When a BORG Decision Goes to Dispute: Arbitration and Legal Remedies for DAO-Adjacent Entities

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1. Introduction — The Accountability Gap

Decentralised organisations began wrapping themselves in legal entities for reasons that were practical rather than theoretical. A protocol cannot open a bank account, sign a lease, employ anyone, hold intellectual property, pay a supplier or answer a tax authority. Without a legal person standing between them and the world, can its participants be confident that they are not jointly and personally liable for everything the organisation does. The legal wrapper — most often a foundation company in an offshore jurisdiction — answers all of that at once. It creates something that exists for the law, that can contract, and that absorbs liability, which would otherwise land on individuals.

What it does not answer is the second question, which only arises later: when a decision inside that structure is contested, who decides?

The wrapper establishes legal existence. It does not establish a forum. A foundation can sign a contributor agreement, but the document creating it does not necessarily say what happens when the contributor says the engagement was terminated wrongly, when a signer declines to sign a transaction the community approved, or when a governance vote points one way and the directors' legal duties point another. Those are not failures of drafting. They are the questions a constitution answers and an incorporation certificate does not.

The gap is acknowledged by the structures themselves. The public governance proposal converting ychad.eth into a BORG states plainly that the arrangement is untested in courts of law, and that a court could find it unenforceable in whole or in part. That is an unusually candid admission, and it is the starting point of this article rather than a criticism of it.

The question has become urgent because the pattern has spread. What began as a single experiment is now a recognisable model adopted across major protocols, with real

treasuries, named directors on public registers, supervisors holding emergency powers, and contributors whose livelihoods depend on arrangements whose enforceability nobody has yet tested.

This article asks what happens when one of those arrangements is contested, and argues that the answer should be designed rather than discovered.

2. How a BORG Actually Works — ychad.eth as Case Study

A BORG links decentralized governance to enforceable organizational rules and legally accepted responsibilities. While it does not completely extinguish the tension between law and code, it establishes a scenario where human accountability, smart contract controls, and on-chain governance decisions exist simultaneously. YCHAD.ETH Yearn BORG (yChad), proposed via YIP 87, will inform the findings under this section.

On August 14, 2025, MetaLeX Labs Inc. tabled a proposal (YIP 87) to convert YCHAD.ETH (a 6-of-9 multisig) into a BORG (yChad). Several legal/regulatory considerations informed the proposal. For instance, initially, the unwrapped YCHAD.ETH could easily be classified as an unincorporated association, exposing signers to liability, as established in various DAO-related proceedings.

Prior to the conversion, YCHAD.ETH performed various critical functions, including the execution of Yearn DAO-approved proposals, vetoing of Yearn DAO decisions, holding/ managing offchain assets via informal agreements, treasury administration, etc. Looking back, an adverse court finding or regulator could have saddled YCHAD's signers with fiduciary duties. Indeed, pursuant to the principles of agency and partnership laws, individuals acting jointly for the benefit of an unincorporated association absent a corporate veil risk treatment as general partners or personal agents of the "entity."

Furthermore, where individuals exercise discretionary control over other people's property, equity obligates them to exercise, inter alia, the duty of loyalty, care, and good faith. See Meinhard v. Salmon, 249 N.Y. 458 (1928). YCHAD.ETH signers operated and continue to

operate as community contributors to the outfit. As such, wrapping the multisig would insulate them from liability for yChad's acts and/or omissions. However, this protection does not extend to situations where a signer or director acts criminally or in gross violation of the BORG's bylaws. See YCHAD bylaws[1]

An understanding of yChad requires us to distinguish five components, which are often conflated. That is, Yearn DAO, the multisig , the legal entity, the operators, and its governance enforcement mechanisms. The YearnBORG links these components, ensuring governance decisions are clearly connected to the legal entity responsible for their implementation.

The table below offers a glimpse of the components, their functions, and why they matter:

Component	**Role**	**Importance**
Yearn DAO	Provides a decision-making platform, where decisions are decided via an established voting system	It provides members of the Yearn ecosystem with a decision-making forum. YFI token holders may propose changes via Yearn Improvement proposals (YIPs) on the governance forum for deliberation.

1 yChad BORG Bylaws, 14 June 2025, published at MetaLex-Tech/publicDocs, https://github.com/MetaLex-Tech/publicDocs/blob/main/BORG-legal-docs/ychad-BORG/proposal-drafts-7.30.25/yChad%20BORG%20Bylaws%20-%206.14.25.pdf.

