

"DAOs: Legal Challenges for Decentralized Autonomous Organizations": check out our e-book

10.10.2022 4 min read

Authors

Ana Cristina Müller, D.Sc.

Valter Silva Couto

"Decentralized Autonomous Organizations, or DAOs, have been acclaimed as the organization of the future – a new format for bringing together people who have a common objective."

Topics

DAOs

In BMA Advogados' latest publication, "**DAOs: Legal Challenges for Decentralized Autonomous Organizations**", our specialists examine the specifics of this new type of organization, which allows individuals around the world to participate, overcoming geographic barriers and organizational complications to ensure that every participant has a voice and the power to influence the activities carried out by the organization.

View the table of contents below and **click on the title** to go to each article, or **click here** to read and download the entire publication. Happy reading!

DAOs: an introduction

By Felipe Palhares

DAOs allow the participation of an expressive number of individuals, located anywhere around the world, superseding geographical barriers and organizational complexities, ensuring that any participant can have a voice and guide the activities that will be carried out by the organization.

What are DAOs?

By Felipe Palhares

Foremost, it must be cautioned that a DAO, in practice, is nothing more than an algorithm.

Governance models for DAOs

By Felipe Palhares and Fernanda Villela Viana

Many different models of governance may be adopted when structuring a

DAO according to the definitions established in its smart contracts.

Incorporation of DAOs in Brazil

By Christopher Zibordi and Daniel Falcão de Paula Soares

It will be necessary to develop and deepen the discussions to concede DAOs certain legitimacy needed to better establish themselves and evolve as alternative structures.

Incorporation of DAOs in foreign jurisdictions

By Felipe Palhares and Arthur Pichelli Ueda

In some jurisdictions, there are already frameworks that have been used by founders of DAOs for their legal incorporation in order to better protect the assets of their members.

DAO tokens, collective investment contracts and securities

By Camila Goldberg, Felipe Palhares and Luis Eduardo Al-Contar

Before initiating a DAO project, nonetheless, it is crucial for its founders to evaluate whether the governance tokens to be issued may be considered as securities under the applicable laws.

DAO tokens and applicable penalties by CVM

By Daniella Fragoso and Fernanda Pereira Carneiro

Currently, there is no specific rule governing the legal regime applicable to the issuance of DAO tokens, which does not imply that there is no regulation contemplating the subject at all.

Which country has jurisdiction to tax DAOs' transactions?

By Thais de Barros Meira and Ana Carolina P. de Mello

Must taxation fall on DAOs or directly on its revenues and the capital gains of associates, since it is a transparent entity?

The challenges in applying brazilian labor laws to decentralized autonomous organizations

By Cibelle Linero and Larissa Medeiros Rocha

It can be seen that this form of work is closer to another concept already provided for under Brazilian labor law: cooperatives.

Financing and creation of intellectual property assets through DAOs

By Ana Cristina Müller and Valter Silva Couto

A great challenge of these new possibilities is the doubts they certainly raise. For instance, to whom belong the IP rights of creations originated in DAOs?

DAOs and challenges for the settlement of disputes

By Felipe Galea, Iara Conrado, Milena Arbizu and Marcos Salgado

The decentralization and autonomy of this sort of organization decrease individual efforts and turn the decision-making process faster. On the other hand, however, it entails doubts and uncertainty.

DAOs in the Brazilian market, good compliance practices and AML

By Anna Carolina Malta Spilborghs and Jean Daniel Demattio Jaldin

It is precisely from the smart contracts that emerges the advantage of executions regardless of human action or intermediaries.

Due diligence in M&A transactions involving DAOs

By Adriana Dib Fuzinato, Ellen Juste Nuñez and Thaís Xavier

In addition to the legal due diligence, whenever dealing with a digital asset, it is recommended to conduct a technical due diligence, as long as the constitutive terms of DAOs often provide that the code is the law.

DAOs and personal data protection

By Felipe Palhares and Bárbara Iszlaji

It is important to discuss whether DAOs process personal data and, therefore, are subject to data protection laws.

Smart Contracts and their problems in face of complex relationships of DAOs

By Fernanda Villela Viana

Generally, in DAOs, smart contracts are used to define rules, structure operations, and manage relations. The execution of DAOs, therefore, relies on codes and is not based on legal systems.

DAOs and cybersecurity

By Felipe Palhares

A flaw in the code may put at risk all the resources kept in the DAO's treasury, as well as expose its members.

The future of organizations

By Felipe Palhares

In the absence of such regulation, the challenges must be solved in accordance with the particularities of each specific case presented.

› PROFESSIONALS

Professionals who combine legal insight and market perspective



Ana Cristina Müller, D.Sc.



Valter Silva Couto