

DAO Legal Wrappers in Switzerland, Liechtenstein and UAE: A Practical Guide

Janina Pietrowska, Raphael Züger, Irina Heaver, Alla Melnichenko and Elisa Verner Steen

This article rigorously examines the legal structures which could be used to reflect Decentralized Autonomous Organizations (DAOs) in Switzerland, Liechtenstein and UAE. The analysis begins with an exploration of global statistical trends in DAO proliferation during a specified period, setting the stage for an in-depth investigation into the specific types of DAOs, including Community DAOs, Service DAOs and Investment DAOs.

The primary focus is a meticulous comparative scrutiny of legal entities applicable to DAOs. In the Swiss context, this encompasses i.a. Association (Verein), Cooperative, Commercial Entity, Foundation (Stiftung), Limited Partnership. Each legal entity undergoes detailed examination based on specific criteria, including stringent requirements, corporate bodies, benefits, limitations, timelines and practical use cases. The goal is to provide stakeholders with a clear understanding of the most fitting legal structures for their particular DAO objectives.

The analysis extends to Liechtenstein, offering a parallel examination of legal entities available for DAOs, i.a. Association (Verein), Establishment (Anstalt), Foundation (Stiftung) and Liechtenstein Venture Cooperative, and undergo a similar comprehensive review, providing a comparative understanding of their respective strengths and weaknesses. The article concludes with specific recommendations regarding the most suitable legal entities for DAOs with particular objectives in Liechtenstein.

To enhance practical applicability, the article includes an illustrative use case detailing the introduction of a Swiss Association legal framework in the United Arab Emirates, and its implementation into the UAE Federal and emirate level national jurisdiction. This practical example sheds light on the concrete challenges and successes encountered during the legislative process in a foreign jurisdiction introducing a brand new legal form such as DAO., offering invaluable insights for jurisdictions looking to learn from the reach experience of Switzerland..

In summary, this article is firstly supposed to serve as a comprehensive and practical guide for emtech/ web3 professionals navigating the legal landscape of DAOs in Switzerland, Liechtenstein and UAE. The comprehensive comparative analysis of legal entities, coupled with practical use case, equips stakeholders with the knowledge needed to make meticulously informed decisions on the most suitable legal structures for their DAO ventures. This approach ensures both legal compliance and operational success in the dynamic and evolving decentralized landscape.