-law pathways capable of supporting legally attributable decentralized activity.

## ***5.2 Purpose & Policy Orientation***

147. Across the frameworks examined, a central policy question concerns whether legal recognition of decentralized organizations should be conditioned on a specific economic, public-benefit, or charitable purpose. A first point of convergence is that legal cognisability of DAO-based organization is not treated as inherently dependent on purpose classification. None of the regimes assumes that decentralized governance is intrinsically commercial, nonprofit, or public-interest in nature. Instead, purpose is addressed either through general law or

through distinct organizational techniques, rather than being uniformly embedded in DAO-specific recognition.

148. A first design family adopts a purpose-neutral approach. The COALA Model Law, the Marshall Islands DAO Act, and the Wyoming DAO LLC framework all permit DAOs to pursue any lawful objective and deliberately refrain from embedding economic orientation, public-benefit duties, or charitable constraints within DAO-specific legislation. This reflects a shared policy choice to avoid over-determining the objectives of decentralized organizations at the moment of legal recognition, thereby preserving flexibility across a wide range of use cases.
149. Within this purpose-neutral family, the COALA Model Law represents the most abstract articulation. It does not require or specify any particular purpose, nor does it create a distinct category for nonprofit or public-benefit DAOs. Purpose determination is left entirely to the DAO's internal arrangements and to applicable external legal regimes, consistent with COALA's reliance on functional equivalence rather than institutional or purpose-based classification (Preamble; Art. 19). Public-benefit or nonprofit activity is therefore neither privileged nor constrained at the level of the Model Law itself.
150. The Marshall Islands and Wyoming DAO LLC regimes adopt a similar neutrality, but operationalize it through integration with existing legal systems rather than through abstraction. In the Marshall Islands, while the DAO Act does not itself establish a nonprofit DAO form, DAO LLCs may register as nonprofit entities under the Non-Profit Entities Act 2020, provided they meet the requirements of that regime (§705(4)). Wyoming likewise permits DAOs to operate for any lawful purpose, including nonprofit purposes (W.S. §17-31-105(c)), but does not create a distinct nonprofit DAO category or impose public-benefit governance obligations within the DAO Supplement. In both cases, nonprofit or charitable character is addressed through separate bodies of law, corporate, tax, or charity law, rather than through DAO-specific rules. Purpose neutrality is thus preserved at the level of DAO recognition, while specialization occurs, if at all, through existing legal pathways.
151. A second design family embeds purpose as a constitutive element of organizational form. The DUNA framework and the RAK DAO Association regime both condition legal recognition on nonprofit or public-interest objectives, albeit through different private-law techniques.
152. DUNA, as a statutory regime for decentralized unincorporated nonprofit associations, requires a nonprofit purpose as a condition of formation (§17-32-104). While economic activity and revenue generation are permitted insofar as they further that purpose, profit distributions to members are generally prohibited. Purpose is therefore not an optional attribute, but a defining feature of the organizational form. Decentralized governance is accommodated within an association-law structure that prioritizes mission alignment and collective benefit over ownership or profit extraction.
153. RAK adopts a comparable policy orientation through a bespoke DAO legal form rather than through association law. Under the DAO Association Regulations, legal recognition is conditioned on a nonprofit or public-interest purpose, and distributions to members or governance token holders are prohibited. Surplus value must be reinvested or applied in furtherance of the DAO's stated objectives. Purpose is thus embedded directly into the legal qualification of the

DAO Association and reinforced through registrar oversight, licensing, and governance constraints. This reflects a policy choice to align DAO recognition with public-interest safeguards and regulatory supervision, rather than with open-ended organizational flexibility.

154. Tax treatment further reflects these differing orientations without displacing the underlying design choices. The COALA Model Law deliberately excludes tax matters from its scope, leaving tax consequences to domestic law. The Marshall Islands and Wyoming DAO LLC regimes defer to general corporate and tax law, while DUNA's mandatory nonprofit character situates it within existing tax frameworks applicable to nonprofit associations. The RAK framework likewise addresses tax consequences through its broader regulatory and licensing environment rather than through DAO-specific tax provisions.
155. Taken together, the comparison demonstrates that legal recognition of decentralized governance does not depend on purpose classification, but that purpose may be embedded, deferred, or excluded depending on the organizational technique adopted. For UNCITRAL purposes, this supports a model-law approach that preserves neutrality at the level of DAO recognition, while remaining compatible with domestic legal systems that condition legal personality, asset separation, or organizational form on nonprofit or public-benefit purposes outside the Model Law itself.

### ***5.3 Formation & Legal Existence***

156. Building on the qualification techniques and policy orientations identified in Sections 5.1 and 5.2, this section focuses specifically on formation as the legal trigger of recognition, without revisiting questions of scope, purpose, or legal personality.
157. Across the frameworks examined, formation operates as the legal threshold at which decentralized organizational activity becomes legally cognisable. All regimes require an identifiable act or condition of formation and the articulation of basic governance arrangements. They diverge, however, in how legal existence is constituted and verified, specifically, whether recognition arises through functional compliance, formal registration, association-based statutory conditions, or hybrid licensing mechanisms.
158. A first formation family relies on functional or eligibility-based recognition, in which legal cognisability is conditioned on verifiable organizational and technical characteristics rather than on incorporation alone. The COALA Model Law exemplifies this approach in its purest form. Under COALA, a DAO is considered formed upon on-chain deployment, provided that minimum formation, governance, and disclosure requirements are satisfied and made publicly accessible (Art. 4). Legal recognizability is tied to verifiable technical and organizational criteria rather than to filing, registration, or territorial anchoring. While an implementing jurisdiction may designate an authority to assess compliance, such assessment does not constitute incorporation and does not, in itself, create legal personality. Formation therefore operates through functional equivalence rather than institutional form.
159. The RAK DAO Association framework reflects a related logic, but operationalizes it through a territorially anchored regulatory mechanism. Formation of a DAO Association requires incorporation under a bespoke

statutory regime, approval of constitutive documents, and the issuance of a licence by a specialized registrar. Legal existence is thus contingent not merely on filing, but on satisfaction of statutory eligibility conditions relating to purpose, governance, and technical deployment. In this respect, RAK shares with COALA an emphasis on verifiable organizational and technical preconditions for recognition, while differing in that those conditions are enforced *ex ante* through registration, licensing, and administrative oversight rather than through purely functional assessment.

160. A second formation family anchors legal existence in corporate registration under domestic company law. In the Republic of the Marshall Islands, a DAO comes into existence as a resident domestic limited liability company upon filing a certificate of formation and limited liability company agreement electing DAO status (§705). Registration is constitutive, and legal existence arises at the moment of filing, reflecting a traditional corporate-law formation model adapted to accommodate decentralized governance.
161. Wyoming adopts the same registration-based logic for its DAO LLC regime. Under the DAO Supplement, a DAO is formed upon the filing of articles of organization with an express DAO election (W.S. §§17-31-104, 17-31-105). In both the Marshall Islands and Wyoming DAO LLC frameworks, legal existence is inseparable from incorporation under domestic company law, even where governance is exercised through smart contracts or algorithmic mechanisms.
162. A third formation technique is illustrated by association-based statutory formation, as reflected in the DUNA framework. Legal existence arises through compliance with statutory conditions governing decentralized unincorporated nonprofit associations, including the articulation of a nonprofit purpose and satisfaction of minimum membership requirements (§17-32-102). Formation does not depend on corporate incorporation or on-chain deployment alone, but on adherence to association-law criteria. This confirms that decentralized governance arrangements may acquire legal existence through non-corporate formation mechanisms, albeit subject to structural conditions distinct from those applicable to corporate or functional models.

Framework	Formation trigger	Registration required
COALA	On-chain deployment + compliance	No
Marshall Islands DAO LLC	Filing certificate	Yes
Wyoming DAO LLC	Filing articles	Yes
Wyoming DUNA	Statutory association conditions	No corporate registry

RAK DAO Association

Registration + licence

Yes

163. Across all frameworks, constitutive documentation functions as a common element of formation, though its role and legal weight vary. COALA requires publicly accessible by-laws describing governance rules and decision-making processes, expressed in intelligible language alongside any code-based implementation (Arts. 3(5), 4). The Marshall Islands and Wyoming require corporate constitutive documents, while DUNA relies on association governing principles. RAK conditions formation on registrar-approved constitutional instruments. In each case, constitutive documentation serves as the primary interface between decentralized governance mechanisms and private-law recognition.
164. With respect to minimum participation and capitalization, none of the frameworks relies on capital thresholds as a condition of formation. COALA imposes no minimum membership or capital requirement. The Marshall Islands and Wyoming DAO LLC regimes permit formation with one or more members, while DUNA requires a minimum membership threshold as a constitutive feature of its association-based model. RAK does not impose a minimum capitalization requirement, but conditions formation on nonprofit purpose, governance eligibility, and compliance with registration and licensing requirements, including applicable fees.
165. Finally, the frameworks diverge in their approach to territorial anchoring and technical conditions. COALA does not require a registered office or legal seat, relying instead on publicly accessible identifiers to perform notice and traceability functions. The Marshall Islands and Wyoming's corporate-law pathways rely on traditional registered-agent mechanisms, while DUNA operates through general association-law rules. RAK requires a registered presence within the jurisdiction as part of its licensing framework. None of the regimes treats technical certification as a constitutive act of incorporation, although both COALA and RAK condition recognition on verifiable governance intelligibility and publicly accessible smart-contract deployment, through functional assessment in the former and ex ante eligibility and licensing in the latter.
166. Taken together, the comparison confirms that formation serves as the legal gateway through which decentralized organizational activity becomes legally cognisable, while demonstrating that this gateway may be structured through functional compliance, corporate registration, association-based formation, or hybrid licensing models without undermining the operability of decentralized governance arrangements.

#### ***5.4 Membership & Participation***

167. Across the frameworks examined, membership serves as the principal legal mechanism through which participation in decentralized organizational activity is attributed and made legally cognisable. All regimes recognize that participation in decentralized organizations may occur through code-based, tokenized, or procedurally defined arrangements, and that traditional ownership-centred notions of membership require adaptation. A key point of

convergence across several of the frameworks is the deliberate decoupling of legal membership from participation and contribution, allowing decentralized governance to operate without collapsing all forms of engagement into a single legal status.

