



2022

IN REVIEW

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From the Chair of the Board

Enforcing accountability

celebrating 5 years



The Sovrin Foundation made progress in 2022 enhancing its governance, economic processes and technical capabilities to ensure enhanced accountability and stable operations. Accomplishments include establishing legal trademarks, improving technical, billing, debt, and tax handling, resulting in a stable organization with routine operations. The Foundation engaged individually with all of the Sovrin Stewards on necessary technical upgrades to the Sovrin networks, and completed release candidate Ubuntu updates, and CI/CD pipelines that enable new capabilities.

In 2020, the Foundation became a “Minimum Viable Foundation” minimizing costs and focusing on the activities required to keep the paired SSI technology and governance strong. While Sovrin working groups have been quiet, the Sovrin Governance Framework continues to evolve in important ways, including a focus on legal and economic accountability. Going into 2023, the Foundation is transitioning “From Sandbox to Societies” and, having provided sufficient industry subsidization for the past 5 years, is making the necessary transition to a pure “pay for use” model.

In the SSI space, the Sovrin Foundation continues its role of being the stable network for decentralized identity with an exemplary governance framework. Sovrin stands “ready to go”, as production SSI use cases are launched.

The Foundation will continue operating the Sovrin Network, but now on a pay-for-use basis. We are looking for collaborators to join us in our mission of “Identity for All.” The Sovrin Network and Governance Framework are amazing assets and capabilities that are ready to be leveraged for decentralized identity solutions. Join us!



Stephen Curran
Trustee
Chair

Trustees

- Stephen Curran
- Andre Kudra
- Philippe Page
- Jamie Stirling
- Sankarshan Mukhopadhyay
- Line Kofoed
- Andrew Smith (from September)
- Marta Piekarska-Geater (until July)
- Lohan Spies (until September)
- Daniel Hardman (until January)
- Darrell O'Donnell (until January)

Enforcing accountability

2022 Financial Report

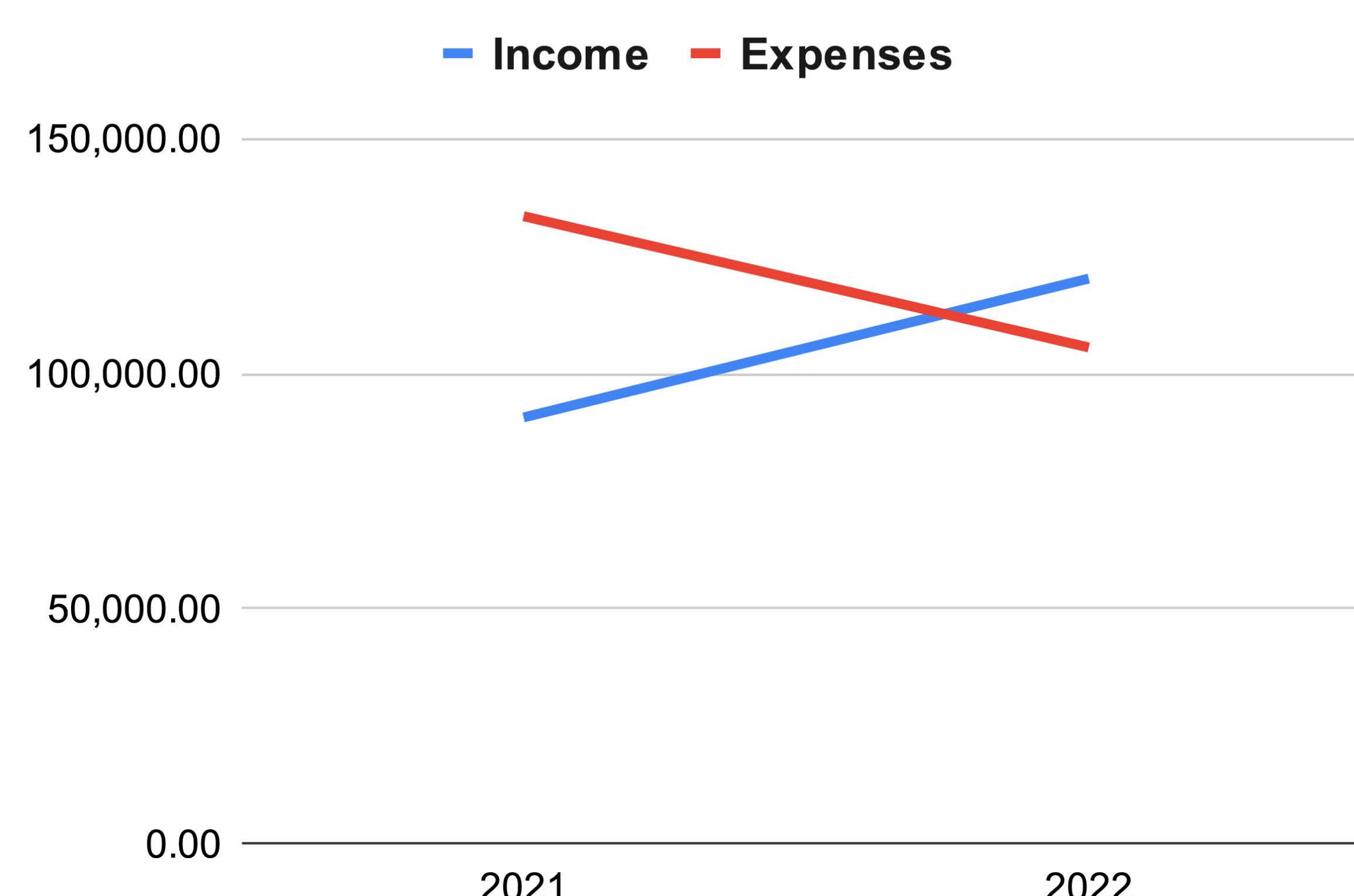
Sovrin Foundation reaches profitability

The year 2022 brought another year of celebrations for Sovrin Foundation. Cheering "5 years Sovrin" started in November 2021 with remembering the incorporation of the foundation in November 2016. In July 2022, 5 years of continuous operation of Sovrin MainNet was marked.

The strategic decision from 2021 to keep focus on Sovrin MainNet sustainability and Sovrin Foundations independence was carried through in 2022. The Board of Trustees tasked the Finance Committee to review and propose any updates needed regarding the economic model and financial plans. The objectives were previously defined:

- Make the Foundation economically viable
- Stabilize the financial situation
- Strive for availability of MainNet of 100%
- Ensure accountability for transactions

2021 vs 2022



Line Kofoed

Trustee

Treasurer



Finance Committee

- **Line Kofoed, chair**
- **Andre Kudra, member**
- **Stephen Curran, member**
- **Philippe Page, member**

A risk assessment carried out by the Finance Committee highlighted four areas of attention:

- **Revenue for both short and long term**

Assessment: Existing economic policies adequate to provide revenue.

Enforcement of the economic policies was however needed in order to move “production” activities from BuilderNet and StagingNet to MainNet. The first (Q2-4) year of invoicing StagingNet access and ledger write fees turned out as budgetted. As a 90% discount was applied on the ledger write fees, Sovrin hereby subsidized the industry with more than \$300K. A plan to start crowd funding was postponed until the Foundation has found a stable income from its activities.

- **Unresolved debt situation**

Assessment: Renegotiation of debt terms needed.

Sovrin remained in constructive conversations with creditors and commenced repayment of a Small Business Administration (SBA) loan obtained under the EIDL conditions in May 2020.

- **Independence of Sovrin Foundation**

Assessment: Possible loss of independence to be avoided

The plan to make Sovrin Network “pay its own way” was successful. The 43K loss in 2021 was turned into a profit of 14 K for 2022. Sovrin hereby prevented loss of independence by omitting further financial commitments. The Foundation still ran a minimum viable foundation with dedicated professional volunteer staff and expert support and maintenance. Costs were reduced partly by sharing Hyperledger Indy related costs with the Linux Foundation.

- **Accountability for all transactions**

Assessment: Increased accountability needed

Operating in a global market, Sovrin signs up Transaction Endorsers in various jurisdictions. The Sovrin Governance Framework therefore covers both business and legal rules for the participants and technical and ledger access rules for Trustees, Stewards, Transaction Endorsers and Transactions Authors. LEI registration for Transaction Endorsers became obligatory in 2021 through a board resolution. Accountability for transactions - both legally and financially - called for an update of ledger access rules, which was seconded by the Technical Governance Board. A decision was further made to remove all non-Sovrin Foundation Endorsers from the Sovrin BuilderNet Network, and let the network operate strictly for internal use of the Sovrin Foundation for testing purposes.

The Finance Committee continues to monitor the use of the ledgers and provide recommendations to the Board regarding updates to policies and price plans.

