PROPOSED CONSTITUTIONAL AMENDMENT

Universal Nature Pound Demurrage and Currency Circulation

Article — Universal Nature Pound Holding Charge

1. Constitutional purpose

The Nature Pound shall incorporate a universal demurrage mechanism designed to discourage prolonged accumulation of currency and encourage its circulation through the participating ecological economy.

The mechanism shall apply equally to physical and electronic Nature Pound holdings.

2. Universal application

- 1. Demurrage shall apply to all Nature Pounds in circulation, irrespective of their form or place of custody.
- 2. It shall apply to:
  - a. Physical Nature Pound notes and coins held by individuals;
  - b. Physical Nature Pound notes and coins held by organisations;
  - c. Electronic Nature Pound balances held through Nature Capital;
  - d. Electronic Nature Pound balances held through any other authorised account or payment arrangement;
  - e. Nature Pounds held in approved institutional, commercial or cooperative reserves, subject to published exemptions.
- 3. No person or organisation shall be exempt merely because Nature Pounds are held outside Nature Capital accounts.
- 4. Physical and electronic Nature Pounds shall be subject to equivalent demurrage obligations, although the practical collection and accounting procedures may differ.

3. Initial demurrage rate

1. An initial rate of 0.5% per month is proposed for the pilot phase.
2. The rate shall be calculated against the qualifying Nature Pound balance held during each charging period.
3. Any increase, reduction, suspension or abolition shall require democratic approval under the applicable constitutional procedures.
4. Neither Nature Capital management nor the AI Advisor shall have unilateral authority to change the rate.

4. Calculation and collection

1. Nature Capital shall administer the demurrage accounting system in accordance with regulations approved by the competent democratic authority.
2. Electronic balances shall be assessed and charged through authorised account records.
3. Physical Nature Pounds shall be subject to a corresponding collection and validation mechanism established by the Nature Pound monetary regulations.
4. The physical-currency system shall provide a practical means of recording and settling the charge without requiring every holder to maintain an electronic account.
5. The detailed calculation method, charging dates, collection arrangements and treatment of unpresented notes shall be established in subordinate regulations.
6. Demurrage shall not be collected twice on the same Nature Pound holding for the same charging period.

5. Physical currency integrity

1. Physical Nature Pound notes and coins shall remain valid instruments of circulation.
2. Their denominations shall remain clearly identifiable.
3. Physical currency shall be authenticated and accounted for through approved monetary controls.

4. The holding charge shall not be used as a pretext for arbitrary confiscation, cancellation or refusal to accept legitimate physical currency.
5. Procedures shall distinguish legitimate physical holdings from counterfeit, duplicated or unlawfully obtained currency.

6. Account-holder and currency-holder protection

1. The demurrage system shall be transparent and publicly documented.
2. Holders shall be informed of the applicable rate and calculation method.
3. Published exemptions or reduced rates may be established for hardship, emergency reserves and other justified circumstances.
4. Any exemption shall be governed by objective criteria and independent review.
5. Bronze Baseline provision and universal essential entitlements shall not be reduced because a person holds, spends or does not hold Nature Pounds.
6. Holders shall have access to a fair complaints and appeals procedure.

7. Treatment of deducted Nature Pounds

1. Demurrage deductions shall be separately recorded.
2. Deducted units shall not automatically be treated as newly issued Nature Pounds.
3. Their cancellation, retention or authorised redistribution shall be governed by separate monetary regulations.
4. Nature Capital shall not independently create, issue or authorise additional Nature Pounds through the demurrage mechanism.
5. Any redistribution shall remain within the Resource Treasury's authorised issuance framework and shall not result in double counting.

8. Democratic oversight and audit

1. The General Cooperative Assembly shall receive an annual report on the operation and effects of demurrage.
2. The report shall distinguish physical and electronic holdings, collections, exemptions, administrative costs and outstanding liabilities.

3. Independent audit shall verify that the same currency has not been charged twice for the same period.
4. The demurrage rate and its effects shall be reviewed during the pilot and periodically thereafter.
5. Any permanent alteration shall follow the prescribed democratic approval procedure.

9. Constitutional principle

Every Nature Pound shall participate in the same circulation principle, irrespective of whether it is held physically or electronically.

The purpose of demurrage is to encourage the active circulation of ecological currency, not to punish individuals for holding money or to undermine their access to essential goods and services.

> ***Founding principle:*** *No Nature Pound shall be exempt from the universal circulation obligation merely because it is held in physical rather than electronic form.*