Cleanverse

Programmed Governance

The Next Evolution of Financial Supervision for On-Chain Finance

This playbook introduces an Operational Governance Framework for translating regulatory policy into programmable controls, enabling trust, accountability, supervision, and auditability to become embedded within the movement of value itself.



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The Next Evolution of Financial Supervision for On-Chain Finance

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Authored by Ceridwen Choo, CEO & Co-Founder, Cleanverse International Pte Ltd.

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For enquiries, permissions, or correspondence:
contact@cleanverse.com

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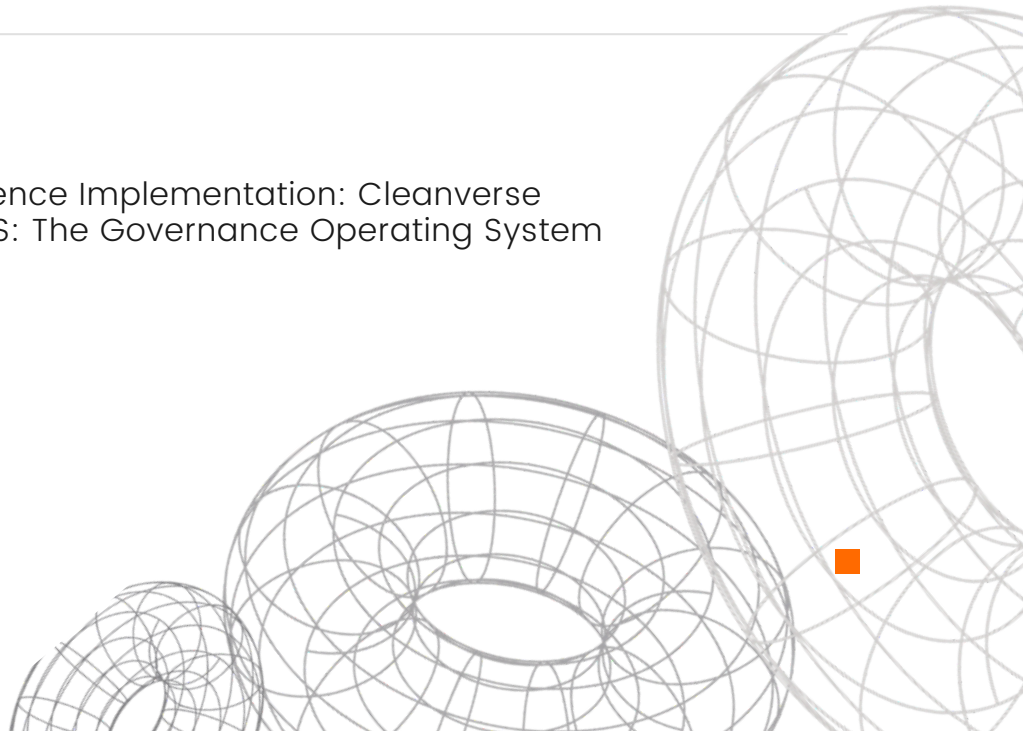
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FOREWORD

> **The next phase of digital asset innovation may prove even more consequential: the programmability of governance.**



Ceridwen Choo
CEO & Co-Founder
Cleanverse International

The emergence of stablecoins, tokenized assets, and programmable financial infrastructure marks a significant evolution in modern finance. Across jurisdictions, policymakers, regulators, central banks, and financial institutions are examining how these innovations can improve efficiency, interoperability, transparency, and accessibility within financial systems.

As adoption accelerates, regulatory frameworks are also maturing. International standard-setting bodies including the Financial Stability Board (FSB), Financial Action Task Force (FATF), International Organization of Securities Commissions (IOSCO), Bank for International Settlements (BIS) and national regulators have made substantial progress in defining the governance expectations that should apply to digital assets and on-chain financial activities. Increasingly, there is broad alignment around the principles that underpin safe and trusted financial markets: Accountability, Transparency, Financial integrity, Risk management, and Effective supervision.

The first phase of digital asset innovation focused on the programmability of money. Stablecoins demonstrated that value itself could become digital, interoperable, and programmable. The next phase may prove even more consequential: the programmability of governance.

This playbook proposes an Operational Governance Framework that seeks to bridge the gap between policy and execution, translating regulatory objectives into programmable controls capable of operating before value moves.

The scalability of on-chain finance depends on the ability to embed trust, accountability, and regulatory certainty into the infrastructure through which value moves.

The opportunity before us is therefore not simply programmable money. It is Programmed Governance - an operating model for implementing "same activity, same risk, same regulatory outcome" across on-chain finance.

EXECUTIVE SUMMARY

KEY REGULATORY PRINCIPLE

An Operating Model for Implementing "Same Activity, Same Risk, Same Regulatory Outcome" Across On-Chain Finance

The rapid growth of stablecoins and programmable financial infrastructure represents one of the most significant developments in the evolution of global finance. As adoption accelerates, stablecoins are potentially becoming a systemic component of the global financial ecosystem.

Regulators, central banks, and international standard-setting bodies have made substantial progress in defining the governance expectations with growing regulatory consensus that reflects a shared objective:

>> Financial activities conducted on new infrastructure should achieve the same regulatory outcomes expected within traditional financial systems.

This playbook advances the view that the next phase of stablecoin regulation has shifted towards an implementation challenge. The objective is to translate established policy outcomes into operational controls capable of functioning across on-chain financial systems while preserving the principles articulated by the FSB and other international standard-setting bodies.

KEY TAKEAWAYS

Systemic Opportunity

Stablecoins and programmable infrastructure are becoming a systematic component of global finance.

Regulatory Consensus

Broad international alignment exists on governance principles for safe ad trusted financial markets.

Implementation Gap

Policy outcomes remain untranslated into operational controls across on-chain finance.

