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No. 8 of 2026

DECENTRALISED AUTONOMOUS ORGANISATIONS ACT, 2026

AN ACT TO ESTABLISH AND REGULATE DECENTRALISED AUTONOMOUS ORGANISATIONS AND FOR CONNECTED PURPOSES

[Date of Assent - 23rd March, 2026]

Enacted by the Parliament of The Bahamas

1. Short title.

This Act may be cited as the Decentralised Autonomous Organisations Act, 2026.

2. Interpretation.

In this Act —

“**constitutive document**” means the primary governance document of a DAO that outlines the fundamental principles on which the DAO operates;

“**core development team**” means the initial group of developers responsible for building and maintaining the protocol of the DAO;

“**decentralised autonomous organisation**” or “**DAO**” means an organisation without a central entity that operates through a series of smart contracts deployed on a permissionless distributed ledger;

“**DAO register**” means the register maintained by the Registrar under section 15(1);

“**designated natural person**” means, in respect of a responsible person that is a legal entity, a natural person that has been appointed the responsible person of a registered DAO;

- “digital asset”** means a digital representation of value or a right which may be transferred and stored electronically, using distributed ledger technology or similar technology;
- “distributed ledger”** means an information repository that keeps records of transactions and that is shared across, and synchronised between, a set of DLT network nodes using a consensus mechanism;
- “Distributed Ledger Technology” or “DLT”** means a technology that enables the operation and use of a distributed ledger;
- “DLT network node”** means a device or process that is part of a network and that holds a complete or partial replica of records of transactions on a distributed ledger;
- “governance token”** means a digital asset that allows its holder to participate in decision-making processes regarding a protocol or project of the DAO;
- “governance token holder”** means the person who is the holder of a governance token;
- “governance token register”** means the register that the registered DAO must maintain of governance token holders;
- “Minister”** means the Minister responsible for Decentralised Autonomous Organisations;
- “permissionless distributed ledger”** means a form of DLT in which no entity controls the distributed ledger or its use, nor provides core services for the use of such distributed ledger, and in respect of which DLT network nodes may be set up by any person that complies with the technical requirements and the protocols applicable to the distributed ledger;
- “registered DAO”** means a DAO that is registered under this Act;
- “Registrar”** means the Securities Commission of The Bahamas;
- “related persons”** means having a close relationship with another person, as determined by the Registrar through guidance;
- “responsible person”** means, in respect of each registered DAO, the person who shall be held to account for the activities carried out by such registered DAO;
- “significant percentage of tokens”** means a concentration of tokens where the Registrar determines that too much control has been granted to one person or a group of related persons;
- “smart contract”** means a computer protocol or an agreement concluded wholly or partly in an electronic form, that is automatable and enforceable by computer code;

“**statement of purpose**” means the statement contained in the constitutive document of the DAO that sets out the reason for the formation of the DAO and its objectives;

“**sufficient decentralisation**” means a minimum level of decentralisation, as determined in accordance with guidance issued by the registrar.

3. Prohibition to carry on business as unregistered DAO.

- (1) No person shall be deemed to be a registered DAO carrying on business in or from within The Bahamas unless that person is —
 - (a) a legal entity under section 4; and
 - (b) registered under section 5.
- (2) A person who contravenes subsection (1), commits an offence and is liable on summary conviction to a fine of twenty thousand dollars.

4. Prerequisite for registration as a DAO.

- (1) Before applying to be registered as a DAO, an applicant shall be —
 - (a) registered as an exempted limited liability partnership under the Exempted Limited Partnership Act (*Ch. 312*);
 - (b) deemed a purpose trust under the Purpose Trusts Act (*Ch. 176A*); or
 - (c) licensed as a Specific Mandate Alternative Regulatory Test (SMART) Fund under any of the Specific Mandate Alternative Regulatory Test (SMART) Fund Rules pursuant to the Investment Funds Act, 2109.
- (2) If any requirements under —
 - (a) Exempted Limited Partnership Act (*Ch. 312*);
 - (b) Purpose Trusts Act (*Ch. 176A*); or
 - (c) the applicable Specific Mandate Alternative Regulatory Test (SMART) Fund Rules,are inconsistent with this Act, this Act shall prevail.
- (3) A registered DAO shall immediately notify the Registrar of any inconsistency referred to under subsection (2).

