



PERSPECTIVES OF DIGITAL ORGANIZATIONS AND DIGITAL CORPORATE GOVERNANCE

Vasily Kudrin, CIA, CFE, CCSA. 21 December 2022
VIII Conference “December Debates”

VASILY KUDRIN. EXPERIENCE



VASILY KUDRIN

- Higher education (specialization): “**Securities and exchanges**” (Finance Academy).
- Partner and Chief Investment Officer at **Lybrion**, a digital asset management company.
- Professional and financial and business managements, more than 20 years of practice in real business, finances and advisory. more in process organization, risk management, transformation of corporate systems.
- Vasily Kudrin is a holder of professional diplomas: CIA (internal audit, since 2004), CFE (investigations and risk of fraud, since 2007), CCSA (self-assessment of internal control and risks, since 2004).
- Contact: vasily@lybrion.com



EXPERIENCE

- Experience in financial management, audit, risk management and internal control since 2000ies yy., large project experience in digital assets and blockchain since 2016.
- Previously, he also headed internal control and compliance divisions in the largest Russian companies of the real economy sector.
- Participated in the boards and professional committees of a number of professional public organizations, such as Institute of Internal Auditors (Russia), Association of Certified Fraud Examiners (ACFE).
- Participation in organizations majoring in corporate governance and internal control (AND, RID, IIA) and digital investment (Crypto Valley, RACIB), participates in the coordination of Debates Club, which deals with innovations in practical corporate governance and control.

WEB3 & CRYPTOINDUSTRY

Bitcoin, forks, similars [BTC, LTC, NMC, BCH, ...]

Tether, USDC, DAI, other large stablecoins

Ethereum and EVM-ecosystems [ETC, MATIC, CRO, AVAX, OP, others]

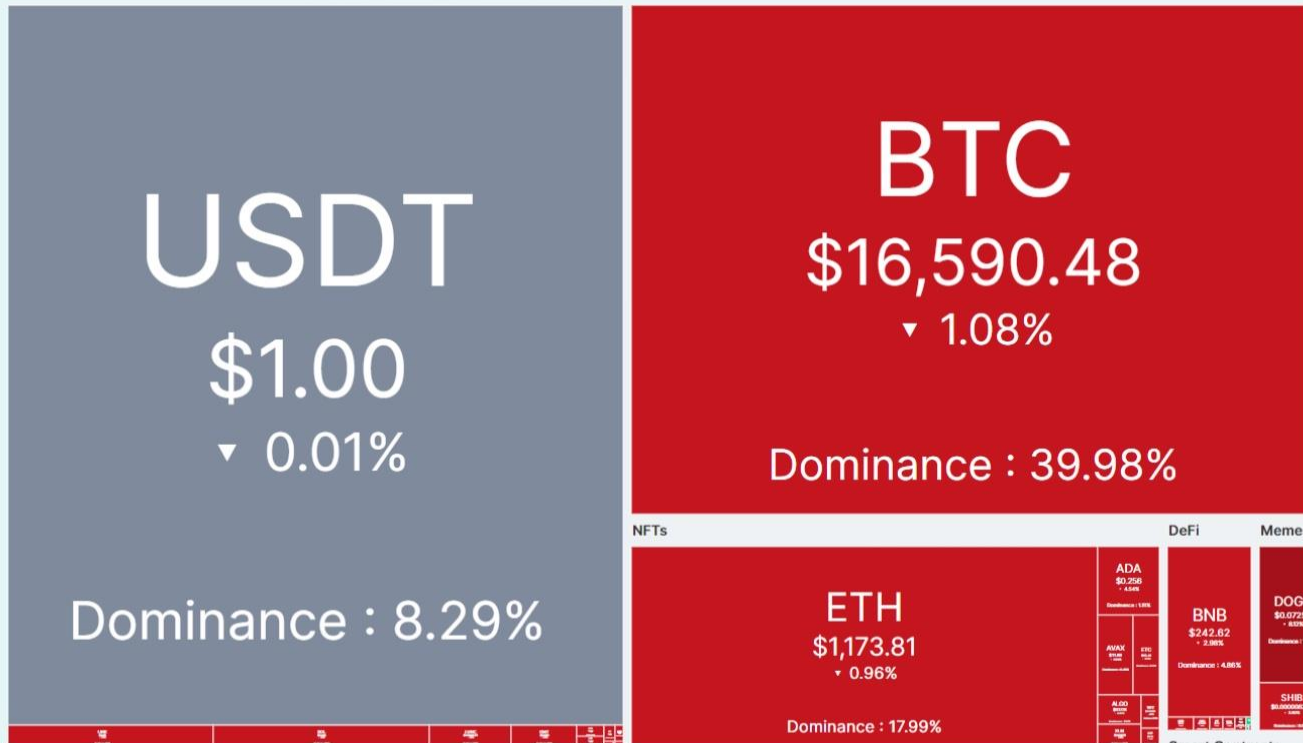
Other ecosystems (DOT, ADA, SOL, ATOM, TON, LINK, TRX, XMR, others)

