



Decentralized Autonomous Organization (DAO): Frequently Asked Questions

- How do I form a DAO?
 - A DAO can be formed either online or by mailing the paper form.
 - For *online filers*:
 - Begin by selecting the business entity type of Limited Liability Company;
 - During step 1, select Decentralized Autonomous Organization as the Additional Designation from the drop-down list (*this drop-down is located under the business entity name fields*);
 - During step 6, follow the instructions on the screen specific for DAOs. The following information is statutorily required to appear in the Articles of Organization if you have elected to be a DAO:
 - Pursuant to W.S. 17-31-106(a), *a statement that the entity is a decentralized autonomous organization*;
 - Pursuant to W.S. 17-31-106(b), *a publicly available identifier of any smart contract directly used to manage, facilitate or operate the DAO*;
 - Pursuant to W.S. 17-31-104(c), *a Notice of Restrictions on Duties and Transfers if it will not appear in the operating agreement*; and
 - *If the Notice of Restrictions on Duties and Transfers appears or will appear in the operating agreement, a statement of such.*
 - To file online, visit <https://wyobiz.wyo.gov/Business/RegistrationInstr.aspx>
 - For *paper filers*:
 - Mail in the Articles of Organization – DAO form with a check or money order. Visit our forms page: <https://sos.wyo.gov/Forms/default.aspx>
- Are there any special naming requirements?
 - The name must include “DAO LLC” or a combination of the entity indicators for both DAO *and* LLC as follows:
 - The name must include specifically, “DAO”, or “LAO.” (W.S. 17-31-104(d))
 - The name must include the words “Limited Liability Company,” or its abbreviations “LLC,” “L.L.C.,” “Limited Company,” “LC,” “L.C.,” “Ltd. Liability Company,” “Ltd. Liability Co.,” or “Limited Liability Co.” (W.S. 17-29-108)
- How much does it cost to form a DAO?
 - The initial filing fee is \$100.
 - An annual report is due every year thereafter; the fee for which is a minimum of \$60. The fee is calculated based on all assets located and employed in Wyoming. The tax is \$60 or two-tenths of one mill on the dollar (\$.0002), whichever is greater.



DAO: FAQ (continued)

- **When is the earliest I can register a DAO?**
 - The legislation pertaining to DAOs goes into effect on July 1st, 2021.
 - Paper forms will be available mid-June.
 - The online filing system will allow registration on July 1st, 2021. Specifically, the election of a DAO should be done by filing an LLC, electing a Decentralized Autonomous Organization from the “Additional Designation” drop-down menu during step 1 and providing the statutorily required information stated in step 6.
- **Can I reserve a name for a DAO prior to July 1st, 2021?**
 - Yes, by mailing an Application for Reservation of Name form with a check or money order: <https://sos.wyo.gov/Forms/default.aspx>
- **Do I have to live in Wyoming to register a DAO?**
 - No. You can register a DAO regardless of where you reside, but you must have a Wyoming registered agent who meets the statutory requirements (W.S. 17-28-101 through W.S. 17-28-111).
- **Does a DAO have to have a registered agent?**
 - Yes, just as all other LLCs, you must have a registered agent in order to register a DAO. For more information on registered agents: <https://sos.wyo.gov/Business/CRAHome.aspx>
- **If I currently have an LLC registered, can I convert it to a DAO? If so, how?**
 - Yes, you can convert an existing domestic LLC to a DAO.
 - You will need to file an amendment to your articles. The amendment must contain information as required in W.S. 17-31-104(b): <https://sos.wyo.gov/Forms/default.aspx>
- **Can I register my out-of-state DAO?**
 - No. A certificate of authority for a foreign DAO cannot be filed pursuant to W.S. 17-31-116.
- **How does a DAO differ from a regular LLC?**
 - Unlike a standard LLC which is managed by human members/managers, a DAO can be managed either by human members/managers or algorithmically.
- **What is a smart contract?**
 - A smart contract is an automated transaction, as defined in W.S. 40-21-102(a)(ii), or any substantially similar analogue, which is comprised of code, script or programming language that executes the terms of an agreement and which may include taking custody of and transferring an asset, administering membership interest votes with respect to a decentralized autonomous organization or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions (W.S. 17-31-102 (a)(ix)).
- **Where can I find more information on DAOs?**
 - You can review the legislation for DAOs here: <https://wyoleg.gov/2021/Enroll/SF0038.pdf>
 - For more information on Automated Transaction and the Uniform Electronic Transactions Act: <https://wyoleg.gov/NXT/gateway.dll?f=templates&fn=default.htm>