168. The COALA Model Law articulates this decoupling in its most flexible and abstract form. It does not define membership exhaustively, instead treating “Members” as participants endowed with governance rights under the DAO’s constitutive documents and by-laws (Arts. 7, 8). Other “Participants” may interact with, contribute to, or rely on the DAO without participating in governance. Admission to and removal from membership are left entirely to internal arrangements. Membership under COALA therefore functions as a legally relevant governance role rather than as a status tied to ownership, contribution, or registration, reflecting the Model Law’s functional approach to decentralized organization.
169. The RAK DAO Association framework operationalizes a closely related design logic through a formal, association-based structure. Legal membership is confined to registered Members of the DAO Association, who collectively constitute the legal person and bear the rights and obligations associated with membership. Governance participation, however, may extend beyond this legal membership body to Governance Token Holders, who may exercise voting rights through token-based mechanisms without acquiring membership status. Holding governance tokens does not, by itself, confer legal membership or attendant responsibilities unless expressly provided in the Constitution. In this way, the RAK framework institutionalizes a separation between legal membership and decentralized governance participation, while preserving a clearly identifiable membership body for purposes of representation, compliance, and accountability.
170. The DUNA framework reflects the same decoupling logic through an association-law technique rather than through tokenized governance. Membership is status-based and defined by participation in the association, with governance rights attaching to membership rather than to transferable ownership or economic interests. Members are defined as persons entitled under the governing principles to participate in administrator selection or policy development (§17-32-102(a)(viii)), and the statute requires a minimum membership threshold as a condition of formation (§17-32-102(a)(iii)). Although economic activity is permitted, profit distributions to members are generally prohibited, reinforcing the separation between governance authority and financial entitlement. DUNA thus demonstrates that decentralized governance may be legally structured around a stable membership body without reliance on ownership- or token-based participation.
171. By contrast, the Marshall Islands and Wyoming DAO LLC regimes retain a more traditional, ownership-centred conception of membership grounded in company law, albeit with significant flexibility. Neither statute exhaustively defines membership eligibility, leaving admission and removal primarily to internal governance arrangements. In the Marshall Islands, statutory fallback rules deem a person a member where they acquire a membership interest or other property conferring voting or economic rights (§713(4)(i)), while Wyoming treats membership interests as ownership interests in a limited liability company (W.S. §17-31-102(a)(vi)). In both cases, governance rights are closely linked to

membership as an ownership status, even where exercised through smart contracts or algorithmic mechanisms.

Framework	Legal membership	Governance participation	Key feature
COALA Model Law	Flexible, defined internally	May include non-members	Functional distinction between members and participants
Marshall Islands (DAO LLC)	Members holding membership interests	Members govern (including via smart contracts)	Ownership-based membership with permissive contractual defaults
Wyoming DAO LLC Supplement	Members as LLC owners	Members govern (member-managed or algorithmic)	Corporate overlay preserving ownership-centred governance
Wyoming DUNA	Status-based members	Members govern	Association-law model with nonprofit purpose
Ras Al Khaimah (DAO Association)	Registered members only	Token holders may govern	Dual-layer structure separating membership and governance

172. Taken together, the comparison reveals two broad membership design families relevant to decentralized organizations. The first, exemplified by COALA, RAK, and DUNA, decouples legal membership from participation and contribution, enabling decentralized governance while preserving legal clarity as to representation and accountability. The second, illustrated by the Marshall Islands and Wyoming DAO LLC frameworks, adapts traditional ownership-based membership to accommodate decentralized governance. For UNCITRAL purposes, this convergence suggests that a Model Law need not prescribe a single membership archetype, but may instead support multiple private-law techniques capable of rendering membership and participation legally cognisable, transparent, and attributable, while leaving the detailed design of participation models to internal governance arrangements and domestic implementation choices.

### 5.5 Governance Architecture

173. Across the frameworks examined, governance architecture is treated as an internal and adaptable feature of decentralized organizational arrangements

rather than as a standardized corporate structure. All regimes recognize that governance may be exercised through a combination of human decision-making and algorithmic or smart-contract-based mechanisms, and that traditional corporate organs such as boards or officers are not inherently suited to decentralized governance. As a result, statutory rules generally operate as enabling or default frameworks, with governance design largely delegated to constitutive instruments, though with significant variation in the degree of institutionalization and public-law oversight.

174. A first governance design family emphasizes functional and non-institutional governance, in which authority is exercised through decentralized or code-mediated processes rather than through mandatory organizational bodies. The COALA Model Law exemplifies this approach. It does not prescribe any mandatory governance organs, instead permitting DAOs to appoint Administrators with predefined powers, acting individually or collectively, as specified in the by-laws (Art. 13). Governance may be conducted through continuous, asynchronous proposal and voting mechanisms rather than formal meetings, and no general assembly or periodic meetings are required (Art. 12). Governance under COALA is thus conceived as an ongoing process embedded in procedural rules or code, rather than as a series of discrete corporate events.
175. The Marshall Islands DAO Act and the Wyoming DAO LLC framework adopt a structured but still permissive corporate-law adaptation. In both regimes, governance is vested either in members or in smart contracts, depending on whether the DAO is member-managed or algorithmically managed (§708; W.S. §17-31-109). Where the constitutive documents are silent, the default position is member management (§704(5)). Mandatory corporate bodies such as boards or officers are not required, and governance authority may be exercised entirely through decentralized mechanisms. These regimes provide a clear statutory baseline for governance while preserving broad autonomy for DAOs to define alternative arrangements through their governing instruments.
176. A second governance family reflects institutionalized governance with identifiable accountability organs. The Ras Al Khaimah DAO Association framework adopts a more formalized architecture by requiring each DAO Association to have a Council responsible for management, supervision, and legal representation. While decentralized and token-based governance mechanisms may be used for internal decision-making, ultimate legal authority and accountability are channelled through the Council and, where applicable, designated Officers. This model reflects a policy choice to combine decentralized participation with an identifiable governance body capable of bearing fiduciary duties, ensuring regulatory compliance, and interfacing with external legal systems.
177. The DUNA framework illustrates a further governance technique grounded in association law rather than corporate or purely algorithmic models. Governance authority ultimately resides in the association as a legal person acting through its members or designated agents. While on-chain or automated mechanisms may structure internal processes, legal attribution and representation follow association-law principles of collective decision-making. DUNA thus accommodates decentralized governance while preserving a stable locus of authority and accountability rooted in member status rather than ownership or algorithmic control.

178. Across all frameworks, there is a strong convergence around procedural flexibility. None of the regimes mandates the existence of a general assembly or the holding of periodic meetings. COALA explicitly permits governance to be conducted entirely through asynchronous, on-chain mechanisms. The Marshall Islands and Wyoming statutes similarly impose no mandatory meeting requirements, leaving such matters to constitutive documents or smart contracts. DUNA relies on general association-law principles, allowing governance procedures to be defined internally. Ras Al Khaimah, while requiring a Council, does not mandate traditional meeting formats for decentralized decision-making, reserving certain decisions to specific organs as defined in the Constitution. This convergence reflects a shared acceptance that decentralized governance does not align with traditional meeting-based decision-making models.
179. Voting rights across the frameworks are likewise treated as a matter of internal design rather than statutory prescription. COALA leaves voting entirely to the DAO's by-laws. The Marshall Islands and Wyoming provide default voting rules, typically linked to membership interests or digital asset contributions, but allow these defaults to be modified or displaced through governing instruments (§710; W.S. §17-31-111). Under DUNA, voting rights attach to membership status rather than ownership interests. Ras Al Khaimah separates governance participation from legal membership by permitting Governance Token Holders to vote, while reserving ultimate authority to Members and the Council as specified in the Constitution.
180. Rules on proxies and quorum further reinforce this enabling approach. COALA permits proxy voting where provided for in the by-laws (Art. 9) but imposes no statutory quorum thresholds. The Marshall Islands and Wyoming establish default quorum rules while permitting deviation through governing documents (§710(1)(c); W.S. §17-31-111(a)(iii)). DUNA relies on general association-law rules, subject to internal modification. Ras Al Khaimah similarly relies on constitutionally defined quorum and voting rules, with statutory provisions operating as enabling constraints rather than prescriptive mandates.
181. A significant point of divergence arises in the treatment of fiduciary duties and standards of conduct. COALA imposes fiduciary obligations only where expressly provided in internal rules (Art. 15). The Marshall Islands and Wyoming adopt a similar permissive stance, limiting mandatory duties to the implied covenant of good faith and fair dealing unless otherwise specified (§709; W.S. §17-31-110). Ras Al Khaimah departs from this approach by imposing statutory fiduciary-style duties on Council Members and Officers, including duties of care, diligence, and good faith. DUNA applies general association-law principles to members and agents. These differences confirm that fiduciary standards are driven primarily by the underlying private-law architecture rather than by decentralization as such.

<b>Framework</b>	<b>Mandatory organs</b>	<b>Fiduciary duties</b>
COALA	None	Only if specified

Marshall Islands	None	Good faith default
Wyoming DAO LLC	None	Good faith default
Wyoming DUNA	Association bodies	Association law
RAK	Council required	Statutory duties

182. Taken together, the comparison reveals a high degree of convergence around governance flexibility, with statutory frameworks focused on enabling decentralized governance while ensuring legal attribution, accountability, and transparency. For model-law design, this supports an approach that recognizes decentralized and algorithmic governance mechanisms without prescribing institutional form, focusing instead on the legal effects of governance decisions and their attribution within domestic private-law systems.

### ***5.6 Operational Rules & Lifecycle***

183. Across the compared frameworks, operational rules and lifecycle events are treated as areas where adaptations to traditional organizational law are both necessary and legitimate in order to accommodate decentralized governance and on-chain execution. Each framework recognizes that decentralized organizations operate through continuously evolving technical and governance arrangements, and that legal frameworks must be capable of addressing automated decision-making, restructuring, and termination over time. At the same time, the frameworks differ in the extent to which they codify decentralization-specific operational rules and in how explicitly they regulate lifecycle events such as amendment, restructuring, and dissolution.
184. The COALA Model Law adopts a targeted but principled approach to operational norms. Rather than exhaustively regulating organizational operations, it addresses a limited set of issues that are particularly salient in decentralized environments, including blockchain forks, identification of the majority chain, restructuring scenarios, and failure events (Arts. 16–18). These provisions are designed to preserve legal certainty in situations where decentralized technical processes could otherwise undermine continuity or accountability. Importantly, the Model Law does not seek to replace internal governance arrangements, but instead requires that such arrangements address operational contingencies transparently and in advance, thereby anchoring legal effects in verifiable organizational practice.
185. The Marshall Islands DAO Act takes a more explicit and operationally detailed approach, embedding DAO- and DLT-specific rules directly into the statutory framework. The Act recognizes on-chain actions, transactions, votes, and decisions as legally sufficient records, eliminating the obligation to maintain

traditional books of account or meeting minutes where equivalent information is recorded on a distributed ledger and remains publicly accessible (§711(1)). Cryptographic signatures recorded on-chain are deemed to satisfy statutory writing and signature requirements (§711(2)), and members are precluded from demanding separate off-chain inspection of records where the relevant information is publicly available on-chain (§711(4)). The Act further permits governance and management to be exercised directly by smart contracts in algorithmically managed DAOs (§708) and allows smart contracts to form part of the constitutive governance framework (§706(2)–(3)). These provisions reflect a deliberate policy choice to accord legal primacy to on-chain operations where transparency and immutability are ensured.

