CONSTITUTION OF THE JIL FEDERATION

Governing Instrument for Sovereign Cells
and the Federated Layer-1

Version 1.0 · August 2026

JIL Sovereign Holdings

Operational Constitution aligned with the Business & Technical White Paper. Authority originates locally. Cooperation expands by consent. Proof travels with value.

Preamble

Paper currency and the gold standard organized the last era of global finance. The institutions that followed, including the architecture associated with the World Bank and modern central banking, created order, settlement, and policy coordination. That system also concentrated power. Members often operated inside rules written elsewhere. Flexibility was limited. Destiny was negotiated rather than owned.

Digital currency was expected to restore agency. In practice, most options forced a false choice: rent a public chain and inherit its design and risk, or spend years and tens of millions building a private chain from scratch. Many of those efforts were forks of earlier ledgers, with compliance and security added later.

The JIL Federation exists to offer a third path. It is a federated Layer-1 system in which independent Sovereign Cells issue currency under local law, settle across cells through FX-style corridors, and retain full policy control. The core is original. It was written from scratch. It comprises approximately 2.8 million lines of source code and more than 350 services. Post-quantum cryptography is applied at the source and at the gate. Private key material is held under three-shard multi-party computation. Compliance is evaluated before settlement. Proof is produced with every material movement of value.

This Constitution establishes the principles, institutions, rights, and procedures by which the Federation operates. Authority originates locally in each Sovereign Cell. Cooperation expands through voluntary corridors. Technology serves governance. Governance is never reduced to software alone.

We therefore adopt this Constitution.

Article I — Foundations and Purpose

Section 1. Name and Character

The system established by this Constitution is the JIL Federation. It is a federation of independent Sovereign Cells operating on a shared Layer-1 core. It is not a single global currency, a public speculative ledger, or a replacement for national legal systems.

Section 2. Purpose

The purpose of the Federation is to enable: (1) local monetary and policy sovereignty within each Cell; (2) interoperable settlement across Cells under explicit rules; (3) identity, compliance, and attestation on every material transfer; (4) court-grade proof of authority and action; (5) rapid, licensed deployment of production-grade digital-currency infrastructure without requiring each participant to build an original chain.

Section 3. Core Principles

- **Local origin of authority.** Authority begins in the Cell under its own Statement of Authority and applicable law.
- **No surrender of sovereignty.** Federation expands capability. It does not diminish a Cell’s control over its currency, policy, or participants.
- **Proof before movement.** Technical verification and constitutional authority must both be satisfied before value settles.
- **Separation of powers.** Legislative, executive, and review functions are distributed within each Cell and, where applicable, at the Federation level.
- **Technology in service of governance.** Cryptography, consensus, and software implement constitutional rules. They do not create legitimacy by themselves.
- **Explicit and bounded machine authority.** No automated system holds original authority. Derived authority is granted, limited, revocable, and auditable.

Section 4. Relationship to National and Institutional Law

This Constitution does not supersede the law of any nation or the charter of any licensed institution. Each Sovereign Cell operates under the legal order that authorizes it. The Federation provides the technical and inter-Cell framework through which authorized activity is executed and proven.

Article II — The Layer-1 Core and Technology Stewardship

Section 1. The Core

The JIL Layer-1 (the “Core”) is a single hardened ledger and supporting service stack written from scratch. It is not a fork of Bitcoin, Litecoin, Ethereum, Cardano, or any other existing chain. The Core comprises approximately 2.8 million lines of original source code and more than 350 services.

Section 2. Ownership and Stewardship

JIL Sovereign Holdings holds the intellectual property in the Core, maintains the protocol, ships security patches, and hardens the system over time. Holdings does not operate the monetary policy of any Sovereign Cell and does not hold or control the currency objects issued by Cells.

