



Decentralized Autonomous Organization Regulations 2024

June 13, 2024



Clerk of the Cabinet

P.O. BOX 2
MAJURO, MARSHALL ISLANDS 96960

I, Earlie C. Bing, Clerk of the Cabinet in the Republic of the Marshall Islands, do hereby certify, that on June 13, 2024, Cabinet approved the attached regulations as the Decentralized Autonomous Organization Regulations 2024, that the Cabinet instrument C.M. 143 (2024) notified, is hereby filed pursuant to Section 106 of the *Administrative Procedures Act 1979* (APA); and that said Regulations shall come into effect June 13, 2024 pursuant to Section 106 of the APA.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed the seal
of the Office of the Clerk of the Cabinet,
at Majuro, this 28th day of June 2024.

A handwritten signature in cursive script, reading "Earlie C. Bing", written over a horizontal line. A faint circular seal is visible in the background behind the signature.

Earlie C. Bing
Clerk of the Cabinet
Office of the President and Cabinet

REPUBLIC OF THE MARSHALL ISLANDS

**REGISTRAR OF RESIDENT DOMESTIC AND AUTHORIZED FOREIGN
CORPORATIONS**

DECENTRALIZED AUTONOMOUS ORGANIZATION REGULATIONS 2024

These Regulations are hereby promulgated to prescribe the regulatory requirements for forming and managing decentralized autonomous organizations as resident domestic limited liability companies under the Decentralized Autonomous Organization Act, 2022, as amended, Chapter 7 of Title 52 of the Marshall Islands Revised Code.

PART I – GENERAL PROVISIONS

1. Short Title

These Regulations may be cited as the Decentralized Autonomous Organization Regulations 2024.

2. Definitions

In these Regulations, unless the context otherwise requires:

- (1) “Act” means the Decentralized Autonomous Organization Act, 2022, including any subsequent amendments, Chapter 7 of Title 52 of the Marshall Islands Revised Code.
- (2) “BOIR” means a Beneficial Owner Information Report required under Section 112 of the Act.
- (3) “Formation documents” means the Certificate of Formation and, if applicable, any limited liability company agreement which applies to the DAO at the time of its formation as a DAO LLC, as well as any other documents required for the formation of the DAO LLC by these Regulations, including the BOIR.
- (4) “Prescribed fee” means the fee prescribed under §14 of these Regulations.
- (5) “Verification documents” means the documents prescribed by §8(4) of these Regulations.
- (6) “Registered Agent” means MIDA0 Directory Services, Inc., P.O. Box 852, Long Island Rd, Majuro, Marshall Islands MH 96960.

- (7) "Representative Agent" means a designated agent and point of contact for a DAO to receive correspondence and communicate with the Registered Agent and Registrar.
- (8) "DAO" means a DAO LLC organized under the Act.
- (9) Words and phrases not specifically defined in these Regulations have the meanings assigned to them by the Act.

3. Public Blockchains

- (1) Any blockchain used to govern or track members of a DAO LLC, which is registered as a resident domestic limited liability company under the Act shall:
 - a. be a distributed ledger which is publicly accessible by any person, whether within or outside the Republic; and
 - b. transparently disclose the number of tokens or voting rights held by each member.
- (2) Every relevant law enforcement agency and the Registered Agent are authorized to monitor the activities of a DAO LLC on the blockchain or blockchains used for that DAO LLC's activities for the purpose of ensuring that the DAO LLC is not involved in money laundering or any other activity which is contrary to the laws of the Republic.
- (3) If an agency or the Registered Agent has reasonable grounds to suspect that a DAO LLC is involved in money laundering or any other activity which is contrary to the laws of the Republic, that agency or the Registered Agent shall report the circumstances to the Registrar or the relevant law enforcement agency.

PART II – DAO FORMATION

4. Representative Agent and Nominees

- (1) Every DAO shall designate and continuously maintain a person or persons to be its Representative Agent.
- (2) The formation documents shall include the written consent of the person designated under subclause (1) to act as the Representative Agent in Form 1. Upon any change of Representative Agent, written consent of the person newly designated to act as the Representative Agent must be filed with the Registrar using Form 1 within 30 days.

