

The future of organizations

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Although it is early to categorically assert that DAOs will be the future of organizations, there is no doubt that such new structures, based on public and distributed ledger technology, will play an important role in the way people organize themselves to achieve common objectives over the next years, and hardly will be apart from the daily life of the next generations.

There are several underlying benefits to building Decentralized Autonomous Organizations, starting with its scalability power, allowing the conglomeration of individuals across the most diverse corners of the world, and superseding geographical barriers that certainly hinder the formation of classical organizations' structures. Raising funds to collectively perform defined actions, for instance, tends to be much less painful when using DAOs, as well as enabling the joint ownership of certain digital assets, such as valuable NFTs.

DAOs are also fundamental pieces for the promotion of one of the most precious values underlying the so-called Web3: the idea of community. With the absence of vertical and strict hierarchies, and the opportunity to grant voice to all of its members, DAOs can foster the sense of community, even if ensuring the engagement of all participants over long periods of time can be a big challenge, calling for creative solutions to involve these members in the continuous construction of a community of their own.

Beyond that, DAOs have the potential to transform the future of labor, creating new remuneration models based on the execution of specific tasks in which a particular position is of minor relevance, being assigned in accordance with individuals' effective skills, not necessarily with his or her academic background or former experience, and which can be evaluated by all the community rather than a certain manager.

All these aspects provide DAOs with good odds to represent the future of organizations. Nevertheless, the legal challenges that shall be faced cannot be ignored until Decentralized Autonomous Organizations gain such status and become ubiquitous.

As we pursued to approach throughout this e-book, there are controversies in the most distinct areas of law regarding the structuring and functioning of DAOs, and how they will adapt to the current legal system. Undoubtedly, it is natural that, over time, legislators across the world try to regulate, at least partially, this new organizational model, creating specific rules for DAOs.

In the absence of such regulation, the challenges must be solved in accordance with the particularities of each specific case presented, assessing the best way to enforce binding norms and the risks deriving from certain choices.

From the decision on the incorporation of a company to guarantee greater protection to the funds of DAOs' members, to the choice regarding the

specific type of DAO to be used for a certain project, it is impossible to conceive the carrying out of businesses by DAOs without a previous and cautious legal analysis by professionals that understand the complexity of the matter. Otherwise, unnecessary and possibly catastrophic risks would be taken.

Regardless of whether DAOs become – or not – the future of organizations, the BMA team is ready right away to assist you with all legal dilemmas of the structuring and functioning of Decentralized Autonomous Organizations, always focusing on innovative legal solutions, thought outside of the box, and helping to promote the use of new technologies in a sustainable and responsible manner.

After all, it is part of BMA's DNA to think differently and deeply understand the changes brought by technology to the legal context, providing a differentiated legal service. Or have you come across another large law firm that has already addressed in such depth and density the legal aspects of Metaverse and DAOs?

Metaverse and DAOs are only the beginning of innovative subjects that await us, and we, from BMA, who are naturally restless, are ready to dive into these new seas alongside our clients.

>>> *This content belongs to our e-book "DAOs: Legal Challenges for Decentralized Autonomous Organizations". [Click here to read more articles.](#)*

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