

# Legal Status of Decentralized Autonomous Organizations (DAOs) Under Turkish Law

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The global prominence of Decentralized Autonomous Organizations (DAOs) is on the rise, and the Web3 ecosystem in Turkey is significantly contributing to the development of this burgeoning phenomenon. With the increasing prevalence of DAOs, the likelihood of legal disputes arising within Turkish law also escalates. However, similar to the majority of countries, Turkish law does not impose any particular regulations on DAOs. Nevertheless, the current legal framework in Turkey lacks more precise provisions concerning DAOs, which calls for a more thorough analysis of their legal standing. Due to the absence of a recognized legal status for DAOs without legal personality in Turkish law, there is currently a lack of regulations about DAOs. Hence, any potential conflicts arising from DAOs should be assessed per Turkey's existing legal regulations. Some scholars support that DAOs can be categorized as general partnerships due to their similarity to joint partnership structures and lack of legal entity status. Additionally, partnerships that cannot be assessed within alternative traditional organizational frameworks are ruled over by the regulations of the general partnership. Nevertheless, the regulations of general partnerships in Turkish law do not offer advantageous regulations for the establishment and operations of DAOs. In order to eliminate unfavorable general partnership provisions, DAOs should introduce various regulations in their whitepapers. As an alternative, DAOs with noble intentions and a desire to obtain legal recognition may opt for the association structure until specific regulations are established under Turkish legislation. This presentation will analyze the extent to which the general partnership rules under Turkish law are advantageous for DAOs and offer remedies for the provisions that are deemed unfavorable. Furthermore, this analysis will examine the potential benefits of adopting the association form in Turkish legislation for specific DAOs, as well as the potential ramifications of such a choice. Comparative law provides just a small amount of guidance on rules for DAOs. However, several noteworthy examples exist, such as the DAO legislation implemented by particular states in the United States and the Republic of the Marshall Islands. When considering the implementation of a specific regulation for DAOs under Turkish law, it is advisable to consult the DAO Law proposed by the state of Utah, in addition to the examples above of regulations. In contrast to other states, Utah possesses more extensive and advantageous legislation concerning DAOs. This paper will additionally examine how the Turkish legislature can derive advantages from the regulations found in comparative law about the regulation of DAOs. For a law derived from comparative law to be applied in another nation or used as a model, more is needed for the rules to be ideal; they must also be compatible with the culture and legal system of the nation that adopted the law.