186. Wyoming similarly integrates decentralization-specific operational norms, though in a more concise and structural manner. The DAO Supplement mandates explicit DAO designation and disclosure, requires public identification of relevant smart contracts, and establishes the primacy of smart contracts over the articles of organization and operating agreement in the event of inconsistency (W.S. §§17-31-104, 17-31-106, 17-31-115). These rules prioritise clarity and predictability by signalling to participants and third parties that code-based governance mechanisms are central to the organization's legal operation, while relying on general LLC procedures to fill procedural gaps.
187. RAK adopts a more prescriptive approach to operational rules and lifecycle events, reflecting its policy choice to combine decentralized governance with regulatory oversight. The DAO Association Regulations require that key operational elements, including governance structure, token issuance, amendment procedures, and dissolution mechanics, be set out in the DAO Association's Constitution and approved at registration. Amendments to constitutive documents, material changes to governance or token structure, and restructuring events are subject to notification or approval by the registrar, introducing an ex-ante supervisory layer absent from the other frameworks. Dissolution is likewise regulated in a more formalized manner, with residual assets required to be applied in accordance with the DAO Association's nonprofit or public-benefit purpose, and with regulatory oversight to ensure compliance. This model demonstrates how decentralized organizations may be accommodated within a lifecycle framework that prioritises institutional continuity, public-interest safeguards, and enforceable exit rules.
188. The DUNA framework approaches operational rules and lifecycle events through general principles of association law rather than DAO-specific statutory provisions. While decentralized or automated mechanisms may be used to implement internal decisions, amendment, restructuring, and dissolution are governed by the association's constitutive rules and by applicable association-law requirements. In particular, dissolution and asset distribution remain subject to nonprofit constraints and purpose-based limitations. From a comparative perspective, DUNA demonstrates that decentralized governance can be operationalized within private-law regimes that do not specifically codify DAO- or DLT-related lifecycle rules, while still providing legally attributable mechanisms for continuity and termination.
189. Approaches to amendment of constitutive arrangements further illustrate the divergence between functional and formal models. The COALA Model Law does not impose a statutory amendment procedure, instead relying on governance decisions implemented through the organization's internal rules.

Amendments and migrations are permissible provided that the minimum formation and disclosure requirements continue to be met, thereby preserving legal recognition and limited liability (Arts. 4, 17). In contrast, the Marshall Islands and Wyoming require formal amendment and filing of constitutive documents where legally relevant changes occur. In the Marshall Islands, amendments are mandatory where the organization's name changes or where statements in the certificate of formation or LLC agreement become false or erroneous (§707). Wyoming similarly requires amendments to the articles of organization when smart contracts change or when filed statements become inaccurate, with filing mechanics following general LLC procedures (W.S. §17-31-107). Ras Al Khaimah goes further by conditioning the effectiveness of certain amendments and restructuring events on registrar involvement, reinforcing legal certainty at the cost of reduced structural flexibility.

190. Restructuring and migration scenarios are treated with varying degrees of specificity. Under the COALA Model Law, decentralized organizations may restructure through governance decisions, including migration to new technical infrastructures, provided that ongoing compliance with minimum formation requirements is maintained (Arts. 4, 17). The Marshall Islands framework treats restructuring primarily through the lens of document amendment and filing, allowing changes to governance, member rights, or operational rules to be implemented through amendments to the certificate of formation, LLC agreement, and applicable smart contracts without requiring court or regulatory approval beyond filing (§706(3); §707). Wyoming does not establish a DAO-specific restructuring regime; instead, structural changes are effected through amendments to the articles and smart contracts, with general LLC restructuring mechanisms applying procedurally where relevant (W.S. §§17-31-103, 17-31-107). Under DUNA, restructuring is addressed through amendment of the association's governing rules, subject to continued compliance with nonprofit purpose requirements. Ras Al Khaimah again stands apart by embedding restructuring within a supervised lifecycle framework.
191. Dissolution and termination further highlight the balance between decentralized governance and legal finality. The COALA Model Law does not establish a statutory dissolution regime, instead addressing failure events and winding-down scenarios through predefined governance rules and transparency mechanisms embedded in the organization's internal framework (Art. 18). By contrast, the Marshall Islands and Wyoming statutes provide detailed dissolution triggers, including expiry of duration, member vote, events specified in smart contracts or constitutive documents, resignation of all members, inactivity, or administrative or court-ordered dissolution (§714(1)–(3); W.S. §17-31-114). Association-based regimes such as DUNA similarly rely on domestic private-law rules to ensure legally orderly termination and asset disposition. Ras Al Khaimah reinforces this logic through mandatory purpose-aligned asset disposition and registrar oversight, prioritising enforceable closure over decentralized discretion.

Framework	Amendment	Dissolution
COALA	Governance-driven	Governance-driven

Marshall Islands	Filing-based	Statutory triggers
Wyoming DAO LLC	Filing-based	Statutory triggers
Wyoming DUNA	Association rules	Nonprofit rules
RAK	Registrar oversight	Purpose-aligned

192. The comparison confirms that operational continuity, restructuring, and termination can be addressed through functionally equivalent mechanisms across different private-law architectures, provided that change and closure processes remain transparent, verifiable, and legally attributable. For model-law design, this supports an approach that coordinates legal effects without harmonizing lifecycle procedures, leaving domestic law to determine whether decentralized organizations are best served by functional equivalence, corporate filing, association law, or supervised statutory regimes. For model-law design, this supports an approach that coordinates legal effects without harmonising lifecycle procedures, leaving domestic law to determine whether decentralized organizations are best served by functional equivalence, corporate filing, association law, or supervised statutory regimes.

### ***5.7 Design Implications for a UNCITRAL Model Law on DAOs***

193. Across the compared frameworks, rules on representation, notice, and transparency serve a shared functional purpose: ensuring that decentralized organizational arrangements remain legally accessible and intelligible to participants, counterparties, and authorities, notwithstanding their reliance on decentralized and often automated governance structures. While implementation techniques vary, each framework seeks to reconcile decentralized internal decision-making with external private-law requirements of attribution, service of process, and informational clarity, either through DAO-specific mechanisms or through reliance on existing company, association, or agency-law constructs.
194. From a comparative perspective, some regimes achieve legal accessibility through formalized notice statements, registered agents, or registrar-mediated representation embedded in existing company-law infrastructures, while others rely on transparency of governance rules, publicly accessible on-chain records, or general principles of representation under association law. The comparative analysis confirms that legal operability in cross-border contexts depends less on uniform representation or notice models than on the availability of identifiable points of contact, reliable attribution of acts, and sufficiently transparent information about governance and authority.
195. Taken together, the findings of this chapter establish a clear analytical foundation for a UNCITRAL Model Law on DAOs. They demonstrate that

meaningful coordination in the DAO context is achievable at the level of legal effects rather than institutional form. Across divergent frameworks, convergence consistently emerges around recognizability, attribution of acts, transparency, and continuity of decentralized organizational activity, while approaches to purpose, formation technique, governance architecture, and lifecycle procedures remain appropriately subject to domestic legal choice.

196. For UNCITRAL purposes, these findings suggest that a Model Law should abstract from sectoral objectives, nonprofit classification, and fixed organizational archetypes, and instead articulate at least minimum conditions under which DAO-related activity becomes legally intelligible, attributable, and reliable in cross-border private-law settings. The implications of this effects-based approach, and the corresponding design options for a UNCITRAL Model Law on DAOs, are developed in Chapter 6.

## **Chapter 6: Towards an UNCITRAL Model Law on DAOs**

197. This chapter translates the comparative findings of the preceding analysis into design considerations and constraints for a potential UNCITRAL Model Law on DAOs. The comparative analysis undertaken in this report demonstrates that, despite divergent legislative techniques and institutional settings, a coherent set of legal effects and design principles has begun to emerge across jurisdictions addressing DAO-based organization. Existing frameworks consistently seek to render DAOs legally cognisable as organizational arrangements capable of engaging in off-chain legal relations, while preserving the flexibility required for decentralized, code-based governance. At the same time, the analysis reveals clear and persistent limits to convergence at the level of institutional form, registration technique, supervisory intensity, and territorial anchoring.
198. Against this background, the objective of a future UNCITRAL Model Law on DAOs should not be to consolidate, replicate, or elevate any single national regime into a global standard. Rather, its function would be to distil at least minimum legal elements required to support cross-border recognition, attribution, and enforceability of DAO-related activity, while allowing States to implement those elements through registration-based, non-registration-based, or hybrid mechanisms consistent with their domestic systems.

### ***6.1 Core elements to be reflected in a model-law approach***

199. The comparative findings indicate that certain elements are indispensable for any model-law treatment of DAOs intended to promote cross-border legal certainty. These elements relate not to institutional form, but to the production of legally intelligible effects.
  - **Legal recognizability and attribution**
200. A Model Law must articulate the conditions under which DAO-related activity becomes legally attributable to an identifiable organizational unit, irrespective of whether legal personality is achieved through incorporation, registration, association-law techniques, or functional equivalence. Attribution should operate at the level of legally relevant effects rather than formal organizational classification.
  - **Transparency and verifiability of governance**

201. All examined frameworks converge on the requirement that core constitutive information be publicly accessible, including governance rules and, where applicable, deployed smart-contract identifiers. A Model Law should therefore treat transparency and verifiability as conditions for legal effect, rather than as secondary regulatory obligations.

- **Asset separation and limited liability**

202. While doctrinal techniques differ, the separation of DAO-related assets from the personal assets of participants emerges as a recurring prerequisite for meaningful participation in trade and commerce. A Model Law should preserve this effect, while leaving States discretion as to its precise doctrinal implementation.

- **Governance flexibility and internal autonomy**

203. The analysis confirms a strong preference for private ordering, with statutory intervention operating primarily through enabling or default rules. A Model Law should accordingly avoid prescribing governance structures, voting models, or fiduciary regimes, and should instead focus on recognizability, disclosure, and attribution of governance outcomes.