- (3) The Representative Agent's electronic and physical address for receipt of correspondence and communication must be made available to the Registered Agent and the government of the Marshall Islands using Form 1.
- (4) In the case that the Representative Agent is no longer a member of or otherwise unable to represent the DAO LLC, the Registered Agent will identify a new Representative Agent or, if none is available, act as the Representative Agent and notify the Registrar. Unless a Representative Agent other than the Registered Agent is appointed within a period of one (1) year, the DAO LLC shall be dissolved according to the procedure set forth in Limited Liability Company Act, 52 MIRC Chapter 4 §46(3).
- (5) In accordance with the Limited Liability Company Act of 1996, DAO LLCs may use a nominee or nominee services company to act as the Representative Agent or as an authorized representative member, who is not a "beneficial owner" as defined in Section 102(r) of the Act.

5. Registered Agent

- (1) Pursuant to §105(2) of the Act, the Limited Liability Company Act, 52 MIRC Chapter 4, §5, and the Memorandum of Agreement between the Government of the Republic of the Marshall Islands and MIDAO Directory Services, Inc., dated July 5, 2022, the Registered Agent for every DAO LLC shall be MIDAO Directory Services, Inc.
- (2) The Registered Agent shall forward all correspondence and service of process received on behalf of the DAO LLC to the DAO LLC's Representative Agent. The Registered Agent shall deliver all required documents received from the DAO LLC to the Registrar.

6. Formation

- (1) The formation documents collectively shall provide all relevant information concerning the matters described in §106(3) of the Act and these Regulations.
- (2) The formation documents shall be delivered to the Registrar by the Registered Agent for filing by uploading them to the secure website established under §11 of these Regulations or, if such website is not available, shall be emailed to the Registrar in PDF format.
- (3) A DAO LLC shall be formed on the later of:

- (a) The date on which the Registrar certifies that the prescribed fee has been paid and that formation documents of the DAO comply with the Act and these Regulations;
or
- (b) The date on which the Certificate of Formation states that the DAO is to be formed as a DAO LLC pursuant to Section 105 of the Act and the Limited Liability Company Act, 52 MIRC Chapter 4 §9 and these Regulations.

7. Amendment of Formation Documents

- (1) The secure website designated under §11 of these Regulations shall permit the amendment of any or all of the formation documents for the DAO LLC when so required by Section 107 of the Act or otherwise, or if such website is not available, such amended formation documents shall be emailed to the Registrar in PDF format.
- (2) Any amendment to one or more of the formation documents shall take effect on the later of:
 - (a) The date on which the Registrar certifies that any prescribed fee has been paid and that the amendment complies with the Act and these Regulations; or
 - (b) The date on which the amendment states that it is to take effect.

PART III – BENEFICIAL OWNER INFORMATION REPORT

8. Submission of Reports

- (1) The BOIR and verification documents required by Section 112 of the Act and this Section shall be submitted to the Registrar by the Registered Agent for filing by uploading them to the secure website established under §11 or, if such website is not available, sent via email in PDF format.
- (2) Every DAO shall use Form 2 to complete the BOIR.
- (3) At the time of formation and at the time of each annual filing, every beneficial owner, or if none, authorized representative member of the DAO to whom this subclause applies shall furnish to the Registered Agent via a secure means of electronic transfer:
 - (a) the information required by Section 112(2) of the Act in respect of that beneficial owner or authorized representative member;

- (b) the verification documents required in respect of that beneficial owner or authorized representative member under subclause (4).
- (4) Every BOIR which is submitted shall be verified by the following verification documents for every person to whom subclause (3) applies in portable document format (PDF) or an image file:
 - (a) the signature and data page or pages of the beneficial owner's or authorized representative member's passport; and
 - (b) A central, state or local government document, or an invoice from a bank or utility company, which indicates the beneficial owner's or authorized representative member's current residential or business street address.
- (5) The verification documents to be submitted under this Section shall be uploaded to the secure website established under §11 of these Regulations by the Registered Agent of the DAO or, if such website is not available, sent via secure email in PDF format.
- (6) Notwithstanding anything in this Section, when a BOIR is submitted with an annual report submitted after the formation of a DAO LLC, the DAO LLC shall be exempted from the requirement to provide verification documents for any initial member or person in respect of whom such documents were submitted on formation, unless the person's details in the BOIR have changed in the period since formation.