Cayman Islands Foundation Company (memberless)	Wraps yChad and its members, providing them with limited liability and a vehicle for organizing YCHAD's assets and activities. Tax optimization.	Creates an identifiable legal person with unique responsibilities and governance arrangements. Provides support to the Yearn community and protocol consistent with the principles of decentralization, and those enshrined in the Yearn Manifesto and BluePill docs.
The SAFE multisig (yChad)	A 6-of-9 multisig identified in the Yearn Finance Docs.	Requires a minimum of six authorized signers for transaction approvals. Operates as guardian, with the power to veto DAO decisions under specifically defined contract condition. Appoints and fires directors.
BORG Core	A safeguard that constrains specified administrative actions. For example, changing the multisig's threshold requires bilateral approval.	Helps to constrain discretionary control and transactions that defeat the predetermined governance structure.
BORG Implants	Additional smart contract modules, which may include administrative controls and signer management	Enforce specific governance restrictions onchain.

	systems.	
Supervisor (MetaLeX Labs)	Enforces specified emergency powers per the BORG bylaws. Ensures the BORG upholds its bylaws.	The supervisor's powers are invoked under specific circumstances. For example, during adverse events, where onchain controls are ineffective. Establishes an intervention system for crisis scenarios where onchain control is a blunt tool.
Professional director	Provides directorship services as required by the BORG participation agreement. Handles limited administrative and corporate functions, including participating in the BORG's liquidation.	Links the BORG to the institutions and people it interacts with.

A BORG's practical purpose is highlighted by following a proposal across the governance spectrum: from its origins in Yearn's governance forum to its execution by yChad. The DAO-ops #5 budget request (BR5), tabled on October 14, 2026, provides an excellent operational example. Once approved, the $86,800 request will finance DAO operations from October 15, 2026 to January 6, 2027.[2]

2 Yearn governance forum, "Budget Request: DAO Ops #5", tabled 14 October 2026, https://gov.yearn.fi/t/budget-request-dao-ops-5/14722.

Historically, Yearn utilized a binding snapshot voting system and relied on yChad for execution. Since snapshot voting occurs offchain, majority decisions were not automatically executed. This theoretically reintroduced the principal-agent problem, enabling scenarios where voters' decisions could be delayed, subverted, or ignored. As YIP-87 so aptly puts it, snapshot "lacks intrinsic executory power on-chain," meaning results are enforced only by "custom and social consensus."[3]

The passing of YIP-88 marks the beginning of the end of a purely snapshot-based system in which execution required yChad's signature. During the snapshot era, voting was conducted offchain and a successful proposal required a trusted contributor — yChad — to execute it onchain on behalf of the community, which reintroduced the principal-agent problem in practice. YIP-88 changes that design: Part I tasks the DAO-ops team with designing, proposing and implementing an onchain governance system for budget approvals, so that execution passes from a human signer to a contract. Two qualifications matter for present purposes. The first is that the transition is mandated rather than complete: the proposal itself provides that Snapshot may continue to be used for binding votes until the onchain system is deployed. The second is that yChad does not disappear from the arrangement. It holds the final, binding sign-off on the transition itself — described in the proposal as a backstop against a premature or flawed rollout — and retains the ability to halt fund streams in cases of underperformance, malicious activity or misuse of funds.[4]

How does the decision process flow?

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3 YIP-87, proposal to convert YCHAD.ETH into a BORG, tabled by MetaLeX Labs Inc. on 14 August 2025. See also the Yearn documentation at https://docs.yearn.fi/.

4 YIP-88, "Governance Overhaul", created 28 September 2025 and passed, comprising three parts voted as a single package: Part I, DAO Restructuring; Part II, stYFI Tokenomics & Migration; Part III, Contributor & Team Incentives. https://docs.yearn.fi/contributing/governance/yips/yip-88. Part I provides that the DAO-ops team is responsible for designing, proposing and implementing the final on-chain governance system for budget approvals, and that yChad "provides the final, binding sign-off, acting as a crucial backstop to prevent a premature or flawed rollout"; Part II provides that Snapshot may be used for binding votes initially, until an on-chain system is deployed.

- A yTeam submits a funding request via the Yearn governance system. The submission outlines the required amount, the purpose of the funds, and the funding period. For clarity of discussion, yTeams are organic contributor teams within the Yearn ecosystem. Examples of such teams include but are not limited to: yBrain, yDev, yBudget, yGuardian, among others.