- **Lifecycle continuity and legal finality**

204. Forks, restructuring, migration, and dissolution pose distinct challenges for decentralized organizations. A Model Law should not mandate uniform lifecycle procedures, but should at a minimum require that such events be addressed through transparent and verifiable mechanisms capable of producing legally intelligible and externally reliable outcomes.

- **Technical assurance as a condition for legal reliance and attribution**

205. Several frameworks acknowledge that the legal effects attributed to DAO activity depend on the intelligibility and verifiability of the underlying technical systems through which governance and execution are implemented. As a result, legal recognition is commonly conditioned on the public availability of constitutive governance information, including descriptions of decision-making rules and references to deployed smart-contract systems. Where technical considerations are addressed, they function to support legal reliance, attribution, and accountability by ensuring that DAO governance mechanisms are externally intelligible and verifiable. A future Model Law should therefore treat technical assurance and transparency as cross-cutting conditions for legal effect, without prescribing specific audit methodologies, certification schemes, or supervisory approval processes.

## ***6.2 Relationship to existing frameworks***

206. A UNCITRAL Model Law on DAOs would necessarily diverge in structure and function from both existing statutory DAO regimes and private or non-state initiatives. As demonstrated in Chapters 4 and 5, domestic legal systems have adopted materially different techniques to render decentralized organizational activity legally cognisable, ranging from corporate-law adaptations and association-based entities to functional, non-registration-based recognition models. This diversity confirms that no single institutional design, registration

technique, or organizational archetype may be suitable for transposition into a multilateral instrument.

207. Accordingly, a UNCITRAL Model Law should not seek to replicate, consolidate, or standardize existing DAO frameworks. Its role would instead be to abstract from those frameworks at least the minimum legal effects that enable decentralized organizational activity to be recognized and relied upon in cross-border trade contexts. As shown in Sections 5.1–5.6, these effects include recognizability, attribution of acts, transparency of governance, continuity of legal relations, and the availability of legally intelligible points of reference for third parties.
208. In this respect, existing statutory regimes illustrate implementation pathways rather than harmonization templates. Frameworks that integrate DAOs into domestic company law through registration, territorial anchoring, and statutory overlays demonstrate how States may achieve attribution, notice, and enforceability within familiar legal infrastructures, but they remain inherently jurisdiction-specific. Other approaches, including association-based or purpose-constrained regimes, further illustrate the plurality of private-law techniques through which DAO activity may be accommodated. A UNCITRAL instrument should remain compatible with all such techniques without privileging any of them.
209. The comparative analysis also confirms that legal operability in the DAO context depends less on uniform institutional form than on functional legibility. Across divergent regimes, legal effects are secured through different combinations of public disclosure, identifiable governance authority, traceability of decision-making, and reliable mechanisms for representation and notice. Whether these functions are achieved through registered agents, governance councils, association-law representation, or publicly accessible on-chain identifiers is a matter of domestic legal choice rather than international coordination.
210. The relationship between a UNCITRAL Model Law and private or non-state initiatives follows a similar logic. As discussed in Chapter 5, functional-equivalence models demonstrate how DAO activity may achieve legal relevance through verifiable organizational and technical characteristics rather than formal incorporation. While such frameworks provide valuable analytical reference points, a UNCITRAL instrument would necessarily operate at a different normative level. Its function would not be to confer legal effects directly on the basis of technological deployment or internal governance design, but to articulate minimum coordination conditions under which DAO-related activity may be recognized, attributed, and relied upon across jurisdictions.
211. Consistent with UNCITRAL’s mandate, a Model Law should therefore focus on external legal effects vis-à-vis third parties, including attribution of acts, reliance on disclosed governance rules, continuity across technical change, and interaction with domestic private law. It should avoid prescribing governance structures, purpose constraints, uniform liability regime, or supervisory mechanisms that would interfere with national company law, association law, insolvency law, or constitutional arrangements.
212. In sum, the relationship between a UNCITRAL Model Law on DAOs and existing frameworks is best understood as complementary rather than

substitutive. Domestic and private regimes demonstrate how DAO activity may be rendered legally operable within specific legal orders. A UNCITRAL instrument would translate the shared functional outcomes of those regimes into a coordination framework capable of supporting cross-border legal certainty, predictability, and reliance, while preserving State autonomy over institutional design and implementation.

- **Relation to the COALA Model Law**

213. The COALA Model Law provides a sophisticated and technology-neutral articulation of functional equivalence, particularly in its recognition of non-registered DAOs, its reliance on on-chain formation, and its use of disclosure-based safeguards in place of formal incorporation. Legal relevance under COALA is tied to verifiable organizational and technical characteristics, such as publicly accessible governance rules, identifiable decision-making processes, and transparent on-chain deployment, rather than to territorial registration or predefined legal form. This approach enables DAOs to achieve effects traditionally associated with legal entities, including continuity and limited liability, while remaining agnostic as to jurisdiction and technology.
214. Certain conceptual insights reflected in the COALA Model Law are also relevant to UNCITRAL's work, but would require adaptation to a multilateral private-law context. In particular, UNCITRAL's mandate would require a clearer articulation of cross-border legal effects, including recognition, attribution, and reliance by third parties across jurisdictions. It would also necessitate greater sensitivity to conflict-of-laws questions and more explicit interface points with domestic organizational law, even where incorporation is not required.
215. Although the COALA Model Law and a potential UNCITRAL Model Law on DAOs address substantially overlapping subject matter, they differ fundamentally in purpose, institutional positioning, and legal function. The COALA Model Law is conceived as a bottom-up, technology-driven framework aimed at facilitating the legal relevance of DAO activity in the absence of, or prior to, State-based incorporation or registration. Its primary concern is how DAOs may achieve legal effects, such as asset separation, continuity, and limited liability, through functional equivalence grounded in verifiable technical and organizational characteristics. Legal relevance flows from observable governance behaviour and transparency, with on-chain verifiability operating as a substitute for traditional institutional safeguards.
216. A UNCITRAL Model Law, by contrast, would operate at the level of State coordination and private-law harmonization. Its function would not be to recognize DAOs as autonomous legal orders or to confer legal effects directly on the basis of technological deployment. Rather, it would articulate at least minimum conditions under which DAO-related activity may be recognized, attributed, and relied upon across jurisdictions. The focus would therefore be on legal effects vis-à-vis third parties, including cross-border attribution of acts, recognizability in international transactions, and interface with domestic private law, rather than on the internal governance mechanics of DAOs themselves.
217. This difference in institutional role has important consequences for legislative technique. While the COALA Model Law may adopt a detailed and DAO-native approach to issues such as forks, on-chain decision-making, or voting-based

liability, a UNCITRAL Model Law would necessarily adopt a more restrained and effects-based approach. It would abstract from specific technological implementations and avoid prescribing governance models, uniform liability regime, or compliance mechanisms that would interfere with domestic company law, insolvency law, procedural law, or constitutional constraints. States would retain discretion as to whether DAO recognition is achieved through registration, incorporation, or functionally equivalent mechanisms, provided that minimum standards of transparency, attribution, and legal certainty are met.

218. Accordingly, the relationship between the COALA Model Law and a potential UNCITRAL Model Law should be understood as complementary rather than duplicative. The COALA Model Law offers a rigorous articulation of how DAO activity may be rendered legally meaningful through functional equivalence and technological design. A UNCITRAL Model Law would translate selected functional insights into a multilateral coordination instrument, enabling States to recognize DAO-related legal effects in a manner that supports cross-border interoperability, predictability, and reliance on international trade.
219. From this perspective, the value of a UNCITRAL Model Law lies not in introducing novel DAO concepts or endorsing particular frameworks, but in stabilizing expectations at the inter-jurisdictional level. Its contribution would be to clarify when and how DAO activity becomes legally attributable and recognizable across borders, while leaving the internal organization and technological implementation of DAOs to private ordering and domestic legal choice.

### ***6.3 Limits of Harmonization and the Case for an Effects-Based Model Law***

220. The comparative evidence demonstrates that full substantive harmonization of DAO legal forms is neither realistic nor desirable at the present stage of legal and technological development. DAOs intersect with deeply embedded domains of domestic private law, including company law, foundation and association law, contract law, insolvency, and procedural law, each of which remains closely linked to constitutional structures, regulatory traditions, and public-policy choices. Attempting to impose a single, uniform organizational model for DAOs across jurisdictions could therefore risk both regulatory overreach and fragmentation, while undermining the legal flexibility that has enabled meaningful experimentation with decentralized organizational forms.
221. Against this background, the analysis strongly supports an approach to coordination that focuses on legal effects rather than institutional form. Decisions regarding whether DAO activity is accommodated through corporate entities, association-based structures, purpose-bound regimes, or functionally equivalent recognition are likely to remain matters of domestic legal policy. By contrast, the conditions under which DAO governance decisions are legally attributable, obligations are recognized, and third parties may reliably interact with decentralized organizations constitute a legitimate and necessary focus for model-law abstraction. An effects-based approach therefore concentrates on recognizability, attribution, transparency, continuity, and legal reliability, rather than on harmonizing organizational architecture or regulatory technique.
222. This distinction between form-based harmonization and effects-based coordination was articulated clearly during the Digital Assets Round Table Expert Series (DARTE) Washington session (October 2025). Participants

consistently differentiated between full legal harmonization, which was widely regarded as impractical in the near term, and approaches based on mutual recognition grounded in shared baseline principles, such as governance transparency, operational resilience, and legal attribution. The discussions underscored that cross-border legal certainty is more likely to be achieved through recognition of legally relevant effects than through the imposition of uniform institutional forms or regulatory architectures.

223. A complementary and methodologically significant perspective emerged during the DARTE Rome session (December 2025), where discussions were explicitly framed around the private-law techniques, including the use of model laws and principles-based instruments to address emerging legal phenomena without restructuring domestic legal systems. The Rome discussions highlighted the model-law technique itself as a means of coordinating private-law effects, such as attribution, enforceability, and reliance, across jurisdictions while preserving national autonomy over organizational forms. This perspective supports this review's conclusion that convergence in the DAO context should be pursued through effects-oriented private-law coordination, operating alongside, rather than displacing, domestic company law, association law, and contract law regimes.
224. Accordingly, a future UNCITRAL Model Law on DAOs should be conceived not as a comprehensive regulatory framework, nor as a vehicle for institutional uniformity, but as an enabling private-law instrument. Its function would be to facilitate legal interoperability across borders, reduce uncertainty in transnational transactions involving DAOs, and provide States with a structured set of implementation options that preserve domestic autonomy while supporting convergence at the level of legally relevant outcomes.
225. Any such initiative would necessarily need to operate in coordination with existing UNCITRAL instruments addressing adjacent private-law dimensions, rather than duplicating or displacing them. In particular, issues arising in the DAO context intersect with areas already addressed by UNCITRAL texts on cross-border insolvency, automated and electronic contracting, and the use and cross-border recognition of identity management and trust services. A model-law approach to DAOs should therefore be designed to complement these existing instruments, ensuring coherence across the broader UNCITRAL framework while respecting the distinct legal and technical characteristics of decentralized organizational activity.