5. Registration of DAO.

- (1) An applicant may apply to be registered as a DAO by filing with the Registrar the following —
 - (a) a statement signed by the responsible person, containing —
 - (i) the name, registered office and address of the business;
 - (ii) evidence of compliance with the prerequisite under section 4;

- (iii) the general nature of the business;
 - (iv) if the responsible person is a natural person, the full name, date of birth, nationality and address of the natural person;
 - (v) if the responsible person is a legal entity —
 - (aa) the entity's name, registration number, registered office and address;
 - (bb) the full name, date of birth, nationality and address of the designated natural person;
 - (vi) a declaration that the applicant does not maintain current registration as a DAO and shall not seek registration as a DAO in any other jurisdiction outside of The Bahamas;
 - (b) copy of its business plan including financial projections;
 - (c) constitutive document which includes details on the applicant's —
 - (i) decision-making processes and governance arrangements;
 - (ii) dispute resolution mechanisms;
 - (iii) description of tokens the applicant plans to issue, the rights afforded to each token holder, the utility and function of the token and the token's regulatory status; and
 - (iv) treasury management processes and policies;
 - (d) details of smart contracts used including the role the smart contracts play, how each smart contract interacts with any other smart contract, and any security features each smart contract may include;
 - (e) declaration of previous registration in another jurisdiction, that includes details on —
 - (i) the reasons the applicant ceased to operate as a registered DAO in that jurisdiction; and
 - (ii) its previous responsible person;
 - (f) payment of the fee prescribed by the Minister;
 - (g) any other document or information required by the Registrar.
- (2) Where an applicant applies to be licensed as a SMART Fund and registered as a DAO, the applicant shall indicate its intention when submitting its SMART Fund application and the Registrar may direct the applicant on requirements for submission of a single application.
- (3) For the purposes of this Act, a DAO shall have a separate legal personality from its governance token holders.

6. Approval or refusal of registration.

- (1) The Registrar may approve an application to be registered as a DAO if the Registrar is satisfied that the applicant —
 - (a) operates on a permissionless distributed ledger;
 - (b) has been developed using open-source code, which is publicly available;
 - (c) has measures in place to safeguard against security incidents, hacks or other harmful activity that may impact the operations of a DAO;
 - (d) has sufficient systems and controls to deal with operational resilience and security measures; and
 - (e) has a governance structure that includes sufficient decentralisation.
- (2) If the Registrar approves an application for the registration of a DAO, the Registrar shall —
 - (a) issue a certificate of registration; and
 - (b) assign a registration number.
- (3) A certificate of registration issued by the Registrar under subsection (2) shall be conclusive evidence of compliance with this Act.
- (4) Where the Registrar refuses approval for registration as a DAO, the Registrar shall provide reasons for their refusal.

7. Use of DAO in name.

- (1) A registered DAO shall have a name that includes the letters “DAO” as a suffix.
- (2) The name of a DAO shall not be identical or substantially similar to the name of any other registered DAO, or legal entity in The Bahamas.

8. Evidence of audit.

- (1) Subject to subsection (3), a DAO shall provide evidence to the Registrar annually of the audit of its smart contracts.
- (2) Where a DAO provides evidence under subsection (1), the Registrar may —
 - (a) determine the suitability of the smart contract audit; and
 - (b) direct further measures be carried out.
- (3) The Registrar may exempt a registered DAO from the requirement under subsection (1).

