DigiByte & DigiDollar Legal Framework Bounty

Executive Summary

We are launching a community bounty to commission two independent U.S. legal opinion letters covering both **DigiByte (DGB)** and **DigiDollar**.

These opinion letters are intended to provide exchanges, custodians, payment providers, institutional partners, and other market participants with professionally prepared legal analysis regarding the regulatory status of DigiByte and DigiDollar under current U.S. law.

While these letters cannot guarantee regulatory outcomes, exchange listings, or government approval, they represent an important piece of legal due diligence that can simplify future discussions with compliance teams and institutional partners.

The engagement has been structured so that the **DigiByte opinion will be completed and released first**, followed by the separate DigiDollar opinion.

What Is a Legal Opinion Letter?

A legal opinion letter is an independent analysis prepared by experienced attorneys based on existing laws, regulations, court decisions, agency guidance, and the factual record surrounding a project.

These letters help answer an important question:
How are DigiByte and DigiDollar most likely to be viewed under current U.S. law?

The opinions will clearly separate the classification of the assets themselves from specific activities like staking, yielding, lending, or marketing. This means that the letters are defining the status of DGB and DigiDollar within normal, expected use cases.

These opinion letters are not designed to protect any individual from potential negative consequences of engaging in illegal activities with their assets.

What These Opinion Letters Are

These opinion letters are:

- Independent legal analysis
- Prepared by experienced U.S. digital asset attorneys
- Based on current federal and applicable New York law
- Designed to assist exchanges, custodians, payment providers, institutional partners, compliance departments, and other businesses performing legal due diligence

What These Opinion Letters Are NOT

These letters are **not:**

- SEC approval
- Government certification
- Regulatory immunity
- A guarantee of exchange listings
- A guarantee that regulators or courts will always agree
- A substitute for a company's own legal review

Instead, they provide a well-supported legal analysis that parties exploring DGB and DigiDollar can incorporate into their own compliance and risk assessment processes.

Regulatory Frameworks Being Reviewed

The attorneys will evaluate DigiByte and DigiDollar under multiple U.S. regulatory frameworks.

Securities and Exchange Commission (SEC)

The SEC evaluates whether an asset may be classified as a security under federal securities laws.

One of the primary legal frameworks used in this analysis is the **Howey Test**, which asks four questions:

1. Was there an investment of money?
2. Was it made in a common enterprise?
3. Was there a reasonable expectation of profits?
4. Were those profits expected to come primarily from the efforts of others?

The answers help determine whether an asset may be considered an investment contract under U.S. securities law.

Commodity Futures Trading Commission (CFTC)

The CFTC oversees commodity and derivatives markets.

If a digital asset is determined not to be a security, it may instead fall under the broader category of a commodity, where the CFTC has anti-fraud and anti-manipulation authority.

Financial Crimes Enforcement Network (FinCEN)

FinCEN administers the Bank Secrecy Act and evaluates whether activities surrounding a digital asset create money transmission or anti-money laundering obligations.

Why New York Matters

New York maintains one of the most comprehensive digital asset regulatory frameworks in the United States through the New York State Department of Financial Services (NYDFS).

Many institutional participants use New York standards as part of their own legal review process.

Because of this, the engagement also includes targeted analysis of:

- NYDFS regulations
- BitLicense considerations
- Applicable New York money transmission issues
- Stablecoin-specific New York requirements (where applicable)

Including New York analysis makes these opinion letters significantly more useful for institutional partners operating within highly regulated environments throughout the United States.

DigiByte Opinion Letter

This engagement updates DigiByte's existing legal opinion using today's legal landscape and the current state of the network.

Primary Areas of Review

- Network decentralization
- Proof-of-Work consensus
- Governance
- Network history
- Exchange availability
- Current ecosystem
- Use cases
- Recent legal and regulatory developments

Because DigiByte has over a decade of operational history and an existing legal opinion, this work builds upon an established factual and legal foundation.

DigiDollar Opinion Letter

Unlike DigiByte, DigiDollar requires an entirely new legal analysis.