Governance as Infrastructure

Governance must move from institutional processes to embedded operational controls.

Programmed Governance

A new operating model that enables "same activity, same risk, same regulatory outcome" across on-chain finance.

01 THE CHALLENGE SHIFT: From Regulation to Implementation

For decades, TradFi governance has been achieved through licensed institutions that act as common control points for compliance, reporting, risk management, and supervisory oversight. Regulators supervise these institutions to ensure governance obligations are implemented consistently across the financial system.

On-chain finance introduces a different operating environment. Value can move directly between participants, applications, protocols, and jurisdictions without the same institutional control points. While regulatory expectations remain unchanged, the mechanisms through which those expectations are implemented, become increasingly fragmented.

Governance can no longer rely exclusively on institutional intermediaries as the sole mechanism for implementing regulatory outcomes. New operational approaches are required to ensure that policy objectives remain effectively managed and supervised to the same standards.

02 THE NEW SUPERVISORY PARADIGM: Governance as Infrastructure

Programmable infrastructure creates an opportunity to rethink how governance itself is implemented.

With TradFi infrastructure, regulators relied primarily on reporting, audits, and supervisory reviews to determine whether governance obligations have been fulfilled. Blockchain technology introduces the possibility for governance requirements to become operational conditions embedded directly within transaction execution.

Identity eligibility, source-of-funds verification, sanctions controls, jurisdictional restrictions, and other policy requirements can be evaluated before value moves. Compliance outcomes, policy breaches, audit trails, and supervisory information can be generated directly from transaction activity, providing real-time visibility while preserving the role of regulated institutions as providers of trust, liquidity, and risk management.

GOVERNANCE REPORTING → **GOVERNANCE OPERATIONS**

KEY INSIGHT

Governance evolves from reporting to operations. Controls, compliance, and supervision can be embedded into the movement of value before it occurs.

KEY IMPLICATIONS

- Real-time visibility from transaction activity.
- Policy requirements evaluated before value moves.
- Compliance outcomes embedded into execution.
- Supervisory transparency with preserved institutional roles.

03 THE NEXT EVOLUTION OF FINANCIAL SUPERVISION: An Operational Governance Framework

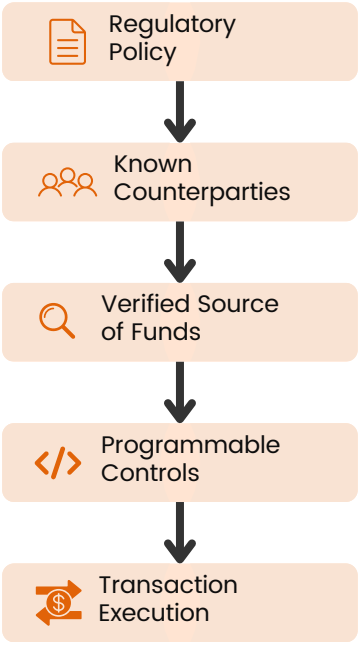
This playbook proposes programmed governance as an operating model for implementing IOSCO's principle of "same activity, same risk, same regulatory outcome" across on-chain finance.

At the centre of this model is the Operational Governance Framework (OGF). The OGF translates regulatory policy into programmable controls through a Governance Execution Stack that operates before value moves on-chain.

The framework begins with the same foundational principles that underpin the integrity of TradFi: **known counterparties, verified source of funds, risk management, and effective supervision**. It then translates these objectives into programmable controls that are implemented as a regulatory policy infrastructure layer that can operate across jurisdictions, institutions, applications, assets, wallets, and public blockchain networks.

By combining programmable money with programmable governance, the OGF provides a mapping of global regulatory objectives to programmable operational controls. It acts as a practical pathway for scaling on-chain finance from innovation to infrastructure.

With governance embedded into the movement of value, the same standards of financial supervision can become interoperable and non-negotiable across financial infrastructures.



PART I

CHAPTER

01

THE STABLECOIN OPPORTUNITY

THE NEXT FRONTIER IS PROGRAMMABLE GOVERNANCE

01 Stablecoins Emerging as a New Layer of Financial Infrastructure

Global regulatory initiatives undertaken by the Financial Stability Board (FSB), the Bank for International Settlements (BIS), the International Organization of Securities Commissions (IOSCO), the Financial Action Task Force (FATF), and national regulators, reflect a growing recognition that stablecoins may play an increasingly important role within future financial systems.

At the same time, major financial institutions are exploring how stablecoins and tokenized forms of money can support new models of payments, liquidity management, securities settlement, and cross-border value transfer.

Significant progress has already been made in addressing questions relating to stablecoin reserves, issuance models, redemption mechanisms, prudential requirements, and regulatory classification.

It is evident that stablecoins are evolving beyond isolated digital asset ecosystems and becoming integrated into broader financial market infrastructures.

02 The Next Frontier: Programmable Governance

Across major jurisdictions, regulatory expectations are becoming increasingly clear. As stablecoins continue their transition toward mainstream financial adoption, the next phase of blockchain evolution extends beyond stablecoin lifecycle management and transactional efficiency.

KEY POLICY QUESTION

How can regulatory expectations be embedded directly into blockchain infrastructure so that compliance, oversight, accountability, and risk controls operate consistently across public networks where transactions occur directly between participants, across multiple jurisdictions, and often beyond the traditional boundaries of regulated institutions?

This question forms the basis of the next chapter.

