

## **NFT PROJECT LEGAL CHECKLIST**

<b>Order</b>	<b>Action Item</b>	<b>Done/TBC</b>
<b>1</b>	<b>Form Legal Entity-</b> The first step for any project is forming a legal entity to act on behalf of the project. For a vast majority of projects, this will be a simple LLC or LLP, but some may want to form a more complex entity. The key is you want some entity (other than you individually) which will serve as a protection from personal liability and prevent co-mingling of personal and project assets. For simple projects, this can likely be done without an attorney, but for complex projects with lots of initial investors/outside funding, you want an attorney to prepare this legal entity.	
<b>2</b>	<b>Development Team Contracts-</b> Again, this is a must to be done early. Determine how revenue will be split, how assets will be distributed if the project is sold or control is transferred, who is responsible for what, etc. This should likely be done with the assistance of an attorney and be done either in the form of an LLC operating agreement or separate contractual agreement(s).	
<b>3</b>	<b>Website Terms/Privacy Policy-</b> The EU and certain individual states are cracking down on certain privacy and website data collection practices. It is smart to have a privacy policy and website terms in place to protect you from future liability. These should likely be prepared by an attorney, but if you are working on a very limited budget, you can potentially use terms from other similar projects initially (obviously tailored to your individual project, not just straight copied and pasted) and then budget for a portion of minting funds to hire an attorney after the fact to fix.	
<b>4</b>	<b>NFT Purchase Agreement-</b> This should be done at some point before minting. This agreement should provide exactly what the person buying the NFT (and all subsequent purchasers) are getting from ownership of the NFT. This includes any future rights, intellectual property assignments, limitations on use, ways for bad actors/owners to have rights revoked, etc. This should be done by an attorney. Even if it is just something simple, you should have a purchase agreement prepared. If you can't afford the 1-2ETH attorneys fees for this, you probably shouldn't be launching the project.	
<b>5</b>	<b>Tax Planning-</b> In my experience, planning for taxes early will end up saving you money long term. You should be at least consulting a CPA during the phase of legal entity formation/prior to mint, so you know what information you should be tracking and keeping a record of. At minimum, you should budget for this from expected mint proceeds.	
<b>6</b>	<b>Intellectual Property Registration-</b> In the US, intellectual property such as copyrights and trademarks must be registered with the applicable governmental entity to gain the full protection provided under law for those property rights. In a perfect world, this is done prior to the project being released/minted, but it can also be done after the release. This is something you should at least budget from the minting proceeds to have done professionally.	