The attorneys will establish a complete factual record before reaching any conclusions.

Primary Areas of Review

- Launch history
- Governance
- Collateral model
- Minting and redemption process
- Overcollateralization mechanics
- Distribution model
- Marketing materials
- Technical documentation
- Public communications
- Applicable federal stablecoin legislation
- Current regulatory guidance
- New York stablecoin requirements

Because DigiDollar is a decentralized overcollateralized stablecoin protocol, additional legal analysis is necessary beyond a traditional digital asset review.

Information the Attorneys Will Review

To prepare these opinions, the attorneys may review a wide variety of information, including:

- White papers
- Technical documentation
- Governance structure
- Public websites
- Historical development
- Tokenomics and monetary policy
- Marketing materials
- Public statements
- Exchange listings
- Liquidity arrangements
- Minting and redemption mechanisms
- Reserve design
- Community governance
- Fundraising history
- Other publicly available information relevant to the legal analysis

This allows the opinions to be based on a complete and accurate factual record.

Why DigiDollar Costs More

The DigiByte opinion updates an existing legal opinion supported by over twelve years of operational history.

The DigiDollar opinion starts from scratch.

It requires significantly more factual investigation, technical review, stablecoin-specific legal analysis, and consideration of emerging federal and New York regulatory frameworks.

As a result, it requires considerably more attorney time.

Deliverables

When the lawyers receive the retainer payment of 50% ($10,000), the expected deliverable is the updated DigiByte opinion letter with additional NY-state specific analysis. We can expect to wait about 30 days for this.

Then, once we have received the final DigiByte opinion letter, we will release another 25% ($5,000) to the lawyer with an expected deliverable of the DigiDollar analysis draft.

Once that draft is received, we will then release the final 25% ($5,000) with the expected deliverable of the finalized DigiDollar opinion letter with additional NY-state specific analysis.

Upon completion, the community will have received:

- One finalized DigiByte legal opinion letter
- One finalized DigiDollar legal opinion letter
- Both with additional NY-state specific analysis

These opinions are intended for public release and may be shared with:

- Centralized exchanges
- Decentralized exchanges
- Custodians
- Payment providers
- Financial institutions
- Compliance departments
- Banking partners
- Institutional counterparties
- Developers
- Community members
- Business owners
- Other groups evaluating DigiByte or DigiDollar

Limitations

These opinion letters represent the attorneys' professional legal judgment based on current law and the facts available at the time they are written.

For further details, see the complete engagement letter linked at the bottom of this bounty.

Estimated Timeline

Once the engagement officially begins and the attorneys have received the required factual information, the expected timeline is approximately **60-90 days**.

The DigiByte opinion will be completed and released first, followed by the DigiDollar opinion.

Cost Breakdown

Deliverable	Cost
DigiByte Opinion (including New York analysis)	**$4,000**
DigiDollar Opinion (including stablecoin and New York analysis)	**$16,000**
Total Community Bounty	**$20,000**

*This bounty must be raised in full before we can release funds to the law firm.

This bounty is structured to raise 7,000,000 DGB. This is to account for potential price fluctuations in DigiByte at the time of each deliverable. If the bounty reaches $20,000 worth of DGB, we start the work regardless.

But, it is still crucial to complete the bounty requirements to create that valuation buffer. Any remaining DGB will live in escrow through Enigma on DigiScope, and it will be up to the community to delegate those funds for future development or other projects.

Why This Bounty Matters

These opinion letters are not just for today. They are long-term infrastructure for the DigiByte ecosystem.

Rather than supporting a single exchange listing or one-time integration, they can be reused across future discussions with exchanges, custodians, payment providers, banks, fintech companies, market makers, institutional partners, and compliance teams.

Every future integration begins with legal due diligence.

By commissioning independent legal opinions now, the DigiByte community is creating professional resources that can continue supporting ecosystem growth for years to come.

This bounty is an investment in strengthening DigiByte and DigiDollar's ability to engage confidently with the broader financial ecosystem while remaining true to their decentralized, open-source roots.