SOVRIN FOUNDATION

STATEMENT OF SUPPORT AND EXPENSE

FOR THE YEARS ENDED DECEMBER 31, 2022 AND

2021 (DOLLARS IN THOUSANDS)

	2022	2021
Corporate contributions:		
Contributions	15	1
SBA grant	0	0
Other income	0	0
Ledger write fees	381	76
Ledger write access	42	17
Discounts given	(318)	(3)
Total support and revenue	US\$ 120	US\$ 91
Costs and Expenses		
Payroll	0	0
Outside contractors	33	51
Legal	10	4
Travel and conferences	0	1
Operating costs	31	47
Interest	32	31
Facilities and equipment	0	0
Total cost and expense	106	134
Excess (deficit) of support and revenue over expense	US\$ 14	(US\$ 43)
Debt forgiveness	0	0
Net Income	US\$ 14	(US\$ 43)
Balance Sheets As of December 31, 2022 and 2021		
Cash	US\$ 41	US\$ 26
Pledges receivable	21	4
Security Deposit	0	0
Other investments	0	0
Total Assets	US\$ 62	US\$ 30
Accounts payable	US\$ 2	US\$ 1
Notes payable long term	2'010	2'010
Notes payable short term	0	0
Other liabilities	93	75
Total liabilities	2'105	2'086
Earned surplus (deficit)	(2'043)	(2'056)
Total liabilities and equity	US\$ 62	US\$ 30

Technical Report

The Sovrin Network and its Stewards



Stephen Curran

Trustee

Chair

Steward Qualification Committee

Chair:

- Stephen Curran

Members:

- Jamie Stirling
- Daniel Hardman
- Markus Sabadello
- Sankarshan Mukhopadhyay

Technical Governance Board

Chair:

- Daniel Hardman (until January)
- Stephen Curran (interim)

Members:

- Markus Sabadello
- Marta Geater-Piekarska
- Axel Nennker
- Steve McCown
- Avesta Hojjati
- Mike Bailey
- Stephen Curran
- Chris Eckl
- Sebastian Weidenbach
- Richard Esplin
- Maciej Jedrzejczyk

Sovrin Network and Steward 2022 highlights include:

The Sovrin Network continues to demonstrate its remarkable stability in 2022, celebrating the 5th anniversary of the network launch, and continuing our string of more than three years of 100% uptime. In 2022, we minimized the cost of operations, using the network operations team mostly on an as needed basis, and minimizing CI/CD infrastructure costs. Despite minimizing costs, substantial improvements were made.

In 2022, we had two upgrades to the Sovrin Network, triggered by vulnerabilities reported in the Hyperledger Indy code base. All of the Sovrin Stewards were active in responding promptly in addressing the vulnerabilities. We also completed the Indy/Sovrin CI/CD pipeline upgrades, which is a significant milestone for the network. Kudos to Wade Barnes and Philipp Schlarb for their efforts in completing this work!

2022 was an eventful year for the Sovrin Network, and we are excited about the possibilities that the future holds. We look forward to continuing our efforts to build a more secure and robust self-sovereign identity ecosystem to enable Identity for All.



In addition, the Ubuntu 20.04 Sovrin Node Release Candidate has been published, which opens the way for further updates and upgrades. The migration of Stewards Nodes to the Ubuntu 20.04 version began, which includes OS upgrades and adds support for did:indy.

While the Ubuntu 20.04 upgrade took a long time, future upgrades will be much easier – it's the pipeline that matters! The CI/CD pipeline enhancements open the way for new possibilities for evolving Hyperledger Indy and the Sovrin Networks, including a Ubuntu 22.04 upgrade, Overlays Capture Architecture (OCA) Bundles on Sovrin for verifiable credential semantics, tombstoning transactions, and updates to the AnonCreds revocation capabilities.

In the self-sovereign identity space, Sovrin have participated in the many significant activities that occurred during 2022, including the creation of the Hyperledger AnonCreds project. This project includes the ledger agnostic AnonCreds specification, ledger agnostic AnonCreds implementation, and the deployment of AnonCreds against other ledgers/VDRs. Additionally, a proof of concept has been created that demonstrates AnonCreds formatted using the W3C Verifiable Credentials Data Model Standard.

There has also been notable work in the Hyperledger Aries project, including the Aries Bifold mobile wallet implementation, the Aries Cloud Agent Python deployments, and the Aries Askar secure storage element. AnonCreds V2.0 Working Group has also been formed.

2022 was an eventful year for the Sovrin Network, and we are excited about the possibilities that the future holds. We look forward to continuing our efforts to build a more secure and robust self-sovereign identity ecosystem to enable Identity for All.