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## Appendix 2: Comparative Overview of Selected DAO Legal Frameworks

Category	COALA Model Law	Marshall Islands – (DAO Act 2022)	Wyoming (SF0038 – DAO LLC)	DUNA (Wyoming)	RAK DAO Association (Digital Assets Oasis)
<b>Purpose &amp; Policy Orientation</b>					
Nonprofit / public-benefit purpose	Not Required or Specified	A DAO LLC may register as a nonprofit entity pursuant to the Non-Profit Entities Act 2020, provided it engages in nonprofit activity under that Act (§705(4)).	Permitted but not specifically regulated. A DAO may be formed and operate for any lawful purpose, including nonprofit purposes, but the DAO Supplement does not establish a distinct nonprofit DAO form, public-benefit governance obligations, asset or mission locks, or tax-exempt treatment. Any nonprofit or charitable status must be addressed under separate tax and charity law frameworks (W.S. §17-31-105(c)).	Mandatory nonprofit purpose; profits may be generated but must further the nonprofit purpose; distributions prohibited except as permitted (§17-32-104).	Mandatory nonprofit purpose. DAO Association must prohibit profit distribution and dividends; assets must be reinvested or reallocated consistently with the stated Purpose (Regs. 12–13).
Tax	No tax regime is established. Tax treatment is Not specified; Not specified; determined by the constitutive documents / by-laws.	DAOs not doing business in the Republic are generally not subject to income tax; for-profit DAO LLCs must file annual gross-revenue tax returns and pay tax on gross revenue (§703(3)).	Not addressed in the DAO Supplement; subject to general state and federal tax law applicable to LLCs.	Not regulated by the Act; tax treatment governed by applicable federal and state tax law (e.g. 501(c)(3) where relevant).	No DAO-specific tax provisions in the Regulations. Tax treatment governed by applicable UAE federal and emirate-level tax rules (e.g. corporate tax, VAT, if applicable).
Other regulations and norms referenced	General business organization law applies only where compatible. The Model Law relies on principles of functional and regulatory equivalence (Article 19; Preamble).	Limited Liability Company Act 1996 (§703); Securities and Investment Act (§703(2)); Income Tax Act 1989 (§703(3)); Foreign Investment Business License Act (§703(4)); Non-Profit Entities Act 2020 (§702(1); §705(4)); Banking Act 1987 (§702(m)).	Wyoming Limited Liability Company Act; Wyoming digital asset statutes (W.S. §§34-29-101, 34-29-106); Wyoming electronic transactions law (W.S. §40-21-102).	Cross-references Wyoming digital asset, smart contract, and record definitions; supplemented by general principles of law and equity (§17-32-129).	UAE Commercial Companies Law (Federal Decree-Law No. 32 of 2021); UAE AML/CFT framework; Cabinet Resolution No. 111 of 2022 (Virtual Assets); SCA Decision No. 26/RM/2023; Implementing Regulations issued by RAK Digital Assets Oasis Authority.
<b>Formation &amp; Legal Existence</b>					
Formation	Formation occurs without registration through on-chain deployment, provided that minimum formation, governance, and disclosure requirements set out in Article 4 are satisfied and publicly accessible (Article 4).	Any person may form a DAO LLC by signing and delivering the certificate of formation and limited liability company agreement to the Registrar; the person forming the DAO need not be a member (§705(1)).	Formed by filing articles of organization with the Secretary of State; DAO status must be expressly elected in the articles (W.S. §§17-31-104, 17-31-105).	Formed by mutual consent of members and election to operate under the Act; no incorporation filing required (§17-32-102).	Incorporation through application to the Registrar of DAO Associations within the RAK Digital Assets Oasis.

Constitutive document requirement	The existence of a constitutive document is mandatory. DAOs must have by-laws setting out governance rules, decision-making processes, and participant interaction. These by-laws must be publicly accessible and available in plain language, in addition to any code-based implementation (Articles 3(5) and 4).	A certificate of formation and/or limited liability company agreement is required and must state that the entity is a DAO; it must also include a publicly available identifier of any smart contract used to manage or operate the DAO (§706(1)–(2)).	Articles of organization required; operating agreement optional; smart contracts are recognized as constitutive governance instruments (W.S. §§17-31-106, 17-31-108).	Governing principles may be in records, implied from established practices, or implemented via smart contracts (§17-32-102(a)(vii)).	Mandatory Constitution (articles) and separate Memorandum of Association, drafted in English and registered.
Minimum number of members for formation	Not required.	A DAO LLC shall have one (1) or more members (§705(1)).	One or more members required (W.S. §17-31-105(a)).	At least 100 members (§17-32-102(a)(iii)(A)).	Minimum two (2) Founding Members; maximum ten (10) Founding Members at any time.
Minimum capital	Not required.	Not addressed.	Not addressed.	None.	No fixed capital requirement. Instead, Guarantee-based structure: Founding Members must provide a Guarantee; Registrar may prescribe amount and form (fiat or virtual asset).
Registered address / seat requirement	No registered address or legal seat required. A publicly accessible address or identifier must be provided for identification and verification purposes (Arts. 3(5), 4).	The registered address of the DAO LLC shall be that of its registered agent in the Republic (§705(3)).	Continuous maintenance of a registered agent in Wyoming is required (W.S. §17-31-105(b)).	Address in Wyoming required for certain filings (e.g. service of process); out-of-state address permitted if no in-state address exists (§17-32-110).	Registered Agent or Manager with a physical registered office in the Zone required at all times.
Public registration / verification requirement	No registration in a corporate or public registry is required. Proof of existence is based on public deployment on a permissionless blockchain and publicly accessible governance and disclosure information. Jurisdictions applying the Model Law may designate an authority to verify compliance with the minimum formation requirements, without constituting a formal registration or incorporation regime (Article 4).	A DAO LLC must be registered with the Registrar of Resident Domestic and Authorized Foreign Corporations, and its legal existence begins upon filing of the certificate of formation (§705(2)). Each DAO LLC must continuously maintain a registered agent in the Republic, defined in the Act as MIDAO Directory Services, Inc. (§702(q); §705(2)).	Articles filed with the Secretary of State; publicly available identifier of relevant smart contracts required (W.S. §17-31-106(b)).	No general registration requirement; optional filing for appointment of agent for service of process (§17-32-110).	Mandatory registration in the DAO Association Register; selected information may be publicly accessible via the Authority’s website.

<p>Technical requirements / certification</p>	<p>No formal external certification or licensing is required. However, DAOs must comply with software quality assurance requirements for the smart contracts underlying the DAO, as specified in the by-laws, in order to meet the minimum formation requirements and benefit from legal recognition and limited liability (Article 4(1)(d)).</p>	<p>No technical certification is required; smart contracts may be used and must be referenced through a publicly available identifier (§706(2)).</p>	<p>Algorithmically managed DAOs must use upgradable smart contracts. No technical certification or external audit required (W.S. §17-31-105(d)).</p>	<p>None; no audit, certification, or technical approval mandated.</p>	<p>Mandatory deployment on a permissionless distributed ledger and open-source codebase publicly accessible; cybersecurity audit required for token issuance; no general ex-ante technical certification regime beyond registrar review.</p>
<p><b>Membership &amp; Participation</b></p>					
<p>Who is a member</p>	<p>A Member is a participant in the DAO who holds governance rights, as Not specified; determined by the constitutive documents / by-laws.</p>	<p>Not exhaustively defined; where the certificate of formation, LLC agreement, or smart contracts do not specify how a person becomes a member, a person is considered a member if the person purchases or otherwise assumes a right of ownership of a membership interest or other property conferring a voting or economic right (§713(4)(i)).</p>	<p>Not defined. The DAO Supplement does not specify eligibility criteria or admission rules for members. A DAO must have one or more members, but who qualifies as a member is Not specified; determined by the constitutive documents / by-laws.</p>	<p>Person entitled under governing principles to participate in administrator selection or policy development (§17-32-102(a)(viii)).</p>	<p>Members (including Founding Members, as admitted under the Constitution); governance participation may also be exercised by non-member Governance Token Holders</p>
<p>Membership Interest</p>	<p>Not defined. The Model Law does not define or standardize a “membership interest.” The nature, representation, and economic or governance attributes of membership interests (e.g. tokens, reputational rights, or other mechanisms) are determined exclusively by the DAO’s by-laws (Articles 7 and 8).</p>	<p>In a for-profit DAO LLC, a member’s ownership or financial right, which may be represented by a digital consumer asset or governance token; in a nonprofit DAO LLC, a membership interest is a voting or governance right only (§702(i)).</p>	<p>A membership interest is a member’s ownership interest in a member-managed DAO, as defined in the articles of organization, smart contracts, or operating agreement. Membership interests may be linked to digital asset contributions and may be designated as digital securities or digital consumer assets if so specified (W.S. §17-31-102(a)(vi)).</p>	<p>Voting right is determined by governing principles, including ascertained through distributed ledger technology (§17-32-102(a)(ix)).</p>	<p>Not equity-based. Participation and rights derive from Governance Tokens, Miscellaneous Tokens, and Guarantees.</p>
<p>Addition / removal of members</p>	<p>The Model Law Not addressed.</p>	<p>Governed by the certificate of formation, LLC agreement, or smart contracts (§706(3)); where silent, a person ceases to be a member upon transferring, selling, or alienating all interests conferring voting or economic rights (§713(4)(ii)).</p>	<p>Governed by the articles of organization, smart contracts, or operating agreement. No mandatory statutory rules; general LLC law applies only residually where not overridden (W.S. §§17-31-103, 17-31-106(c)).</p>	<p>Governed by governing principles; default rules allow member approval where principles are silent (§§17-32-115–120).</p>	<p>Governed by Constitution and Governance Proposals; registrar notification required for relevant changes.</p>