Section 3. Post-Quantum and Cryptographic Design

The Core applies post-quantum cryptography at the source and at the gate. Signatures are hybrid (classical Ed25519 together with lattice-based post-quantum primitives such as ML-DSA-65 / Dilithium). Both must verify. There is no silent downgrade path. The post-quantum module is designed to be upgraded as standards and threats evolve. Operational key material is rotated on a short cadence.

Section 4. Shared Finality, Local Policy

The Core provides shared finality, interoperability primitives, and cryptographic proof services. Policy, issuance, compliance thresholds, and participant onboarding remain under the control of each Sovereign Cell.

Article III — Sovereign Cells

Section 1. Definition

A Sovereign Cell is a constitutionally complete digital jurisdiction operating on the Core. It possesses its own Statement of Authority; authority to issue and manage currency objects under applicable law; local policy and compliance rules; local governance institutions consistent with Article VIII; and the capacity to enter Trust Corridors with other Cells.

Section 2. Autonomy

Every Sovereign Cell is constitutionally complete. Federation expands its reach. Federation does not reduce its sovereignty. A Cell retains exclusive control over currency issuance and redemption rules; participant eligibility and KYC/KYB requirements within its domain; local transfer policy; and internal governance and amendment of its own Cell constitution or charter, provided such changes do not violate this Federation Constitution or the terms of its license.

Section 3. Tiers of Deployment

Tier	Intended Use	Characteristics	Typical Time
Tier 1	Smaller banks, retail, early programs	Lightweight on managed backbone	~30 days
Tier 2	Country or jurisdictional deployments	Greater local control on shared Core	~30 days
Tier 3	Full self-hosting	Own servers; still federated via Core	Weeks, not years

The existence of tiers does not create a hierarchy of sovereignty. All Cells that meet the requirements of this Constitution are equal in constitutional status.

Section 4. Formation

A Sovereign Cell is formed when: (1) an authorized entity obtains a license from Holdings under Article X; (2) a Statement of Authority is published; (3) the Cell is provisioned on the Core according to the chosen tier; (4) initial governance institutions and policy manifests are established; and (5) the Cell is recorded in the Federation registry.

Article IV — Authority and Statements of Authority

Section 1. Authority Must Be Explicit

No institution, person, or automated system may exercise governance authority within the Federation without a published basis. Authority is never presumed from technical control alone.

Section 2. Statement of Authority

Every Sovereign Cell shall publish a Statement of Authority that identifies the legal, constitutional, contractual, or organizational basis of the Cell; the scope of its governance powers; the institutions that exercise legislative, executive, and review functions; the process for amendment of the Statement; and the relationship, if any, to a national or institutional legal order.

Section 3. Derived Authority

Machine systems, including validators, policy engines, and AI components, exercise only derived authority. Derived authority must be explicitly granted by an accountable institution; bounded in scope and consequence; subject to human override; and fully auditable in every exercise.

Section 4. Federation-Level Authority

The Federation itself does not issue currency and does not exercise general governmental power over Cells. Federation-level functions are limited to those necessary for Core integrity, corridor facilitation, registry services, and the protection of this Constitution.

Article V — Currency Objects, Treasury, and Settlement

Section 1. Currency Objects

Each Sovereign Cell may define and issue one or more currency objects under its Statement of Authority and applicable law. A currency object may be a stablecoin, tokenized deposit, or other regulated instrument. Naming, peg, reserve rules, and redemption are local matters.

Section 2. Local Transfers

Transfers within a Cell occur under that Cell's policy and compliance rules. The Core records the transfer and produces attestation.

Section 3. Cross-Cell Settlement

Settlement between Cells is an exchange of cell-native currency objects at a rate determined by market or institutional negotiation. This is the same conceptual model as the interbank foreign-exchange market. Cross-cell settlement carries KYC/KYB information required by the sending and receiving Cells; is subject to rejection by either party under published rules; is evaluated by the Adaptive Trust, Compliance and Execution Engine (ATCE) before finality; and produces a portable attestation.