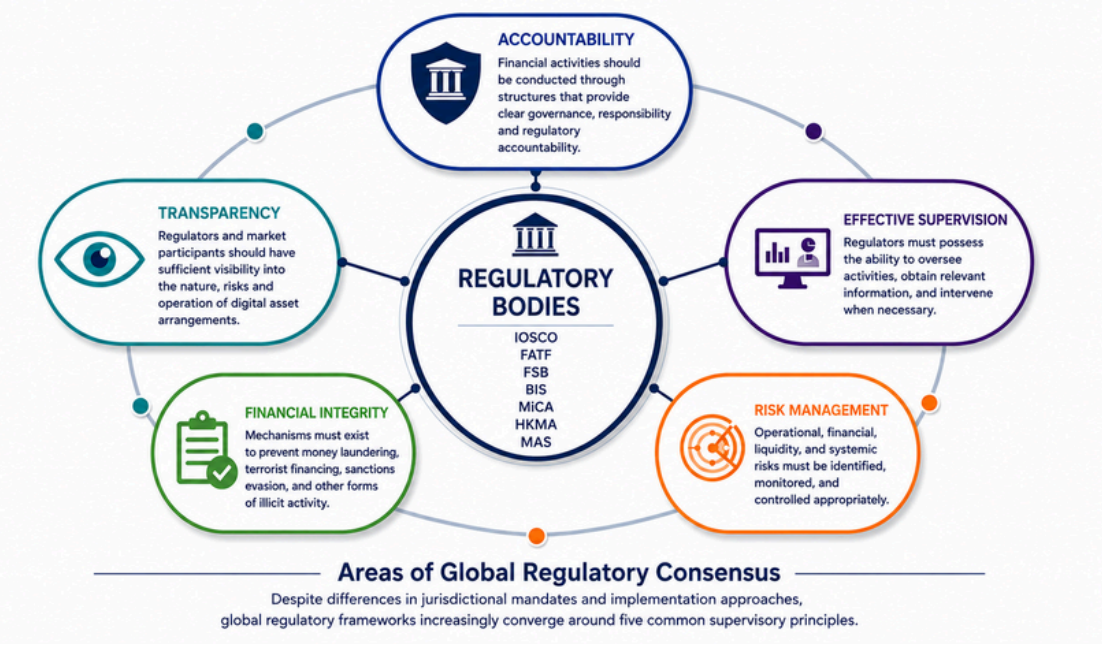
While the regulatory destination is becoming increasingly clear, the mechanisms for implementing governance at scale remain the defining challenge for the future of on-chain finance.

CHAPTER

02

THE REGULATORY CONSENSUS

FIGURE 1: AREAS OF GLOBAL REGULATORY CONSENSUS



01 REGULATORY CONVERGENCE

International standard-setting bodies and national regulators have developed increasingly comprehensive frameworks for stablecoins, digital assets, and decentralized finance. Although these frameworks were developed by different institutions with distinct mandates, they reveal a remarkably consistent set of supervisory expectations across five common principles as illustrated in **Figure 1: Areas of Global Regulatory Consensus.**

These principles are not unique to digital assets. They represent longstanding foundations of modern financial regulation that must continue to apply regardless of technological implementation

>> While the specific legal structures and supervisory approaches differ across jurisdictions, there is a growing convergence around several core regulatory objectives: preserving financial stability, protecting consumers and investors, preventing illicit finance, ensuring effective governance and risk management, maintaining market integrity, supporting cross-border supervisory cooperation, and applying consistent regulatory outcomes irrespective of the underlying technology.

Collectively, these frameworks demonstrate that the industry is moving towards regulatory convergence rather than regulatory fragmentation, with IOSCO's principle of "same activity, same risk, same regulatory outcome" being adopted as a common foundation.

02 REGULATORY FOCUS ON PEER-TO-PEER TRANSFERS BETWEEN SELF-CUSTODY WALLETS

A closer examination of the underlying frameworks reveals another area of convergence: A recurring emphasis on transparency, information sharing, auditability, and supervisory access suggests that preserving traceability across decentralized transaction flows is emerging as a foundational regulatory objective, even where it is not always stated explicitly.

- FATF Recommendation 15 and its Interpretive Note require Virtual Asset Service Providers (VASPs) to identify counterparties and transmit originator and beneficiary information under the Travel Rule.
- IOSCO's 'Policy Recommendations for Crypto and Digital Asset Markets' emphasize market transparency, surveillance, and the ability of regulators to obtain relevant information.
- The FSB's 'High-Level Recommendations for Global Stablecoin Arrangements' call for comprehensive oversight, effective risk management, and access to data necessary for supervision.
- CPMI-IOSCO's 'Principles for Financial Market Infrastructures' stress transparency, record-keeping, and auditability
- MiCA imposes governance, reporting, and supervisory obligations on issuers and service providers.



COMMON REGULATORY CONCERN

When value moves directly between self-custody wallets in peer-to-peer transactions, traditional mechanisms for identifying participants, monitoring activity, and maintaining supervisory visibility can be diminished or lost altogether.

03 REGULATORY IMPLEMENTATION IS THE FINAL FRONTIER FOR STABLECOIN-POWERED FINANCIAL EVOLUTION

While regulatory expectations are becoming increasingly clear, implementation mechanisms remain less developed. Few frameworks address how these outcomes can be operationalized consistently across public blockchain networks where transactions occur directly between participants and beyond many traditional institutional control points.

Unlocking this implementation challenge is the final frontier for the next evolution of finance.

The question facing regulators, policymakers, and industry participants is therefore no longer: What should be regulated?

The question increasingly becomes >>How can existing regulatory objectives be translated into operational controls capable of functioning within programmable financial infrastructure?

