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Meet the 'Sovereign': Marshall Islands Government to Issue Crypto Token

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NEWS

Another country is planning to create its own cryptocurrency.

The Republic of the Marshall Islands intends to issue the Sovereign, or SOV, to supplement the U.S. dollar as its legal tender.

Legislators for the Pacific island nation (2011 population: 53,158) passed the Declaration and Issuance of the Sovereign Currency Act 2018 on February 26th.

"The purpose of this Act is to declare and issue a digital decentralized currency based on blockchain technology as legal tender of the Republic of Marshall Islands," reads the bill, posted in the Sovereign's official Telegram channel. The bill goes on to say that the currency will be issued by the nation's Ministry of Finance and introduced via an initial coin offering (ICO).

Hilda C. Heine, the country's president, was quoted in [Finance Magnates](#) as saying:

"This is a historic moment for our people, finally issuing and using our own currency, alongside the USD. It is another step of manifesting our national liberty."

[Neema](#), an Israeli startup that facilitates international money transfers via an app, will develop the underlying technology of the new cryptocurrency using a public protocol called "Yokwe."

The protocol is designed to mitigate know-your-customer and financial crime concerns by linking accounts to real, government-verified identities, according to an article [CTech](#), an Israeli technology news site.

Bitcoin	\$10.8
Ethereum	\$8
Bitcoin Cash	\$1.2
Litecoin	\$
XRP	\$0

Which cryptocurrency would you use to send a transaction you don't want anyone to know anything about?

☐ Bitcoin
☐ Ether
☐ Dash
☐ Monero
☐ Zcash
☐ Other


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"We all dreamt of this day, when the first country goes crypto," Barak Ben-Ezer, CEO and founder of Neema, and Roye Rahav, another individual involved in the project, wrote in a post in the Telegram channel.

"Once we achieve success, the SOV will bring us several steps closer to a free, more liberated world. In which money flows peer to peer, instantly and cost effectively, and no ruler can arbitrarily print more of it," Ben-Ezer and Rahav added.

The government reportedly intends to use its ICO proceeds to bolster its coffers ahead of the termination of U.S. reparations payments, which amount to \$30 million a year, meant to compensate islanders for the United States using site as a nuclear weapons testing ground in the 1940s and 1950s.

According to CTech, 70 percent of the funds raised will be used to offset gaps in the budget expected post-reparations. Ten percent will be devoted to sustainability projects related to climate change and green energy, and the remainder of the proceeds will be distributed to Marshallese citizens.

But the Republic of the Marshall Islands is not the first nation to turn to cryptocurrencies to supplement its funds, though it maintains that it's different from the rest.

The Venezuelan government launched the [pre-sale](#) of its controversial petro coin earlier in February, a move that U.S. legislators [say](#) was designed to evade international sanctions.

A Marshall Islands press release emphasized, however, that the Sovereign is different from the Petro because the Republic is a "close ally of the U.S.," and the currency's price will be determined by the market while the Petro's price is pegged to oil.

[Iran](#) is also exploring a possible state-issued cryptocurrency, while Russia has entertained the notion of a "crypto-ruble."

Majuro Atoll, Marshall Islands [image](#) via Shutterstock

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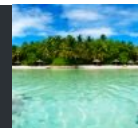
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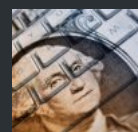
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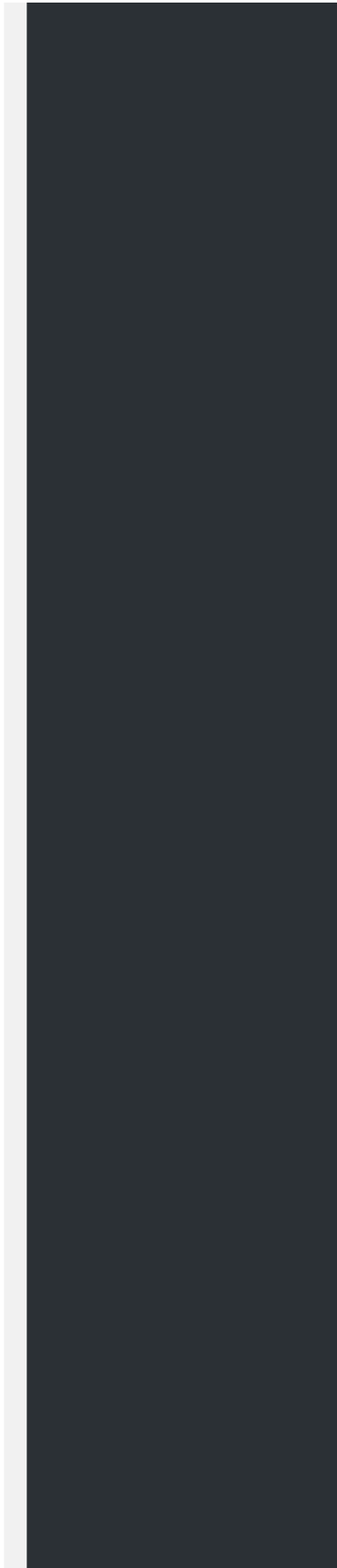


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**SuperShirtGuy** · 14 hours ago

These poor people. If you read the history of the Marshal Islands it is some of the saddest on earth. Hope this brings them wealth, but i doubt it.

^ | ▾ · Reply · Share ▾

**Joe Bloggs** · 15 hours ago

Great work Marshall Islands... Blase the trail

^ | ▾ · Reply · Share ▾

**Roger Johnsrud** · a day ago

The US better accept crypto and stop stupid regulations and demands for control, or they will be relegated to history books like the rest of the past empires. Still waiting to fix their KYC and AML but no calls yet. Must not be the real issue.

As a side note, imagine a crypto that had daily limits of 2% either direction. Once the price hits 2% in a day you could not sell higher or lower for another 24 hours before the coin allowed another 2% swing. In between the allowed limits anyone could trade at market. There could even be a set bottom. Volume could be unlimited but risk would be minimized while still allowing long term investment. HINT governments, decentralized but contract controlled, so everyone knows the rules. More coins could be released but only because of transaction volume while keeping price in range.

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**Joe Bloggs** → **Roger Johnsrud** · 15 hours ago

Crap, Dodgy Rodger

^ | ▾ · Reply · Share ▾

**Roger Johnsrud** → **Joe Bloggs** · 2 hours ago

Interesting reply. Reminds me of the movie, "Murder on the Orient Express." Is your summary the conclusion where everyone was involved and guilty, is it pertaining to a specific character and his or her guilt, or is your point completely cloaked in a deeper mystery? Maybe I am reading something into your in depth reply. Maybe you just had an accident and need some toilet paper.

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