

Abstract |

Last month the ApeCoin DAO community approved [AIP-98](#) to build an official marketplace for ApeCoin DAO - enabling the sale of Yuga NFTs with reduced marketplace fees. The presence of a new revenue stream exposed the fact that the DAO isn't currently set up to accept funds (or equity) based on their Cayman foundation status.

The purpose of this AIP is to suggest we set aside up to \$100K in \$APE to fund legal + administrative cost to scope the feasibility and cost required to set up a new legal structure able to accept funding.

Motivation |

Last month there were several proposals for building an official marketplace for ApeCoin DAO. While only Snag Solutions was approved, it opened the question of how the DAO should use new revenue streams, since ApeCoin Foundation isn't legally set up to receive revenue today.

In the interim, we proposed routing the new marketplace revenue stream to a multisig to ensure we're driving value for the DAO via marketplace usage while giving us the space and time to determine use of funds in a separate proposal.

We're recommending using marketplace funding to create a natural funding source for [AIP-124](#) in our recent [AIP draft](#) but have received feedback throughout the process that the DAO will be better set up for success long-term by answering the question of whether funds can be accepted.

- This will be especially important as we: 1) layer on other revenue streams and 2) grow marketplace revenue. By getting ahead of this we'll be able to return any excess funding to the DAO in the future.
- This also sets the DAO up to take an equity stake in exciting projects, ecosystem partners, etc. A route not currently open due to legal structure.

About Us |

[@Zheerwagen](#) is CEO of [Snag Solutions](#) and a BAYC, MAYC, and ApeCoin DAO member. I am drafting this proposal as a member of the ApeCoin community since this has been talked about for so long, but Cartan Group can't action without a proposal.

Cartan Group manages the operations of the DAO and would be responsible for carrying out this AIP and reporting back to the DAO with findings and a recommendation on next steps. From there we can vote on whether to take on legal set up.

Rationale |

Enabling the DAO to accept revenue and/or equity enables us to:

1. Pass value back to the DAO, either directly or via sub-DAO's to ensure value flows back to the collective when there isn't a clear path to utilize new revenue streams.
2. Could set ApeCoin DAO up to disrupt the hedge fund model by participating in the upside of projects and partners by taking an equity stake in the business.

Specifications |

Proposed steps are:

1. Vote approval unlocks a budget of up to \$100K in \$APE to fund legal and administrative costs with the goal of publishing a report on feasibility of implementing a legal structure that can accept revenue and/or equity.
2. As part of this Cartan group will be responsible for publishing the actual cost of scoping (mostly legal hours) and publishing to the DAO + returning any unused funds following.
3. I'll volunteer to work through the scoping process with Cartan to ensure we have a community voice in the room – and am happy to pull an additional 1-2 community members into this workstream.
4. Cartan group to publish a feasibility + cost analysis within ~2 months of this AIP being approved and the budget being unlocked.
5. From there we can vote on next steps as a DAO!

A bit of additional context based on my conversations to date:

1. Problem: If we open the door to accept revenue from one source, it opens the door to all. The key question to answer: Is this revenue taxable?
2. This is why they're in Cayman which is tax advantaged today.
3. If we do this we'll likely have to start reporting everything on an annual basis.

4. We also need to scope any complexity around tax reporting internationally.
5. The second problem is ongoing SEC investigations over 'what is a security / equity', as we know there's an ongoing investigation already.
6. That said, if we were to solve this sufficiently, it opens up a new opportunity where anyone (accredited or not, US citizen or Intl.) can invest in anything via the DAO.
7. \$100K gets the ball moving, but doesn't actually go all that far. Average legal cost/hour is ~\$500, so this only covers a max of 200 people hours for early scoping.
8. Note - There could be some transparency issues on the back end - based on what we find it may not make sense to share back with the DAO directly because this could open up additional legal risk.
9. This is why it's important we have a couple of DAO members in the room in addition to Cartan.
10. One interesting solution to this could be creating a sub-DAO that's still voted on via \$APE like the current DAO but has a different legal set up to accept revenue and vote on uses for the funding.

Timeline & Steps To Implement |

1. Vote approved, budget unlocked.
2. Cartan comes back with a report on findings, a recommendation, and recap of budget utilized within ~2 months.

Overall Cost |

\$100K in \$APE, or ~2,200 \$APE at current value.

Specific Requests for Feedback |

1. We would love to hear your feedback on this proposed approach!
2. Is there anything we're missing, or anything you can suggest to improve the proposal?

Proposals submitted to the AIP Ideas category can be vague, incomplete ideas. Topics submitted here are not required to be submitted as a formal AIP Draft Template, however, you may still use the [template](#) if you wish.