DAO crypto evolved

A Service Nervous Systems (SNS) is an advanced form of a DAO. A digital democracy that can run any dapp such as a social network in a fully decentralized way, fully on chain. No corporation, no board of directors, no CEO required.

Developers can now hand over their Web3 service to an SNS. The community can buy governance tokens to take ownership and control through the SNS DAO and shape the dapp's future.
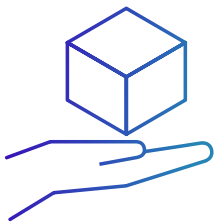
LAUNCH AN SNS DAO

HOW TO PARTICIPATE (FAQ)

Easy to get started

When you, as a dapp developer, decide to hand over your Web3 dapp to an SNS, you decide on the SNS parameters and submit a proposal to the NNS, the Internet Computer's DAO. When the proposal is accepted, the NNS launches the new SNS and assigns it full control over the app.

The newly-created SNS tokenizes the dapp through an initial decentralization swap: Part of the dapp's governance tokens (utility tokens) are bought by the community, providing funding the DAO. Part of the dapp's utility tokens are allocated to the original developer(s) as a reward for their initial efforts. The rest remains in a treasury the SNS DAO controls, and is used to fund the future development of the dapp.

Your dapp is now fully decentralized!
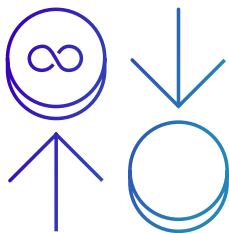

Community owned

The dapps that people love and engage with on a daily basis, like social media platforms, games, or online news media outlets, can now be owned and governed by the people themselves — the users and developers of those dapps. This comes with substantial benefits: The users own the service, instead of the service monetizing the users. The users can shape how "their" service should evolve in the future. No centralized entity, like a corporation, can unilaterally make decisions negatively affecting the users and their personal data. This greatly reduces the platform risk for entrepreneurs who build services on top of decentralized apps.

Autonomous

After an SNS DAO has taken control of a dapp, it is governed by the token holders in a completely decentralized way through its SNS DAO. In contrast to existing DAOs, in which governance applies only to smart contract logic, i.e., just a small part of a Web3 application, an SNS DAO controls every aspect of a dapp.
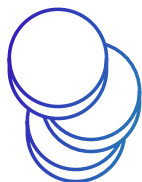
Token holders submit and vote on proposals to govern how the dapp should evolve, e.g., to decide on code updates. When a proposal is approved by the community, the SNS executes it autonomously, e.g., to update the code of the dapp. No single entity can stop the process.

Tokenized

People participating in the dapp's governance earn voting rewards, much like in the Internet Computer's NNS DAO. Liquid democracy allows token holders to delegate certain decisions to those they deem more appropriate to make them, resulting in better overall decisions on the progress of the DAO.

The dapp's utility token not only enables this advanced form of governance, but the tokenization of the dapp can help drive adoption and user engagement, e.g., through airdrops or tokens earned by contributing users.

Truly decentralized

Decentralizing dapps through SNSs is the third level of decentralization on the Internet Computer. The first level is the ICP blockchain that runs on decentralized node machines distributed throughout the world, operated by independent entities, and hosted in independent data centers. The second level is the Network Nervous System (NNS) that governs the decentralized ICP blockchain. The third level is the SNS-based decentralization of dapps running on the decentrally-governed decentralized platform. Only such decentralization on every level — the platform itself, the platform's governance, and the governance of the individual dapps running on this platform — enables truly decentralized apps. Only possible on the Internet Computer.

Open Chat is an early "open internet service." An SNS DAO assumed control of its smart contracts, and swapped $ICP for its governance tokens, placing its community

in control, and creating a powerful community treasury.

→ **See how OpenChat decentralized, fully on-chain**

→ **What is an SNS DAO**

→ **How to raise funding for an SNS DAO**

Have an SNS transform your Web3 app into a true dapp

LAUNCH AN SNS DAO

→ How to participate (FAQ)

Engage your community

Users become your biggest contributors. Co-create a dapp your community wants.

Speed up user adoption

Users become your biggest advocates. The success of your dapp is the success of its community.

Fund the future of your dapp

Users become your biggests supporters. Get your dapp funded through a community-driven decentralization swap.

Fully On-chain with DFINITY

Next Generation DAOs

Episode #2 | SNS

What an SNS DAO is NOT

Not an ICO

No funds are directly handed over to developers. The creation of an SNS is initiated by a decentralized entity (the NNS), and ICP raised by the decentralization swap is allocated to the treasury of the newly born SNS DAO. The founders receive a portion of the NNS DAO tokens in the form of locked neurons.

Not an IPO

This is not a liquidity exit or a public listing. It's the start of a new journey where you as the initial creator and your users have the opportunity to form a digital community, **100% on-chain,** to co-evolve and grow the platform or application.

What an SNS DAO IS

Decentralization Swap

Launching an SNS DAO requires the following:

> An existing Web3 dapp to be decentralized.

> Submission of an NNS proposal requesting a decentralization swap.

> NNS approval of the decentralization swap.

> ICP investments to meet minimum funding requirements.

Once these steps are completed, newly minted SNS governance tokens are distributed among participants of the swap and the developers who now control the SNS DAO. What remains from the decentralization swap is put in a treasury that is used for funding the future development of the dapp.