9. Constitutive document requirements.

- (1) The constitutive document of a DAO shall contain —
 - (a) an assurance that the DAO is —
 - (i) formed for a lawful purpose to be undertaken and carried out in or from within The Bahamas; and
 - (ii) not subject to corporate registration, incorporation or legal personality outside of The Bahamas;
 - (b) a statement that the provisions are not inconsistent with this Act or any applicable laws of The Bahamas;
 - (c) a commitment to the decentralisation of the DAO which includes—
 - (i) a statement ensuring the distribution of governance tokens to persons that are not part of the core development team; and
 - (ii) mechanisms that prevent any one person or related persons to the DAO from holding a significant percentage of its governance tokens;
 - (d) a statement of purpose that —
 - (i) is consistent with the activity the DAO undertakes;
 - (ii) is lawful; and
 - (iii) that does not contradict any other stated purpose of the DAO;
 - (e) in relation to a responsible person —
 - (i) the name and address;
 - (ii) the process for appointment, removal or replacement;
 - (iii) the information a responsible person is required to account for regarding the business activities of the DAO;
 - (iv) a statement that a responsible person shall act at all times in good faith and in the best interest of the DAO;
 - (v) the restrictions on who may be appointed;
 - (vi) provisions requiring a minimum of one responsible person to be —
 - (aa) resident in The Bahamas, if a natural person; or
 - (bb) incorporated or registered under the International Business Companies Act (*Ch. 309*) or the Companies Act (*Ch.308*), if a legal entity;
 - (vii) an assurance that each responsible person shall at all times act in a manner that supports the statement of purpose of the DAO as set out in its constitutive document;
 - (f) in relation to distribution of profits and remuneration —

- (i) a statement prohibiting distribution of any profits to a responsible person;
 - (ii) a statement prohibiting the distribution of a dividend to governance token holders;
 - (iii) an assurance that profits will be reallocated in a manner consistent with the statement of purpose; or
 - (iv) limits on the administrative fees that a responsible person may charge;
- (g) in relation to its record keeping, dispute resolution and security practices —
- (i) an assurance that on-chain records will be deemed final;
 - (ii) a statement that where a DAO is engaged in off-chain activity, this activity is documented accurately on-chain where appropriate;
 - (iii) specifications on the security practices that have been implemented to prevent security incidents, hacks or other harmful activity that may impact the operations of the DAO including any emergency powers or safeguards;
 - (iv) information on the dispute resolution mechanisms that shall apply in the event of a complaint relating to the DAO or its activities;
- (h) in relation to voting —
- (i) a description of the voting process including how a proposal may be put to a vote;
 - (ii) restrictions on which ensure proposals may only be voted on by governance token holders;
 - (iii) details on —
 - (aa) the amount of notice required to be given to governance token holders before a voting process;
 - (bb) prescribed formats for voting; and
 - (cc) identification of restrictions which apply to a person raising a proposal for a vote;
- (i) in relation to governance tokens —
- (i) the rights of governance token holders including clear explanations on the voting rights which are granted to a governance token holder in respect of each governance token held;
 - (ii) details on the timing and method governance tokens shall be distributed;

- (iii) a requirement to maintain a governance token register, that includes information on the wallet address of each governance token holder and verification procedures in relation to the wallet address of each governance token holder;
 - (iv) information on a maximum limit or other form of restriction on the amount of governance tokens that a DAO may issue to a single person or related persons;
 - (v) a calculation for the amount of votes held by governance token holders;
 - (vi) the means through which governance tokens and any additional tokens that may have been issued by the DAO may be disposed of by the relevant holder.
- (2) The constitutive document of a registered DAO shall be in English and publicly accessible on the website or mobile application of the registered DAO at all times.

10. Amendment to constitutive document.

- (1) An amendment to the constitutive document of a registered DAO shall be made by a vote of a special majority of governance token holders.
- (2) Where a registered DAO has passed a vote to amend its constitutive document, the registered DAO shall notify the Registrar immediately and the Registrar may —
- (a) approve the amendment; or
 - (b) deem the amendment inconsistent with the statement of purpose of the DAO or this Act.
- (3) If the Registrar has deemed an amendment inconsistent under subsection (2)(b) the Registrar may reverse the amendment.
- (4) An amendment to the statement of purpose contained in the constitutive document shall be deemed effective on approval by the Registrar.
- (5) If a DAO makes a request to amend its constitutive document, the Registrar may request an accompanying legal opinion setting out the effect of the proposed change in the constitutive document.