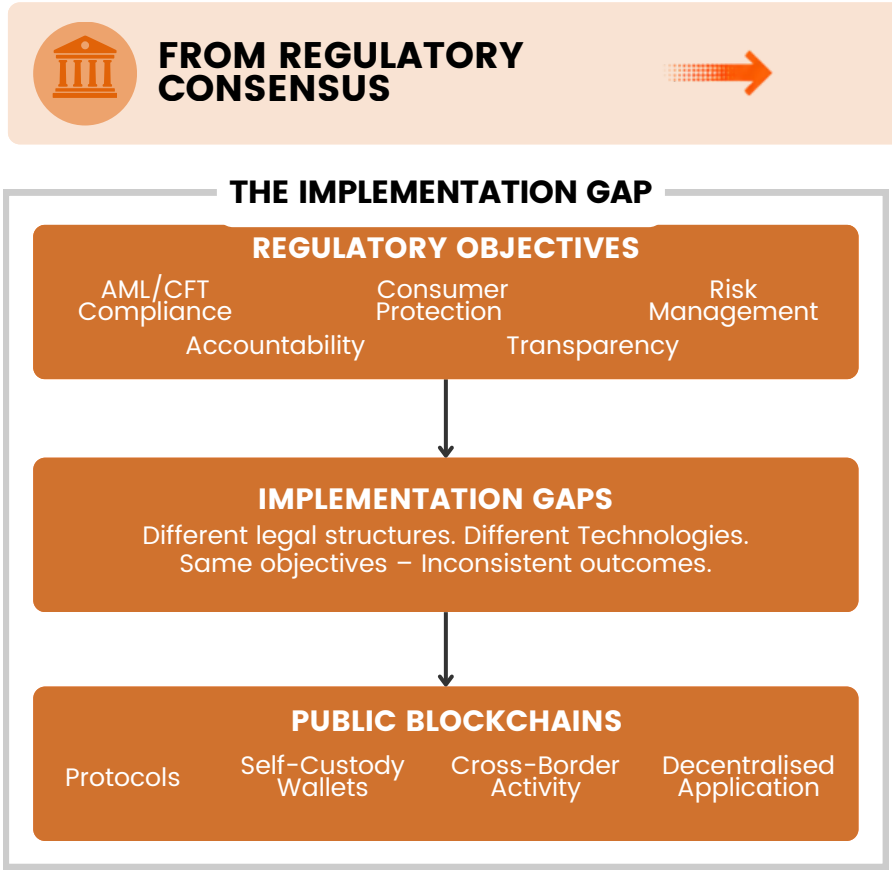
PART I

CHAPTER

03

THE IMPLEMENTATION GAP

FROM REGULATORY CONSENSUS → **TO OPERATIONAL REALITY**



KEY INSIGHT

The challenge is no longer what should be regulated.

The challenge is how regulatory objectives are implemented consistently across public blockchain networks.

Outcomes must be operationalised at the point of transaction, across institutions, and across borders.

01 FROM REGULATORY CONSENSUS TO OPERATIONAL REALITY

The regulatory objectives for digital assets and stablecoins are becoming increasingly clear. As discussed in Chapter 2, there is growing international alignment around the outcomes that should govern stablecoins and digital assets. These outcomes include accountability, transparency, AML/CFT compliance, sanctions enforcement, consumer protection, prudent risk management, and effective regulatory oversight.

The challenge facing policymakers, regulators, and industry participants is no longer the absence of regulatory principles. It is the practical challenge of enforcing those principles consistently across public blockchain networks, decentralized applications, self-custody wallets, and cross-border transaction environments.

02 TRADFI GOVERNANCE WORKS THROUGH INSTITUTIONS

TradFi operates within a mature and well-established governance architecture that has evolved over decades. At the highest level, central banks, monetary authorities, financial regulators, and international standard-setting bodies establish supervisory expectations and policy objectives.

INSTITUTIONS
Banks, PSPs, brokers, exchanges, custodians operate under license.

CONTROLS
KYC, AML/CFT, sanctions, monitoring, record keeping.

SUPERVISION
On-site/Off-site, risk based, enforcement.

ACCOUNTABILITY
Licensing, reporting, audit and regulatory consequences.

Together, these layers create a chain of trust - referenced in **Figure 2: The Traditional Governance Waterfall.** It enables financial activities to occur across institutions and jurisdictions. Ultimate accountability is anchored to the institutions that are licensed and subject to periodic review by supervisory authorities.

FIGURE 2



03 THE OPERATING CHARACTERISTICS OF ON-CHAIN FINANCE

In contrast, on-chain finance operates within a fundamentally different environment from TradFi systems. It enables value to move directly across wallets, applications, protocols, assets, and jurisdictions through programmable infrastructure.

This changes where governance must operate. Accountability can no longer depend exclusively on the institutions that initiate or receive a transaction. It must also account for the identity of participants, the provenance of assets, the compliance status of wallets, the rules governing protocols, and the policies applicable to specific jurisdictions.

As a result, governance becomes more distributed across the transaction ecosystem. While initiatives such as the FATF Travel Rule have introduced important mechanisms for information sharing between regulated entities, they do not provide a comprehensive framework for governing all forms of value transfer across on-chain finance.

KEY INSIGHT

The regulatory objective does not changed.

The method of implementation does.

Governance evolves from a reporting obligation to an operational capability embedded in infrastructure.

