SOVEREIGN SETTLEMENT AND BRING YOUR OWN LIQUIDITY

How a domain settles in its own currency, and how a corridor clears without letting a pool set the rate

Central banks, commercial clearing institutions, commodity and bullion exchanges, and their advisers

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Companion to Trust First, Then Value Movement. It does not replace that paper.

https://jilsovereign.net/fx-byol.html

Original Layer-1. Federated sovereign domains. Patent pending.

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How to read this paper

This paper is the FX and liquidity companion to Trust First, Then Value Movement. The edition of November 1, 2026 remains the architecture paper. Where a toll figure differs, the fee page and this paper state the November 22, 2026 corridor toll, and the fee page is the schedule of record for a license.

Every capability carries one of three markers. Live runs on jil-mainnet-2 today. Built is merged and tested and is not the process sealing blocks. Designed is written down and not built. A marker applies to the capability named, not to the company and not to the network. The home network is in production. The current ledger is at https://jilsovereign.net/status.html.

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1. The separation

A treasury that wants domestic payments in its own unit should not have to fund an FX book, and it should not watch a thin pool move the published rate when one large payment leaves the country. Correspondent hubs can also close a path the originator did not choose.

JIL separates the two problems. Inside a domain, value settles in that domain's own currency object. That leg does not touch an FX inventory, so there is no pool on the domestic leg to distort the rate. Across a border, the corridor settles in one designated settlement unit. The rate on that corridor is a mirror of a signed external feed that the domain names. The inventory beside that rate only answers how much can clear at the mirrored rate. It does not answer what the currency is worth.

JIL Sovereign Technologies Incorporated is not an FX dealer, not a custodian of a domain's reserves, and not a balance-sheet lender. The domain owner brings the local inventory when it wants a corridor. It can run indefinitely with no external inventory. JIL does not supply either leg of a pool, and this paper names no liquidity firm as integrated.

2. Three places a toll is taken

Earlier papers called the Domain license Class A and the Hub license Class B. Those names are former. An annex is structure under a root. It is not a third license. The three places below are where a toll is taken. They are not three license products.

Place	What settles	Toll
Inside a domain	The domain's own currency object. No FX inventory on this leg.	Commercial floor 5 basis points, set by the domain operator at or above that floor. Split 25 percent JIL, 25 percent operator, 50 percent car lessors.
Hub inventory	Local units against the designated settlement unit, at a mirrored rate.	The spread on that inventory is paid to the domain owner and the parties it authorized. It is not the corridor toll. Designed.
Corridor hop	The designated settlement unit, between sovereign roots.	Floor 5 basis points of settled gross, set by JIL Sovereign Technologies Incorporated. Split 40 percent lessors, equal per car, 35 percent validators, 15 percent CU reserve, 10 percent JIL treasury.

A chartered non-commercial transfer inside one domain is 0 basis points in the published rule. That path is Designed. The production charge path still prices commercial traffic at the 5 basis point floor.

The lessor line on a domestic toll pays the party that leased the cars carrying that toll. When that party is the domain operator, the operator receives its own 25 percent and the lessor 50 percent. The combined receipt is 75 percent. JIL's line stays 25 percent. The engine does not keep a second domestic waterfall. It is the same 25, 25, and 50 split.

Origin and destination rates, when a domain sets them on a corridor, are paid in full to that domain's operator. They are not part of the corridor split. Holdings' 10 percent of Technologies gross revenue is a license term. It is not a line of the corridor toll.

A priced corridor hop whose raw toll is under $100 pays the $100 batch minimum. One car is $2,500 of toll, and a car is never split. The number of cars is the greater of 1, the toll divided by $2,500 rounded up, and the compute weight divided by 2,500 CU rounded up. One transfer is 1 CU, each ATCE check is 5 CU, and each cross-domain hop is 25 CU. The money examples below are set by the toll. Class, First, Business, or

Economy, sets queue priority only. Every car earns the same payout. Supply is 100,000 cars. A train dispatches 1 to 16,000. The validator image created 2026-08-21 does not run this dispatch until an upgrade is applied.

Worked commercial figures, integer cents:

- Inside a domain, $10,000,000 at 5 basis points is a $5,000 toll: $1,250 JIL, $1,250 operator, $2,500 lessors. If the operator leased the cars, the operator's combined receipt is $3,750 and JIL stays at $1,250.
- A corridor of $10,000,000 at 5 basis points is a $5,000 toll on 2 cars: lessors $2,000 ($1,000 per car), validators $1,750, CU reserve $750, JIL treasury $500.
- A corridor of $1,000 at 5 basis points has a raw toll of $0.50 and pays the $100 batch minimum, on 1 car.

The fee page carries the longer examples, including a three-hop corridor. These figures are not an offer, a forecast, or an invoice.

