

Any Cardano user will be allowed to submit a governance action

Governance Actions

Motion of no-confidence
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content

New Constitutional Committee and/or quorum size
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content
- a set of key hashes
- a positive number that is no greater than the size of the committee

Updates to the Constitution
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content
- a 32-byte blake2b-256 hash digest of the Constitution document

Treasury Withdrawals
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content
- a map from stake credentials to a positive number of lovelace

Hard-Fork Initiation
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content
- the new major protocol version, which must be one greater than the current version

Protocol Parameter Changes
Must include
- a deposit amount
- a reward address
- a URL to the metadata that justifies the action
- metadata hash of the URL content
- the changed parameters

State of no-confidence
normal state

Who can vote?

Dreps
AVST Fallback ✗ AVST ✓
SPOs ✓ Constitutional Committee ✗

Who can vote?

Dreps
AVST ✓ AVST Fallback ✗
Constitutional Committee ✓ SPOs ✓

The Votes

Building the Transaction

Dreps
Each vote TX must contain
- a governance action ID
- a role – Drep
- a key-hash (which will be verified to have the Drep role above)
- a URL for any metadata that is relevant to the vote
- a hash of the contents of this URL
- a yes/no/abstain vote

SPOs
Each vote TX must contain
- a governance action ID
- a role – SPO
- a key-hash (which will be verified to have the SPO role above)
- a URL for any metadata that is relevant to the vote
- a hash of the contents of this URL
- a yes/no/abstain vote

Constitutional Committee
Each vote TX must contain
- a governance action ID
- a role – Constitutional Committee
- a key-hash (which will be verified to have the Constitutional Committee role above)
- a URL for any metadata that is relevant to the vote
- a hash of the contents of this URL
- a yes/no/abstain vote

Sign and submit vote

Governance State

When a governance action is on chain and waiting to be ratified, its progress is tracked by the ledger state. In particular, the following will be tracked in these examples:

**Governance action A
Treasury Withdrawal**
- the governance action ID
- the epoch that the action expires
- the deposit amount
- the rewards address that will receive the deposit when it is returned
- the total yes/no/abstain votes of the Constitutional Committee for this action
- the total yes/no/abstain votes of the Dreps for this action
- the total yes/no/abstain votes of the SPOs for this action
Constitutional Committee Votes = ✗
Dreps votes = Yes 37%, No 60%, abstain 3%
SPOs Votes = Yes 20%, No 78%, abstain 2%

**Governance action B
Protocol Parameter Changes**
- the governance action ID
- the epoch that the action expires
- the deposit amount
- the rewards address that will receive the deposit when it is returned
- the total yes/no/abstain votes of the Constitutional Committee for this action
- the total yes/no/abstain votes of the Dreps for this action
- the total yes/no/abstain votes of the SPOs for this action
Constitutional Committee Votes = ✓
Dreps votes = Yes 89%, No 9%, abstain 2%
SPOs Votes = Yes 79%, No 19%, abstain 2%

**Governance action C
Updates to Constitution**
- the governance action ID
- the epoch that the action expires
- the deposit amount
- the rewards address that will receive the deposit when it is returned
- the total yes/no/abstain votes of the Constitutional Committee for this action
- the total yes/no/abstain votes of the Dreps for this action
- the total yes/no/abstain votes of the SPOs for this action
Constitutional Committee Votes = ✓
Dreps votes = Yes 92%, No 7%, abstain 1%
SPOs Votes = Yes 99%, No 1%, abstain 0%

Epoch Boundary

Governance actions are checked for ratification only on an epoch boundary. This delay allows everyone to vote on each proposals and prove that they are active. **At most one** governance action of **each type** can be stages for enactment in any given epoch. So, according to the 3 examples above, we're good. Lets see what happens...

Ratification

"Dropped"

This governance action has been dropped. Clearly because the Constitutional Committee, the Dreps and the SPOs all voted against this one.
(Deposits are returned since the action is finalized)

"Expired"

Although this was not the case in any of the previous examples, it is possible for a governance action to expire if it is not processed before its deadline (which is to be determined). I therefore believe it is important to mention it here.

"Dropped"

This result may seem strange. But a particular rule applies to our situation given that we have more than one governance action that has been ratified.
A successful "Motion of no-confidence", the election of a new Constitutional Committee, or a constitutional change invalidates all other unenacted governance actions (wether or not they have been ratified), causing them to be immediately dropped without ever being enacted.
(Deposits are returned since the action is finalized)

"Ratified"

Given the largely positive outcome of this governance action, it is ratified and will be staged for enactment. Given the type of this action, the other 2 will be automatically invalidated (Deposits are returned since the action is finalized).

Epoch Boundary

Enactment

During enactment, actions in the staging group for the current epoch are prioritized as follow:

1. Motion of no-confidence
2. New Constitutional Committee or change to the quorum size
3. Updates to the Constitution
4. Hard Fork initiation
5. Protocol parameter changes
6. Treasury withdrawals



"ENACTED"

