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## Most Frequently Asked Questions About DAOs

Original:

<https://www.btcc.com/en-US/academy/crypto-basics/most-frequently-asked-questions-about-daos>

Decentralized autonomous organization (DAO) is a relatively new concept, which was proposed in 2013 under the inspiration of currency decentralization brought by cryptocurrency. Dao is a new type of business structure, which is beginning to be recognized in the states of the United States and the rest of the world. Understandably, many people have questions about how Dao is formed. In this article, I will introduce all the most common questions about building Dao.

### What is Dao?

Dao is an enterprise managed by smart contracts rather than people. It allows enterprises to operate independently.



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### What is a Smart Contract?

Smart contracts are code that runs at the “top” of the blockchain and will be executed when specific conditions are met. They can make decisions, distribute profits, and perform other tasks.

What is the difference between Dao and general limited liability company?

A normal limited liability company is managed by one or more human owners, known as “members”. These members will make all decisions for the enterprise and have the final decision on all business matters. Dao is usually managed by an algorithm, although it can also have human members.

### How to Build a Dao?

You can set up Dao online or via email. This is a relatively simple process. Go to this link, follow the

instructions, then select limited liability company, and then select Dao as “additional designation” from the drop-down list. If you want to register by mail, you need to send the Dao form together with a check or money order.



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## How Much Does it Cost to Set Up a Dao?

The initial application fee is \$100, and then you need to submit an annual report every year, which will cost \$60 (or more). The fee is based on your assets and employment in Wyoming.

## Where to Register a Dao?

At present, the only state officially registering Dao is Wyoming. Do I have to live in Wyoming to register for Dao there? No, fortunately, no matter where you live, you can register a Dao in Wyoming. However, a legal agent in Wyoming will be required to receive mail on your behalf. Do I have to live in Wyoming to register for Dao there? No, fortunately, no matter where you live, you can register Dao in Wyoming. However, you will need a Wyoming registered agent who can receive legal mail on your behalf.