Stakeholders – participation in DAO	Participation is divided into Members (with governance rights) and Participants (without governance rights), as Not specified; determined by the constitutive documents / by-laws.	Not addressed.	Participation is through membership interests defined in the constitutive documents. No additional stakeholder categories are mandated; general LLC concepts apply only residually (W.S. §§17-31-102(a)(vi), 17-31-103).	Participation rights limited to members as defined; benefits to members permitted only in conformity with nonprofit purpose (§17-32-104(c)).	Token Holders participate through on-chain/off-chain governance mechanisms; non-members may participate via contractual or token-based arrangements if permitted by the Constitution.
<b>Governance Architecture</b>					
Governance bodies	Governance bodies are not prescribed. DAOs may appoint Administrators with predefined powers, acting individually or collectively, as set out in the by-laws (Article 13).	Management is vested in members in a member-managed DAO or in smart contracts in an algorithmically managed DAO, unless otherwise provided (§708); if not specified, the DAO is presumed to be member-managed (§704(5)).	Governance vested in members (member-managed) or smart contracts (algorithmically managed). No mandatory corporate bodies (e.g. board or officers) are required (W.S. §17-31-109).	No mandatory bodies; administrators optional (§17-32-123).	Mandatory Council (executive and supervisory body); optional Officers; Governance Token Holders.
General assembly and meetings	No mandatory general assembly or periodic meetings are required. Governance may be conducted through continuous, asynchronous proposal mechanisms. Physical meetings are optional and by-law-based (Article 12).	Not required.	Not specified; no statutory requirement for general assemblies or meetings. Governance formalities are Not specified; Not specified; determined by the constitutive documents / by-laws.	No formal meeting requirements; member approvals may be conducted in accordance with governing principles, including on-chain voting (§17-32-120; §17-32-121).	General Meetings of Governance Token Holders permitted; may be held fully electronically with two-way communication.
Voting rights	Voting rights are Not specified; determined by the constitutive documents / by-laws.	Unless otherwise provided, voting power is Not specified; determined by the constitutive documents / by-laws.	Default: proportional to digital asset contributions; if none required, one member-one vote. Defaults are fully alterable through governing documents (W.S. §17-31-111).	Determined by governing principles; calculated in proportion to voting rights unless otherwise specified (§17-32-120(c)).	Allocated by class of Governance Token as specified in the Constitution; simple majority unless higher thresholds set.
Existence of proxies	Voting by proxy is permitted where provided for in the by-laws (Article 9).	Not addressed.	Not specified in the DAO Supplement; may be addressed in governing documents. General LLC law applies only residually.	Not expressly regulated; permitted if provided for in governing principles.	Alternate Council Members expressly permitted; corporate token holders may appoint representatives.
Quorum	Quorum and majority requirements are not fixed and must be Not specified; determined by the constitutive documents / by-laws.	A quorum requires not less than a majority of membership interests entitled to vote, unless otherwise specified in the certificate of formation, LLC agreement, or smart contracts (§710(1)(c)).	Default quorum is a majority of membership interests entitled to vote, unless otherwise provided (W.S. §17-31-111(a)(iii)).	Not statutorily defined; governed by governing principles or default member-approval rules (§17-32-120).	Default quorum: half of eligible Governance Token Holders by number, unless Constitution specifies otherwise.

Participants' rights	Members benefit from governance rights and limited liability; other Participants may have economic or functional rights without governance rights, as Not specified; determined by the constitutive documents / by-laws.	Rights and duties of participants are governed by the certificate of formation, LLC agreement, and/or smart contracts, including voting rights, transferability, distributions, withdrawal, and dispute resolution (§706(3)).	Rights are primarily contractual and code-based, defined in the articles, smart contracts, and operating agreement. General LLC rights apply only to the extent not displaced by the DAO Supplement (W.S. §§17-31-103, 17-31-106(c)).	Rights to vote, inspect records (subject to on-chain availability and confidentiality), and assert claims (§§17-32-108; 124).	Rights to vote, propose governance actions, access information, and inspect internal registers, subject to Constitution.
Fiduciary status of members or other stakeholders	No fiduciary duties apply by default. Administrators and other actors have fiduciary duties only if expressly provided in the by-laws (Article 15).	No member owes fiduciary duties to the DAO or other members except for the implied contractual covenant of good faith and fair dealing, unless otherwise provided in the governing documents (§709)).	No fiduciary duties by default, except the implied covenant of good faith and fair dealing. Duties may be reduced or eliminated by governing documents; DAO Supplement overrides general LLC fiduciary norms (W.S. §17-31-110).	No fiduciary duties imposed on members solely by reason of membership; implied covenant of good faith and fair dealing applies (§17-32-117).	Council Members and Officers owe fiduciary-style duties (good faith, care, diligence, purpose-alignment). Token Holders do not owe fiduciary duties by default.
<b>VI. Operational Rules &amp; Lifecycle</b>					
DAO-specific norms / rules	The Model Law contains specific rules on blockchain forks, identification of the majority chain, restructuring, and failure events (Articles 16–18).	The Act establishes several rules that are specific to DAO and DLT-based operation, including the recognition of on-chain actions, transactions, voting, and decisions as legally sufficient records, eliminating the obligation to maintain traditional books of accounts or meeting minutes where such information is recorded on a distributed ledger and remains publicly available (§711(1)). Cryptographic signatures recorded on-chain satisfy statutory writing and signature requirements (§711(2)), and members have no right to demand separate off-chain inspection of records where the relevant information is publicly available on a blockchain (§711(4)). In addition, the Act expressly permits governance and management to be exercised directly by smart contracts in algorithmically managed DAOs (§708), and allows smart contracts to form part of the constitutive governance framework (§706(2)–(3)).	Mandatory DAO disclosure notice; DAO designation in name; public smart-contract identifier; primacy of smart contracts over articles and operating agreement (W.S. §§17-31-104, 17-31-106, 17-31-115).	Explicit recognition of DLT-based governance, smart contracts, and consensus mechanisms (§§17-32-121–122).	Extensive bespoke DAO regime covering token issuance, governance, sub-DAOs, asset segregation, registrar oversight, and compliance.

Amendment of constitutive document	Not required.	Amendment is required where there is a change in the DAO's name or a false or erroneous statement in the certificate of formation or LLC agreement (§707).	Articles must be amended when smart contracts change or when statements become inaccurate. Filing mechanics follow LLC procedures (W.S. §17-31-107).	Amendments governed by governing principles or, by default, member approval (§17-32-120).	Requires Governance Proposal approval and Registrar acceptance; legal opinion may be required.
Restructuring	DAOs may restructure through governance decisions, including migration to new infrastructures. Minimum formation requirements under Article 4 must continue to be met to preserve legal personality and limited liability (Articles 4 and 17).	Legally relevant changes to a DAO require amendment and filing of the certificate of formation or limited liability company agreement. An amendment is mandatory where the DAO's name changes or where any statement in the constitutive documents becomes false or erroneous (§707). Changes to governance, member rights, or operational rules may be implemented through amendments to the certificate of formation, LLC agreement, and/or applicable smart contracts, without court or regulatory approval beyond filing (§706(3)).	Not explicitly regulated. Structural changes occur via amendment of articles and/or smart contracts. General LLC restructuring mechanisms may apply procedurally, but no DAO-specific restructuring regime exists (W.S. §§17-31-103, 17-31-107).	Mergers and conversions expressly permitted, subject to governing principles and statutory conditions (§§17-32-127–128).	Express provisions for amalgamation, continuation into and out of the jurisdiction, and Sub DAO Associations with asset segregation.
Dissolution / termination	The Model Law does not establish a statutory dissolution or termination regime. Failure events and winding-down scenarios are addressed through predefined rules and transparency mechanisms, as set out in the DAO's governance framework (Article 18).	A DAO LLC shall be dissolved upon expiry of its duration, by vote of members, upon events specified in smart contracts or constitutive documents, by Registrar order, or where all members resign; court-ordered dissolution is also possible (§714(1)–(3)).	By expiry of duration, member vote, smart-contract or document-specified events, one year of inactivity, or order of the Secretary of State for unlawful purpose (W.S. §17-31-114).	Dissolution per governing principles, member approval, court order, or automatic conversion/termination if membership threshold not met (§17-32-114).	Voluntary winding up, court-ordered liquidation, registrar-initiated strike-off; residual assets vest in Government of RAK if not restored.
<b>Representation, Notice &amp; Transparency</b>					
Legal / public representation	DAOs may appoint one or more legal representatives to act on their behalf in off-chain interactions. The appointment, powers, and identification of legal representatives must be specified in the by-laws. Legal representation is permitted but not mandatory (Article 14).	Each DAO LLC must continuously maintain a registered agent in the Republic upon whom process and notices may be served (§705(2)).	DAO acts as a limited liability company. No DAO-specific legal representative required beyond the general LLC framework.	Association may sue, be sued, and act in its own name; administrators or authorised persons represent the entity (§§17-32-106–108).	DAO Association acts as a body corporate; representation via Council, Manager, or Registered Agent.

Residence of legal representatives	Not required.	Not addressed.	Not specified; Not required.	Agent for service of process must have an address in Wyoming (§17-32-110).	Manager must be a UAE resident; Registered Agent must be licensed and physically established in the Zone.
Notice	Not required.	<p>NOTICE OF RESTRICTIONS ON DUTIES AND TRANSFERS</p> <p>The rights of members in a decentralized autonomous organization may differ materially from the rights of members in other resident domestic or non-resident domestic limited liability companies. This Chapter, underlying smart contracts, certificate of formation and limited liability company agreement, if applicable, of a decentralized autonomous organization may define, reduce or eliminate fiduciary duties and may restrict transfer of ownership interests, withdrawal or resignation from the decentralized autonomous organization, return of capital contributions and dissolution of the decentralized autonomous organization.</p>	<p>NOTICE OF RESTRICTIONS ON DUTIES AND TRANSFERS</p> <p>The rights of members in a decentralized autonomous organization may differ materially from the rights of members in other limited liability companies. The Wyoming Decentralized Autonomous Organization Supplement, underlying smart contracts, articles of organization and operating agreement, if applicable, of a decentralized autonomous organization may define, reduce or eliminate fiduciary duties and may restrict transfer of ownership interests, withdrawal or resignation from the decentralized autonomous organization, return of capital contributions and dissolution of the decentralized autonomous organization.</p> <p>(d) The registered name for a decentralized autonomous organization shall include wording or abbreviation to denote its status as a decentralized autonomous organization, specifically "DAO", "LAO", or "DAO LLC."</p> <p>(e) A statement in the articles of organization may define the decentralized autonomous organization as either a member managed decentralized autonomous organization or an algorithmically managed decentralized autonomous organization. If the type of decentralized autonomous organization is not otherwise</p>	<p>Service of process effected through appointed agent or authorised person; substitute service on members permitted (§§17-32-110–111).</p>	<p>Notices may be served electronically; DAO must maintain a public electronic address for correspondence.</p>

			provided for, the limited liability company will be presumed to be a member managed decentralized autonomous organization.		
Transparency of information	Mandatory. Public accessibility of by-laws, governance rules, and deployed smart contract code is required. No open-source licensing obligation is imposed; transparency is achieved through public deployment and disclosure (Article 4).	On-chain records of actions, transactions, voting, and decisions may satisfy record-keeping and transparency requirements where publicly available (§711(1); §711(4)).	Statutory inspection rights are limited where information is available on an open blockchain. Off-chain disclosure obligations apply only residually (W.S. §17-31-112).	Record-inspection rights subject to on-chain availability and reasonable confidentiality restrictions; no obligation to maintain off-chain member list (§17-32-124).	Registrar may publish selected registry information; internal registers accessible to regulators, members, and token holders; broader disclosure subject to UAE law and registrar discretion.

