# **Governance System**

# **1 Basics**

A table with an overview of the support status and applicability.

|  |  |
| --- | --- |
| Status: | e.g. **Supported** |
| Architecture(s): | e.g. mesh network |
| Component(s): | e.g. Blockchain |
| Hardware: | *where applicable* |

# **2 Overview**

Governance is a system that is built into almost everything… meaning blockchain core, the blockchain features, and the wallet.

Divi’s governance system is a revolutionary idea that hasn’t been done yet and solves a lot of problems that the biggest minds in cryptocurrency are talking about. Those problems are how to avoid forks, how to avoid public disputes over the future of the crypto, how to make decisions about its future, and how to code changes when needed such as block time, block size, etc. These are the types of issues that the bitcoin community is constantly embroiled with. Divi’s solution is to create a voting system of stakeholders that can make these decisions, and the blockchain automatically changes/upgrades itself based on the outcome of that vote.

**Leadership:** Voting elects the leader(s) each year, who control the various treasury(s) (To be decided how this is split up) and is in charge of making sure the blockchain continues to be developed after mainnet is launched. When the leader runs for the position, he/she will be given the private keys to the treasury address. The treasury wallet will be a new one each year. The leader chooses his/her staff and their salaries for that year.

**Blockchain Core**: Variables such as block time, block rate, etc. become variables, that are automatically adjustable by vote. There are also “switches” that, by vote, can be turned on or off to activate or eliminate a feature, such as the Iron Masternode level. Voting doesn’t have a “one size fits” all system, because each feature will need its own rules about how voting works, in order to create fairness and stability.

**Blockchain Features:** Masternode functions, lottery blocks awards, etc, also become variables that can be adjusted by vote.

**Voting UX:** Voting is controlled within a prominent tab in the Smart Wallet. Any masternode holder can request a vote to be made, called a “Proposal”, but this has a cost in Divi. Voting also has a small cost. Each Proposal should have a discussion channel where potential voters can discuss the pros and cons. There should be a standard time of one week set between the proposal and the vote, and then a window of voting opportunity of three days. Messages will need to be sent to each potential voter alerting them to a new proposal, when the vote starts and ends, and what the result was. Voters have a representative vote power directly in proportion to the number of coins they have in their masternode.

# **3 User details**

The voting mechanism is coded within the blockchain, so that any wallet that’s compatible with the Divi blockchain can use it.

The Smart Wallet will have a prominent tab for the Governance System. Anyone should be able to see the leadership roster, proposals, discussions, and votes. But only Masternode holders can vote.

# **4 Technical details**

# **5 Limitations**

1. Should only masternode holders vote? Or should wallet holders be able to vote too? Or only on issues about changing MN and staking rewards?
2. Should there be a small fee to vote, so that only the people who care about that issue will vote on it?
3. Can we game the Block Size and/or Block Rate so that they can be set by vote? This is a technical question. Is the coding for this going to be too complicated to make it possible to just change a variable? Perhaps changing these settings requires deep recoding?
4. Should we limit the governance system's ability to rapidly change values in some cases? Such as not more than 20% per month, to try to create slow change and stability? Or should we allow the governance to respond more quickly to perceived needs?
5. MLM - Should we have an MLM-type system to help us rapidly achieve mass adoption, by giving a % of the transaction and other fees to the referrer of new wallet/account holders?
6. Should we make the inflation rate so that it can only be lowered, to prevent MN holders trying to give themselves a raise? And also, keep a tapered fall-off rate too?

# **6 Testing**

Information concerning how to properly test changes affecting this feature.

# **7 Areas for improvement**

List of enhancements which could be undertaken, e.g. to improve the feature itself, or improve interaction with other features.

# **8 Known issues**

# **9 References**

DASH/PIVX: The voting system in Dash and PIVX seems to be focused on yes/no votes on how to spend money on various proposals, which isn’t what our voting system will do. Average users don’t have the technical knowledge to make decisions such as these, and management needs to be able to budget and plan.