The person (or persons) who files the Certificate of Formation for a new DAO LLC shall comply with this section as if that person (or persons) were a beneficial owner or authorized representative member of the DAO LLC.

9. Verification

- (1) The Registrar shall not certify that a DAO LLC has been formed in compliance with the Act and these Regulations for the purposes of §6(3)(a) of these Regulations unless the Registrar is satisfied on reasonable grounds of the matters prescribed in subclause (2) of this Section.
- (2) The matters on which the Registrar shall satisfy him or herself are that:
 - (a) the information submitted in the BOIR complies with Section 112(2) of the Act and this Section;

- (b) the information submitted in the BOIR is substantiated by the verification documents;
- (c) the individuals identified in the BOIR include all beneficial owners, if any, of the DAO whose public addresses or addresses are identifiable in the relevant distributed ledger or ledgers; and
- (d) any disclosures concerning the beneficial owner(s) or authorized representative member of a DAO appear to be accurate; and
- (e) the Minister or Ministers responsible for these Regulations or their designees are satisfied with the beneficial owner(s) or authorized representative member identified and the result of background checks on the beneficial owner(s) or authorized representative member identified in the BOIR.
- (f) For the purposes of §9(2)(e) of this Section, the Ministry or Ministries responsible for these Regulations shall be satisfied with the beneficial owners or authorized representative member identified and the result of background checks identified in the BOIR in the following instances:
 1. The Ministry or Ministries responsible for these Regulations have performed a reasonably detailed background check on each beneficial owner or authorized representative member identified in the BOIR that seeks to identify, at a minimum, criminal history, professional malfeasance or misconduct, and Politically Exposed Person status; and
 2. The beneficial owners or authorized representative member do not have a conviction for fraud or a fraud-related offense within the prior four (4) years; and
 3. The beneficial owners or authorized representative member have never been involved in money laundering schemes or drug trafficking activities; and
 4. The beneficial owners or authorized representative member do not have a conviction for tax evasion or related offenses within the prior four (4) years; and
 5. Within the prior four (4) years, the beneficial owners or authorized representative member have not been under a judicial order preventing them from serving as a director, manager, or officer or in some other leadership capacity.
- (g) In the event a member identified in the BOIR is a Politically Exposed Person, the Ministry or Ministries responsible for these Regulations shall

jointly determine whether or not to accept the application connected to that beneficial owner or authorized representative member.

- (3) If, after the formation of a DAO LLC, the Ministry or Ministries responsible for these Regulations are not satisfied on reasonable grounds of the matters prescribed in subclause (2) after consulting the BOIR and the relevant distributed ledger, the DAO shall be deemed to no longer perform a lawful purpose.
- (4) If subclause (3) applies, the Registrar shall give the Registered Agent of the DAO at least 30 days' written notice to remedy the default.
- (5) If, at the expiry of written notice period prescribed in subclause (4), the Registrar has not been satisfied on reasonable grounds of the matters prescribed in subclause (2), the Registrar may make an order dissolving the DAO pursuant to Section 114(1)(d) of the Act.

PART IV – DISSOLUTION OF DAO

10. Statement of intent to dissolve

- (1) The statement of intent to dissolve required by Section 114(2) of the Act shall be:
 - (a) executed as provided in Form 3; and
 - (b) submitted to the Registrar for filing by uploading it to the secure website established under §11 of these Regulations or, if such website is not available, sent via email in PDF format.
- (2) Subject to subclause (3), the statement of intent to dissolve shall be executed by the Representative Agent or the Registered Agent of the DAO LLC.
- (3) Where the DAO LLC is dissolved by order of the Registrar, that order shall be deemed to constitute the statement of intent to dissolve.

PART V – MISCELLANEOUS

11. DAO Registry website

- (1) The Registered Agent shall designate a secure website for the purpose of receiving, storing and disclosing information pursuant to the Act and these Regulations.