Approved Stewards in 2022

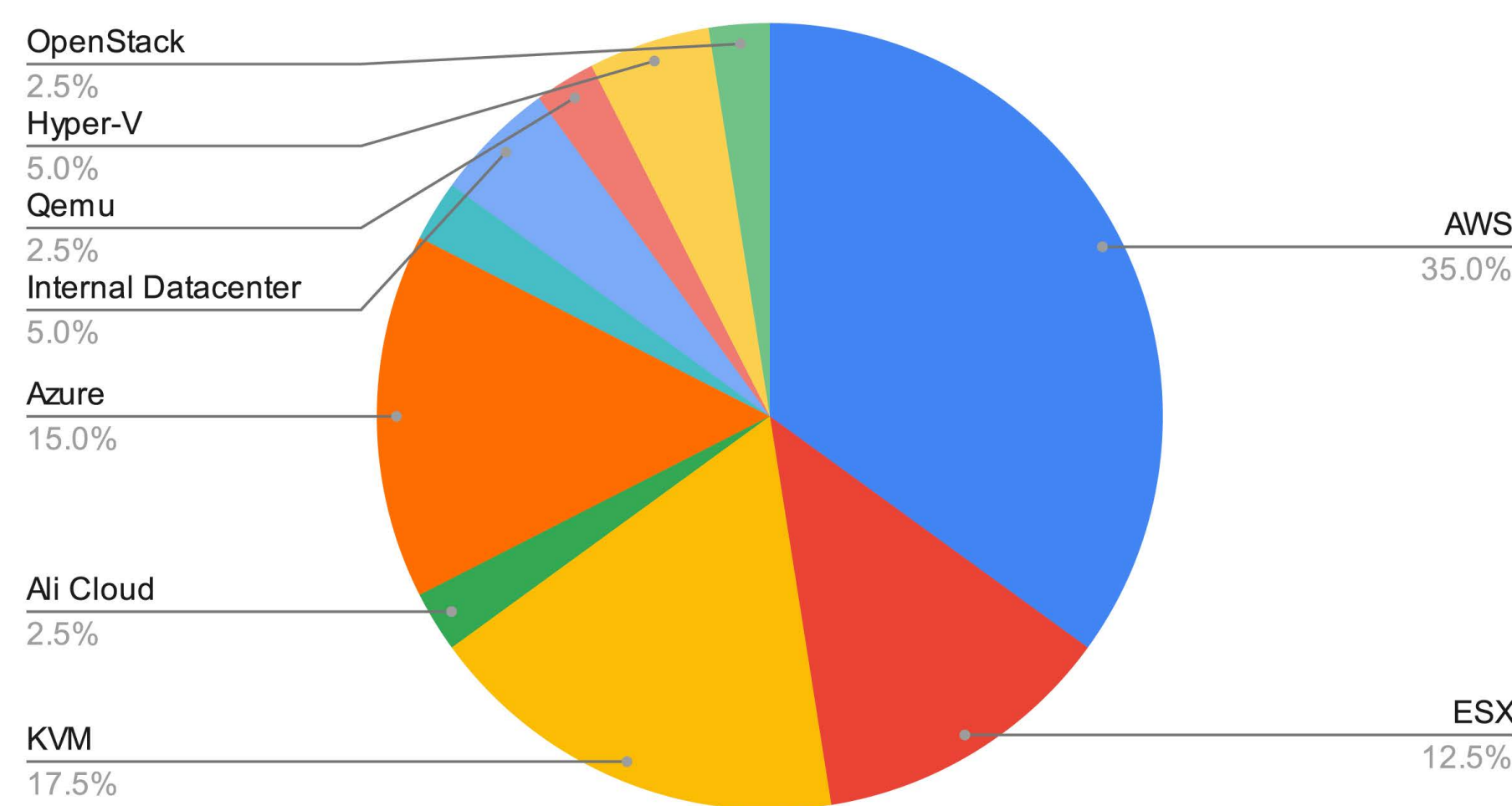


Go **here** for a complete list of current Sovrin Stewards

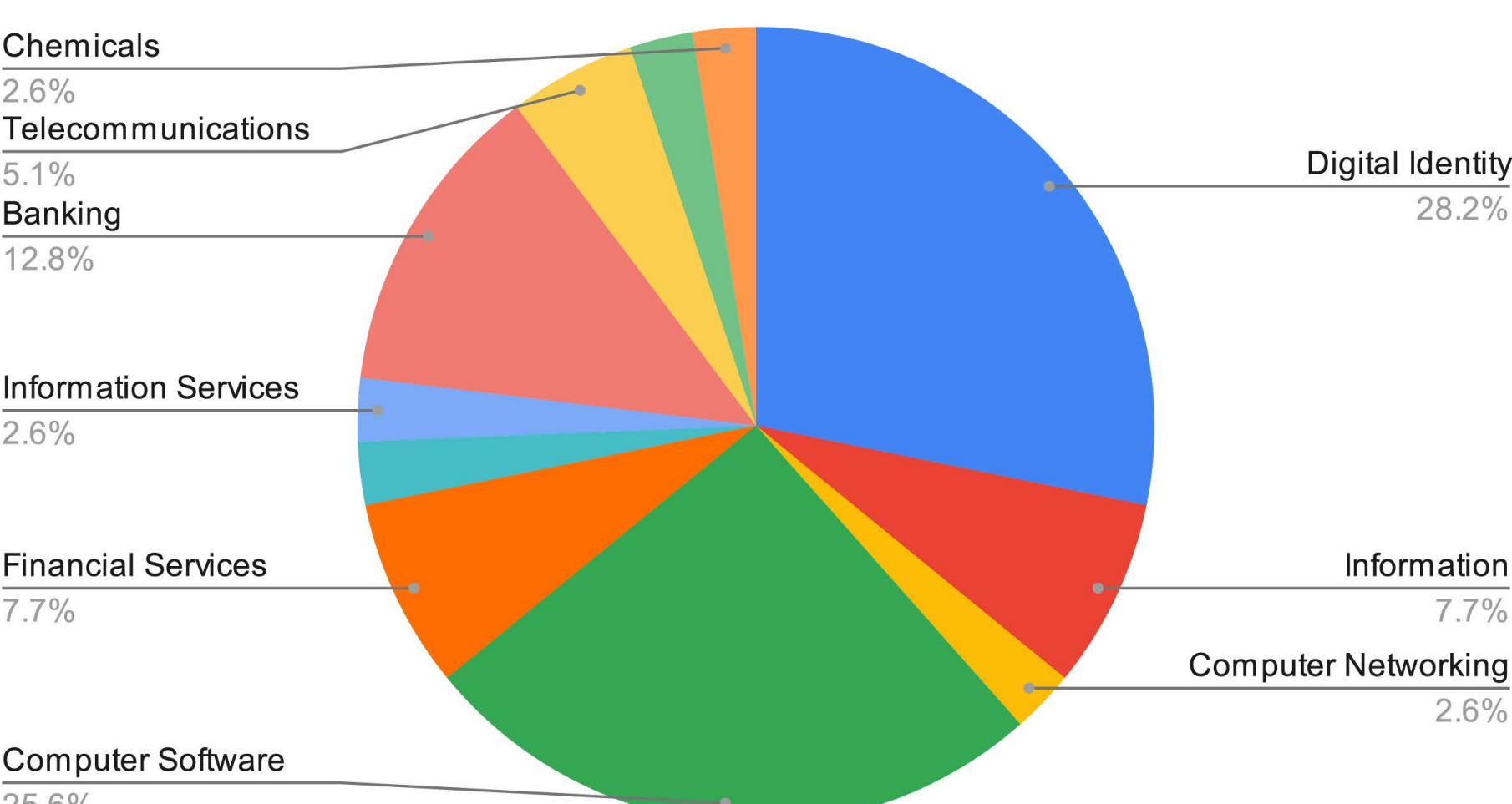
Diversity check Stewards 10-2022

The diversity check serves to ensure technical resilience, regulatory conformance, sector representation, global presence and inclusion.