CEX (BNB, HT, OKB, others)

Meme projects (DOGE, SHIB, others)

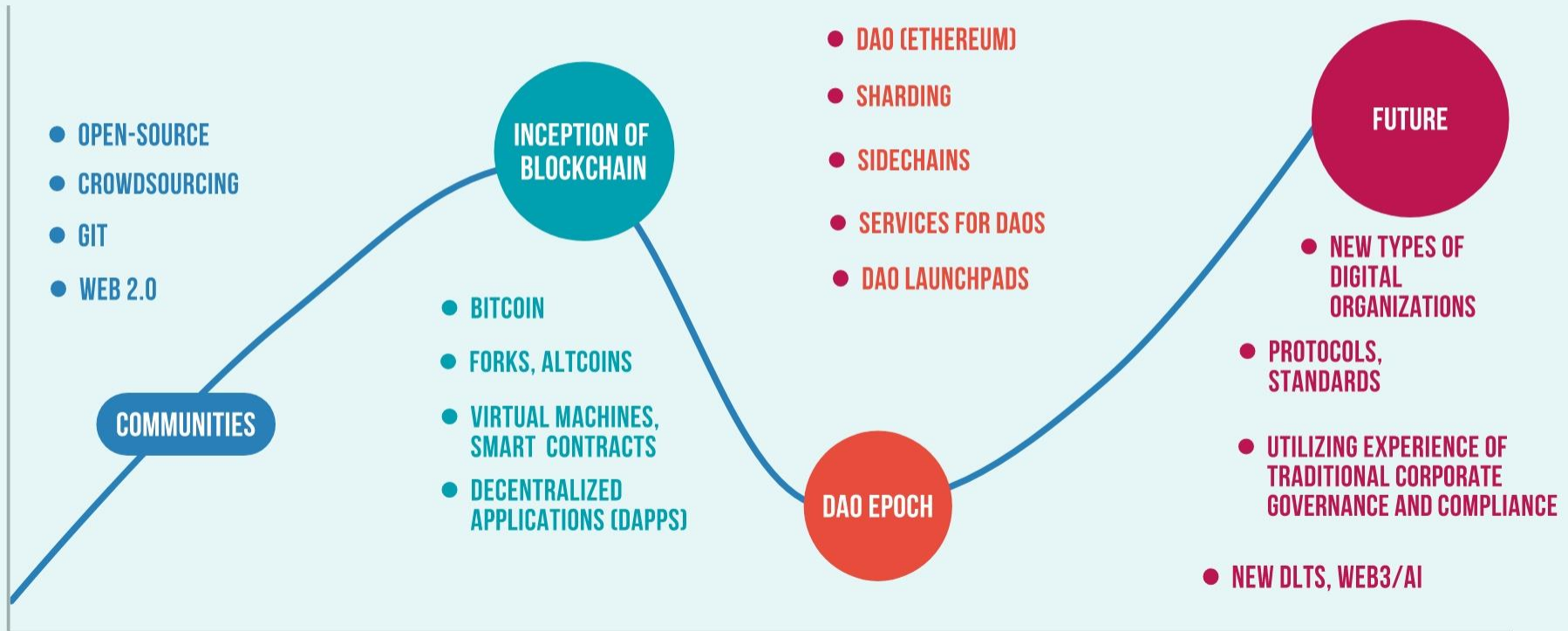
De-fi (UNI, CAKE, 1INCH, др.)

NFTs / Metaverses [MANA, APE, SAND, AXS, others]



Prospects. GameFi platforms/metaverses, state cryptosystems, hybrid and consortium blockchains, solving the Blockchain Trilemma, DAOs and digital organizations

DEVELOPMENT OF DECENTRALIZED ORGANIZATIONS



DECENTRALIZED (DAO/DAC) AND TRADITIONAL ORGANIZATIONS

Comparison, key differences and features



WHAT IS A DAO?

- Designed and built based on rules encoded in programs (smart contracts)
- Exists and functions exclusively in digital (entity)
- Pure on-chain, or on-chain dictates to off-chain

TRADITIONAL ORGANIZATIONS

- Legal entities, off-chain
- Hierarchical structure, centralization
- Decisions are delegated
- Less transparency, corporate fraud
- Significant influence of the state (polity)

DECENTRALIZED (DIGITAL) ORGANIZATIONS

- Exists on DLT, in the network, on-chain
- p2p-, one-level (flat), democratization
- Separate decisions are implemented automatically / programmatically (algorithmically)
- Greater transparency
- External influence of centralized bodies is minimized

DIGITAL ORGANIZATIONS

Interaction, formats, examples



INTERACTION

- Forums (boards), discussions
- Voting
- Self-executing and generic solutions
- Formation of representative organizations (foundations)



FORMATS

- Protocol
- Objective-based
- Topical, industry-focused
- DAO of collective ownership
- SubDAOs



EXAMPLES

- MakerDAO (De-Fi)
- Uniswap (DEX)
- DAO of Everscale network/blockchain

FEATURES OF DIGITAL CORPORATE GOVERNANCE

Digital corporate governance is a system by which a digital organization is directed, its goals are achieved, which determines the form of relationships between network (organization) partakers, key stakeholder groups and external parties/partners.



