

Crypto Assets Scoping Analysis

Token Issuer

[FASB ASC 350-60-15-1(f)]

Relevant Considerations	Less likely to be viewed as token issuer	More likely to be viewed as token issuer
Does the DAO approve all significant protocol development decisions?	Yes	No
Does the DAO control the treasury?	Yes	No
Were proceeds from private sale used for purposes other than acting solely on behalf of the DAO?	Yes	No
Were tokens issued in a decentralized manner (by network validators)?	Yes	No
Does the entity have a legal obligation to deliver tokens acquired pre-launch?	No	Yes
Is the entity legally restricted from minting new tokens at its own discretion?	Yes	No
Does the entity control source code of the underlying protocol?	No	Yes

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Is the entity identified as a legal issuer of the token?	No	Yes
Do users have the ability to mint tokens?	Yes	No
Did the entity receive all tokens as part of an agreement with an unaffiliated legal entity?	Yes	No
Did the entity control the allocation of tokens received at the initial distribution?	Yes	No
Is the entity (not DAO) responsible for the custody of undistributed tokens allocations?	No	Yes
Does the entity control services provided in exchange for utility token (if any)?	No	Yes
When unlocked tokens are held in a smart contract, does a designated controller of the smart contract have the ability to modify the recipient or cancel/defer the transfer?	No	Yes
Does the entity's team manually send undistributed token allocations?	No	Yes
Does the token provide governance rights?	Yes	No

Glossary

Decentralized	Under the control of DAO, decentralized community, network validators, of an unaffiliated Foundation.
Centralized	Centralized under control of the reporting entity or its affiliates.
Third Party	Centralized under control of another unaffiliated entity.



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