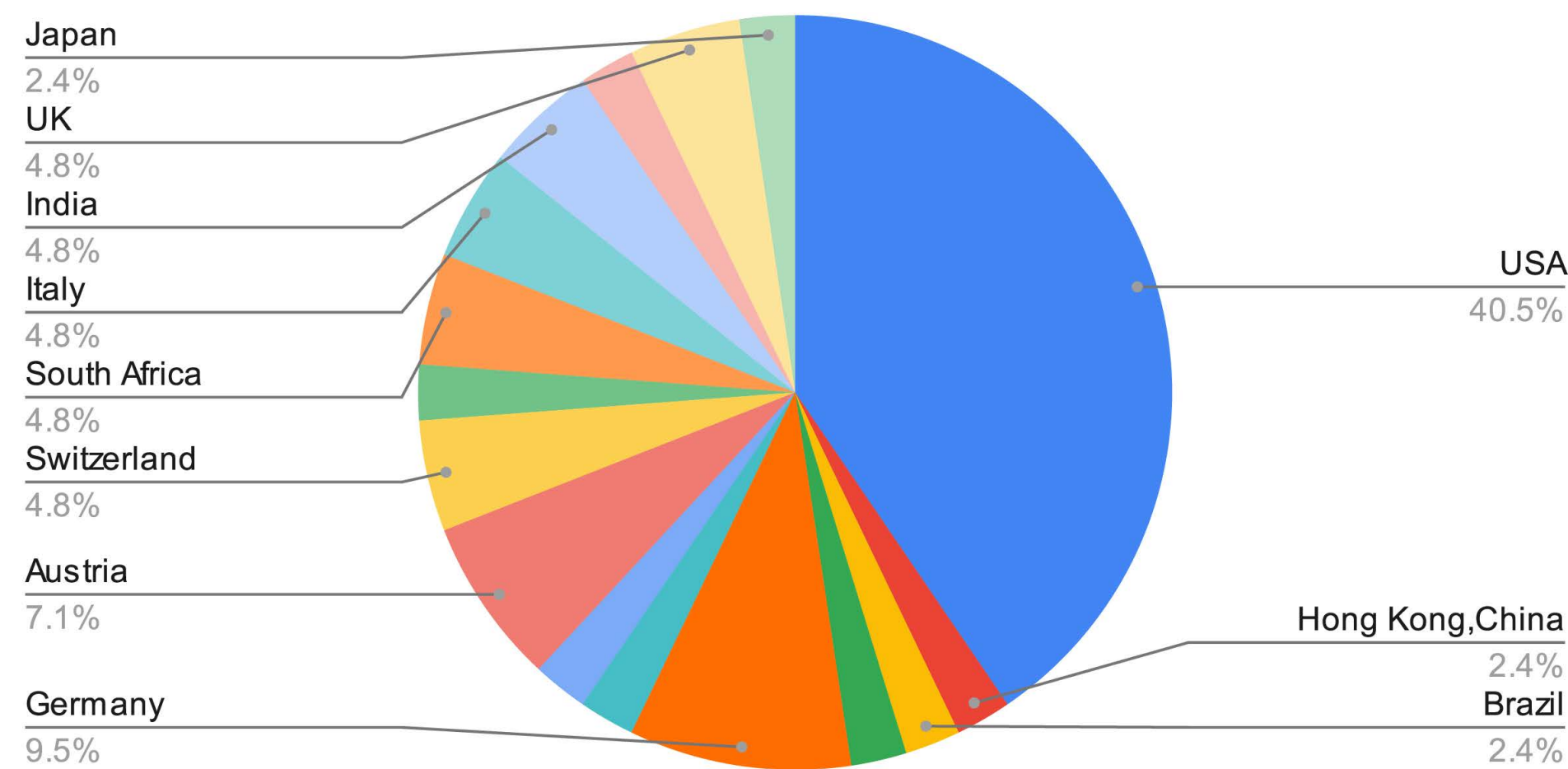
Virtualization



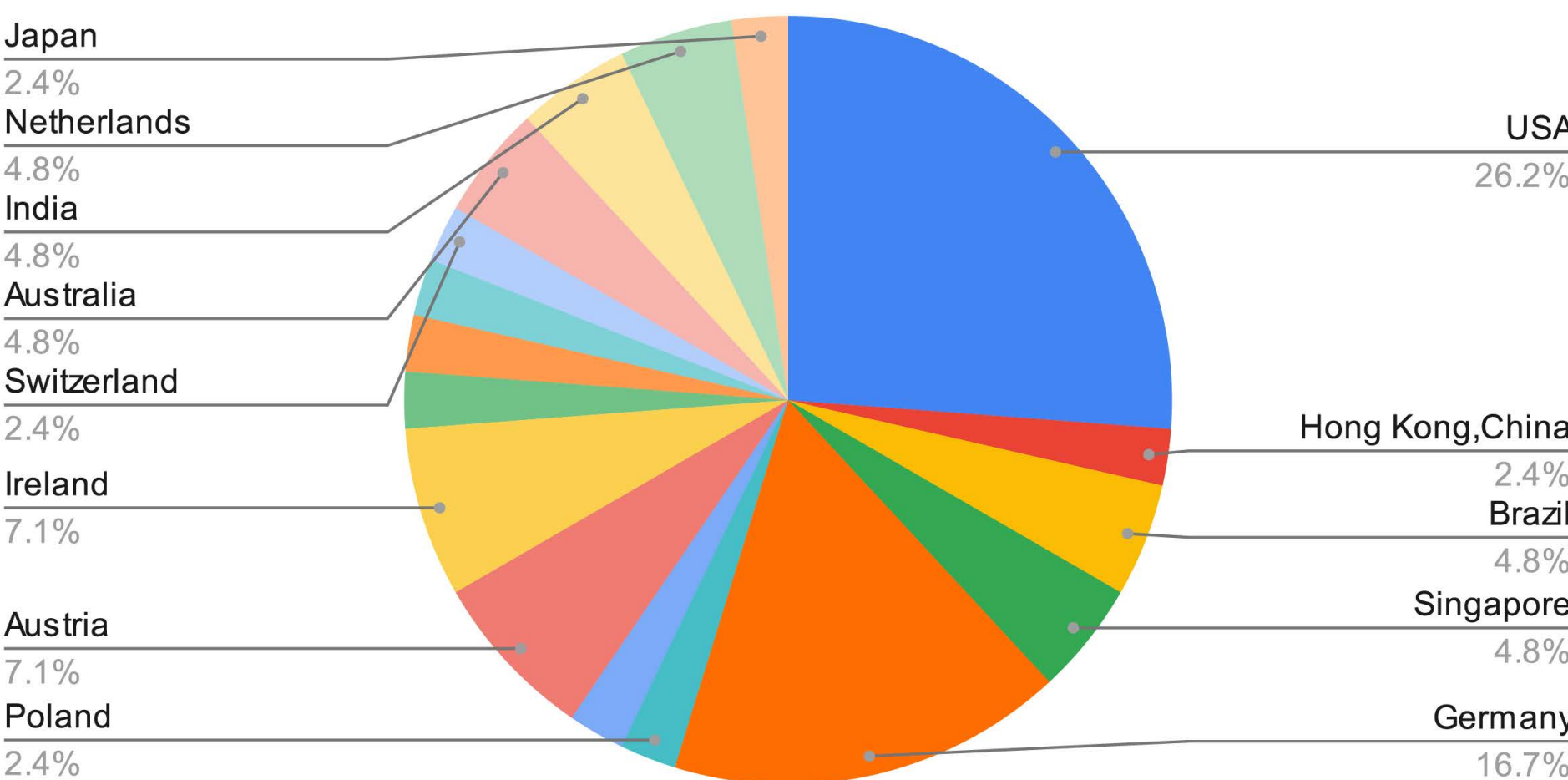
Industry



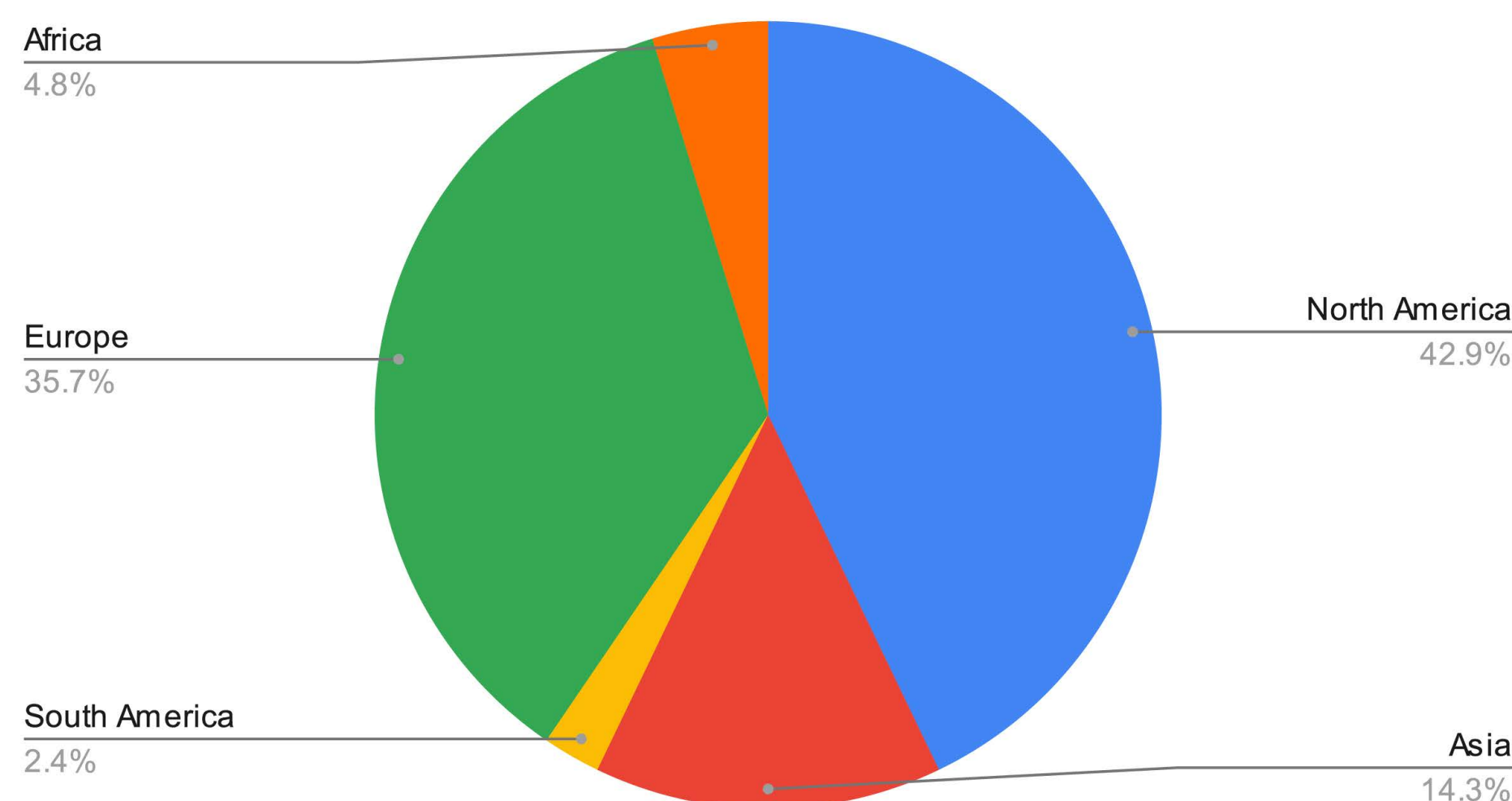
Jurisdictional spread steward companies



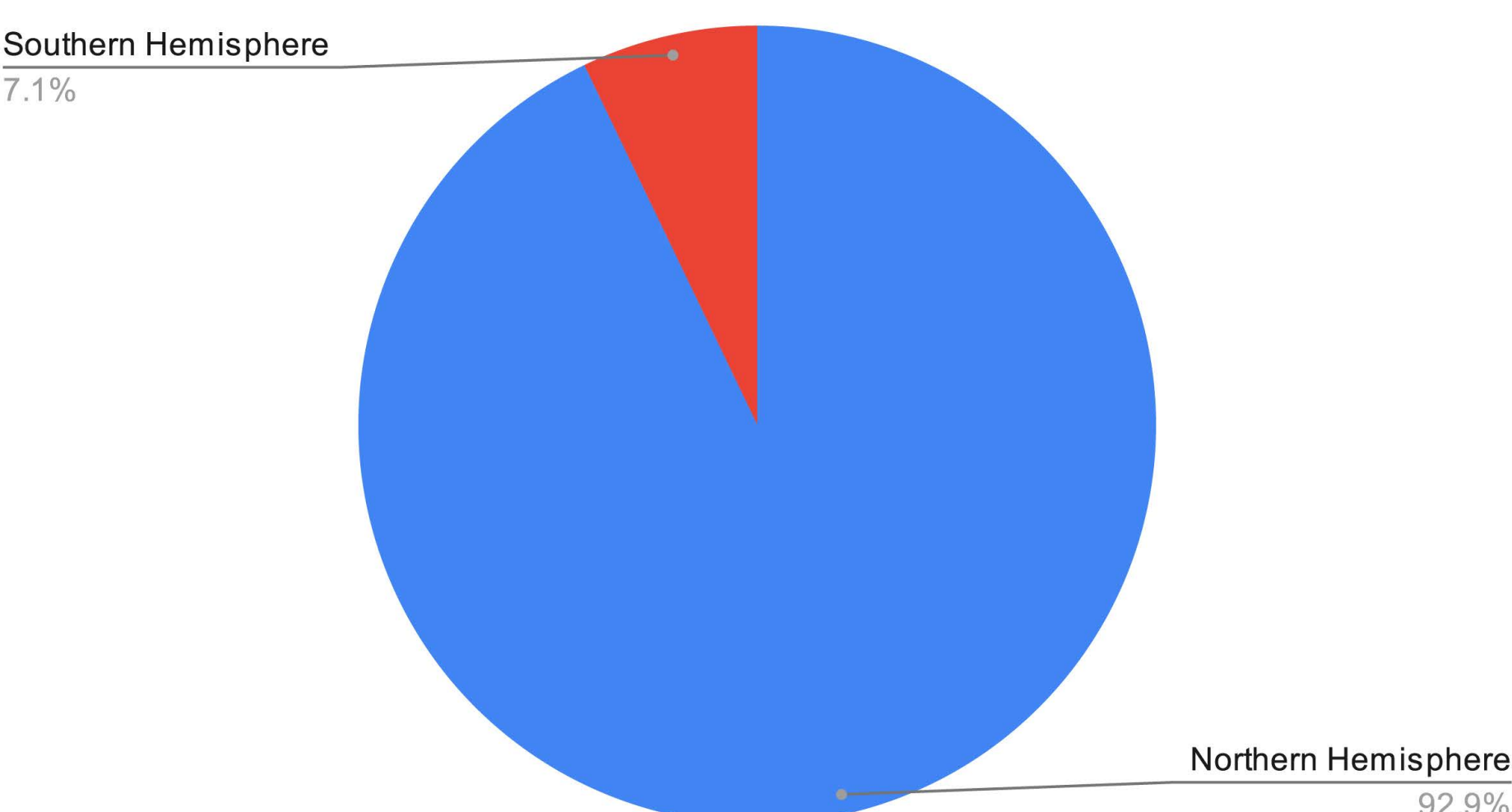
Geographical spread nodes



Geographic spread continents

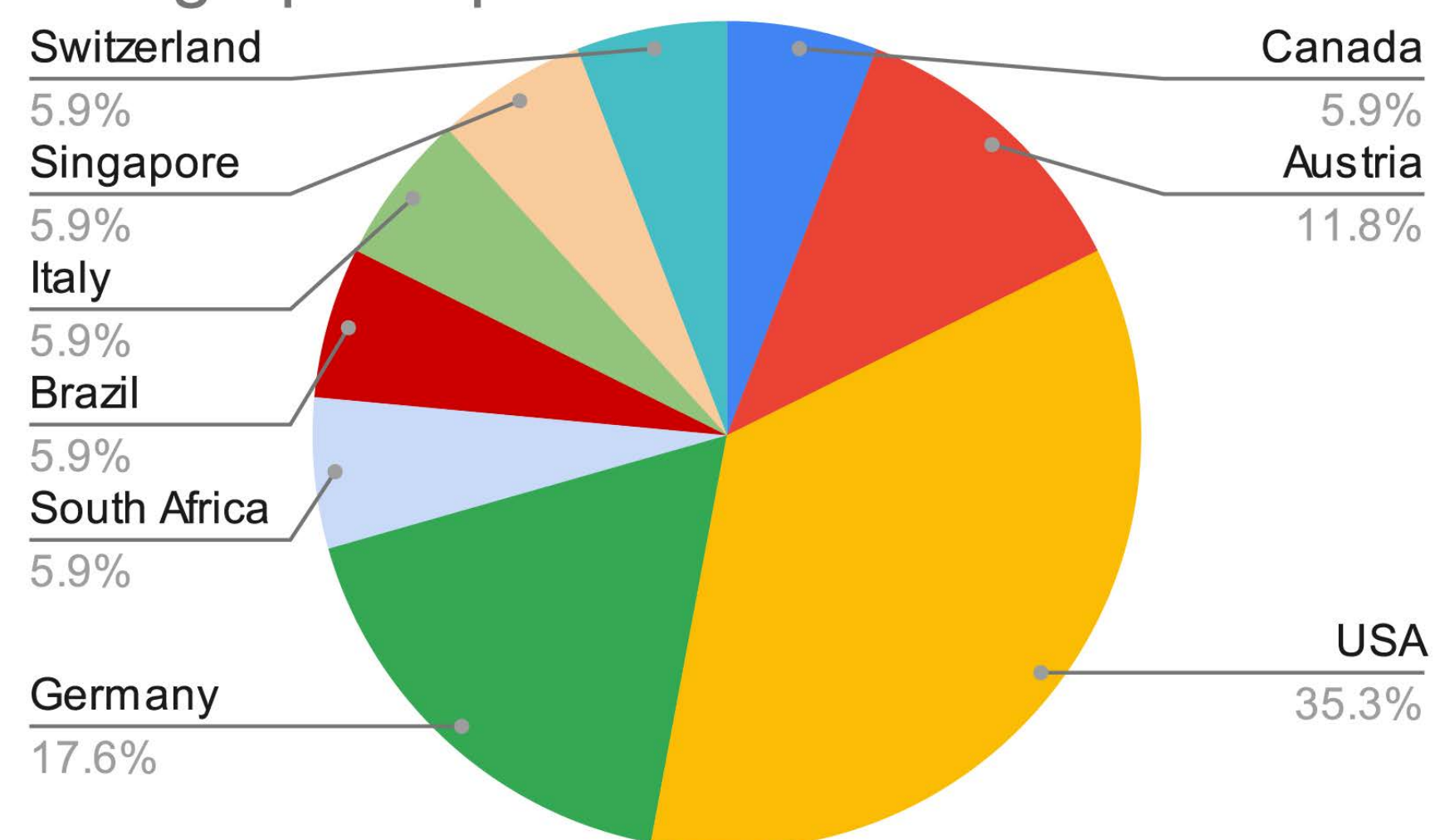


Geographic spread hemispheres

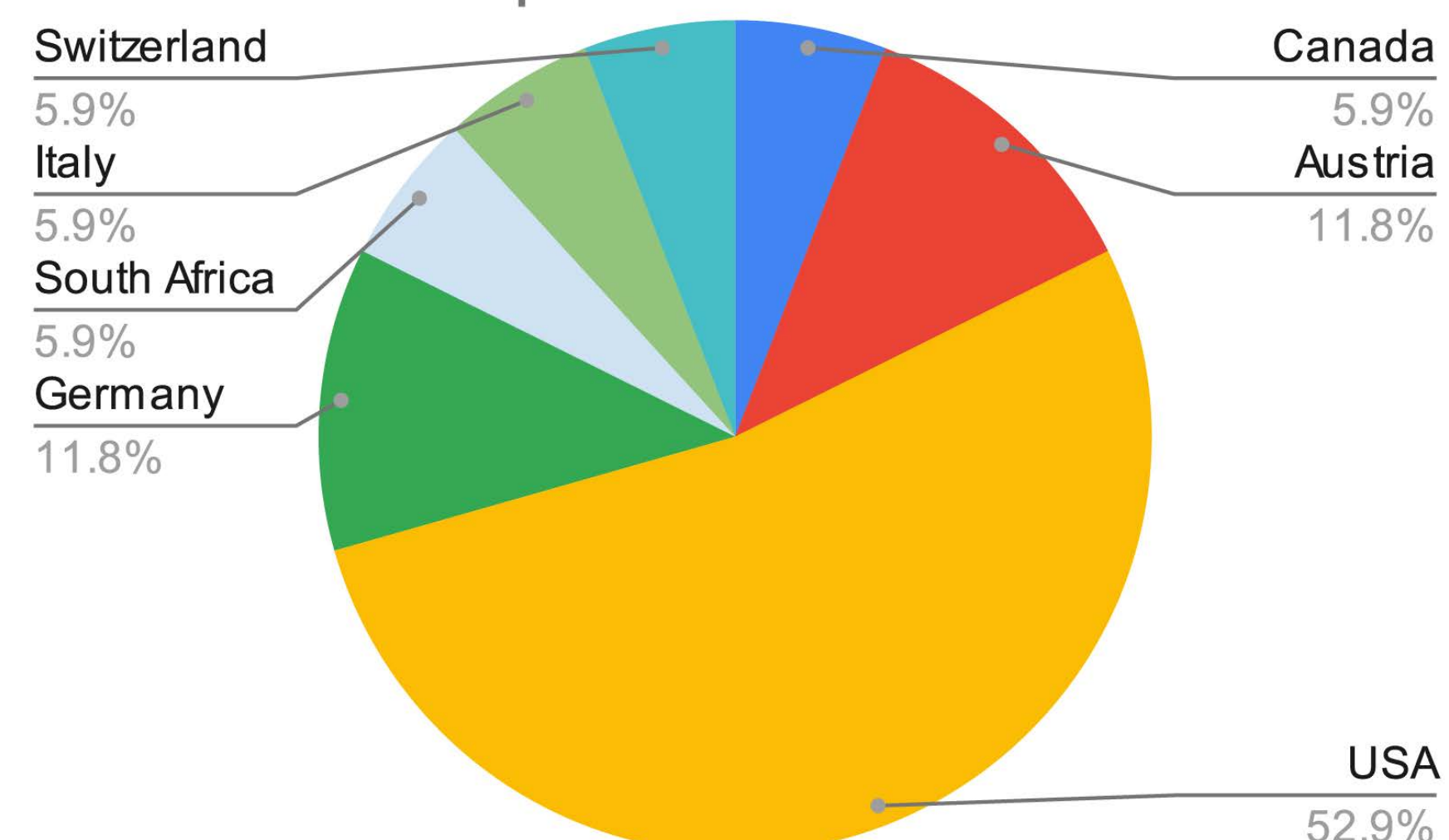


Diversity check Stewards 10-2022

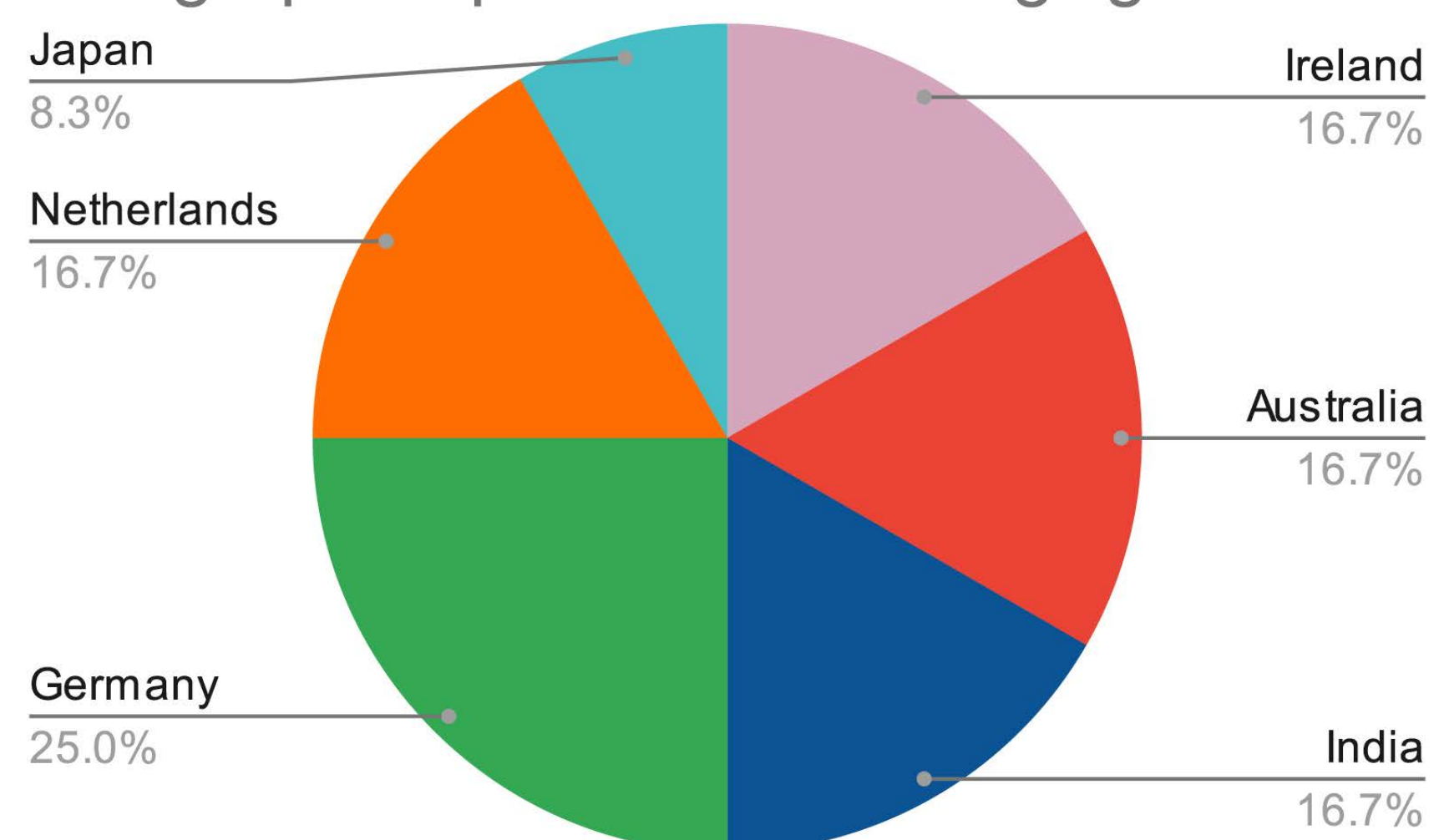
Geographic spread nodes MainNet



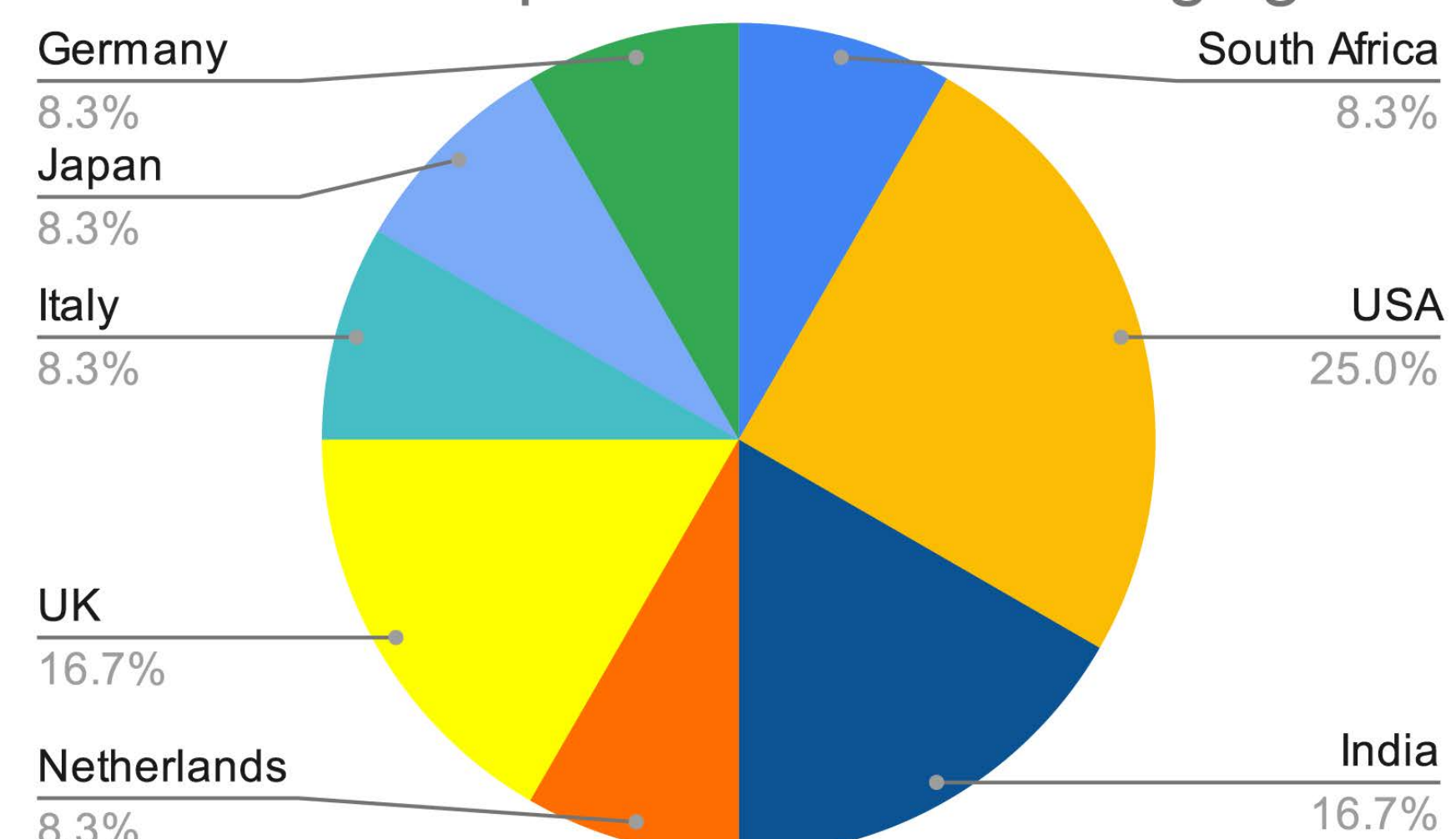
Jurisdictional spread stewards MainNet



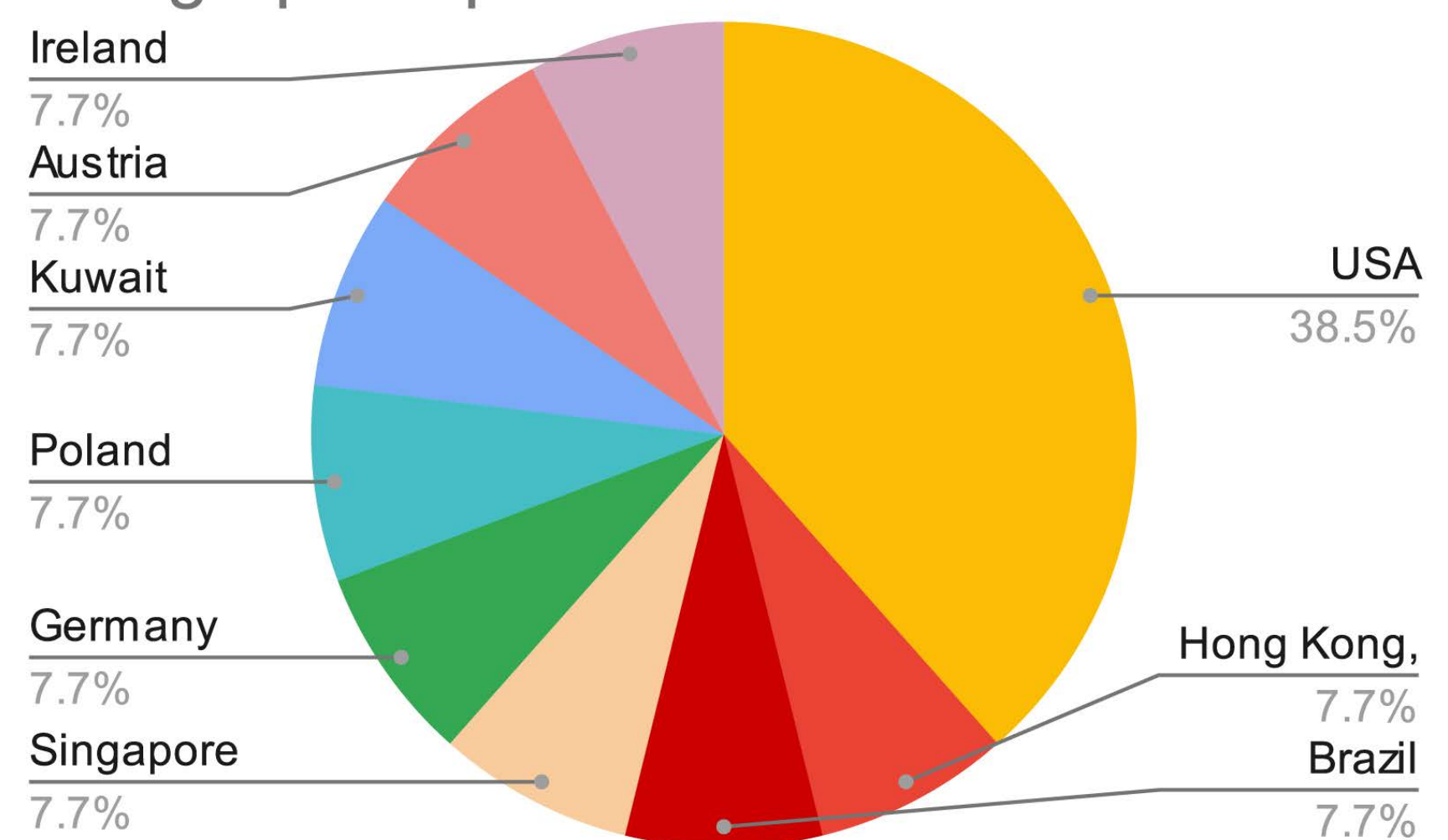