3. The rate is mirrored. The pool is inventory.

A constant-product pool lets the ratio of the two balances set the price. A single large payment can then move the published rate of a currency or a metal. That is the wrong instrument for a sovereign unit or for allocated bullion.

The published design is the other way around. A hub reads a signed external rate that the domain names. Clearing stays inside a narrow band around that rate, on the order of 2 to 5 basis points either side. An order that would break the band waits. It does not move the rate. If the feed the domain named goes stale, cross-corridor swaps in that inventory pause. In a fast move, the design widens the band and sends a large order to a quoted price instead of the pool. Those controls are Designed.

JIL does not publish a market rate. The domain names the feed in its own policy. The feed is a reference the domain already uses. This paper does not name a data vendor as integrated.

Weekend and holiday hours are a domain choice, and that choice is Designed. The domain can hold traffic until the rate source it named is open again, or it can apply a risk buffer it published for those hours.

4. Bring your own liquidity

Pool depth is not the money supply. Most of a day's flow in one direction is offset by flow the other way. The inventory a hub needs on each side is the peak daily cross-border outflow, times the share of that flow that is not offset, times 1.5.

A day that sends $10,000,000, with 30 percent of that flow not offset, sizes each side at $4,500,000. That figure sizes clearing inventory. It is not a reserve requirement, not a pilot cap, and not a forecast. The same arithmetic is on the calculator at https://jilsovereign.net/fx-corridor.html.

The domain owner, or a settlement bank it authorizes, supplies the local leg. The owner names who supplies the settlement-unit leg. JIL supplies neither leg.

5. What the participants hold

Fee shares accumulate in the asset of the domain that paid them. A read-only mirror can show an approximate value in a settlement unit the holder prefers. It does not trade. When the holder chooses, one signed instruction can convert the accumulated balances into that settlement unit. The holder keeps the result and off-ramps through a licensed institution the holder chooses.

JIL Sovereign Technologies Incorporated does not hold the fiat deposit and does not transmit that off-ramp. The accumulation account and the one-instruction conversion are Designed. Do not call a lessor fee share a yield or a return.

6. Controls already in the design

- A domain can require a purpose code, a quota, or a named counterparty before a unit leaves on a corridor. ATCE is where that rule is written. The rule that ATCE rules every transfer was committed in the repository and is not in the validator image created 2026-08-21.
- Cross-corridor instructions can carry the originator and beneficiary attestations a bank already requires, including ISO 20022 and Travel Rule fields. An annex adapter that accepts pacs.008 and pacs.009 and returns camt.053 is Designed. No core-banking vendor is named here as integrated. The adapter does not replace the bank's ledger.
- Each domain keeps the authority to pause or limit its own units. That control sits with the domain's keys, which are described on the control and custody page.
- Attestation seals are hybrid. Each seal carries Ed25519 and ML-DSA-65, and both must verify. That seal path is Live. Validator signing is classical today. Post-quantum validator signing is on the roadmap. This paper does not say every block header is a post-quantum signature.
- On a bullion domain, the published design is a token that stands for a 1:1 allocated warehouse warrant on a serialized bar. Storage, insurance, and bar delivery are set by that domain. They are not a JIL toll.
- jil-mainnet-2 is the home chain and it is in production. A participation addendum can line block finality up with the commercial law the domain already uses. The addendum is agreed in a briefing. This paper does not say a court will admit the file.

7. Questions a briefing actually gets

Does the institution have to buy a volatile coin to settle at home? No. Domestic capacity is the published car lease, paid in fiat to JIL Sovereign Technologies Incorporated, and domestic settlement is in the domain's own currency object. No sale of JIL.ai is running.

Where does the institution's revenue come from? From the domestic rate it sets, at or above 5 basis points, and from any inventory spread it keeps on a hub it funded. The domestic split is 25, 25, and 50. Leasing the cars adds the lessor line to the operator. The corridor toll is not an operator line.

Who moves the corridor rate when the fiat rate moves? The signed feed the domain named. The pool does not vote on the rate.

Who supplies the settlement-unit side of the inventory? Parties the domain owner names. JIL does not.

Can a corridor walk around capital controls? The domain's ATCE policy is applied before a unit leaves. The every-transfer enforcement is not in the validator image created 2026-08-21.

What is the next step? A briefing. The public ask is a conversation at https://jilsovereign.net/connect/, not a checkout and not a published pilot cap.

8. What this paper does not say

It does not say the validator image created 2026-08-21 already runs weighted car dispatch, oracle inventory, the conversion sweep, or annex ISO adapters. It does not name a customer, a liquidity firm, or a data vendor as live or integrated. It does not publish a pilot dollar amount. It does not say a patent has been granted. It does not say JIL holds customer fiat. Patent pending.