

Hello to the Secret community,

This thread is to discuss my proposal to adjust the Foundation tax rate to 0% until more clarity on next steps for the ecosystem are established.

I first raised this idea to Guy and SCRT Labs (as well as other community members) late last year. It was clear to me that changes needed to be made to rebuild community trust and build a strong foundation for Secret 2.0 and other initiatives, and it seemed that Guy agreed. I suggested that the tax rate could be adjusted to 0% while we collectively worked on a potential plan for restructuring the Foundation, establishing new entities, and/or overhauling reporting.

I also raised a number of other avenues I believed deserved serious exploration at that time, including:

- A transition to a no-stock corporate structure for SF, similar to what Radiant Commons recently established in the Penumbra ecosystem (we had already begun research on such a transition)
- Closer collaboration with Secret Agency and potentially greatly increasing its resourcing
- Assembling an advisory board for SF and the broader ecosystem

I shared these ideas (and others) and solicited feedback from other members of the Secret ecosystem at this time as well, and it was agreed that all of them would help improve community trust and strengthen the ecosystem. These ideas all relate to the concerns raised by the community in Proposal 103.

Over the past months we have proactively led on coordination between SCRT Labs, Secret Foundation, Secret Agency, and many other entities that are aligned by our commitment to the network and its growth. We've established many new processes and systems that have made our ecosystem more productive than ever before. The momentum is exciting and inspiring. Secret 2.0 is a massive and challenging vision. However, building and keeping trust between all these organizations and contributors will be necessary if any of these processes are to remain effective - and if we wish to achieve the Secret 2.0 roadmap.

It is widely agreed that the most important thing is the health, sustainability, and growth of the Secret ecosystem long term. This has always been my focus since I began working with Guy at Enigma in July 2017, and it's remained my focus in my work at the Foundation. The global adoption of open-source privacy technologies is deeply important to me, and I have staked my entire career on this goal. The Foundation has been committed to this mission since its inception and remains committed to it now.

However, there is still no clarity on many important aspects of the path forward. There has been private and public disagreement on how to best work towards growth while ensuring sustainability, decentralization, and accountability - for all organizations, including SF. There has also been disagreement on how to assure that ongoing operations are not disrupted during any transitional period. This ranges from practical questions (What happens to employees and contractors? What happens to health insurance? Open contracts and commitments? Tax obligations?) to tactical questions (Should Foundation funds be distributed, when, and to whom? How would they be managed and secured? What milestones are appropriate?) to many related ethical and legal questions.

These are not simple questions. This is not a simple ecosystem. Sweeping calls for funds to be "returned to the community" are not practical or detailed, and they are potentially destructive and damaging to Secret Network. There has been no step-by-step plan articulated for the path forward, no outline of how it benefits the ecosystem's growth or sustainability, no assurances for employees or contractors, and no analysis of what the broad legal, tax, or other implications would be of such a plan. This has been raised and discussed in private, but there are still no answers and certainly no consensus.

That said, the Foundation has already taken multiple proactive steps to research the answers to all these questions and propose concrete next steps. We've made private and public assurances that we are strongly aligned with the goals of the ecosystem and community, as well as committed to our own stated mission. I have built confidence that SF can continue operating as normal during a transition period where these questions actually get answered in a responsible, researched, and professional manner. These questions are too important to be tried in the court of public opinion, and they have serious consequences for the many, many people who've committed themselves to the growth of Secret Network.

Until we successfully work together to find these answers and create a plan for execution, I propose the Foundation tax be adjusted to 0%. This thread can be used for discussion of this proposal.