



A New Frontier for DAOs' Legal Recognition – The Marshall Islands

FEBRUARY 23, 2022

Our [previous blog post](#) on [Decentralized Autonomous Organizations](#) (DAOs) outlined DAOs' efficiency in community decision-making and business organization. As of February 2022, the Republic of Marshall Islands officially recognizes DAOs as legal entities. This move suggests greater opportunities for blockchain-driven projects and communities to look to the islands.

The Marshall Islands passed an amended Non-Profit Entities Act 2021, allowing any DAO to register and begin operations in the country. This prompted the creation of the country's first DAO, Admiralty LLC, with the support of MIDAO Directory Services Inc. As a domestic organization helping DAOs register within the Republic, MIDAO was co-founded by the Islands' former chief secretary Bobby Muller. Muller seeks to "provide the lowest cost for incorporation, a supportive government, and a receptive environment" which are keys to evolving the Marshall Islands as the global hub for DAOs.¹

Previously in February 2018, the Marshall Islands endorsed the launch of a national cryptocurrency named Sovereign (SOV). Despite criticism from the International Monetary Fund, the country looks to move forward with new blockchain initiatives. Marshall Islands senator David Paul stresses the new DAO legislation's focus on giving "legal recognition to make [DAOs] case to regulatory bodies, investors, and consumers."²

This new legislation poses greater implications for businesses looking to establish DAOs overseas. The Winston & Strawn team has been working with international clients in this space and welcomes your inquiries.

About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, David Enzminger formed and lead Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies to establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and

harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence. Our offices in New York, Silicon Valley, Los Angeles, Shanghai, and Hong Kong provide gaming clients with a global platform for their complex and evolving legal needs.

▮ Marshall Islands officially recognizes DAOs as legal entities, CoinTelegraph, <https://cointelegraph.com/news/marshall-islands-officially-recognizes-daos-as-legal-entities/>, last accessed February 16, 2022.

▮ Id.

2 Min Read

Related Locations

Los Angeles

New York

Related Topics

Decentralized Autonomous Organization (DAOs)

Blockchain

Corporate Governance

Cryptocurrency

Related Capabilities

Tax

Corporate Governance

Securities, M&A & Corporate Governance Litigation

Technology, Media & Telecommunications

Cryptocurrencies, Digital Assets & Blockchain Technology

Related Regions

North America

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.