- Yearn DAO deliberates on the request via appropriate governance processes. Critically, the tabling of a proposal does not equate to approval.

- Approved proposals are executed. Following the implementation of YIP-88, sanctioned funding requests move across onchain governance and execution mechanisms. Important to note, yChad retains the ability to halt a fund stream where it identifies underperformance, malicious activity or misuse of funds.

- yChad's legal arrangements establish an organizational framework. This is the point where legal obligation and onchain execution intersect. Indeed, yChad cannot exercise its authority unilaterally due to the governance-imposed constraints that bind it.

The aforementioned budget request (BR5) example provides a glimpse into Yearn's decision-making system. Following the implementation of YIP-88, proposals will now move through an onchain governance system, as yChad upholds specific governance and oversight authority while adhering to its legal framework as a Cayman Islands Foundation Company. This arrangement connects technical execution with organizational authority.

MetaLeX Labs' approach strives to separate the law from the state through its hybrid legal/tech solutions (BORGs included). Its vision paper contemplates legal agreements (cybernetic agreements) that defer to code while providing for exceptions, where relying on code would cause problematic outcomes ("Material Adverse Exception Events"). This idea flows from the qualified code deference legal framework. Generally, to ensure enforceability,

lawyers include code deference clauses in protocols' operating agreements, ensuring parties defer to smart contract outcomes. Protocols also use this to insulate themselves against frivolous lawsuits to maintain operational certainty. Users, after all, expect protocols to function as promised. [5]

As jurisdictions across the globe move to align their laws with the realities of blockchain technology, the possibility of foreign courts rejecting such an allocation of authority persists. The risk section under YIP-87 acknowledges this uncertainty. The author further states that incorporating yChad under Cayman laws does not preclude other governments from asserting their jurisdiction. An adverse court ruling may fully or partially disregard code deference clauses, which yChad's legal agreements defer to, necessitating restructuring.[6]

The uncertainty around agreements that defer to onchain outcomes poses a significant threat to the BORG model. As Drew Hinkes has argued, code shapes what is technically possible but is not itself a source of enforceable rights: Lessig's formulation that code is law was descriptive, treating code as one constraint among several, and the error of much blockchain advocacy has been to read it as though code created property rights or rendered conduct lawful. While US courts have had several opportunities to rule on the matter, the status of the code deference legal framework remains unsettled. However, Singapore's Court of Appeal in Quoine Pte Ltd v B2C2 Ltd [2020] SGCA(I) 2 demonstrated that automatic execution of trades did not negate a transaction's legal obligations. The court interrogated the parties' legal obligations and found Quoine liable for having unilaterally reversed the disputed crypto trades after they had executed, the defence of mistake failing on the facts.[7]

The court noted that the parties' platform agreement did not give Quoine the right to reverse transactions carried out by the trading algorithm due to errors. The court argued that while the "Aberrant Value Clause" empowered the exchange to cancel transactions due to system

5 MetaLeX Labs Inc., The MetaLeX Whitepaper, https://metalex.substack.com/p/the-metalex-whitepaper.

6 See the risk section of YIP-87, cited above.

7 Andrew Maxwell Hinkes, "We Need to Stop Confusing Code for Law", Columbia Law School Blue Sky Blog, 26 February 2026 (reprinted by Winston & Strawn LLP, 4 March 2026).

errors, Quoine had defined the errors too narrowly as system malfunctions and failures (doctrine of contra proferentem). Platforms cannot negate their fundamental obligations by narrowly defining error clauses.

Critically, the significance of the decision is not that code prevailed over law, but the reverse: the court asserted jurisdiction over a transaction the code had already completed, and required the party that undid it to answer for that decision.

On the same reasoning, since protocol assets and the individuals who operate them are subject to the law, code deference frameworks must be anchored in law. The BORG model makes code authoritative in specific organizational decisions, but the offchain legal system upholds its own laws in determining remedies, obligations, and rights. This is not to say that the absence of a court-tested BORG arrangement makes qualified code deference unenforceable. Similarly, the fact that users agree to be bound by code does not mean that courts will always uphold those agreements.

