

Legal Memorandum: Token-Catalyst

This document outlines the legal framework for the token-catalyst, recommended jurisdictions, regulatory considerations, and structuring model.

1. Token Classification

- The token is not considered a security if backed by a physical asset (catalyst)
- Suggested classification: utility token or asset-backed token

2. Recommended Jurisdictions

- Switzerland (Crypto Valley, Zug): strong DAO and token legislation
- Estonia: progressive digital asset regulation
- UAE (ADGM): favorable to infrastructure tokenization

3. Legal Structure

- Foundation or DAO LLC to manage project operations
- DAO governs minting, validation, and governance policies
- Governance token grants voting rights

4. Regulatory Considerations

- AML/KYC compliance required for participants and investors
- Energy source certification recommended (e.g., GO, I-REC)

5. Risk Management & Recommendations

- Avoid marketing the token as an investment product
- Maintain legal separation between token and underlying asset
- Conduct legal audits to ensure compliance with jurisdictional requirements