Section 4. No Federation Custody of Value

The Federation layer facilitates movement under the rules of the participating Cells. It does not hold, pool, or control the value being moved. Custody remains with the Cells and their authorized participants according to local rules and the security model of Article VII.

Section 5. Treasury

Each Cell maintains its own treasury functions. Holdings does not operate a central treasury of Cell currencies.

Article VI — Identity, Compliance, and Participant Rights

Section 1. Constitutional Identity

Technical authentication answers who may access a system. Constitutional identity answers who legitimately participates. Every participant in a Cell holds standing established under that Cell's published procedures.

Section 2. KYC and KYB

Every material transaction carries the identity and compliance information required by the governing Cell or Cells. Buyer and seller may reject a transaction under the applicable rules. Compliance is evaluated before settlement.

Section 3. Participant Rights

Within the scope of a Cell's Statement of Authority and applicable law, participants have the right to clear notice of the rules that govern them; access to their own transaction and attestation records; rejection rights where the Cell's policy provides them; constitutional appeal of significant administrative decisions under Article VIII; and portability of attestation evidence.

Section 4. ATCE

The Adaptive Trust, Compliance and Execution Engine evaluates identity, policy, and risk before settlement is permitted. ATCE does not create policy. It enforces the policy published by the relevant Cell or Cells.

Article VII — Security and Cryptographic Guarantees

Section 1. Three-Shard MPC Custody

Private key material is generated and held under a multi-party computation scheme with a 2-of-3 threshold. The key is split into three shards. No single party holds a complete private key. A valid signature requires the threshold number of shards. The full key is never reconstructed in one place. The participant retains a shard for self-custody control. Additional shards support operations and recovery under the platform design without granting unilateral spending authority to any single party. There is no traditional seed phrase in the standard wallet model. Recovery follows a structured ceremony.

Section 2. Post-Quantum Protection at Source and Gate

Post-quantum cryptography is applied at the asset and signature level and at the gate. Hybrid signatures must both verify. The post-quantum module is upgradable. Operational keys are rotated on a short cadence (targeting 72-hour cycles in production configurations).

Section 3. The Asset-Level Principle

Most systems secure the perimeter. The Federation secures the assets themselves. Compromise of a gate or a single shard is not sufficient to obtain usable control of assets. Ciphertext without the required threshold and post-quantum signatures is not control.

Section 4. Validator and Operational Keys

Validator and operational keys are HSM-backed where required by the deployment tier and policy. Rotation is enforced.

Article VIII — Separation of Powers and Constitutional Review

Section 1. Separation within Each Cell

No institution within a Sovereign Cell shall simultaneously exercise legislative, executive, and judicial (or review) authority. Each Cell shall establish a legislative or policy-establishing function; an executive or administrative function; and an independent review or appellate function for significant decisions.

Section 2. Immutability of Record, Reviewability of Decision

Immutability belongs to the record of decisions, not to the decisions themselves. Significant exercises of authority remain subject to constitutional review under the Cell’s published procedures.

Section 3. Appeals

A participant affected by a significant administrative decision may invoke the Cell’s appellate process. The process shall provide notice, an opportunity to be heard, written findings, and a published outcome. Appellate decisions of one Cell do not bind another Cell unless a Trust Corridor or Digital Treaty so provides.

Section 4. Technical Audit and Constitutional Review

Technical audit and constitutional review are complementary. Cryptographic verification establishes what occurred. Constitutional authority establishes whether it was lawful. Both answers are required.

Article IX — Trust Corridors and Inter-Cell Relations

Section 1. Trust Corridors

A Trust Corridor is a governed institutional relationship through which two or more Sovereign Cells exchange digital assets, identity, information, or services according to mutually accepted policies. Corridors are default-deny, bounded, and doubly governed.

Section 2. Digital Treaties

The terms of a Trust Corridor are recorded in a Digital Treaty or equivalent published instrument that states the policies and technical requirements of each side; the evidence and authorization required for a crossing; the process for suspension, amendment, or termination; and dispute-resolution arrangements.

