

September 2, 2025

The Honorable Scott Bessent

Secretary of the Treasury; Acting IRS Commissioner
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

CC:

Tyler Williams
Counselor to the Secretary
U.S. Department of the Treasury

Dear Secretary Bessent,

We, the undersigned organizations, write to express our support for the responsible development of decentralized technologies and to highlight the need for clear, accessible legal pathways for decentralized autonomous organizations (DAOs) operating in the United States.

DAOs are a new and rapidly evolving form of digital coordination. Powered by smart contracts and governed by token holders, DAOs represent a shift in how people build, fund, and govern shared infrastructure on the internet. From public goods funding to decentralized finance, DAOs are reshaping how communities organize and innovate, often with global reach and meaningful economic impact.

Yet despite their promise, DAOs in the U.S. have historically faced persistent legal uncertainty. Many DAOs do not have clarity on whether basic undertakings, such as the ability to sign contracts, manage assets, or meet tax obligations, will expose participants to personal liability. This gray zone has slowed innovation, driven organizations offshore, and left good-faith builders without a clear path forward.

In an effort to address this challenge, the Uniswap Foundation has proposed that Uniswap Governance, one of the largest and most active DAOs in the world, adopt a new legal framework known as the Decentralized Unincorporated Nonprofit Association (DUNA). Signed into law by the State of Wyoming in 2024, the DUNA is a fit-for-function structure that gives DAOs legal recognition without sacrificing their core onchain governance. It allows DAOs to engage in contractual relationships, manage treasury funds, and comply with U.S. tax laws while shielding individual token holders from potential unfettered liability associated with those actions. Just as many legal entities in the U.S. are able to do today.

The proposal represents a milestone not just for Uniswap Governance but for the broader DAO ecosystem. It demonstrates that compliance and decentralization can coexist and that U.S.-based legal frameworks can evolve to meet the realities of onchain governance. This endeavor has already received wide recognition and approval, with Senator Lummis cheering the move and championing efforts to “build the legal foundation American innovators need to succeed.”¹

1 <https://x.com/SenLummis/status/1955308426327621643>

This innovation is essential for the future of responsible digital infrastructure. As other jurisdictions move quickly to attract blockchain-based organizations, the U.S. has an opportunity to lead by ensuring clarity for the next generation of internet-native entities.

The time to act is now, as explicitly laid forth in the President's Working Group Report on Digital Assets, mandating that Treasury and IRS work with non-profits supporting the development of blockchain technologies to domicile in the U.S. and for Treasury and the IRS to study ways to incentivize their repatriation and domestication.

To that end, we respectfully encourage policymakers, regulators, and stakeholders to:

- **Recognize and support** good-faith efforts by DAOs seeking to operate responsibly within the U.S. legal system;
- **Engage with communities** piloting new legal frameworks like the DUNA to better understand their goals, constraints, and compliance models; and
- **Provide federal pathways** for clarity such as safe harbors, interpretive guidance, or tailored rulemaking that reward innovation and protect U.S. leadership in decentralized technology.

With thoughtful collaboration, we can ensure that the U.S. remains a home for internet-native innovation rooted in transparency, compliance, and open participation.

We welcome continued dialogue and stand ready to engage with you and your staff to support these vital issues.

