

EmpowerX – DAO Arbitration Rules

Version 1.0 – April 2025

Preamble

These Rules define the internal arbitration mechanism adopted by the EmpowerX DAO. They serve as a first-level resolution process for any disputes arising within the ecosystem, before recourse to formal legal proceedings. The DAO arbitration process is designed to ensure transparency, peer-based judgment, and the use of token governance (EMX) as a coordination tool. These Rules are referenced in Clause 12 of the EmpowerX Onboarding Agreement and are consistent with principles of collaborative governance, fair process, and responsible decentralization.

Legal References

- Regulation (EU) 2023/1114 (MiCAR)
- Italian Civil Code and Consumer Code
- EmpowerX Onboarding Agreement, Clause 12
- EmpowerX DAO Charter and Governance Framework

1. Purpose and Scope

These rules govern the internal dispute resolution process activated via the EmpowerX DAO. They apply to all parties who have contractually agreed to submit disputes to DAO-based resolution as a first-level mechanism. They also apply to conflicts among community members, contributors, or partners, provided they have accepted these rules explicitly or implicitly by their participation in the ecosystem.

2. Eligible Disputes

Disputes may concern:

- interpretation or performance of onboarding agreements;
- access, exclusion or decisions related to incubation;
- disagreements over token allocations, DAO votes, or governance outcomes;
- conflicts between DAO members, contributors, or community participants.

Criminal matters or urgent injunctions are excluded.

3. Initiating the Procedure

A party submits a dispute by uploading a public summary to the EmpowerX Dispute Channel (Discord/GitHub/Snapshot). A proposal must include:

- parties involved
- concise facts and claims

- desired resolution

The proposal is reviewed by a DAO Arbitration Moderator for procedural validation only.

4. Timeline

- Submission → DAO Review: max 7 days
- Public Discussion Phase: 7–14 days
- Voting Phase (on Snapshot): 5 days
- DAO Resolution Published: within 3 days of vote end

5. Voting Rules

- Only EMX stakers may vote.
- Quadratic voting or weighted vote based on staked EMX.
- Minimum quorum: 2% of total staked EMX.
- The outcome is not legally binding but considered morally binding under clause 12.1 of the onboarding agreement.

6. Transparency and Fairness

- All submissions and replies must be public.
- Parties may present their views, evidence, and arguments.
- The DAO Arbitration Moderator ensures respectful and fair discourse.

7. Resolution Format

The DAO decision must:

- indicate the winning position,
- motivate the decision based on DAO principles,
- include a recommended action (e.g., restore access, confirm exclusion, etc.)

8. Post-Resolution

- The DAO outcome is logged on-chain (optional).
- The case may proceed to traditional courts if unresolved or contested (as per clause 12.2 of the Onboarding Agreement).

9. Amendments to These Rules

Any amendment must be proposed and approved by DAO vote with $\geq 5\%$ quorum and 60% approval.