

This proposal addresses the statement in proposal #129

concerning the 4% tax rate previously allocated to Secret Foundation, which was diverted to fund Secret Agency LLC:

"The Secret Agency DAO (a Marshall Islands NON-PROFIT LLC) will receive these funds until the TEMPORARY transition period of THREE months is over. After that, the TEMPORARY funding has to be reassessed by another governance vote. The community will decide what will happen to any remaining funds after the three months are over."

– As in: [<https://forum.scr.t.network/t/the-0-secret-foundation-tax-proposal/6783>]

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The temporary transition period is about to draw to a close on May 6th meaning funding for the agency is uncertain until a permanent solution or another temporary measure is decided upon. Community members have shared various challenges they see with agency funding whether this be the SCRT price, the problems of a perpetual staking tax and/or the sustainability of the community pool.

The agency (at time of writing) still holds ~185000 SCRT (partially in the multisig and partially claimable from the contract) which is expected to grow till ~275000 SCRT (not accounting expenses) on May 6th. At current prices this constitutes ~200000 USD meaning we could pay our April, May and June budget, if price does not significantly decline, out of pocket. Our goal however is to ensure continuity of operations, this also requires a certain employee security. We would like to prevent only spending from the current reserves.

We (Secret Agency DAO) would like to propose (yet another) TEMPORARY solution that we think best allows us to keep working for the ecosystem, until a permanent solution related to a new Secret foundation is found, but also satisfies the community.

Secret Agency DAO STOPS receiving the 4% staking tax as previously stated in prop 129 and the tax rate is cut to 0%. However, we request to be able to spend the leftover funds in the agency wallet to cover a may and june budget of ~55k USD per month. We hope a new NPO will be available by July that can serve as the new funding entity and relieve oversight and sell-pressure concerns from the community.

** If the funding situation remains uncertain the Agency will move forward with a quarterly community pool proposal for the period (July, October, September) as early as the first week of June. This is to ensure Core network functions tackled by agency remain active and Agency staff have certainty of payout for July before they start their work in that month.

Agency is not sure completely removing continuous funding is the best decision to be made but wont go against the promises made to the community RE a temporary solution. We sincerely hope a new NPO is set up before July 2023 so we can all move forward as a network. The above agreement (to spend the leftover SCRT) will ensure that the Agency can continue to function as the primary operations company handling Developer Relations, Business Development, Content Creation and International events and activation for the Secret Network, whilst the new renewed Secret Foundation is set up.

If the community does not agree on the above proposed solution via an official proposal prior to may 6th the Secret Agency will aim to return the leftover SCRT and still set the foundation tax to 0% as requested in proposal #129

Our Q1 summary is attached here, which gives a good snapshot of where our funding is spent and what we cover in our scope. We also invite the community to give feedback on our performance and welcome any suggestions as to where we should focus our efforts. [Secret Agency Executive Summary Q1 2023](#)