## Annex II

### Draft model law on DAOs<sup>2</sup>

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#### Preamble

The purpose of this Model Law is to facilitate cross-border recognition, legal certainty, and coordination of legal effects in international trade involving decentralized autonomous organizations (DAOs), while preserving the individual state's autonomy over domestic organizational forms, formation procedures, and regulatory techniques.

This Law aims to provide legal certainty and predictability to DAOs operating in international trade, without imposing registration or incorporation requirements on States. It is further intended to serve as an instrument through which States may modernize their domestic legal frameworks to accommodate decentralized organizational forms.

This Law recognizes that States may implement DAO recognition through diverse mechanisms including registration-based frameworks, association-based structures, functional equivalence approaches, or hybrid models. The Model Law coordinates legal effects without harmonizing organizational structures or imposing uniform domestic requirements.

The approach of this Law is effects-based and grounded in the principle of functional equivalence. Rather than prescribing rigid formation or incorporation requirements, it identifies the essential functional elements that characterize a DAO. Where those elements are present, the Law attributes cross-border legal effects to the DAO, leaving States free to determine how such conditions may be satisfied within their domestic legal systems.

#### Chapter I – General provisions

##### Article 1. Definitions

1. For the purposes of this Law:
  - (a) "Constitutive documents" means the foundational texts, code, or records that define the purpose, governance arrangements, and operational rules of a DAO, however denominated under domestic law (articles, bylaws, operating agreement, charter, statutes, or otherwise).
  - (b) "DAO" or "decentralized autonomous organization" means an organizational arrangement characterized by:
    - i. Decentralization: governance through verifiable, accessible rules that do not depend on centralized control by a single person or entity;

<sup>2</sup> The initial draft of a possible model law was prepared for the UNCITRAL secretariat by Mariana de la Roche Wills, with review and contributions by Professor María del Sagrario Navarro Lérída, PhD, Salvatore Luciano Furnari and Dr. Hagen Weiss.

- ii. Autonomy: the capacity for self-executing governance decisions through predetermined rules, whether implemented through automated mechanisms, distributed consensus processes, or a combination of both, without requiring discretionary intermediation at the execution stage; and
  - iii. Organization: a common purpose, an identifiable membership or participation structure, and the capacity to hold or manage assets or undertake activities in pursuit of that purpose.
- (c) "Distributed ledger technology" means a database system that records transactions or data across multiple locations or participants in a manner that allows verification without central administration.
  - (d) "Governance arrangements" means the rules, procedures, and technical systems through which a DAO makes decisions, allocates authority, and executes organizational actions.
  - (e) "Member" means a person who holds governance rights in a DAO as determined by the DAO's governance arrangements, regardless of whether such person is denominated a member, participant, token holder, or otherwise under domestic law.
  - (f) "Smart contract" means a computer program stored on a distributed ledger that automatically executes, controls, or documents events and actions according to predetermined rules.
  - (g) "Writing" and "written" include any information recorded or stored in digital or electronic form that is accessible and usable for subsequent reference, whether including records on distributed ledgers, smart contract code, natural language documentation, and any other technically equivalent means of recording information.

## Article 2. Scope of application

1. This Law applies to the recognition and legal effects of decentralized autonomous organizations in cross-border contexts.
2. This Law does not regulate:
  - (a) The formation, incorporation, or domestic authorization of DAOs, which remain subject to the law of each State;
  - (b) Taxation matters;
  - (c) Securities regulation – this Law does not determine whether governance tokens or other instruments issued by a DAO constitute securities, financial instruments, virtual assets, or other regulated instruments for the purposes of applicable law. Such classification remains subject to applicable regulatory frameworks;
  - (d) Anti-money laundering or counter-terrorist financing obligations;
  - (e) Insolvency proceedings;
  - (f) Consumer protection measures;
  - (g) Sector-specific licensing or authorization requirements.
3. Nothing in this Law affects the rights and obligations arising from any other applicable law, treaty, or convention.

## Article 3. Receipt of communications

1. Unless otherwise agreed, a communication is received when it reaches an electronic address, distributed ledger address, or other information system designated by the DAO.
2. Where a DAO has not designated an address or information system, a communication is received when it is made publicly accessible through the DAO's governance arrangements.
3. This Article governs the receipt of communications generally under this Law, except where this Law provides otherwise for specific categories of communication.

## Article 4. Objection to non-compliance

A party that has actual knowledge that a DAO has failed to satisfy the conditions of this Law and that continues to interact with such DAO without promptly notifying the DAO or, where applicable, a designated authority of such non-compliance, may not subsequently rely on such non-compliance to avoid obligations arising from that interaction.

## Article 5. Dispute resolution and court intervention

In matters governed by this Law, parties are encouraged to resolve disputes through arbitration, mediation, or other alternative dispute resolution mechanisms appropriate to the cross-border and technological nature of DAO operations. Nothing in this Law limits the right of any party to seek recourse before a competent court or authority in accordance with applicable law.

## Chapter II – Conditions for recognition

### Article 6. Recognition conditions

1. A DAO produces the legal effects provided in this Law when it satisfies the following conditions:
  - (a) It has constitutive documents satisfying the requirements of Article 7;
  - (b) Its governance arrangements satisfy the requirements of Article 8;
  - (c) Information regarding the DAO is accessible in accordance with Article 9;
  - (d) It is either:
    - i. Formed, incorporated, registered, or otherwise legally established under the law of a State; or
    - ii. Where not formed under the law of any State, it maintains sufficient organizational continuity and legal accountability through its governance arrangements.
2. The manner in which a DAO satisfies the conditions of paragraph (1) is not determinative of recognition. Recognition flows from satisfaction of the substantive conditions, regardless of the domestic legal form, registration procedure, or organizational structure through which those conditions are met. Accordingly, a DAO may be:
  - (a) Formed through registration with a public authority;
  - (b) Organized as an association, foundation, company, or other domestic legal form;
  - (c) Established through functional deployment and public disclosure without registration;
  - (d) Implemented through any combination of the foregoing or other means permitted by domestic law.
3. States may, but are not required to, establish domestic procedures for verification or certification that a DAO satisfies the conditions of paragraph (1).

### Article 7. Constitutive documents

1. A DAO's constitutive documents shall include or incorporate by reference:
  - (a) The name or unique identifier of the DAO;
  - (b) A description of the DAO's purpose or objectives;
  - (c) The governance arrangements, including:
    - i. Decision-making procedures;
    - ii. The internal allocation of governance authority, including the scope of decision-making powers attributed to members, designated administrators, or automated mechanisms;
    - iii. Conditions for membership or participation;
    - iv. Procedures for amendment of the constitutive documents;
    - v. Where smart contracts or distributed ledger technology are used to implement governance, a publicly accessible identifier or reference to the relevant code.
2. Constitutive documents may be contained in multiple texts, code repositories, or records, provided they are accessible and internally consistent.
3. Where constitutive documents are expressed in code, an intelligible description in natural language of the governance arrangements shall also be made available.

### Article 8. Governance arrangements

1. A DAO's governance arrangements shall be verifiable, meaning that an independent party can ascertain:
  - (a) The procedures by which decisions are made;
  - (b) The authority or persons entitled to act on behalf of the DAO;
  - (c) Whether a particular decision was made in accordance with those procedures.

2. Governance arrangements may be operationalized through exercise of governance rights by members or designated representatives, through automated execution mechanisms operating in accordance with predetermined rules established by the DAO, or through a combination of both.
3. Verifiability does not require that governance be exercised on a public distributed ledger, provided that records of governance decisions are accessible to affected parties and can be authenticated. This paragraph does not derogate from the requirement in Article 1(b) that a DAO's governance operates through distributed ledger technology or functionally equivalent technical infrastructure.

#### **Article 9. Accessibility requirements**

1. A DAO shall make the following information accessible:
  - (a) Its constitutive documents as required by Article 7;
  - (b) A description of its governance arrangements;
  - (c) Information regarding how the DAO may be contacted and how it may receive legal communications;
  - (d) Where applicable, references to deployed smart contracts or distributed ledger systems used for governance or asset management.
2. Information is sufficiently accessible when it is available through means that allow interested parties to access and verify it, including through:
  - (a) Public distributed ledgers;
  - (b) Public registries maintained by States or designated authorities;
  - (c) Publicly available websites or information systems;
  - (d) Other means that provide reasonable notice and access.
3. Where a DAO is formed under domestic law requiring registration or filing, accessibility requirements may be satisfied through such registration or filing, provided the required information is included.

#### **Article 10. Legal effects of recognition**

1. A DAO that satisfies the conditions of Article 6 shall have the capacity to:
  - (a) Enter into contracts and assume obligations in its own name;
  - (b) Hold and transfer assets separate from those of its members;
  - (c) Sue and be sued;
  - (d) Take other actions in law as necessary for the conduct of its activities.
2. The legal effects in paragraph (1) flow from satisfaction of the conditions in Article 6, regardless of whether the DAO possesses legal personality, separate juridical status, or other designation under the domestic law of its State of formation.
3. Nothing in this Law prevents a State from granting additional rights or imposing additional obligations on DAOs formed under its domestic law.

#### **Article 11. Continuity**

1. Recognition under this Law continues notwithstanding changes to a DAO's constitutive documents, governance arrangements, or technical infrastructure, provided that:
  - (a) Amendments are made in accordance with procedures specified in the constitutive documents;
  - (b) The DAO continues to satisfy the conditions of Article 6;
  - (c) Where the DAO is formed under domestic law requiring filing or registration, any required amendments are filed or disclosed in accordance with such law.
2. Migration to a different technical infrastructure, including as a result of a blockchain fork, does not affect recognition if the DAO's governance arrangements provide for such migration and it is implemented in accordance with those arrangements.

