



Sovrin Economic Policies

This is a Controlled Document of the [Sovrin Governance Framework](#) V2 approved by the Sovrin Board of Trustees. If you have comments or suggestions, we invite you to contribute them to the [living community version of this document](#)—access is open to anyone. If you are interested in joining the Sovrin Governance Framework Working Group, please visit our [Meeting Page](#).

Document Name	Sovrin Economic Policies
Version	V1
Approval Date	2019-03-27
Status	Final
Governs	Incentives, Fees, Regulatory Compliance
Governed By	Economic Advisory Council

1. Incentives

1. Sovrin economic incentives **MUST** be designed to achieve the following purposes:
 - a. To enable public writes to the ledger while deterring abuse or attacks against the Sovrin Ledger or Sovrin Network.
 - b. As a source of revenue to sustain the Sovrin Foundation in accordance with its mission as a non-profit public trust organization administering the operation of a global public utility.
 - c. As means of value exchange between Issuers, Verifiers, and Identity Owners.
2. Sovrin economic incentives **MAY** be designed to achieve the following purposes:
 - a. To remunerate Stewards for costs incurred running a Sovrin Node.
 - b. To reward Developers, Agencies, or other Sovrin Community members to contribute to the Sovrin Open Source Code or to any other community asset of benefit to the Sovrin Foundation or the Sovrin Network.
3. Sovrin Tokens or other cryptographic value exchange mechanisms **MUST** be designed to:

- a. Minimize latency and overhead in the Sovrin Ledger and Sovrin Network;
 - b. Avoid unnecessary dependencies on external payment systems or networks;
 - c. Maximize the benefits to the Sovrin Community;
 - d. Stimulate network effects for the Sovrin Network;
 - e. Provide the flexibility and capability for the Sovrin ecosystem to expand, evolve, and adapt to innovation.
4. All Sovrin economic incentives offered by the Sovrin Foundation MUST be publicly disclosed on the Sovrin Foundation website.
5. The Sovrin Foundation MUST review and consider adjusting Sovrin economic incentives in an open public process at least annually.

2. Fees

1. The Sovrin Foundation MUST publish the current schedule of Sovrin Ledger Fees on the Sovrin Foundation website.
2. Sovrin Ledger Fees MUST be denominated in U.S. Dollars (USD).
3. When the Sovrin Board of Trustees approves Public Write Access as defined in section 4 of [Sovrin Ledger Access Policies](#), Sovrin Ledger Fees MUST also be denominated in Sovrin Tokens at a ratio approved by the Sovrin Board of Trustees.
4. Payment terms for Sovrin Ledger Fees MUST be defined in the Transaction Author Agreement.

3. Regulatory Compliance

1. Issuance of Sovrin Tokens or other cryptographic value exchange mechanisms MUST comply with applicable laws and regulations for the transfer of value, including but not limited to [KYC \(Know Your Customer\)](#), [AML \(Anti-Money Laundering\)](#), CTF ([Counter-Terrorist Financing](#)), [FATF principles \(Financial Action Task Force\)](#) and [CIP \(Customer Identification Program\)](#) regulations.
2. The Sovrin Foundation MUST provide auditable information (IFRS, International Financial Reporting Standards) about all Ledger Fee collection and disbursement.