Study Questions:

1. In the United States, both the SEC and the CFTC currently contemplate holding DAOs responsible for meeting regulatory requirements under certain circumstances. If an injunction is issued requiring certain actions be taken or avoided, who should be responsible for complying? If penalties are imposed, who should be liable? In both cases, what approach would make it easiest for DAOs to adapt through governance measures? You may want to refer to the last five readings on the “Required” list to stimulate your thinking. For the sake of brevity, you may limit your answer to aspects that you find particularly interesting.

2. The European Union is taking a very different approach to cryptocurrency regulation than the United States, creating a separate body of laws specifically for cryptocurrencies rather than relying on standard securities or commodities regulation. The following paragraph is thought to exempt at least some DeFi and DAO governed applications from regulation:

   a. This Regulation applies to natural, legal persons and other undertakings and the activities and services performed, provided or controlled, directly or indirectly, by them, including when part of such activity or services is performed in a decentralized way. Where crypto-asset services, as defined in this Regulation, are provided in a fully decentralized manner without any intermediary, they do not fall within the scope of this Regulation.

What characteristics of a DAO governed application are required for it to operate “in a fully decentralized manner without any intermediary”? Is this standard coherent? What are some examples of DAOs that might meet the standard? What changes in the design of a DAO and its interfaces with the outside world would facilitate meeting this standard?
The Galea article in the optional reading is relevant to some of these questions. For the sake of brevity, you may limit your answer to aspects that you find particularly interesting.