11. Voting requirements of a DAO.

- (1) A registered DAO shall ensure that voting is representative of its governance tokens holders and —

- (a) there are established measures to ensure that a significant percentage of voting power is not held by one or a small number of governance token holders;
 - (b) there are sufficient incentives in place to ensure active participation in the voting of the DAO;
 - (c) a quorum is reached when a minimum number of votes held by a sufficient spread of holders is obtained and a vote shall not pass until the quorum is reached;
 - (d) the length of time voting periods are open are set out in the constitutive document and run for a reasonable period of time;
 - (e) for a vote to pass, such vote must obtain the approval of a simple majority; and any higher voting thresholds are specified by the registered DAO.
- (2) A registered DAO shall publish an online dashboard of all votes undertaken in respect of the DAO and the dashboard shall be publicly accessible.

12. Appointment of responsible person.

- (1) A registered DAO shall appoint a minimum of one responsible person who shall be held accountable for the activities of the DAO.
- (2) A responsible person who is a natural person shall —
- (a) be 18 years of age or older;
 - (b) be a resident in The Bahamas;
 - (c) not have been previously disqualified as a director or a responsible person pursuant to any law regulating securities;
 - (d) fulfil the criteria set out in the constitutive document of the DAO.
- (3) A responsible person who is a legal entity, shall —
- (a) be registered or incorporated in The Bahamas with a registered office;
 - (b) be in good standing;
 - (c) appoint a designated natural person to act on their behalf; and
 - (d) fulfil the criteria set out in the constitutive document of the DAO.
- (4) If the responsible person for a DAO is a natural person, the DAO shall submit to the Registrar the natural person's —
- (a) full name and address;
 - (b) date of birth; and
 - (c) nationality.

- (5) Where the responsible person for a DAO is a legal entity, the DAO shall submit to the Registrar the entity's —
 - (a) full name and registration number;
 - (b) legal status, registered office and address; and
 - (c) full name, date of birth, nationality and address of the designated natural person.
- (6) The Registrar may determine whether a responsible person is appropriate to act in that role.
- (7) A responsible person may be appointed, or removed in accordance with the process set out in the constitutive document of the DAO.
- (8) A responsible person may resign by issuing thirty days' notice to the DAO and the Registrar.

13. Duties of responsible person.

- (1) The duties of a responsible person shall include the communication, compliance and administrative functions of the DAO.
- (2) A responsible person may bind the registered DAO into any contract, undertaking or other legal arrangement, provided that the responsible person has been so authorised by the constitutive document or a vote of governance token holders.
- (3) A responsible person shall ensure that any contract, undertaking or legal arrangement is consistent with the statement of purpose as set out in the constitutive document of the registered DAO, and the laws of The Bahamas.
- (4) A responsible person may reject the outcome of any vote which is in contravention of the responsible person's duty under subsection (3).
- (5) If a responsible person fails to follow the outcome of a vote, the responsible person may —
 - (a) be removed by the registered DAO; and
 - (b) held personally liable for the failure by the Registrar.
- (6) Where a responsible person ceases to act in that role, the registered DAO shall —
 - (a) notify the Registrar immediately; and
 - (b) not vote on a proposal other than a proposal to elect a new responsible person.
- (7) The Registrar may —
 - (a) appoint an interim responsible person where a registered DAO has failed to do so within ten business days;

- (b) may place additional requirements on a responsible person.
- (8) A responsible person shall not be liable for any act or omission done in compliance with this Act.