- (2) General access to the website established under this Section shall be limited to the Registered Agent, the Registrar, and any person acting on behalf of or with the authority of the Registrar.
- (3) Any person with general access as described in subclause (2) shall have the following access to the associated data on the website established under this Section:
 - (a) viewing access to all the data related to the DAO LLC; and
 - (b) editing access as prescribed in these Regulations.

12. Certificate of Formation

- (1) The Certificate of Formation may be provided in electronic form and shall be signed and stamped by the Registrar and shall contain the following information:
 - (a) the name of the DAO LLC;
 - (b) the mailing address of the DAO LLC's initial principal office;
 - (c) the name and address of the Registered Agent;
 - (d) period of duration;
 - (e) a statement that the DAO LLC shall be a decentralized autonomous organization within the meaning of the Decentralized Autonomous Organization Act, 2022, as amended, and registered as a resident domestic limited liability company;
 - (f) a publicly available identifier of any smart contract directly used to manage, facilitate or operate the DAO LLC, including any smart contracts used to hold the DAO's treasury;
 - (g) a statement that the DAO LLC shall carry out all activities in a lawful manner and shall comply with all the provisions of the Decentralized Autonomous Organization Act, 2022, as amended;
 - (h) shall contain the Notice of Restrictions on Duties and Transfers pursuant to Section 104(3) of the Act;
 - (i) any other matters the members determine to include therein.

- (2) Upon formation, a DAO LLC shall receive a file-stamped copy of the Certificate of Formation. Thereafter, upon payment of the prescribed fee, the Registrar shall provide to any person on request a Certificate of Formation for any specified DAO LLC, which has been formed under the Act.
- (3) A Certificate of Formation provided under this Section shall be accompanied by a Corporate Charter, which shall be signed and sealed by the Registrar setting forth the following information:
 - (a) the name of the DAO LLC;
 - (b) the date of formation of the DAO LLC pursuant to §6(3) of these Regulations and §105(2) of the Act;
 - (c) that certain persons have associated themselves for the purpose of forming a decentralized autonomous organization and registering as a resident domestic limited liability company to conduct business under the laws of the Republic of the Marshall Islands and have submitted all required formation documents and said documents have been reviewed and approved;
 - (d) that the DAO LLC is constituted as a resident domestic limited liability company and granted a Charter in its corporate name with full rights to do all things necessary and proper within the scope of its Certificate of Formation;
 - (e) that the DAO LLC shall comply with all of the laws and regulations of the Republic of the Marshall Islands pertaining to decentralized autonomous organizations registered as resident domestic limited liability companies.
- (4) A Certificate of Formation and the Corporate Charter provided under this Section shall be prima facie evidence of the matters stated therein.

13. Fees

The fees to be paid by or on behalf of a DAO LLC under these Regulations shall be as prescribed by the Registrar pursuant to the Limited Liability Company Act, 52 MIRC Chapter 4 §68 and shall be paid by the Registered Agent on behalf of the DAO LLC.

14. Process

The Formation documents, the Foreign Investment Business License Application required pursuant to §103(4) of the Act, and any other documents required as part of the registration process, including executed documents sent between government agencies, may be submitted, signed, and delivered electronically with no paper hard copies required. The Registered Agent may receive and deliver all such documents electronically directly to the relevant government offices, with the same effect as if the documents were delivered from one government agency to another. The Registered Agent shall pay all fees usually associated with Foreign Business License Applications for non-DAO applicants, even if certain steps are skipped or a different process is followed. Pay slips and receipts must be delivered electronically. By July 30, 2024, all government agencies must accept digital payments (ACH, wire, credit card, digital currency, or otherwise) from the Registered Agent, for example, to pay FIBL fees or other fees, such that no in-person visits to government or other offices will be required to make payments.

15. Sanctions for Violations

- (1) If any person fails to comply with, or otherwise violates, any provision of the Act or these Regulations, the Registrar may impose penalties, including a fine of up to \$5,000 per violation, cancellation of the DAO's Certificate of Formation, or both.
- (2) If any DAO fails to take steps to conform to the Act or these Regulations, the Registrar may cancel the DAO's Certificate of Formation, suspend its registration status for a specified time period to be determined by the Registrar, or impose fines of up to \$5,000 per violation.
- (3) The Registrar must notify the Registered Agent of any failure or violation. The DAO has 30 days from the date of the notification to rectify any such failures or violations before the Registrar may suspend or cancel a Certificate of Formation or impose penalties or fines.