Section 3. Release Authorization

Value does not cross a corridor until the sending Cell has issued a sealed release authorization and the receiving Cell has independently verified and accepted it under its own arrival rules.

Section 4. Federation Role

The Federation facilitates corridors. It does not custody the value that moves through them. It does not impose corridor terms on unwilling Cells.

Article X — Holdings, Licensing, and Stewardship Duties

Section 1. Role of JIL Sovereign Holdings

Holdings is the technology owner and licensor of the Core. Its duties are to maintain and harden the Core; to ship security patches and protocol upgrades; to license the Core to authorized entities under transparent terms; to protect the integrity of this Constitution at the Federation level; and to refrain from exercising monetary policy or participant onboarding authority belonging to any Cell.

Section 2. License

No Sovereign Cell may operate on the Core without a valid license from Holdings. The license defines tier, support, audit rights, and compliance with this Constitution. Local regulated activity remains the responsibility of the licensed entity under its own law.

Section 3. Separation of Technology and Local Activity

The separation between technology ownership (Holdings) and local regulated activity (the Cell operator) is intentional. It allows a nation or institution to obtain production-grade infrastructure without bearing the full cost and timeline of original development, while retaining the authority that matters for monetary and regulatory policy.

Section 4. Economics

Licensing and related services are the primary economic relationship between Holdings and Cell operators. Holdings does not claim ownership of Cell-issued currency objects.

Article XI — Amendment, Succession, and Continuity

Section 1. Amendment of this Constitution

This Constitution may be amended only by a process that includes formal proposal by Holdings or by a defined threshold of licensed Cells; public notice and a reasonable review period; approval according to the amendment rule then in force; and publication and archival of the amended text and the reasoning for the change. Operational policy of the Core or of any Cell is not a substitute for constitutional amendment.

Section 2. Cell-Level Amendment

Each Sovereign Cell may amend its own charter or internal constitution according to its Statement of Authority, provided the amendment does not place the Cell in violation of this Federation Constitution or its license.

Section 3. Succession and Continuity

Authority belongs to the office and the institution, not solely to the individual. Each Cell and Holdings shall maintain published succession and continuity procedures for vacancies, emergencies, and technical failure. Emergency authority is temporary and limited.

Section 4. Institutional Memory

Constitutions, Statements of Authority, Digital Treaties, appellate opinions, and material governance resolutions shall be preserved in human-readable and cryptographically attestable form.

Article XII — Adoption, Transition, and Closing Provisions

Section 1. Adoption

This Constitution enters into force upon publication by JIL Sovereign Holdings and applies to all subsequently licensed Sovereign Cells. Existing reference cells and demonstration environments shall be brought into alignment according to a published transition schedule.

Section 2. Relationship to the Sovereign Papers

The Sovereign Papers remain the extended doctrinal and scholarly treatise on constitutional digital governance. In the event of conflict between operational requirements of this Constitution and theoretical discussion in the Papers, this Constitution governs Federation operations.

Section 3. Severability

If any provision of this Constitution is held invalid or unenforceable under applicable law, the remaining provisions continue in effect.

Section 4. Interpretation

This Constitution shall be interpreted to give effect to local sovereignty, explicit authority, proof before movement, and the separation of technology stewardship from monetary and policy control.

Section 5. Closing Declaration

The last monetary standard was organized around paper and gold.

The next standard is digital, federated, original, and under the control of those who issue and govern it.

Authority originates locally.

Cooperation expands by consent.

Proof travels with value.

Technology serves the Constitution.

End of the Constitution of the JIL Federation · Version 1.0 · August 2026 · JIL Sovereign Holdings

This document is informational and operational. It does not itself constitute a license, an offer of securities, or legal advice. Regulated activity is conducted only by appropriately licensed local entities in their jurisdictions.