04 THE GOVERNANCE GAP IN ON-CHAIN FINANCE

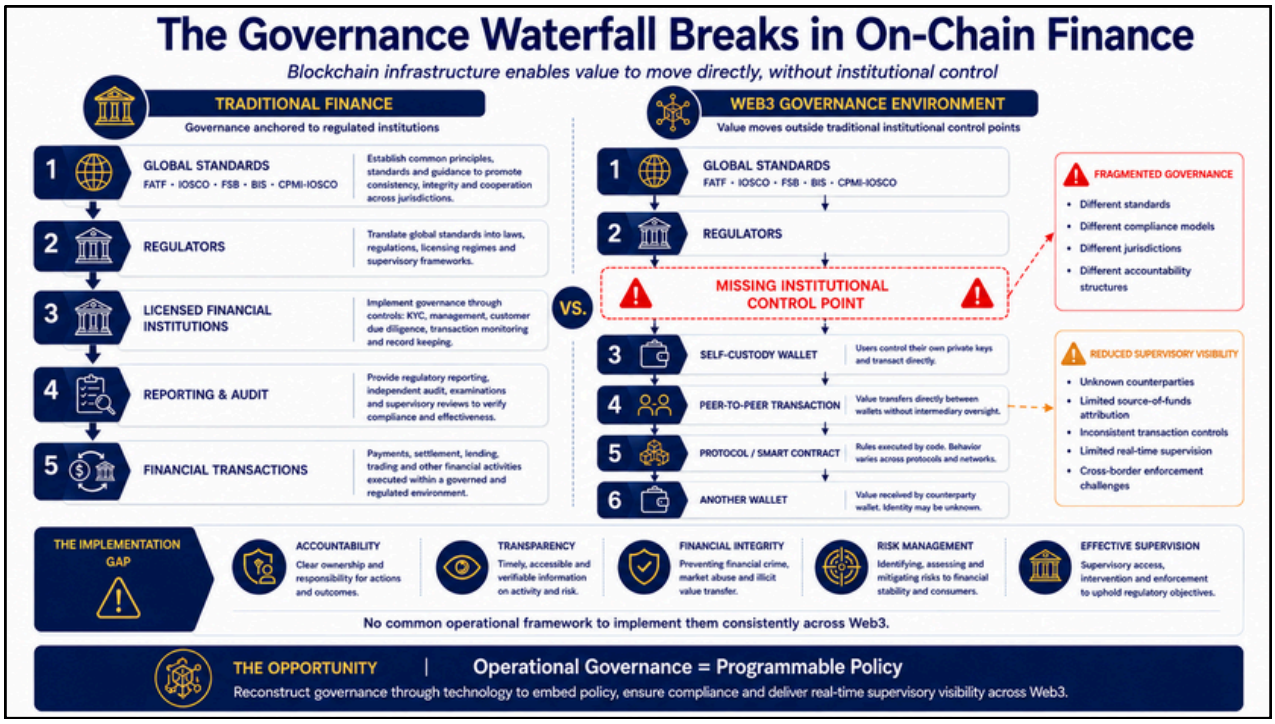
The shift from institution-centric finance to programmable financial infrastructure creates a governance gap. **Figure 3: The Governance Waterfall Breaks in On-Chain Finance** illustrates how individual institutions may continue to apply robust controls within their own environments, but there is no equivalent mechanism that ensures governance is implemented consistently across the broader transaction ecosystem.

Regulatory expectations remain largely unchanged, but the operational mechanisms for achieving them become fragmented. Questions surrounding identity verification, source of funds, transaction eligibility, jurisdictional restrictions, and supervisory visibility will therefore need to be addressed differently across participants, platforms, and networks.

POLICY IMPLICATION

The challenge is operationalising existing objectives within infrastructure where value moves.

FIGURE 3



The challenge is not the absence of governance. It is the absence of a common operational framework capable of implementing governance consistently across on-chain finance.

The new challenge facing regulators, policymakers, and industry participants:
>> How can the same governance outcomes expected in traditional finance be achieved consistently within on-chain finance?

Answering this question requires a new operating model - one that translates regulatory objectives into operational controls capable of functioning directly within programmable financial infrastructure. The next chapter introduces the concept of Governance as Infrastructure and explores how governance can evolve from a reporting process into an operational function embedded within the movement of value itself.

THE CORE CHALLENGE

While regulatory expectations are clear, the mechanisms to implement and enforce them consistently across public blockchains remain fragmented, inconsistent, and difficult to operationalise.

PART II

CHAPTER

04

GOVERNANCE AS INFRASTRUCTURE

THE SOLUTION IS NOT MORE REPORTING.

IT IS EMBEDDED GOVERNANCE.

01 From Regulatory Consensus to Operational Reality

The challenge identified in the previous chapter is not a lack of regulatory standards. Regulatory objectives are well established across jurisdictions. The challenge is how to implement those objectives consistently within an environment where financial activity occurs across programmable infrastructure rather than exclusively through regulated intermediaries.

Addressing this challenge requires a fundamental rethinking of governance itself.

For decades, governance has been implemented primarily through institutions. Today, governance must operate as part of the infrastructure in which value moves. This represents a shift.

GOVERNANCE REPORTING
Periodic, retrospective, institution-led

↓

GOVERNANCE OPERATIONS
Ongoing, process-driven, controls implemented

↓

EMBEDDED GOVERNANCE
Real-time, infrastructure-native, value-aware

02 From Institution-Centric Governance to Transaction-Centric Governance

TradFi is built upon institution-centric governance. Regulators establish rules and supervisory expectations. Financial institutions implement those requirements through compliance frameworks, risk management processes, reporting obligations, and audit mechanisms. Institutions serve as common control points through which financial activity is governed.

On-chain finance introduces a different operating environment. Transactions can occur across wallets, applications, protocols, and interoperable networks where value can move independently of traditional institutional boundaries. Governance therefore cannot depend exclusively on institutions as the sole point of control. Instead, governance must increasingly operate at the point where value moves.

INSTITUTION-CENTRIC GOVERNANCE	VS	TRANSACTION-CENTRIC GOVERNANCE
Institution		Transaction
↓		↓
Reporting		Compliance
↓		↓
Regulator		Visibility

This shift enables governance that is continuous, real-time, and aligned with the movement of digital value across programmable infrastructure.

03 A New Degree of Regulatory Empowerment

Perhaps the most significant opportunity created by programmable infrastructure is the new degree of capability it provides to regulators and supervisory authorities.