16. Forms

The forms to be used pursuant to these Regulations shall be as prescribed in the Schedule.

SCHEDULE

FORMS

- Form 1 Consent to act as Representative Agent
- Form 2 Beneficial Owner Information Report
- Form 3 Statement of Intent to Dissolve
- Form 4 Annual Filing Form
- Form 5 Foreign Investment Business License Application Form

Form 1

CONSENT TO ACT AS REPRESENTATIVE AGENT

(Section 4 of the Republic of the Marshall Islands Decentralized Autonomous Organization Regulations, 2024)

I/We, _____, with
address at _____

*

hereby consent to act as the Representative Agent of:

**

Daytime Telephone: _____

E-mail: _____

Dated at _____ this _____ day of _____, 20__

Signed

Name / Title

* Full mailing address.

** Official name of the DAO LLC, which must match the records of the Registrar.

Form 2

BENEFICIAL OWNER INFORMATION REPORT

(Section 112(2) of the Republic of the Marshall Islands Decentralized Autonomous Organization Act, 2022, as amended)

I, _____, a citizen of _____, declare under penalty of perjury under the laws of the Republic of the Marshall Islands in my capacity as beneficial owner, Representative Agent or authorized representative member of the decentralized autonomous organization (DAO) named below that the following information about the beneficial owner(s) or authorized representative member of _____ is correct:

“**Beneficial owner**” is defined in Section 102(r) of the DAO Act and refers to natural person(s) who ultimately owns or controls, or has ultimate effective control of, the DAO LLC, whether directly or indirectly, or on whose behalf such interest in the DAO LLC is held. Beneficial owners must be identified through A or B below. If no person meets the definition of “beneficial owner,” select category C, an authorized representative member.

<i>Category</i>	<i>Description</i>
A	All natural person(s) who ultimately have a controlling interest (holding more than 25% of the governance tokens/interests or voting rights, whether directly or indirectly) in the DAO LLC
B	Where no natural person meets category A, all natural person(s) exercising managerial control of or managing the DAO LLC through other means, including any Managing Members
C	Where no natural person meets category A or B, a person who is an authorized representative member of the DAO LLC

<i>Full name (surname, first and middle) (for C: full name or company name)</i>	<i>Date of birth (for C: date of birth or company formation date)</i>	<i>Residential (for C: residential or business street address)</i>	<i>ID number and citizenship from a non-expired passport (for C: ID number and citizenship or company jurisdiction and registration number)</i>	<i>Address(es) and blockchain(s) of all wallets associated with DAO LLC owned by or held on behalf of person</i>	<i>Total % of membership interest (if any)</i>	<i>Category (A, B, or C)</i>

Date: _____

Signature _____

Name: _____

Title: Beneficial Owner, Representative Agent, or Authorized Representative Member

Form 3

STATEMENT OF INTENT TO DISSOLVE

(Section 114 of the Republic of the Marshall Islands Decentralized Autonomous Organization Act, 2022, as amended)

I, _____, a citizen of _____, residing at _____ affirm in my capacity as a

representative agent of the decentralized autonomous organization (DAO) named below that _____*

intends to be dissolved with effect from _____** on the grounds that:

- The period fixed for the duration of the organization has or will have expired.
- The members of the DAO LLC have voted to dissolve it according to the quorum and approval requirements for such a vote that may be specified in the certificate of formation / limited liability company agreement / smart contracts.
- A time or event has occurred which is specified in one or more underlying smart contracts / the certificate of formation / a limited liability company agreement as a time or event in or on which the DAO LLC shall be dissolved, namely _____.
- All members of the DAO LLC have resigned.
- By order of the Registrar if the DAO LLC is deemed to no longer perform a lawful purpose or is no longer under the control of at least one (1) natural person.

I declare that the foregoing is true and correct to the best of my knowledge

this _____ day of _____, 20____.

Signature

Name / Title

*Official name of the DAO LLC, which must match the records of the Registrar.

