
THE RESET DOCTRINE

The Rule-based, Energy-linked, Settlement, Equity & Treasury Retirement Doctrine

PART I — CORE DOCTRINE

I. Objective

Retire sovereign and household debt outstanding as of **December 31, 2025**, across all participating non-BRICS sovereign currency jurisdictions, **without inflation, default, or market disruption**, while preserving settlement integrity and converting surplus capacity into productive energy infrastructure required for the AI era.

This system is **one-time, closed-universe, automatic, and non-discretionary**.

II. Levy & Collection

Rate

- \$0.009 per \$1 (0.9%)

Assessment Trigger (Sole Trigger)

- The levy is assessed **only at the moment of legal finality**, defined as the **extinguishment of a claim against a regulated balance sheet**.

Public Money Boundary

- Assessment occurs on settlement across **central bank liabilities**.
- Commercial bank settlement finality within recognized systems is deemed equivalent where statutorily defined.

Tax Base

- Net final cash settlement only.
- Gross instructions, provisional flows, and internal churn are excluded.

Explicit Exclusions (Immutable)

- Gross transaction volume
- Interdealer hedging
- Repo mechanics and rolls
- Margin and collateral movements

- Clearinghouse risk management
- Central bank liquidity operations

Core Principle

Only net ownership change at legal final settlement is assessable.

There is a one-to-one correspondence between economic finality and assessment.

III. Settlement Classification (Mandatory)

All assessable settlement events are classified through a **mandatory automated validation protocol**.

Settlement Classes

Class	Definition	Treatment
Class I	Real-economy settlement: customer-initiated transfers, payroll, invoices	Full 0.9%
Class II	Sovereign settlement: issuance, redemptions, coupons, sovereign collateral operations	Full rate above collateral floors
Class III	Interbank funding and liquidity redistribution	Capped / gradient
Class IV	Risk management churn: margin calls, repo rolls, collateral substitutions	Exempt

Functional Rule

Any transaction claimed as Class IV must reconcile to a documented risk-management event.

Failure to reconcile defaults the transaction upward into Class III.

IV. Class III Gradient Constraint

To preserve wholesale market plumbing, the effective levy on Class III settlement is capped such that:

- The levy **never exceeds intermediation spreads** supported by the net settlement.
- Gradient parameters are published, rule-based, and non-discretionary.
- Emergency snapback to zero is permitted under defined liquidity stress.

PART II — ANTI-AVOIDANCE & ENFORCEMENT

I. Mandatory Validation Protocol

Each assessable settlement is validated using:

1. Settlement message classification
2. Settlement account context
3. Purpose tagging
4. Counterparty identity verification
5. Balance-sheet mapping
6. Post-settlement balance-sheet delta reconciliation (audit backstop)

Missing or ambiguous data defaults upward to the applicable taxable class without blocking settlement.

II. Participation Criteria (Enforcement)

Compliance is enforced through **system participation eligibility**, not payment rejection.

Penalty Escalation

- Level 1: Automatic reclassification and levy correction plus interest
- Level 2: Loss of Class III gradient eligibility
- Level 3: Proportional surcharge (bounded multiple) plus mandatory external audit
- Level 4: Institution-specific suspension of central bank privileges

Enforcement is applied to institutions, not individual messages.

III. Shadow Rail Rule

Any private or internal netting system that provides legal finality must report and reconcile settlement effects.

Rule

- Failure to report results in **automatic denial of regulatory capital and netting recognition**.
- This denial is non-discretionary.

PART III — STABILITY GUARDRAILS

I. Early Warning & Control

- Early Warning: Structural avoidance exceeds low single-digit thresholds
- Throttle: Adjustment limited to Class III gradients only
- Evaluation: Consideration of full suspension if integrity is compromised

Class I and Class II rates are never adjusted for stability management.

II. Terminal Conditions

Any of the following permanently terminates the system:

- Inclusion of post-2025 debt
 - Rate increase
 - Taxation of exempt risk-management flows
 - Removal of collateral floors
 - Discretionary allocation of proceeds
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PART IV — ALLOCATION & TRANSITION

I. Eligible Debt Universe (Closed)

- Sovereign principal outstanding as of 12/31/2025
- Household principal outstanding as of 12/31/2025

The eligible universe is fixed and cannot expand.

II. Baseline Allocation

While any legacy debt remains:

- 33% → Domestic sovereign debt (above floor)
- 33% → Domestic household debt (S-curve governed)
- 33% → Global non-BRICS legacy debt
 - 16.5% sovereign principal (above collateral floors)
 - 16.5% household principal (S-curve governed)
- 1% → Domestic citizen dividend (always on)

All transitions are automatic and formula-driven.

III. Connected Energy Systems Fund (CESF)

Surplus capacity transitions into a **capital-only** fund for:

- Power generation
- Transmission and interconnection
- Storage and grid stability
- Open-access compute and cooling

Prohibitions

- No equity investments
 - No subsidies
 - No discretionary allocation
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FINAL STATEMENT

The RESET Doctrine is a **one-time settlement-layer normalization system**.

It is automatic, auditable, bounded, and irreversible.

Its mechanics are technical, not political.