Historically, supervisory oversight has relied primarily on information reported by market participants. Institutions collect information, perform compliance activities, generate reports, and submit evidence demonstrating adherence to regulatory requirements. Supervisory visibility is therefore largely retrospective. Programmable infrastructure creates the possibility for governance information to be generated directly from the transaction environment itself.

Rather than relying exclusively on periodic reporting, regulators can obtain visibility into whether governance conditions have been satisfied as transactions occur. Compliance events, policy outcomes, eligibility checks, and audit trails can become observable through operational infrastructure rather than solely through downstream reporting processes.

This does not replace the role of regulated institutions. Financial institutions remain essential providers of liquidity, custody, settlement, customer relationships, compliance expertise, and risk management. Instead, programmable infrastructure enhances the effectiveness of existing supervisory frameworks by creating new mechanisms through which governance can be implemented, observed, and verified.

> **“The result is not greater regulation. It is greater regulatory certainty.”**

04 Governance as Infrastructure

The significance of blockchain technology may therefore extend beyond programmable money. Its greater contribution may be programmable governance.

For the first time, governance can be expressed not only as policy, but as infrastructure. Regulatory objectives can be translated into operational rules capable of executing consistently across participants, assets, applications, institutions, and networks.

This represents a new operating model for on-chain finance. One in which governance is no longer applied primarily after value moves, but becomes an integral component of how value moves.

The next chapter introduces the Operational Governance Framework (OGF) and explores how regulatory objectives can be translated into programmable controls capable of operating before value moves.

PART II

CHAPTER

05

THE OPERATIONAL GOVERNANCE FRAMEWORK

THE CORE OPERATING PRINCIPLE

POLICY CHECK BEFORE VALUE MOVES.

The Operational Governance Framework (OGF) translates regulatory requirements into prgrammable controls that must be satisfied before value moves,

It is built on 3 foundational constructs that anchor governance in traditional finance and enables it to operate within digital and on-chain environments.

THE OGF FLOW

POLICY
Regulatory outcomes and requirements

PARTICIPANT
Identity and counterpart verification

ASSET
Source of funds and provenance verification

TRANSACTION
Policy checks and control execution

VALUE MOVES
Only after policy requirments are met

THE THREE FOUNDATIONS

REGULATORY POLICY
Defines the supervisory outcomes that financial activtiy is expected to achieve.

KNOWN COUNTERPARTIES
Establishes accountability by ensuring participants can be identified and verified where required.

VERIFIED SOURCE OF FUNDS
Establishes trust in value by ensuring assets possess sufficient provenance and traceability.

KEY OUTCOME

Regulatory requirements become operational controls before transaction execution.

Governance is embedded in the infrastructure where value moves.

FIGURE 4



i REGULATORY POLICY
Defining the Required Outcome

The foundation of Programmed Governance is not technology, but policy.

Frameworks have been established to preserve the integrity, stability, and trustworthiness of financial systems as value moves across TradFi and on-chain infrastructures. These frameworks define the governance outcomes required for on-chain finance to scale.

>> Programmed Governance translates frameworks into operational controls capable of functioning consistently across participants, assets, institutions, applications, and networks.

ii KNOWN COUNTERPARTIES
Establishing Accountability

The first requirement of governance is Accountability.

>> Known Counterparties refers to trusted mechanisms through which participants can be verified and held accountable within applicable legal and regulatory frameworks when required.

TradFi systems rely on regulated institutions to identify participants and associate financial activity with accountable parties.

Within on-chain finance, where value can move directly between participants, this accountability must extend to the transaction itself.

iii VERIFIED SOURCE OF FUNDS
Establishing Trust in Value

Accountability of participants alone is insufficient. Financial systems must also establish trust in the value being transferred.

>> Verified Source of Funds requires assets to possess sufficient provenance, traceability, and transactional history to support compliance verification, risk assessment, and supervisory oversight.

Within on-chain finance, these governance attributes can become embedded within the asset itself, enabling trust in value to move alongside the transaction.

PART II

CHAPTER

06

PROGRAMMED GOVERNANCE IN PRACTICE

01 FROM FRAMEWORK TO IMPLEMENTATION

The preceding chapters established that the challenge facing regulators is no longer the absence of policy frameworks, but the implementation of those frameworks across on-chain finance.

As stablecoins, tokenized assets, and blockchain-based financial activity continue to scale, the next frontier of supervision lies in the ability to translate regulatory objectives into operational controls that function consistently before value moves.

Programmed Governance provides the conceptual model. The Operational Governance Framework (OGF) provides the operating model. The remaining challenge is implementation.

This chapter introduces a practical implementation of Programmed Governance and demonstrates how regulatory objectives can be translated into programmable controls that operate directly within on-chain financial infrastructure.

02 TRANSLATING REGULATORY OBJECTIVES INTO OPERATIONAL CONTROLS

Governance requirements should no longer remain solely as policy statements or supervisory expectations. They should be capable of being expressed as operational controls that determine how value moves. **Table 1** below illustrates how common regulatory objectives can be translated into programmable controls within the OGF.

