Articles of a DAO association: outline

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The Swiss association under Art. 60 ff. CC is the wrapper most used for decentralised governance, because it acquires legal personality on adoption of written articles without registration, admits members on terms the articles define, and can be governed by token-weighted voting if the articles so provide.[1] The outline below lists the articles and notes the drafting choice in each.

1. Name, seat and form. The association has its seat in [Zug]. It is an association under Art. 60 ff. CC. The seat must be a Swiss address where documents can be served.
2. Purpose. Governance of the [Name] protocol and the management of its treasury for the benefit of the protocol's development and community. The purpose must not be commercial in the sense of Art. 61 para. 2 CC unless registration is intended.
3. Membership. Membership is open to any person who holds at least [number] [Name] tokens and who accepts these articles through the on-chain process defined in the governance regulations. Membership ends on transfer of all tokens or on resignation. The on-chain acceptance step must be documented so that membership is provable.
4. Members' liability. Members have no personal liability for the association's obligations beyond their membership contributions, if any (Art. 75a CC). Members pay no contributions unless the general assembly decides otherwise.
5. Organs. The general assembly (conducted on-chain through the governance contract), the committee (a board of [three to seven] natural persons elected by the assembly) and the auditor, if required under Art. 69b CC.
6. General assembly. Convened by the committee or by [ten] per cent of voting power. Votes are weighted by tokens held at the snapshot block. Resolutions require [a simple majority of votes cast] except for amendments to the articles and dissolution, which require [two thirds]. Quorum of [x] per cent of circulating tokens. The articles should state that a vote recorded on the governance contract is the minutes.
7. Committee. Represents the association, executes assembly resolutions, manages the treasury within the limits set by the assembly, and may delegate to contributors under written mandates. Signing authority is collective by two. Committee members may be remunerated as the assembly decides.
8. Treasury. The treasury is held in multi-signature wallets controlled by the committee under a key management regulation. Any transaction above [amount] requires an assembly resolution.

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9. Compliance. The committee ensures compliance with Swiss law, including anti-money-laundering obligations where the association's activity makes it a financial intermediary, and may refuse membership or grants to sanctioned persons.
10. Amendments and dissolution. By the general assembly with the qualified majority. On dissolution the assets go to [another entity pursuing a similar purpose / the members in proportion to tokens, if the purpose is not public-benefit].
11. Governing law and disputes. Swiss law; the courts of Zug, or arbitration under the Swiss Rules.

Practice note

The association wrapper does not make the protocol itself a Swiss legal person. It gives the people who govern it a vehicle with limited liability, a seat, a bank account and the capacity to contract. If the wrapper is adopted after the DAO has operated for a time without one, the earlier period remains governed by the law of simple partnership, with joint and several liability of the participants. You should therefore adopt the articles before the treasury receives significant assets and before the governance votes bind anyone.

Notes

1. Civil Code Art. 60–79; Art. 61 (registration in the commercial register is required only if the association carries on a commercial business); Art. 530 ff. CO (simple partnership as the default characterisation of an unwrapped DAO); see Part B, Chapter VII and Part D, Chapter VII.

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