Reality Module Governance Oracle Question Resolution Policy

Combining the Gnosis Safe with off-chain decentralized governance platform Snapshot, the Zodiac Reality Module (using Safesnap) enables decentralized execution of DAO governance proposals, through on-chain execution of off-chain votes. It uses the Reality.eth bond-escalation-based oracle solution coupled with Kleros arbitration to ensure the correct implementation and enforcement of governance proposals voted off-chain.

This policy serves one main purpose:

Ensuring that Reality.eth questions created through the Reality module and going to arbitration are resolved correctly.

These rules define the basic principles that must be observed when participating as a juror in the arbitration of a DAO governance-related Reality.eth question. It is intended to gather the rules and assumptions applicable to all DAOs so that they don't have to be repeated each time in every DAO-specific constitution or policy.

In the event of any direct logical conflict between this policy and another document referenced in a Reality.eth question, the document specific to a DAO referenced in the question shall supersede the current document.

How to interpret a Reality Module question?

The Reality.eth questions created from the Reality module will have a template more or less similar to:

Did the proposal with the id [XXX] pass the execution of the array of Module transactions that have the hash 0x[YYY] and does it meet the requirements of the document referenced in at MyDAOConstitution.eth?

Questions that should be resolved as "Yes"

It means that for the question's outcome to be ruled as "Yes", jurors will need to check that:

- The proposal referenced in the question is compliant with both the rules described in this current policy and the DAO-specific rules described in the document referenced in the question.
- The hash provided in the question is the hash of the array of module transactions passed by the Snapshot proposal. That hash should be the keccak of the concatenation of the individual EIP-712 hashes of the Module transactions.

How to verify the hash of transactions?

To verify that the hash provided in the question is the hash of the array of module transactions passed by the Snapshot proposal, follow this <u>tutorial</u>.

How to consult the DAO Constitution documents?

To verify that the proposal was compliant with both this current policy and the DAO-specific constitution/policy referenced in the question, jurors will need to read the document linked in the question.

- If the document referenced in the question is an IPFS URI (ipfs://[DocumentHash]), you can access it by opening it with an IPS-compatible browser or by using a public IPFS gateway host and browsing to this address: https://ipfs.io/ipfs/[DocumentHash]
- If the document referenced in the question is an ENS domain (example.eth), you can
 consult the Text Records linked to it by looking up the ENS domain on Etherscan
 (Ethereum Name Lookup), then click on "Click to see more" in the Overview section to
 display the Text Records fields where the DAO constitution/Policy IPFS URI should be
 recorded. You can then use the above explanation to access it.

What if there is no DAO-specific document referenced in the question or it lacks the information to determine if a proposal has passed?

If there is no DAO-specific set of rules referenced in the question, jurors should take reasonable steps to find out rules the DAO was meant to abide by. For this purpose, jurors can look at the project website, past forum posts by DAO creators, blog posts, etc.

When rules are not enough to determine if a proposal passed the following assumptions should be made:

 The Snapshot proposal referenced in the question has to have been opened for a voting duration of at least 7 days.

- Ex: A proposal lasting only 3 days shouldn't be executed (unless the rules of the DAO state otherwise).
- The snapshot block should be at most 7 days before the proposal opening time and should not be after the proposal opening time.
 - Ex: A proposal using an old block as a snapshot block, therefore not giving votes to new token holders, shouldn't be executed (unless the rules of the DAO state otherwise).
- For a snapshot proposal to pass, the number of votes on options indicating that the transactions of the proposal have to be executed should be strictly greater than the number of votes on options indicating that it shouldn't.
 - Ex: Should we give 1000 ETH to 0x...? With the result Yes 40%, No 20% and Give only 1 ETH 20%. If the transaction associated with the proposal is to send 1000 ETH, it shouldn't be executed (unless the rules of the DAO state otherwise).

Questions that should be resolved as "Invalid"

If the question does not contain sufficient information to know which proposal (or payload if applicable) it is referring to; or if its opening date is set before the end of the voting period.

- If the Reality.eth question's opening date is set before the Snapshot proposal is closed, the question will be resolved as invalid.
- If the Reality.eth question does not contain any reference to a Snapshot proposal, the question will be resolved as invalid.
- If the ID of a proposal referenced in the question does not refer to any proposal in any Snapshot space, the question will be resolved as invalid.

In general, if the question does not break a rule of this "Invalid Question" section, reasonable efforts should be made to determine its outcome even if the question is not 100% technically perfect.

- If the question contains some grammar or orthographic errors, it should resolve as if it didn't contain those errors, as long as the meaning of the question is still clear.
 - Ex: "Did the Snapshoot Proposal [...] will pass the execution of the transaction [...]" should resolve in the same manner as "Did the Snapshot Proposal [...] pass the execution of the transaction [...]"

Questions that should be resolved as "No"

 There was a significant service outage or availability issues that could have reasonably restricted governance participants from casting their votes in the proposal referenced in the question.

- The referenced proposal passed due to an unauthorized or malicious changes to the relevant Snapshot space.
- The referenced proposal was not shown in the default view in the relevant Snapshot space during the voting period.

Default assumptions

DAO entities setting up the template of their Reality.eth questions are encouraged to make their questions as clear as possible. However, in order to avoid insufficiently detailed questions to resolve as invalid, the following assumptions shall be made:

- If no specific event date is given in a question, it is assumed that the question is asked about the status of the proposal after the proposal's end date as specified in the off-chain voting platform.
 - Ex: "Did the Snapshot Proposal [...] pass the execution of the transaction [...]" will be interpreted as "Did the Snapshot Proposal [...] pass the execution of the transaction [...] after the Snapshot proposal end date"
- If no proposal voting platform is specified in the question, it is assumed that the proposal ID references the platform used by the DAO to vote on its most recent proposal.
- If a link to a document is referenced in the question, hosted on IPFS and the document is not available, it is assumed that the document referred to can be considered equivalent to a document hosted elsewhere or provided in evidence as long as its cryptographically secure hash matches the hash in the corresponding original URI.