In 2021, the UK Law Commission published a paper on smart contracts. The paper acknowledged that the law of England and Wales could recognize smart legal contracts. However, it highlighted issues regarding interpretation, jurisdiction, formation, and remedies may arise. The implication of this position on yChad is that qualified code deference ought to be viewed as a legal design strategy, rather than an established judicial outcome. Ultimately, yChad must contemplate a situation where a court interprets its governance arrangements adversely. This state of matters speaks to the importance of forum and demonstrates why dispute resolution clauses are crucial: they play a role operating agreements cannot. [8]

8 Law Commission of England and Wales, Smart legal contracts: advice to Government, 2021, https://lawcom.gov.uk/project/smart-contracts/.

3. Dispute Scenarios

The following four scenarios are deliberately ordinary. None of them requires bad faith, a hack or a failure of the technology. Each sets out a fact pattern and the legal question it leaves open.

Scenario one: the contributor and the foundation. A contributor has worked for several months on terms set out in a forum post and a governance vote, and has been paid in instalments from a multisig. The arrangement ends and a final payment is withheld. The contributor wishes to claim.

The foundation has legal personality and can therefore be sued. The difficulty is upstream of that. Was there a contract, and if so between whom — the contributor and the foundation, or the contributor and a community that has no legal existence? Which law governs an agreement formed by a vote? And where a payment was approved by signers who are not parties to anything, what is the legal significance of their approval? The entity solves the problem of whom to serve. It does not solve the problem of what was agreed.

Scenario two: the token holder who disagrees. A governance vote authorises a decision; a token holder considers it ultra vires or harmful and wishes to challenge it.

Here the structure's design works against the challenger. A foundation company of this kind is typically constituted with no members and no beneficiaries — that absence is a deliberate feature, not an oversight, and it is what keeps the entity ownerless. But a person with no membership interest may also have no obvious standing. Governance documents may give token holders rights resembling those of third-party beneficiaries; whether such rights are legally enforceable, by whom and in which forum are separate questions, and they are harder where the holder is pseudonymous. The open question is whether an organisation designed to have no owners can be held to account by the people it exists to serve.

Scenario three: the signer who does not sign. A governance vote approves a transaction. A director or signer declines to execute it, on the view that doing so would breach a duty owed to the entity.

Two problems meet here. The first is that refusal may be either a breach of duty or the discharge of one, and which it is depends on facts a court or tribunal would have to find. The second is asymmetry: a professional director named on a public register is identifiable, owes

recognised duties and can be pursued, while co-signers may be pseudonymous and may owe no duty anyone has yet defined. *Sarcuni v. bZx DAO*, discussed in section 4, shows how uncertain the application of conventional doctrines of personality, partnership and participant liability can be when they meet organisations of this kind. The open question is whether duties attach to a function or to a name.

Scenario four: the forum that was chosen without anyone noticing. The preceding scenarios assume the dispute will be resolved somewhere. Often it already has been, in documents nobody reads for that purpose.

A BORG's constitutional documents may be silent on dispute resolution while its engagement documents are not. Where a directorship, contributor or service agreement contains an arbitration clause — a notice period, then institutional arbitration, an offshore seat, a sole arbitrator, an award final and binding without appeal, and an express exclusion of any action at law or in equity in any court of any jurisdiction — the forum question has been answered in advance for the persons bound by it, and answered away from the courts.

Two consequences follow, and they point in opposite directions. The first is favourable: a dispute-ready forum already exists for exactly the relationships most likely to generate conflict, which is more than most structures can say. The second is harder. The same public materials that concede the arrangement is untested in courts have, in their own contracts, chosen a forum in which that question will not be tested in public. A structure can be simultaneously worried about judicial scrutiny and contractually insulated from it.

And a clause of that kind contains the whole problem of this field in one line. It excludes the courts on the merits, and then relies on them for enforcement: judgment upon the award may be entered in, or enforced by, any court having jurisdiction. The award binds a person. It does not move an asset. Somebody, eventually, still has to go to court.

That is the subject of the next section.

4. Arbitration as the Missing Layer

Everything described so far shares one assumption: that when a BORG decision is contested, there will be a forum capable of resolving the dispute. Section 2 showed that BORG architecture already anticipates conflict through emergency intervention powers, third-party beneficiary enforcement rights and exit mechanisms. What it does not necessarily answer is where those rights are actually vindicated.

By default, the answer is likely to be a national court. We argue that this default may be one of the weakest links in the structure, and that arbitration is a layer that BORG documents should — and relatively easily can — incorporate from the outset.

Why national courts are a poor fit

Consider what a court inherits when a BORG dispute lands on its docket.