Geographic spread nodes StagingNet



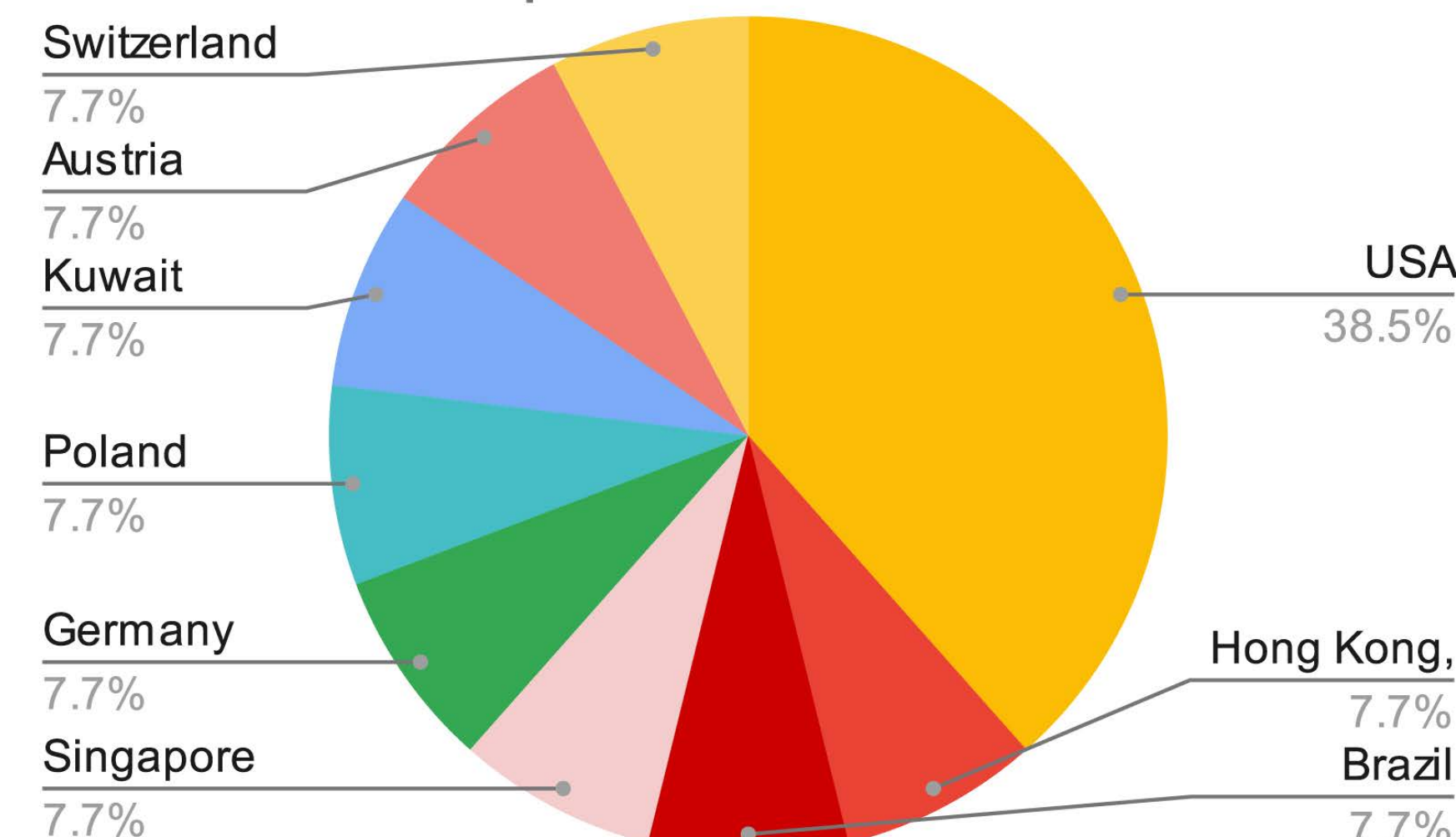
Jurisdictional spread stewards StagingNet



Geographic spread nodes BuilderNet



Jurisdictional spread stewards BuilderNet



Following the decision to reserve BuilderNet for Sovrin Foundation development, a plan for redistribution of nodes over the networks MainNet and StagingNet has been made, taking diversity into account.

Governance



Governance Framework V3 and Principles of SSI

In the Sovrin Governance Framework Working Group (SGF WG), the Chair and Co-Chair are from India and The Netherlands, respectively. Our membership is drawn from several nations - the United States, Germany, South Africa, Canada, and the United Kingdom.

The formal purpose of the SGF WG is documented in the charter wherein it is stated that "The purpose of the Governance Framework Working Group (GF WG) is to develop and revise the Sovrin Governance Framework (SGF) to serve as the business, legal and technical policy foundation of Sovrin Infrastructure, including serving as the foundation for other domain-specific governance frameworks (DSGF)." The SGF WG is a forum where discussions on new ideas around governance are enabled, along with exploring the alignment of the mission "Identity for All" with the activities ongoing in other working groups and task forces at the Sovrin Foundation.

2022 has been the year when the governance of blockchain and DLT ecosystems, economic models and viability were actively discussed in mainstream media and published papers of research. This provides a unique backdrop to work undertaken in the SGF, specifically in drafting the Sovrin Ecosystem Governance Framework (SEGF). The robust technology offered by the Sovrin Foundation is built around the governance model. It has been one of the resounding success stories as many active, public deployments continue to select the Sovrin MainNet.