### **Chapter III – Internal organization**

#### **Article 12. Internal governance**

1. Subject to compliance with Articles 7 and 8, a DAO's internal governance, including decision-making procedures, allocation of authority, and conditions for participation, shall be determined by its constitutive documents and governance arrangements.
2. This Law imposes no mandatory governance structure or corporate organs beyond the requirements of Articles 7 and 8.
3. States may impose additional governance requirements on DAOs formed under their domestic law, provided such requirements do not prevent satisfaction of the conditions in Article 6.

#### **Article 13. Members and participants**

1. Members are persons holding governance rights as determined by the DAO's governance arrangements, regardless of the terminology used to describe such persons under domestic law.
2. Other persons may participate in or interact with a DAO without holding governance rights, as provided in the constitutive documents.
3. Governance rights may be implemented through tokens or other technically equivalent instruments, and may reflect ownership interests or other bases of participation as determined by the DAO's governance arrangements.
4. The constitutive documents shall specify the conditions under which membership or participation may be transferred, redeemed, or extinguished, including any rules governing voluntary exit from the DAO.

#### **Article 14. Legal representation**

1. A DAO may designate one or more persons or entities to act as its legal representative for purposes of:
  - (a) Entering into contracts on behalf of the DAO;
  - (b) Representing the DAO in legal proceedings;
  - (c) Receiving legal process and official communications.
2. The authority of legal representatives and the conditions under which they may act shall be specified in the constitutive documents or governance arrangements.
3. Where a DAO has not designated a legal representative, acts performed in accordance with the DAO's governance arrangements shall nonetheless be attributed to the DAO in accordance with Article 16.
4. Members, participants, and legal representatives of a DAO shall not be deemed to owe fiduciary duties to one another or to third parties solely by reason of their membership, participation, or representative capacity, unless such duties are expressly stipulated in the constitutive documents or governance arrangements.

### **Chapter IV – Transparency and attribution**

#### **Article 15. Records**

1. In addition to the accessibility requirements established in Articles 8 and 9, a DAO shall maintain or cause to be maintained records sufficient to verify:
  - (a) Actions taken pursuant to such decisions;
  - (b) The identity or pseudonymous identifiers of persons exercising governance authority.
2. Where records under paragraph (1) are maintained off-chain, they shall be retained for a period sufficient to allow verification of governance decisions and actions for the purposes of this Law, and in any event for no less than 5 years after the relevant act or decision. Where governance decisions are recorded on a distributed ledger that remains accessible, this retention requirement shall be deemed satisfied.
3. Cryptographic signatures or other electronic authentication methods satisfying the requirements of applicable law on electronic transactions shall satisfy any writing or signature requirement under this Law.

#### **Article 16. Attribution of acts**

1. Acts performed in accordance with a DAO's governance arrangements, whether by a designated legal representative pursuant to Article 14 or through the DAO's governance mechanisms in the absence of such designation, shall be attributed to the DAO.
2. Attribution under this Article operates independently of whether the DAO possesses legal personality or separate juridical status under any applicable domestic law.
3. Acts attributed to the DAO under this Article give rise to obligations enforceable against the assets of the DAO. Such attribution does not, of itself, create personal liability for members or participants, which is governed by Article 19.
4. Attribution under this Article is not affected by:
  - (a) The technological means by which decisions were recorded or executed;
  - (b) Whether decisions were made by members, designated representatives, or automated processes;
  - (c) The location or geographic distribution of members or technical infrastructure.
5. A party relying on attribution under this Article must demonstrate that:
  - (a) The governance arrangements were accessible at the relevant time;
  - (b) The act was performed in accordance with those governance arrangements.

#### **Article 17. Notice and service of process**

1. Legal process may be served on a DAO by:
  - (a) Service on a designated legal representative;
  - (b) Where the DAO is formed under domestic law requiring a registered agent or address, service in accordance with such law;
  - (c) Transmission to an electronic address or distributed ledger address disclosed by the DAO for receipt of legal communications;
  - (d) Publication through the DAO's governance mechanisms where such publication provides reasonable notice;
  - (e) Such other means as may be permitted by applicable procedural law.
2. A communication is effective when it is transmitted or published in accordance with paragraph (1).
3. For the avoidance of doubt, Article 3 governs receipt of communications generally under this Law. This Article governs the validity and effectiveness of legal process and service of process specifically, and prevails over Article 3 in the event of conflict.

### **Chapter V – Asset separation and liability**

#### **Article 18. Asset separation**

1. Assets held by or on behalf of a DAO are separate from the personal assets of its members and participants.
2. Creditors of the DAO may satisfy their claims from the assets of the DAO.

#### **Article 19. Limited liability and exceptions**

1. Members and participants are not personally liable for the obligations of the DAO solely by reason of their membership or participation.
2. Paragraph (1) does not affect liability arising from:
  - (a) Personal guarantees or commitments made by a member or participant in their individual capacity;
  - (b) Tortious acts or omissions committed personally by a member or participant;
  - (c) Fraudulent or criminal conduct;
  - (d) Acts performed outside the scope of the DAO's governance arrangements.
3. A court may hold members or participants personally liable where:
  - (a) The DAO was operated for fraudulent purposes; or
  - (b) The separation of assets was abused to evade legal obligations.

4. The burden of proving circumstances justifying an exception under paragraph (3) rests on the party asserting such exception.

## Chapter VI – Lifecycle events

### Article 20. Amendment

1. A DAO may amend its constitutive documents or governance arrangements in accordance with procedures specified in those documents.
2. Amendments shall not affect the validity of acts performed before the amendment took effect.
3. Amended constitutive documents and governance arrangements shall be made accessible in accordance with Article 9.

### Article 21. Restructuring and migration

1. A DAO may restructure or migrate to a different technical infrastructure, including as a result of a blockchain fork or upgrade, provided that:
  - (a) Such restructuring is undertaken in accordance with the DAO's constitutive documents;
  - (b) The DAO continues to satisfy the conditions of Article 6;
  - (c) Notice of the restructuring is disclosed in accordance with Article 9.
2. Restructuring under this Article does not affect the DAO's recognition under this Law or existing obligations.

### Article 22. Technical forks and chain identification

1. Where a blockchain fork results in multiple competing chains, recognition under this Law shall be attributed to the chain that:
  - (a) Is supported by a governance decision made in accordance with the constitutive documents; or
  - (b) In the absence of a governance decision, demonstrates continuation of the DAO's governance and economic activity, as evidenced by:
    - i. Continuation of governance participation;
    - ii. Economic value attributed to governance rights or assets;
    - iii. Security and stability of the technical infrastructure.
2. Where a fork is unintended or results from technical failure, the DAO shall notify affected parties and make publicly accessible a statement identifying the ambiguity as soon as reasonably practicable upon becoming aware of the fork. The DAO shall take reasonable steps to resolve ambiguity regarding chain identification within a reasonable period, which shall not in any event exceed 90 days from the date on which the fork becomes publicly known, unless the DAO's governance arrangements provide otherwise.

### Article 23. Termination

1. Recognition under this Law terminates when:
  - (a) The DAO is dissolved in accordance with procedures specified in its constitutive documents;
  - (b) A decision to dissolve is made by the DAO's governance authority;
  - (c) Where the DAO is formed under domestic law, it is dissolved in accordance with such law;
  - (d) The DAO ceases to satisfy the conditions of Article 6 and has not remedied such non-compliance within a reasonable period after notice.
2. Upon termination, distribution of remaining assets shall be determined in accordance with the procedures specified in the constitutive documents, subject to mandatory rules of applicable law. The constitutive documents shall not be interpreted as conferring on members residual proprietary rights over the assets of the DAO solely by reason of their membership or governance rights, unless expressly provided therein.
3. Termination does not affect the validity of acts performed before termination or liability for obligations incurred before termination.
4. Where a DAO's governance arrangements are permanently incapable of making a dissolution decision and no domestic law provides for compulsory dissolution, a competent court may, upon application by a

creditor or member, declare recognition terminated and make such orders as are necessary for the distribution of its accessible assets.

## **Chapter VII – Cross-border recognition**

### **Article 24. Cross-border recognition and conflict of laws**

1. A DAO satisfying the conditions of Article 6 shall be recognized in other States adopting this Law provided that recognition is not contrary to the public policy of the recognizing State.
2. Recognition under this Article does not exempt a DAO from compliance with mandatory rules of law applicable to its activities in the recognizing State, including taxation, securities regulation, anti-money laundering, consumer protection, and licensing requirements.
3. For purposes of recognition:
  - (a) Where a DAO is formed under the law of a State, recognition is based on such formation;
  - (b) Where a DAO is not formed under the law of any State but satisfies Article 6(1)(d)(ii), it shall be deemed associated with the State whose courts or authorities would have jurisdiction over disputes concerning the DAO under applicable conflict of laws rules.

### **Article 25. Grounds for refusing recognition**

1. Recognition may be refused if:
  - (a) The DAO was formed or operates in violation of fundamental principles of the law of the recognizing State;
  - (b) Recognition would be manifestly contrary to the public policy of the recognizing State;
  - (c) The DAO's constitutive documents or governance arrangements are not accessible or verifiable as required by Articles 7, 8, and 9;
  - (d) The DAO was established primarily to evade mandatory rules of law that would otherwise apply in the recognizing State.
2. The burden of proving grounds for refusal rests on the party opposing recognition.

## **Chapter VIII – Final Provisions**

### **Article 26. Relationship with other laws**

1. This Law supplements domestic law concerning organizational forms, contracts, property, and civil liability. It does not replace or override such law except as specifically provided herein.
2. In matters not governed by this Law, including formation procedures, taxation, securities regulation, anti-money laundering, consumer protection, insolvency, and sector-specific regulation, applicable domestic and international law shall apply.
3. Where provisions of this Law conflict with mandatory rules of specific application, such mandatory rules shall prevail.

### **Article 27. Interpretation**

1. In the interpretation of this Law, regard is to be had to:
  - (a) Its international origin and purpose of facilitating cross-border coordination;
  - (b) The need to promote uniformity in its application across States;
  - (c) The need to promote technology neutrality and adaptability to future innovations;
  - (d) The observance of good faith in international trade;
  - (e) The principle of preserving State autonomy over domestic organizational forms and regulatory policy.
  - (f) The principle that provisions of this Law shall be interpreted so as to give them practical effect, preferring interpretations that advance the purposes of this Law over those that would render its provisions ineffective or inapplicable.

**Article 28. Transition**

1. This Law applies to recognition of DAOs upon its entry into force in a State, regardless of when such DAOs were established.
2. Organizational entities established before the entry into force of this Law that satisfy the definition of a DAO under Article 1 may elect to be recognized under this Law by ensuring compliance with Articles 6 through 9.
3. States may provide transitional periods or procedures to facilitate compliance by existing DAOs.