First, there is a jurisdiction and standing problem: a Cayman foundation, directors and a Supervisor potentially scattered across different countries, DAO members who may hold enforcement rights as third-party beneficiaries but may also be pseudonymous, and conduct occurring through a blockchain network that is not naturally confined to any single territory. Before any judge reaches the merits, the parties may therefore have to litigate where the dispute should be heard, which law applies and who is entitled to bring the claim.

Sarcuni v. bZx DAO illustrates the broader legal uncertainty that can arise when conventional doctrines of legal personality, partnership and participant liability are applied to decentralised organisations.

Second, there is a subject-matter gap. A BORG dispute may turn on multisig signature policies, transaction whitelists, oracle inputs, smart-contract permissions, governance logs and other forms of blockchain evidence.

Third, there is a significant asymmetry of speed. Digital assets can move in minutes, while conventional proceedings for interim relief may take substantially longer. A freezing order obtained after the assets have moved protects very little.

None of this means that national courts are irrelevant. They remain essential for certain interim measures, the exercise of coercive powers and, where necessary, the recognition and enforcement of arbitral awards. The point is narrower: they need not be the default forum for determining the merits of every internal BORG dispute.

Building arbitration into the BORG's legal fabric

One of the advantages of the BORG model is precisely that it has a legal fabric into which a dispute-resolution mechanism can be incorporated. Because the entity is a legally recognised foundation with constitutional documents and contractual relationships, an arbitration layer can potentially be embedded at several levels.

The first is the constitutional framework. The foundation's articles, bylaws or other governing documents may provide, subject to the requirements of the applicable law, that disputes between the foundation, its directors, the Supervisor and other persons bound by those documents are to be resolved by arbitration. The clause can establish the seat of arbitration, the applicable procedural rules and the mechanism for appointing the tribunal. Where legally effective, such a provision can provide a common forum for precisely the types of internal disputes identified in the previous sections: allegations that directors have acted beyond their powers, contested emergency interventions, or claims arising from governance and enforcement rights.

The second level consists of grant, contributor, service and other contractual agreements. These are the most conventional and straightforward instruments through which arbitration can be introduced. They are also the context in which the benefits may be most immediate. A contributor located in one jurisdiction contracting with a foundation established in another would otherwise have to determine where proceedings can be brought, whether jurisdiction can be established and how any resulting judgment will be enforced.

The third, and more experimental, level is the governance interface itself. Participation terms incorporated into governance processes could potentially refer disputes to arbitration, allowing certain token-holder-facing disputes to be channelled towards a common forum rather than fragmented across multiple national jurisdictions. The effectiveness of such arrangements, however, depends on questions of consent, applicable law and the legal status of the relevant participants. Those questions should therefore be addressed expressly rather than assumed merely because participation occurs through a blockchain-based governance system.

The applicable law deserves particular attention. Selecting an arbitral forum answers the question of who decides the dispute, but not necessarily the separate question of which

substantive law governs it. A dispute-ready BORG should address both issues in advance. In a structure involving a foundation incorporated in one jurisdiction, contributors in another and token holders distributed globally, uncertainty over applicable law can be as significant as uncertainty over jurisdiction.

Specificity also matters more than the mere presence of an arbitration clause. A generic statement that disputes "shall be arbitrated" risks importing into arbitration the same uncertainties that the clause is intended to reduce. A BORG-oriented arbitration framework should consider, among other matters, which technical records — including governance logs, multisig histories, oracle data and audit reports — may be relied upon and how their authenticity is established; how disputes involving both code failure and human conduct should be addressed; how blockchain expert evidence is obtained and funded; and how emergency arbitration mechanisms interact with the Supervisor's own emergency powers.

The objective is not simply to choose arbitration instead of litigation. It is to design a dispute-resolution process that reflects the hybrid legal and technical nature of the organisation itself.

What an award can — and cannot — reach

One of arbitration's principal advantages for a globally distributed BORG is the international framework for recognition and enforcement established by the New York Convention. Subject to the Convention's requirements and limited grounds for refusing recognition or enforcement, arbitral awards can be recognised and enforced across more than 170 contracting jurisdictions. That framework is particularly relevant to an organisation whose directors, contributors, counterparties and assets may be distributed across several countries.

Arbitration can also allow the parties to determine in advance both the forum in which disputes will be resolved and the substantive law governing their relationship. This degree of predictability is especially valuable where the underlying organisation operates simultaneously through a legal entity, contractual arrangements and blockchain-based governance.