TABLE 1: MAPPING OF REGULATORY OBJECIVE TO PROGRAMMED CONTROLS

Regulatory Objective	Programmed Operational Control
Accountability	Verified Identity Attestation
AML/CFT Compliance	Identity + Source of Funds Verification
Travel Rule Requirements	Counterparty Attribution
Transparency	Real-Time Transaction Visibility
Financial Integrity	Verified Asset Provenance
Risk Management	Programmable Eligibility Controls
Sanctions Compliance	Policy Screening Rules
Effective Supervision	Continuous Monitoring
Auditability	Immutable Audit Trails
Regulatory Reporting	Real-Time Supervisory Reporting

03 TOWARD POLICY AS CODE

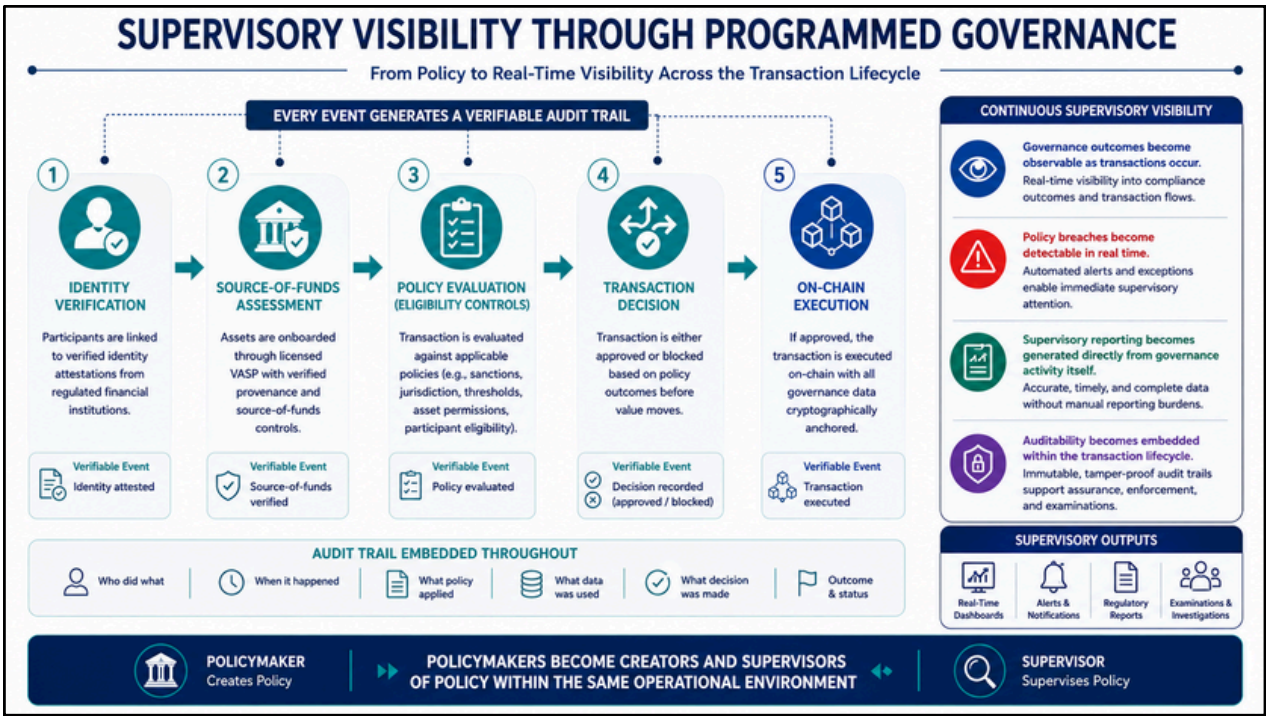
Historically, regulatory policy has been communicated through legislation, rulebooks, circulars, supervisory guidance, and bilateral implementation by regulated institutions. This often results in fragmented interpretation, inconsistent implementation, and varying supervisory outcomes.

Programmed Governance introduces a different possibility. Regulatory policies can now be expressed as **programmable policy modules** capable of being applied consistently across institutions, assets, wallets, applications, and jurisdictions.

How it works:
Policymakers define policy > Infrastructure executes policy > Supervisors observe outcomes

As assets move across jurisdictions, additional governance requirements can be applied through interoperable policy layers, enabling regulatory obligations to travel alongside value itself.

FIGURE 5



04 CONTINUOUS REGULATORY SUPERVISION

The significance of programmable governance extends beyond improving compliance efficiency. It represents an opportunity to transform supervision from a periodic and retrospective activity into a continuous and operational function.

Programmed Governance provides an operating model through which regulatory objectives can be translated into executable controls, supervisory visibility can be generated directly from transaction activity, and governance outcomes can become interoperable across institutions, jurisdictions, and blockchain networks.

APPENDIX B

REFERENCE IMPLEMENTATION: CLEANVERSE

AN OPERATIONAL INFRASTRUCTURE

FOR PROGRAMMED GOVERNANCE

ABOUT CLEANVERSE

Cleanverse is designed as a practical implementation layer for Programmed Governance. For policymakers and regulators, Its purpose is to provide an operational infrastructure through which established regulatory objectives can be translated into programmable controls capable of functioning across on-chain financial activity.

01 INTERLOCKING IDENTITY AND VALUE

1) VERIFIED IDENTITY

Participants are linked to trusted identity attestations derived from regulated financial relationships. Through attestation mechanisms, users can prove that they are account holders of participating financial institutions without requiring the underlying personal information to be exposed publicly on blockchain infrastructure.

>> Identity establishes accountability for participants.

2) VERIFIED SOURCE OF FUNDS

Assets entering the ecosystem originate through licensed and regulated entities capable of establishing provenance, ownership records, and source-of-funds verification.

>> Source-of-funds establishes accountability for assets.

Combined, these controls create an interlocking relationship between verified participants and verified value, creating the minimum governance foundation required for trusted financial activity to occur across on-chain infrastructure.

02 PROGRAMMABLE ELIGIBILITY CONTROLS

Identity and source-of-funds verification establish the foundation. Regulatory policy then determines the conditions under which value may move. These conditions can be expressed as programmable eligibility controls applied before transaction execution.

>> Examples of regulatory policy controls:
Sanctions screening | Jurisdictional restrictions | Asset-specific permissions | Participant eligibility requirements | Transaction thresholds | Institutional risk policies | Reporting obligations | Regulator-defined supervisory conditions.

The result is a governance model in which policy becomes executable. Instead of relying on post-facto compliance reviews, transactions are evaluated against applicable governance requirements before settlement occurs.