COMPONENTS

- DLT type and protocols
- Network, virtual machine, smart contracts
- Voting algorithms
- Web site, portal, interface
- Forum, discussion spaces (Discord, Telegram, others)
- Rules and standards, FAQ



PARTAKERS

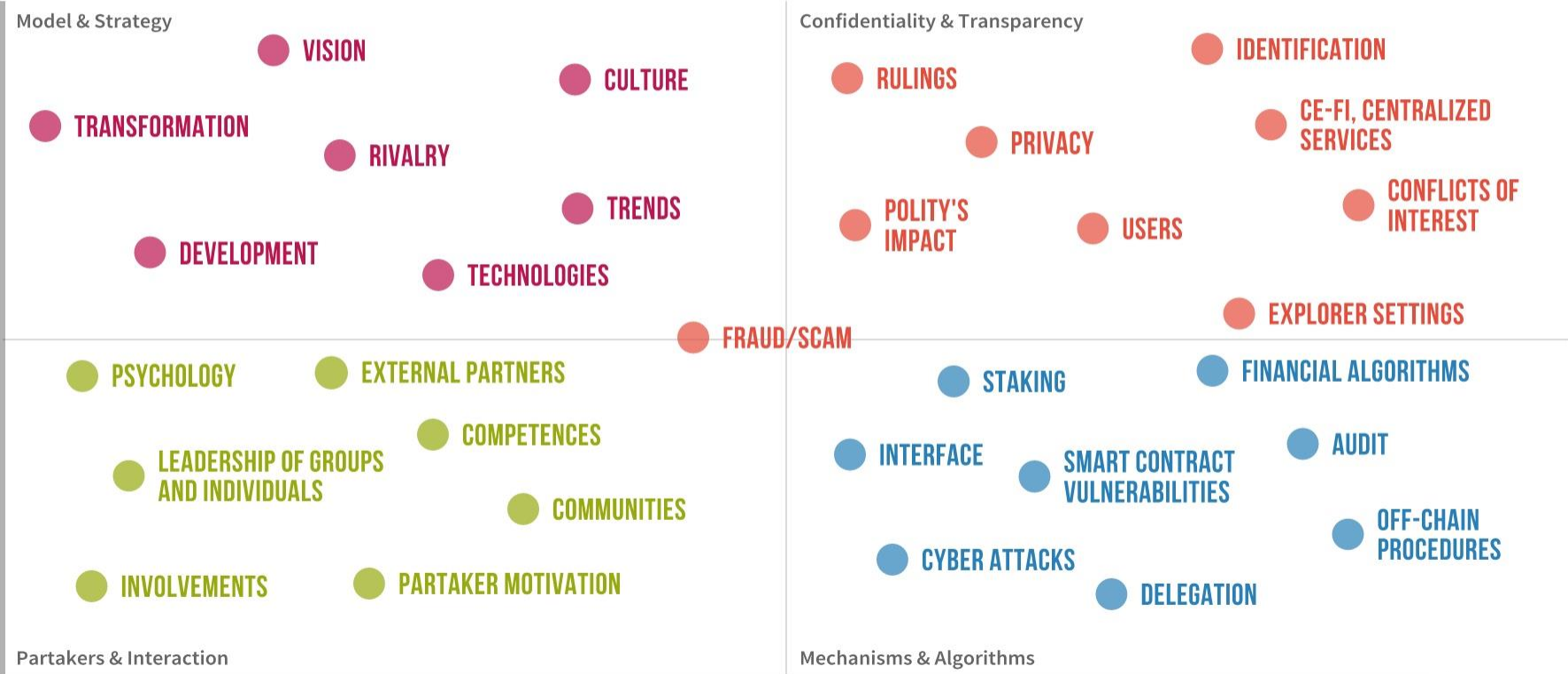
- Network users, holders of native coins or governance tokens
- Key groups of stakeholder, initials
- Decentralized pools
- Committees, task groups
- Representative organizations



INSTRUMENTS

- Staking
- Voting, polls
- Decision execution algorithms
- Identification and privacy protection

RISKS OF DIGITAL CORPORATE GOVERNANCE



ELEMENTS OF TRADITIONAL CORPORATE GOVERNANCE APPLICABLE IN CRYPTOINDUSTRY



HISTORY, EXPERIENCE

- Knowledge of economy and finance sector development history
- Team relationship experience



COMPETENCE

- Finances and economics, investments
- Psychology, sociology
- Understanding interests of state



KNOWLEDGE BASE

- Rules, standards
- Conflict resolutions
- Industry-matter knowledge
- IT



RISK MANAGEMENT

- Risk maps
- Conflicts on interest
- Dynamic risk governance
- Setting up control procedures

PROSPECTS

Development of digital corporate governance



CONTACTS



**VASILY KUDRIN,
CIA, CFE, CCSA**

vasily@lybrion.com