14. Digital assets.

- (1) A registered DAO shall issue governance tokens, which enable the governance token holder to vote on the —
 - (a) implementation and amendment of smart contracts;
 - (b) approval of governance proposals;
 - (c) appointment, removal or replacement of any responsible person;
 - (d) amendment of the constitutive document of the DAO;
 - (e) amendment of the statement of purpose of the DAO; and
 - (f) features of a governance token.
- (2) The constitutive document of a registered DAO may confer additional rights to governance token holders.
- (3) The Governance tokens issued by a registered DAO shall be classified and regulated under the Digital Assets and Registered Exchanges Act, 2024.
- (4) A registered DAO shall establish measures to prevent and remediate a situation where a governance token holder or a group of related persons obtain a significant percentage of tokens.
- (5) Where a significant percentage of tokens are held by one person or a group of related persons under subsection (4), the Registrar shall be notified immediately and informed of the steps to be taken to decentralise.
- (6) A DAO shall keep its governance token register up to date and shall ensure that the governance token register is available for inspection by governance token holders and the Registrar at all times.
- (7) The Registrar may prescribe additional information to be contained in the governance token register.
- (8) Subject to its constitutive document, a DAO may issue additional digital assets that are not governance tokens and shall —
 - (a) obtain legal advice as to the regulatory status of the digital assets; and
 - (b) disclose clearly what rights are conferred to the holder of the digital assets.
- (9) A DAO shall notify the Registrar immediately of any digital assets that a DAO intends to issue under subsection (8).

- (10) The DAO shall ensure the issuance of additional digital assets under subsection (8) does not diminish the rights of existing governance token holders.
- (11) A holder of a digital asset issued by a registered DAO who desires to dispose of the digital asset shall do so in accordance with the process set out in the constitutive document of the DAO.
- (12) The DAO shall establish measures for mandatory disposal of any digital assets where certain identified conditions, thresholds or triggers as set out in the constitutive document are met.

15. Register of DAO business.

- (1) The Registrar shall establish and maintain a DAO register to be kept in electronic format and any other format the Registrar may determine.
- (2) The register referred to under subsection (1) shall include in respect of each registered DAO —
 - (a) the name and address;
 - (b) the registration number;
 - (c) the date of incorporation and registration;
 - (d) any authorisations held;
 - (e) the full name and details of a responsible person;
 - (f) the hyperlink or equivalent to a publicly accessible website hosted by the DAO;
 - (g) a copy of the constitutive document of the registered DAO; and
 - (h) a record evidencing annual fees have been paid;
- (3) The DAO register shall be accessible for viewing on the Registrar's website.

16. Power of Registrar to inspect.

The Registrar may inspect a registered DAO at any time to ensure a registered DAO is compliant with this Act.

17. Dissolution of DAO.

- (1) A registered DAO shall be dissolved —
 - (a) by a special majority vote of governance token holders approving the dissolution;
 - (b) upon the occurrence of events specified in underlying smart contracts of the DAO or constitutive document;

- (c) if the registered DAO has failed to approve any voting proposal or take any action for a period of twelve months; or
 - (d) by order of the Registrar, if the —
 - (i) registered DAO is deemed to no longer perform a lawful purpose; or
 - (ii) Registrar determines the registered DAO has committed a material breach under this Act;
- (2) If an event under paragraphs (a) to (c) occurs, the registered DAO shall —
- (a) execute a statement of intent to dissolve the registered DAO, and
 - (b) submit the statement of intent and its original certificate of registration to the Registrar.
- (3) On receipt of a statement of intent and original certificate the Registrar shall revoke the registration of the DAO and update the DAO register.

18. Liability.

A person shall not be liable for any act or omission done in compliance with, or pursuant to, this Act.

19. Guidance.

The Registrar may, in carrying out its functions under this Act, provide guidance on any matters as necessary for giving effect to this Act including —

- (a) voting best practices or requirements of governance token holders;
- (b) expectations and best practices of a DAO in accordance with evolving industry standards and expectations;
- (c) requirements of digital assets issued by a DAO.

20. Regulations.

The Minister may, after consultation with the Registrar, make regulations necessary for carrying out the purposes of this Act and giving effect to the functions and responsibilities of the Registrar under this Act.