APPENDIX B

GOVOS: THE GOVERNANCE OPERATING SYSTEM

A SUPERVISORY OPERATING ENVIRONMENT

FOR PROGRAMMED GOVERNANCE

01 What is GovOS?

GovOS is a supervisory operating environment for programmed governance in on-chain finance. It provides an integrated operating system through which regulatory policy is configured, executed, and observed across decentralized financial activity,

It is an infrastructure layer that operates above public blockchain infrastructure and below regulatory policy, translating governance expectations into operational conditions that are applied consistently across on-chain transactions.

The platform is built around three core functions:

- Policy Configuration: enabling regulators and regulated institutions to define governance parameters that are translated into programmable policy modules;
- Policy Execution: applying governance requirements to transactions before value moves, producing observable compliance outcomes;
- Supervisory Visibility: generating continuous supervisory data from governance execution, enabling real-time oversight without requiring post-facto reporting.

i Policy Configuration

The first function: Create, manage and standardize implementation of programmable governance requirements.

Parameters are translated into programmable policy modules that can be applied consistently across multiple blockchain networks, institutions, and transaction types.

ii Policy Execution

The second function: Governance requirements are evaluated against transaction activity before value moves.

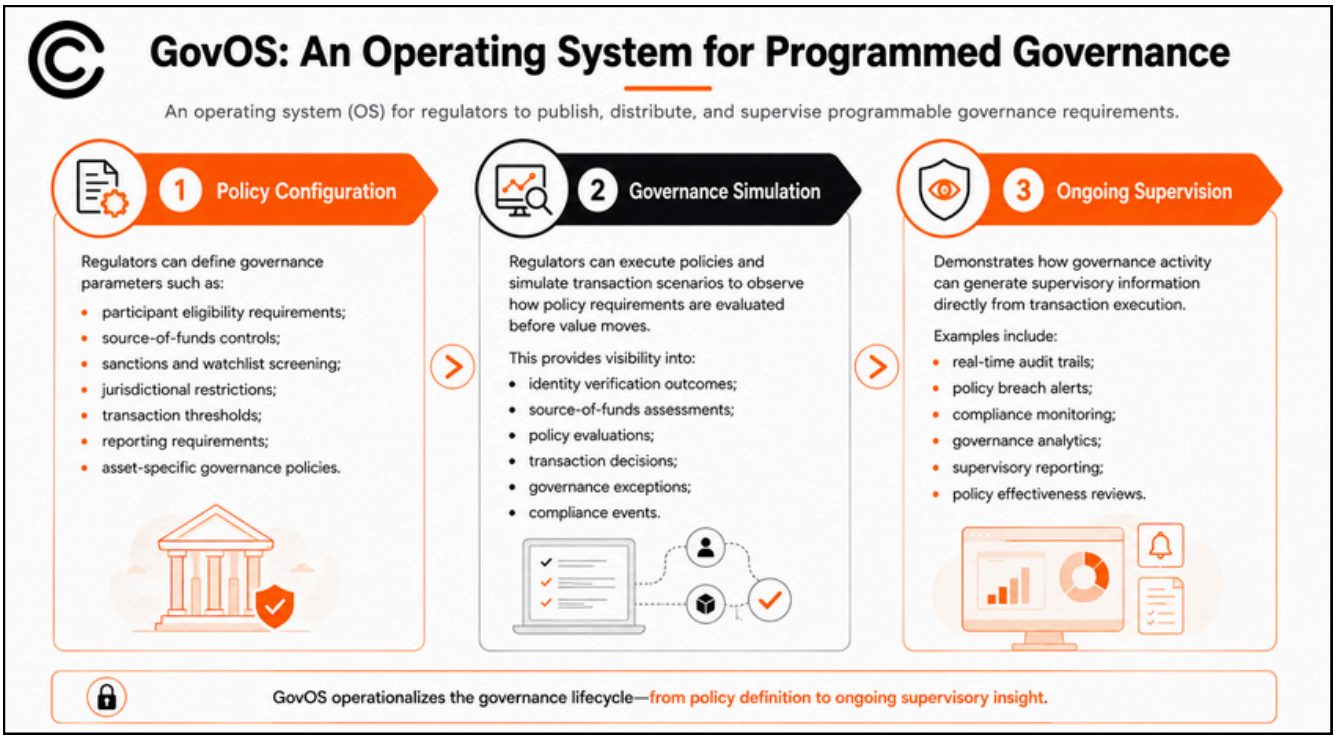
Regulators can observe in real time, how policy requirements pr policy changes, influence governance outcomes through simulated or live transaction environments.

iii Supervisory Visibility

The third function: A continuous supervisory environment in which governance outcomes become observable directly from transaction activity itself.

Every governance event generates operational information that will support supervision, auditability, and reporting.

Experience GovOS at govos.cleanverse.com



The Next Evolution of Financial Supervision

The aspiration of GovOS is not to replace regulation. It is to strengthen the operational implementation of regulation.

As financial activity becomes increasingly digital, programmable, and cross-border, policymakers require mechanisms capable of ensuring that governance outcomes remain consistent regardless of the infrastructure through which value moves.

GovOS provides a framework through which policy becomes executable, governance becomes observable, and supervision becomes continuous.

INSIGHT

From Governance Reporting to Governance Operations

Traditional supervision has historically relied on a sequential model:
Institution → Reporting → Regulator

GovOS enables a different operating model:
Policy → Governance Execution → Supervisory Visibility

Supervision becomes more transparent, timely, and evidence-based while preserving the role of regulated institutions as providers of trust, liquidity, custody, and customer services.

The Future State

Policymakers are no longer solely the authors of policy. They become active participants in the operational lifecycle of policy - defining requirements, observing execution, and supervising outcomes within a common environment.