The limits of arbitration should nevertheless be stated clearly. An arbitral award binds the relevant parties and may ultimately be enforced against persons and assets through

national legal systems. It does not, by itself, move tokens, replace a private key or execute a blockchain transaction. If the losing party controls the relevant keys and refuses to comply, the prevailing party may still need to resort to national courts to obtain coercive measures or pursue assets outside the protocol.

There is, however, another possibility, and this is where the BORG architecture becomes particularly significant.

A BORG can design the relationship between legal decision and digital execution before a dispute arises. Its constitutional documents and contractual framework can determine the applicable law and provide for arbitration as the agreed dispute-resolution mechanism. Once an award has been rendered, a predefined verification mechanism — potentially including a legal oracle — could establish whether the conditions for enforcement have been satisfied. The BORG's technical architecture could then give effect to consequences already agreed by the participants, such as authorising or blocking transactions, replacing signers, releasing or freezing assets, or activating other predefined remedies, subject in each case to the applicable law and the system's technical design.

In this model, arbitration is no longer merely an external dispute-resolution mechanism attached to a blockchain organisation. It becomes part of its governance infrastructure. The arbitral tribunal determines the legal dispute; a verification layer connects that determination with the BORG's internal rules; and the technical architecture gives effect, where possible, to the resulting legal consequence.

The award therefore ceases to be merely a paper right and can become an executable instruction within the system's own rules.

This approach does not eliminate national courts. Courts remain indispensable where coercive powers against persons or external assets are required, for certain interim measures and for recognition or enforcement where voluntary or protocol-level compliance fails. Rather than seeking to replace state justice, the objective is to determine in advance which layer of the architecture performs which function.

For a BORG designed to combine legal personality with blockchain governance, that distinction is fundamental. The legal wrapper addresses the problem of legal existence and institutional capacity. A properly designed dispute-resolution and enforcement layer

addresses the separate problem of what happens when the decisions, duties or interests within that structure come into conflict.

In that sense, making a BORG dispute-ready requires more than establishing a legal entity around decentralised governance. It requires anticipating how disputes will be determined, under which law, on the basis of which evidence and, ultimately, how the resulting decision can be given practical effect.

Disclosure: one of the authors is the founder and president of BACS, which has constituted BACSIT, an international tribunal of arbitration administering proceedings under its own rules, and therefore has a direct institutional interest in the adoption of the mechanisms described in this section.

5. Conclusion — Toward Dispute-Ready BORGs

A BORG that wishes to be ready for the disputes it will eventually have can do most of the work in advance, and cheaply. Six things are worth settling before anything goes wrong.

Put the forum in the constitutional documents, not only in the contracts. A dispute-resolution clause that lives only in contributor agreements covers the contributors and leaves the directors, the Supervisor and the governance relationship uncovered. Those are precisely the relationships most likely to produce a dispute that matters.

Make the clause specific. Seat, rules, number of arbitrators, language, the availability of emergency relief, and consolidation across the related agreements, so that a single factual dispute does not fragment into three proceedings in different places.

Decide in advance who the respondent is. Where an act is performed by a multisig, say whose act it is: the foundation's, the signers', or neither. A structure that cannot name its own respondent will spend its first dispute arguing about it.

Identify the point of control. An award obliges a person; it does not move an asset. If nothing in the architecture can act on a decision — no escrow, no signer within reach of a court, no issuer function, no predefined consequence — then the best award in the world is a piece of paper. This is the single most neglected question in the field.

Keep records that can be shown to a stranger. Governance logs, multisig histories and oracle data are evidence. They should be retained, timestamped and capable of being explained to a tribunal that does not know the technology.

Say who answers for all of the above. In most structures that fail this test, nobody was responsible for passing it.

What remains unresolved is substantial, and it would be dishonest to close without saying so. Standing is unsettled where the entity is deliberately constituted without members or beneficiaries. Whether participation terms embedded in a governance interface can validly bind a pseudonymous token holder to arbitration is untested. Whether duties attach to a signing function or only to a named individual has not been decided. And the structures themselves are routed away from the courts that would otherwise tell us whether any of this works, which means the answers may be some time coming.

The purpose of this article is not to settle those questions. It is to suggest that a structure which has thought carefully about how decisions are made should think with equal care about what happens when they are contested.

Sources and references

— Quoine Pte Ltd v B2C2 Ltd [2020] SGCA(I) 2, Singapore Court of Appeal.

— Meinhard v. Salmon, 249 N.Y. 458 (1928), New York Court of Appeals.

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