Enabling Secret Foundation Pool

This off-chain community spend proposal requests 5000 SCRT for Alexander Bezobchuk, lead software engineer at Tendermint, who is adding functionality to Secret Network's version of Cosmos SDK in order to enable a new tax on the inflation going directly to a configurable address belonging to Secret Foundation. Our agreement is the project will be done before the voting period of this proposal is complete. Here is the work in progress.

Following these <u>best practices</u> created by Gavin Birch of Figment and the Cosmos Hub Governance Working Group, Secret Foundation is effectively submitting this proposal on behalf of Alex (a.k.a. Bez). We humbly ask our community to consider this proposal separately from the decision to implement a <u>Secret Foundation pool</u>. Either way, Bez will make this possible, and our team hopes it can be a good example of using the community pool responsibly.

Currently, the native distribution module within the Cosmos SDK contains support for a built-in community tax (tunable with ParamChangeProposal

) distributed to a community pool. The main purpose of this community pool is to decentralize control of a budget, which is available to fund projects in our ecosystem. In addition to this model, our community agreed to a Secret Foundation tax (starting at 15 percent of inflation) going to the Secret Foundation pool.

Enabling a neutral ground is a huge step forward in pursuit of sustainability for Secret Network, and the Foundation will continue working with our community to coordinate participants, develop better systems for collaboration, drive growth, and reward valuable contributors. Of course, the Secret Foundation Tax is governable. SecretFoundationTaxProposal

is defined as follows:

type SecretFoundationTaxProposal struct {

Tax sdk.Dec

Address sdk.AccAddress

}

This proposal type will be used to change the tax rate and/or the recipient address. If the Tax

is 0 percent, we consider the Foundation tax to be disabled. The trusting of the AccAddress

is done and verified out-of-band.

Generally, this approach solves the problem of inefficiency with respect to decentralized governance. Our intention is to help anyone and everyone get involved and earn from value shared. To do that, we need strong leadership and focused efforts to achieve specific goals.

Thank you, Bez! After considering any feedback here, Secret Foundation is planning to submit this proposal to Secret Network using the <u>on-chain governance module</u>