Highlights from 2022 include:

- Sovrin Ecosystem Governance Framework

The SGF WG has been working on drafting, refining and revising the Sovrin Ecosystem Governance Framework (SEGF). The SEGF explores the necessary conditions for an ecosystem to sustain, thrive, grow and provide the necessary stimulus towards fulfilling the mission. The Principles of SSI provide a foundation around which to examine the roles, responsibilities and accountability of various participants in an ecosystem. A digital trust ecosystem such as Sovrin requires transparent and democratic governance which help identify the policy requirements. The Working Group had published a version of the SEGF for Community Review and received a fair share of inputs. It is important to note that the SEGF is probably the first such document which approaches the examination of the topic of governance of an existing and growing ecosystem. Subsequent to the close of the public review period the inputs, comments were consolidated and reviewed leading up to the preparation of the final version of the Sovrin Ecosystem Governance Framework.



**Sankarshan
Mukhopadhyay**

**Chair,
Sovrin Governance
Framework
Working Group**

Chairs:

- Sankarshan Mukhopadhyay
- Line Kofoed



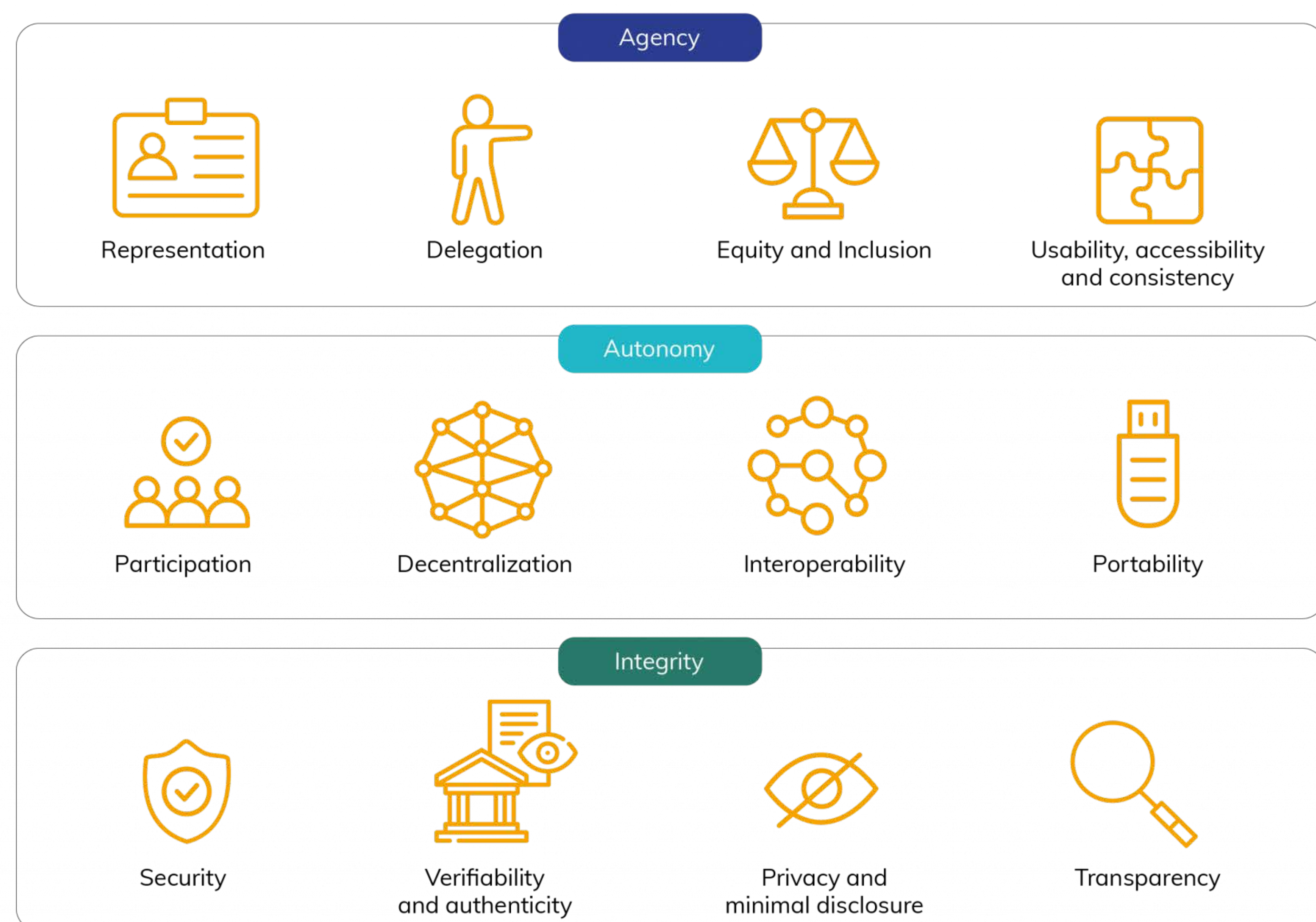
- Principles of SSI V3

SGF Co-Chair Line Kofoed in 2021 contributed a human rights-based foundation of the Principles of SSI in Principles of SSI V2.

In 2022, she modified the infographic. In addition to an improved icon set to denote the principles, the grouping categories have also undergone changes. The 12 Principles are now grouped under Agency, Autonomy and Integrity. This is an intentional selection of concepts (previously - Agency, Control and Protection) designed to convey with greater clarity the basis of these principles in a human rights-based manner.

The SGF WG believes that this approach helps other present and emerging ecosystems view their mission and the growth of communities in a similar manner. The infographic is also available in French and Italian.

12 Principles of SSI



For details on participating on any of the SGFW Task Forces, please see the [Governance Framework](#) page on [sovrin.org](#) and scroll down to the section titled: “Participation in the Sovrin Governance Framework Working Group”.



Compliance and Payments Task Force

The purpose of the CIFWG is to advance financial inclusion globally through the use of self-sovereign identity (SSI) and other innovations in regtech and fintech. Its objectives include advancing financial inclusion and modern financial crimes compliance practices into a rapidly evolving financial services ecosystem that will enable more secure and sustainable access for all.

Highlights from 2022 include:

- Updates to Rulebook

The CIFWG makes periodic updates to the Rulebook to reflect developments in the regulatory space. It is important because the Rulebook is meant to be a dynamic document that provides current guidance for new entrants to the financial services ecosystem.

Chair:

- Amit Sharma

Members:

- From UK, US, Canada, Switzerland



SSI IoT Working Group

The purpose of the SSI&IoT Working Group is to inform and influence technical standards, business strategies, and government policies addressing IoT systems such that they are consistent with and to the greatest extent possible implement the Principles of SSI. This aim is pursued with global partners in academia, industry, and government by: (1) Conducting generative research into the challenges and opportunities centered on digital identity and authority in connected, multiparty IoT systems, and (2) Identifying and developing value propositions, risk management frameworks, and policy considerations unique to SSI within these connected IoT systems.

Michael Shea stepped down in 2022 and the WG folded back into the Sovrin Governance Framework Group.

Chair:

- Michael Shea

Members:

- weekly call with members from Austria, Belgium, Brazil, Canada, Greece, Ireland, Switzerland, UK, and US

I4A Council

The I4A Council folded back into the Sovrin Governance Framework Working Group in January 2022.

Chairs:

- Nicky Hickman (till January)
- Darrell O'Donnell (till January)

Steward Council

The purpose of the Steward Council is to oversee the operation, availability, and security of the Sovrin Public Ledger. It is also to give voice to the interests, concerns, and expertise of Sovrin Stewards in the activities of the Sovrin Foundation, the evolution of Sovrin Infrastructure, and in the roles and responsibilities of the Stewards themselves.

Chairs:

- Lohan Spies, DIDx (until September)
- Andrew Smith, ID Crypt (from September)
- Alexander Blom, Bloqzone

Members:

- Riley Hughes, Trinsic (until September)
- Richard Esplin, Evernym (until September)
- Steven McCown, Anonymome Labs
- Sean Mouton, ABSA
- Maria Aarão, CQPD (from September)
- Aditya Santhanam, Entrustent (from September)

Sovrin Guardianship Working Group

The purpose of the Guardianship Working group is to inform technical standards, business strategies and government policies regarding guardianship and digital identity. We ensure the guidance is consistent with the Principles of SSI, Identity for All, and meets the legislative requirements for the governing jurisdiction. This collaborative community is made up with global partners from academia, business and government.

Highlights from 2022 include:

- The EMEA-AMERICAS Guardianship welcomed Lisa Talia Moretti as a co-chair. Lisa brings a wealth of knowledge with her work in digital ethics and has written about the relationship between technology, information and society. Her work in government and research has made her an expert in her field.
- Completion of two papers: Technical Requirements and implementation Guidelines for Guardianship.
- In addition, we have continued a series of published articles (on LinkedIn) describing how the work of the group can be applied to our working and social lives.
- Work started on the "On Guardianship in Self-Sovereign Identity" whitepaper for publication in 2023.

Chairs:

- **EMEA/America's:** Jamie Stirling and Lisa Talia Moretti
- **APAC:** John Phillips and Joe Spencer

Members:

Approximately 30 members from UK, Canada, Netherlands, Germany, Australia, US

Each committee meets monthly with 4-10 in attendance.