**Insert date.

Form 4

Annual Filing Form

(Section 117 of the Republic of the Marshall Islands Decentralized Autonomous Organization Act, 2022, as amended)

For Calendar Year _____

(Note: If inapplicable, mark N/A)

1. Name of the DAO LLC:

2. Address of the Registered Office - (MIDAO is the Registered Agent for all DAOs):
MIDAO Directory Services Inc.
P.O. Box 852
Majuro, MH 96960

3. Name, Email Address, and Physical Address of Representative Agent (person to contact in regard to business affairs):

4. Attach Consent To Act As Representative Agent (write N/A if unchanged)

5. Business purpose as of today's date (write N/A if unchanged):

6. Attach Latest Operating Agreement (write N/A if unchanged)

7. List a publicly available identifier of any smart contract directly used to manage, facilitate or operate the DAO LLC, including any smart contracts used to hold the DAO's treasury:

8. Attach Latest Beneficial Owner Information Report

9. Annual Fee Paid: Yes No

10. On behalf of _____ [Name of DAO LLC], I hereby confirm that, to the best of my knowledge, the information contained herein is true and correct.

Date: _____

Signature: _____

Name: _____

Title: Beneficial Owner, Representative Agent, or Authorized Representative Member

Form 5

Foreign Investment Business License Application Form

(Section 103(4) of the Republic of the Marshall Islands Decentralized Autonomous Organization Act, 2022, as amended)

See attached



**Republic of the Marshall Islands
Foreign Investment Business License Application For
Decentralized Autonomous Organizations (DAO) LLC**

Application Type:

- New Application
 Renewal of Application
 Amendment of Application

Date : _____

Submitted by : _____

ADMINISTRATIVE DETAILS

(1) Name of the Proposed DAO LLC:

(2) Address of Principal Office at which the proposed DAO LLC will domicile:

City: State: Phone: E-mail:

(3) Person to be contacted regarding this application *(for statistical purposes only)*:

Citizenship: Address: Phone: E-mail:

(4) Will contact person be available for interview regarding this application? Yes No *(If no, the registered agent will be responsible for representing application in interview)*

(5) Name of local agent in RMI:

Address: Phone: E-mail:

BUSINESS SCOPE

(6) The nature of the proposed DAO LLC and the product or service to be provided in sufficient detail to present a clear description of the proposed activity:

TYPE OF BUSINESS

(7) Form of Business: *(Check one only)*

Decentralized Autonomous Organization (DAO LLC)

(8) Nature of Business: *(Check one only)*

Profit Not-For-Profit



Republic of the Marshall Islands DAO LLC Foreign Investment Business License Application

APPLICANT INFORMATION

(9) Full name:		
(10) Date of Birth:	(11) Nationality:	
(12) Current Residence Address:		
City:	State:	Zip Code:
(13) Residency for the past 5 years:		
(14) Do you intend to reside in the RMI for more than 6 months? <input type="checkbox"/> Yes <input type="checkbox"/> No	(15) Marital Status:	(16) Citizenship:
(17) Do you have dual citizenship? <input type="checkbox"/> Yes (Please list both below) <input type="checkbox"/> No (Please list one below)		
Passport 1	Passport 2	
Passport #:	Passport #:	
Issuing Authority:	Issuing Authority:	
Issuing Date:	Issuing Date:	
Expiry:	Expiry:	

(18) Please attach the DAO LLC Beneficial Owner Information Report (BOIR)

APPLICANT DECLARATION & SIGNATURE

(24) Declaration: <i>I, hereby declare that I filled, examined and filed this document and that it, including any accompanying schedules and statements, is to the best of my knowledge and belief true, correct, and complete.</i>			
Printed Name:	Signature:	Title:	Date:



Republic of the Marshall Islands DAO LLC Foreign Investment Business License Application

It is a punishable offense if an applicant knowingly makes a false statement or uses or provides forged or misleading documents.



FOR OFFICIAL USE ONLY			
SIGNATORIES			
Date:	Secretary of Finance	<input type="checkbox"/> Approved <input type="checkbox"/> Denied	FIBL: Issuance Date: Expiration Date:
Date:	Registrar, Office of the Attorney General	<input type="checkbox"/> Approved <input type="checkbox"/> Denied	FIBL: Issuance Date: Expiration Date:

