

ASGARDIA

PARLIAMENT



Asgardia Tax Act

Third Reading

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"This version has been approved by the Legislative Merit Review Group"

Preamble and core principles

This Act plays a crucial role in fostering a resilient and innovative digital economy for Asgardia. It establishes a fair, transparent, and efficient taxation structure for the citizens and businesses of Asgardia. Taxes in Asgardia are levied exclusively in Solar, supporting Asgardia's sovereignty and promoting a robust Asgardian economy. As Asgardia interacts with Earth nations, this Act establishes the framework that allows Asgardia to commit to complying with international law, particularly regarding cross-border digital taxation.

The Core Principles are:

1. **Digital Sovereignty:** This principle ensures that all taxes are denominated and paid exclusively in Solar, reinforcing Asgardia's independence and fostering economic self-reliance.
2. **Transparency and Public Trust:** Empowering real-time public ledger access and annual financial disclosures, promoting transparency and accountability while complying with individual rights, privacy laws, and data protection standards, thus balancing the tax ecosystem.
3. **Simplicity and Accessibility:** Inspiring a streamlined tax structure that minimises complexity and encourages ease of compliance with clear guidelines and tools for taxpayers, such as online calculators and simplified filing procedures.
4. **Adaptability and Futureproofing:** The tax framework is not static but designed to evolve in response to economic and technological developments like blockchain, AI, and Smart technologies. Review mechanisms are established to ensure it remains relevant and adaptable, instilling confidence in Asgardia's ability to keep pace with technological, legal, and all other tax developments on Earth or in Space operations.
5. **Sustainability and Social Responsibility:** Tax revenues must be generated to support Asgardia's long-term goals in community development, education, and innovation and ensure the responsible use of limited resources.
6. **Fairness:** The tax structure is designed to be fair, empowering Asgardia citizens and businesses. It aligns with Asgardia's mission as a leader in digital governance and economic freedom, facilitating technological and social advancement. The structure considers progressive elements, incentives, and exemptions to attract innovation and address inequality.

7. **Circular Involvement:** Creating a circular tax system developed to foster unity, where everyone is a contributor and earnestly does their part to advance Asgardia's pursuits in Earth and Space.

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Legal Authority

The Constitution provides the overarching principles and guidelines for the Act, ensuring that it aligns with our society's fundamental values.

Article

1. Purpose

- 1.1. Asgardia tax law encompasses the rules, policies, guidelines, and cross-border regulatory instruments that govern how the Asgardia government collects, manages, and enforces taxes. It plays a significant role in our nation's economic structure and affects residents and enterprises.

2. Definitions

- 2.1. **Asgardia Enterprise Expansions:** Shall be defined as upgrades and extensions, increasing operations, market reach, product offerings, customer base, and employees, and taking on new sustainable initiatives or ventures, especially in waste reduction and recycling.
- 2.2. **Advanced Cybersecurity Technologies:** Use innovative tools to identify and respond to cyber threats and secure data. These technologies include behavioural analytics, Zero-Trust Architecture (ZTA), Blockchain, quantum computing, cloud security, Artificial Intelligence (AI), machine learning, 5G network security, IoT security, and biometric and behavioural authentications.
- 2.3. **Contractual Agreements:** For the purpose of this Act, this includes a legal instrument, treaties, double tax avoidance agreements, agreements, MOUs, sales receipts, bills of lading, purchase orders, statements, electronic receipts, QR codes, SMS, blockchain transactions, invoices, implied, unilateral, multilateral, bilateral, simple, express, and adhesion contracts, any form of an agreement made on a digital platform where a party agrees to accept as an agreement, the clicking of "I accept" on a digital platform, or any other form of agreement where a party or entity indicates in some fashion that they agree to the terms of the contract to another party or entity. This rule is aligned and can be further clarified in the Asgardia Contracts Act.
- 2.4. **Digital assets:** Any digital representation of value recorded on a cryptographically secured, distributive ledger (blockchain) or similar technology. Examples include:
 - 2.4.1. Convertible virtual currency
 - 2.4.2. Non-convertible digital currency
 - 2.4.3. Cryptocurrency
 - 2.4.4. Stablecoin
 - 2.4.5. Non-fungible tokens (NFTs)

- 2.5. Digital IP Assets:** Intangible assets that exist in a digital format and are considered intellectual property as described in Asgardia intellectual property laws.
- 2.6. Digital Nomads:** Refers to a category of mobile professionals who use digital technologies to perform their work remotely from various locations, whether domestically, internationally, or in extraterrestrial territories. Examples of such professions can include graphic designers, social media managers, consultants, bloggers, writers, marketing specialists, and translators.
- 2.7. Enterprise or Enterprises:** For the purpose of this Act, will be any entity falling within the scope of the Asgardia Corporations and Enterprises Act when defining Asgardia businesses. Any business-related entity within Earth Nations when defining Earth businesses.
- 2.8. Gross Profit:** Revenue minus the cost of goods and/or services sold.
- 2.9. Innovative or Patent Box:** A regulatory framework pertaining to Intellectual Property that provides reduced tax and other administrative asset rates to enterprises or prospective investors seeking collaboration within the economic sphere of Asgardia or the nations of Earth.
- 2.10. Net Profit:** Gross profit minus all operating expenses.
- 2.11. Net Profit Gains:** An increase in an Enterprise' net profit, meaning the amount of money left over after subtracting all expenses from total revenue has grown from a previously recorded period.
- 2.12. SMART technology:** Devices, systems, or applications that can communicate and work with other technologies to perform automated or adaptive functions. They can be operated remotely or from anywhere and can understand and respond to user behavior or environmental conditions. They may use Artificial Intelligence (AI), the Internet of Things (IoT), Automation, data processing and analytics, and Machine learning.
- 2.13. Solar Unit:** The Asgardia National Currency Act defines solar as follows:
- 2.13.1.** "1.1 The principal currency of the Asgardian Nation is SOLAR."
- 2.13.2.** "1.2 The official image of SOLAR will be established by Decree of the Head of Nation after the review by Parliament upon the presentation by Government."
- 2.13.3.** "1.3 SOLAR is a digital currency but can also be produced and distributed in coins and bills as required upon the decision of the Government of Asgardia."
- 2.13.4.** "1.4 The digital currency SOLAR is defined as the digital expression of a value that can:
- 2.13.4.1.** "1.4.1 be used as a means of exchange;"
- 2.13.4.2.** "1.4.2 be a unit of accounting;"
- 2.13.4.3.** "1.4.3 function as a legal tender in transactions."
- 2.13.5.** It then explains that one solar unit is the equivalent of one euro unit.
- 2.13.6.** The unit in this explanation refers to the unit of issue.
- 2.14. Split-Foreign Jurisdictions:** Refers to a scenario in which an intellectual property (IP) right, such as a patent or trademark, is registered and protected in multiple nations. The proprietor possesses distinct legal rights in each jurisdiction rather than a singular, unified right across various territories
- 2.15. Tax:** A compulsory contribution to Asgardia Space Nations revenue levied by the Asgardian government on Enterprises' territorial transactions, residential and administrative operations, and contractual arrangements. This contribution can be in the form of a fee, monetary obligation, or other means accepted as a tax contribution.
- 2.16. Territory:** An area in which a person(s) has certain rights or for which a person(s) has responsibility with regard to a particular type of activity.
- 2.17. Territory of Asgardia:** This is the physical or digital territory exclusively governed by Asgardia. This statement means that under this tax law, for a territory to be recognised as belonging to Asgardia, no external territorial influences or realms can be connected to or used during any transactions within Asgardia's territory unless otherwise specified within the provisions of this Act.

3. Tax Categories

3.1. **Asgardia Space Nation** will have the following tax categories:

- 3.1.1. **Territorial:** A tax levied on Enterprises' operating commercial business transactions, whether digital or physical, within the territory of the Asgardia Space Nation.
- 3.1.2. **Residential:** A fixed-term residential tax in the form of a fee paid annually by residents joining Asgardia for the first time or those renewing their resident fee status.
- 3.1.3. **Contractual:** Any tax obligations that are assessed during the negotiations of a contract that culminates explicitly for Asgardia Space Nation.
- 3.1.4. **Administrative:** Tax assessed in licensing, specific fees, civil service, and intellectual property.
- 3.1.5. **Voluntary:** A social tax applied to voluntary investments in bonds, retirement or saving plans, stocks, insurance, education, business start-ups, or other investment areas that the Asgardia government is authorised to make available.

3.2. All tax categories will be issued tax identification numbers by the Ministry of Finance.

3.3. All tax reporting requirements will be conducted annually.

3.4. The taxation may be classified as either fixed or variable, contingent upon the specific circumstances within a given tax category. For instance, a fixed rate, categorised under residential taxes, is established at 100 Euros, while a variable rate, applicable to territorial taxes, may range from one to ten percent of profitability. In the context of Asgardia, a fixed rate is defined as one that remains constant or necessitates considerable effort for any alterations. Conversely, a variable rate refers to one that is subject to frequent changes or can be altered with relative ease and minimal effort.

3.5. The Asgardia Finance Ministry is authorised to set a fiscal Asgardia year date range through a legal instrument that allows Enterprises to know their fiscal period and gives them sufficient time to turn in any taxes assessed.

3.6. All territorial taxes collected on digital and physical forms of commercial business are contributions of the net profits and gains applicable to digital, physical, blockchain, and cryptocurrency-based transactions.

3.7. Through a legal instrument, The Asgardia Finance Ministry is authorised to provide information on how fixed and variable rates are assessed, who they apply to, what area they apply to, why they were assessed, and any other information needed to keep the business and residential Asgardian societies informed.

3.8. The Asgardia Finance Ministry is authorised to set an annual Tax Percentage Rate (TPR) that cannot drop below one percent (except through incentives) or exceed ten percent (except through contractual agreements) through a legal instrument as the tax contributions paid by a tax identity through a digital or physical means made the fiscal year. The Ministry of Finance can change the rate periodically depending on the needs of the Asgardia government.

3.9. The Asgardian Finance Ministry, with a legal instrument, is authorised to generate an export incentive in the form of a tax reduction for Asgardian Enterprises within the territory of Asgardia that export any tangible and intangible goods and/or services.

3.10. The Asgardian Finance Ministry, with a legal instrument, is authorised to generate an expansion incentive in the form of a tax reduction for Enterprises' that expand their areas of influence within the territory of Asgardia. Expansion will be defined as upgrades, extensions, increasing operations, market reach, product offerings, customer base, and employees, and taking on new sustainable initiatives or ventures, especially in waste reduction and recycling.

3.11. To promote fairness in tax matters, it is essential to acknowledge that not all individuals or businesses can contribute equally. Start-ups and smaller Enterprises' often have less capacity to meet tax obligations than larger corporations. The Ministry of Finance will ensure fairness by implementing a reasonable progressive tax structure based on each entity's capabilities, considering fees, rates, rules, incentives, and additional obligations.

3.12. Enterprise expenses, losses, operating costs, and any assets that do not contribute to the company's ability to produce profits or are not profits themselves are not taxable but must be reported in the company's annual tax report.

- 3.13.** The Asgardian Finance Ministry, with the approval of the Asgardia government, is authorised to implement and manage a public social investment program for the voluntary tax category. This program will offer various investment opportunities that the public can voluntarily apply for. An initial two percent tax rate per solar unit that Asgardians contribute to the program will be collected as a tax under the voluntary tax identity, and the tax rate can never exceed seven percent. Social investment areas authorised are:
- 3.13.1.** Occupational retirement schemes.
 - 3.13.2.** Medical services schemes.
 - 3.13.3.** Investment schemes.
 - 3.13.4.** Manufacturing schemes.
 - 3.13.5.** Lending services schemes.
 - 3.13.6.** Educational service schemes.
 - 3.13.7.** Enterprise start-up schemes.
 - 3.13.8.** Enterprise expansion schemes.
 - 3.13.9.** Research and development schemes.
 - 3.13.10.** Science exploration schemes.
 - 3.13.11.** Humanitarian schemes.
 - 3.13.12.** Environmental schemes.
- 3.14.** Mechanisms for assessing compliance with voluntary tax contributions and reporting will be set up in accordance with provision 7.1.
- 3.15.** The management of the public social investment program is subject to annual audits from the Asgardia Audit Office.
- 3.16.** These Social investment schemes include loans, grants, investments, matching funds, financial agreements, defined contribution plans, insurance, and contracts.
- 3.17.** No taxes will be levied on any profits, investments, trades, or any other methods of Enterprise and individual transactions of collecting, saving, or receiving monies made outside the territory of Asgardia or collected from outside the territory of Asgardia unless they are within a contractual agreement that all parties agree to. Profits made by Asgardia Enterprises' that make contractual agreements are taxable as net profits and must be reported in its annual reporting. Exclusions from this rule are any contractual agreements made between an Asgardia Enterprise or individual and the government of Asgardia; in such cases, the contract agreement supersedes any provisions within the Asgardia Tax Act. Tariffs and Sanctions do not fall under this provision but under Article 10 of the Asgardia Competition and Fair-Trade Act.
- 3.18.** Any Enterprise owned by a resident of Asgardia registered in Asgardia and within Asgardia's territory or an Enterprise registered in Asgardia not associated with Asgardia that conducts commercial business operations within the territory of Asgardia is subject to territorial tax. Asgardia and Earth not-for-profit Enterprises are exempt from this rule and are not subject to tax.
- 3.19.** Any Asgardia tax identity operating outside of Asgardia's territory but still engaged in official duties for Asgardia using Asgardian assets is considered working within its territory.
- 3.20.** Any Earth or territories not related to Asgardia outside of Earth, noncontractual or non-registered individual or Enterprise working within the territory of Asgardia, as in a digital Nomad, typically is not subject to tax if they are already responsible for paying a tax within another territory. However, suppose they are not responsible for another tax in another territory and/or profit from Asgardians due to their work. In that case, they can fall under the administrative or territorial tax identity and be subject to Asgardia Tax Law. The Minister of Finance will determine such cases and assess appropriate measures, including deferring the matter to higher authorities for resolution.
- 3.21.** If, for some reason, the annual information that is reported by a territorial tax identity comes into question for any reason, The Minister of Finance is authorised to request an investigation and transfer the information to the Trade Investigative Authority, which is outlined in Article 9 of the Asgardia Competition and Fair-Trade Act. Once there, it will be investigated, authenticated, and clarified for discrepancies. If some are found, the tax identity will have 30 days to resolve the discrepancies and file an amended annual

report. If the discrepancies cannot be resolved within 30 days, the tax identity will be subject to Articles 10, 11, and 12 of the Competition and Fair-Trade Act and/or have penalty recommendations from the Minister of Finance or deferred resolution procedures from a higher authority.

- 3.22.** Civil servants who have entered into an employment contract with Asgardia and receive a periodic payment or annual salary within the territory of Asgardia are subject to administrative tax contributions. The tax rate cannot drop below one percent per solar unit that an Asgardian receives in payment and can never exceed ten percent. This rate is authorised to change periodically and is set by the Ministry of Finance. Civil servants have no deductions or filing requirements under this tax regime. However, the government entity that the civil servant is employed by will file an annual report of all monies paid and who they paid to the Ministry of Finance.
- 3.23.** All government officials working for Asgardia in the territory of Asgardia and receiving some form of compensation from Asgardia are subject to administrative tax contributions. The tax rate cannot drop below one percent per solar unit that government officials receive in compensation and can never exceed ten percent. This rate is authorised to change periodically and is set by the Ministry of Finance. There are no tax deductions or reporting for government officials under this tax regime. The Ministry of Finance, through its constitutional responsibilities, already receives or collects the necessary information for reporting requirements.
- 3.24.** The Asgardia Finance Ministry will consider using innovative technologies, such as artificial intelligence and blockchains, to generate tax identification numbers, collect taxes, report, analyse tax data, detect anomalies, and improve compliance.
- 3.25.** The Asgardia Finance Ministry is authorised to implement a flat-rate carbon tax on all tax identities through a legal instrument with the approval of the Asgardia government. This environmental tax will promote Asgardia's commitment to social responsibility.
- 3.26.** The Asgardia Citizenship law sets the Asgardia resident fee and can only be changed with an amendment approved by the Parliament of Asgardia, as described in the Asgardia Citizenship Law.
- 3.27.** Tax related monies owed will be paid to Asgardia's budget in full.

4. Licensing and Intellectual Property (IP) Tax

- 4.1.** Asgardia IP tax jurisdiction includes any registered IP created, developed, maintained, owned, rented, sold, or otherwise managed exclusively within the jurisdiction of the Space Nation of Asgardia.
- 4.2.** IP tax jurisdictions outside Asgardia jurisdiction will not be subject to tax.
- 4.3.** The Ministry of Finance will assess Split foreign IP jurisdictions on a case-by-case basis, and fees or rates will be assigned as appropriate as long as the IP holder is an Asgardian Enterprise with a sufficient net profit.
- 4.4.** Asgardia endeavors to create a lucrative and inviting atmosphere for prospective investors. Therefore, the Asgardian Ministries that use or deal with fees and intellectual property are encouraged and authorised to offer a reduced administrative tax rate, often referred to as an innovative or patent box, to encourage research and development, incentivise innovation, and attract high-tech businesses.
- 4.5.** To mitigate corruption, any tax relief or incentive shall be subjected to an immediate audit by the Asgardia Audit Office, conducted without prior notice.
- 4.6.** Asgardian Ministries are encouraged and authorised to standardise and maximise uniformity when setting fees for the administrative tax category.
- 4.7.** Asgardian Enterprises IP royalty income will be considered net profit and reported in its annual reporting.
- 4.8.** Asgardian Enterprises IP sales will be considered net profit and included in their annual reporting.
- 4.9.** Digital IP assets sold or traded by an Asgardian Enterprise that generate a sufficient net profit will be subject to tax. The net profit will be included in the Enterprises' annual reporting.

- 4.10. Digital IP assets owned or rented by an Asgardian Enterprise that generate a net profit gain will be subject to tax. The net profit gain will be included in the Enterprises' annual reporting.
- 4.11. Digital assets owned by an Asgardian Enterprise will have the same considerations as digital IP assets.
- 4.12. The Ministry of Finance is authorised to provide incentives for reducing tax on digital IP assets, specifically targeting reductions in obligations related to net profit and profit gains.
- 4.13. Asgardia's governmental Digital and IP assets will be used in a manner that is transparent and beneficial to all Asgardians while fostering Asgardia's economic growth, sustainability, safety, and prosperity. These assets will not be subject to tax.
- 4.14. Asgardia's not-for-profit IP or not-for-profit digital IP assets, such as organisational, cultural, or Indigenous, will not be subject to tax.
- 4.15. IP-related monies owed will be paid to Asgardia's budget in full.
- 4.16. The Ministry of Finance, with a legal instrument, is authorised to set up the rules, considerations, incentives, Split Foreign IP jurisdictions, net profit sufficiency parameters, net profit gain parameters, IP holder tax identification number, and any additional IP considerations or obligations.
- 4.17. All IP considerations will be aligned with current internationally accepted and Asgardia laws concerning IP.

5. Financial Transparency and Public Reporting

- 5.1. The Ministry of Finance creates and maintains a tax reporting system.
- 5.2. Since Asgardia has relations with Earth Nations, the tax reporting system must be able to integrate legally, securely, and transparently through automatic information exchange with internationally accepted tax systems that provide equal access to the 13 Earth districts of Asgardia.
- 5.3. The Ministry of Finance is authorised and encouraged to open treaty relations with these internationally accepted systems and facilitate the possibility of Asgardia becoming a member of such systems.
- 5.4. The Ministry of Finance is authorised and encouraged to consider using SMART technology and advanced cyber security technologies on a digital platform when creating the Asgardia tax reporting system to foster safeguarding taxpayer data, create immutable record-keeping, provide state-of-the-art content, and enhance efficiency and transparency.
- 5.5. The tax reporting system will align with current Asgardia laws governing security, IP, citizens' rights, and other related information necessary to report tax information.
- 5.6. The Ministry of Finance of Asgardia is hereby encouraged and authorised to establish a tax reporting system aimed at fostering trust in governmental operations through the provision of a publicly accessible portal or ledger. This portal shall serve to inform the Asgardian public regarding their tax obligations, protections, and comprehensive details concerning the collection and allocation of tax revenues. Furthermore, it will feature annual financial reports that delineate spending priorities in alignment with the objectives of Asgardia, while providing a suggestive means for Asgardians to address their concerns concurrently. The overarching aim is to cultivate a transparent and accessible financial overview of the fiscal interactions between the Ministry of Finance, enterprises, and residents. Additionally, this disclosure will be complemented by educational content, robust privacy measures, security safeguards, and adherence to all pertinent Asgardian legal instruments.
 - 5.6.1. Concerns articulated by residents of Asgardia will be presented in a question-and-answer format, using individual neutral terminology, and located in a readily accessible position.
- 5.7. In developing the tax reporting system, the Finance Ministry is authorised to implement administration systems appropriate for the financial and timeline progression of Asgardia. This system can have agencies, working groups, task forces, organisations, employees,

duty appointments, fees, or any other measure needed for implementation and management.

6. Taxpayer Rights and Protections

6.1. Taxpayer rights will be enumerated with the following provisions.

6.1.1. The right to access clear, straightforward, and easy-to-understand information.

This right ensures that individuals are provided with transparent details that allow them to fully understand the content and implications of the information presented.

6.1.2. The right to fair treatment. A fundamental principle that emphasises the necessity of being treated justly and equitably in all circumstances. This concept encompasses several key elements, including the assurance that individuals are not subjected to discrimination, bias, or injustice based on their race, gender, ethnicity, religion, socioeconomic status, or any other characteristic. Fair treatment involves the provision of equal opportunities, adequate representation, and respectful interactions within various tax settings, ensuring that every Asgardian is afforded dignity and respect, promoting an Asgardian society where everyone can thrive without fear of unfair treatment or prejudice.

6.1.3. The right to privacy encompasses the fundamental belief that individuals have an inherent right to keep their personal information, communications, and activities protected from unwarranted intrusion. This right seeks to safeguard individuals against government surveillance, unauthorised sharing of personal data, and other forms of interference that can compromise one's personal space and autonomy. The right to privacy is essential for maintaining dignity, freedom of expression, and the ability to make individual choices without external pressure or scrutiny. In an increasingly digital world, where personal information is often collected and shared without consent, asserting and protecting this right is crucial.

6.1.4. The inherent right to use various mechanisms designed for resolving disputes ensures that individuals or parties can fairly present their cases and seek a just outcome through established procedures. This right includes access to mediation, arbitration, and legal proceedings to effectively address conflicts and promote equitable solutions in all tax matters.

6.2. These rights are aligned with the Asgardia Constitution, Supreme Values, and relevant laws and will not be infringed upon in tax-related matters involving Asgardians.

6.3. Rights infringed upon are subject to conditions outlined in Article 8.

7. Future Proofing and Adaptive Tax Law

7.1. Asgardia is a digital nation, meaning most activities involve digital systems and space-related initiatives. This paradigm includes electronic commerce, digital transactions, cryptocurrencies, blockchain technology, and SMART initiatives aimed at futureproofing and adapting to new challenges. To support this framework, the Asgardia Finance Ministry is authorised to establish a task force or agency responsible for making recommendations, compiling reports and presentations, reviewing data, mitigating risks, evaluating integrable systems, and undertaking necessary processes. The goal is to ensure that Asgardia's tax laws and how those laws are enforced remain forward-thinking, sustainable, adaptable, and manageable in relation to all potential tax relationships.

7.1.1. Once established, this task force or agency is required to provide the Minister of Finance with a comprehensive tax report annually.

7.1.2. This report will assess and inform about any tax matters and relationships in the present or future developments concerning Asgardia, its Enterprises, or its residents, whether digital, physical, Earth-based, or extraterrestrial.

7.2. Asgardia Finance Ministry is authorised to align Asgardia's tax matters with the Organisation for Economic Cooperation and Development to shape future tax policies and keep Asgardia aligned with Earth tax initiatives.

- 7.3. Asgardia recognises that any entity operating digitally within a specific realm is evolving and fluid regarding tax requirements. Acknowledging this uncertainty, the Asgardia Government and Asgardia Enterprises, which maintain a digital or physical business presence within Earth nations and engage in border and cross-border transactions, are subject to the tax laws and treaties of those nations. Moreover, for Asgardia Enterprises, any taxes incurred and paid as a result of those laws and transactions can be deducted from their profits on the annual Asgardia tax report. However, the Asgardia Government is not subject to taxation within Asgardia but must implement mechanisms, such as provisions 7.1 and 7.2, to ensure compliance with any Earth legal instrument when conducting business, IP transactions, or any other transactions that trigger a tax requirement.
- 7.4. Asgardia Finance Ministry is authorised to establish key performance indicators (KPIs) to evaluate the effectiveness of the tax system annually. These indicators will:
 - 7.4.1. Be taxpayer, tax clerk, and management-focused.
 - 7.4.2. Establish viable performance benchmarks.
 - 7.4.3. Establish viable performance outcome areas. which will include;
 - 7.4.3.1. The integrity of tax registrations.
 - 7.4.3.2. Risk management mitigation.
 - 7.4.3.3. Voluntary engagement and compliance.
 - 7.4.3.4. On-time filing reporting.
 - 7.4.3.5. On-time administrative reporting to include audits.
 - 7.4.3.6. Dispute resolution engagements.
 - 7.4.3.7. Efficiency of tax revenue management.
 - 7.4.3.8. Accountability and transparency measures.
- 7.5. Once set up and implemented, these key performance indicators will enhance the performance of the Asgardia tax system by working together with the appropriate governing bodies and tax identities in Asgardia.
- 7.6. The Ministry of Finance of Asgardia, in collaboration with the Ministry of Youth and Education, is hereby authorised to establish educational protocols regarding taxation. These protocols will provide tax identities with the requisite resources to ensure full compliance and awareness of all pertinent tax-related matters. The financial responsibilities associated with this initiative will be deducted from the tax revenues of Asgardia.

8. Enforcement and Penalties

- 8.1. The Asgardia Finance Ministry is authorised to establish remedies for enforcement and penalties through a legal instrument. These remedies will:
 - 8.1.1. Guarantee due process of law in accordance with Asgardia law.
 - 8.1.2. Explain infringement protocols and include methods for complaints.
 - 8.1.3. Allow periodic independent reviews from the Asgardia judiciary.
 - 8.1.4. Be proportional to the offense.
 - 8.1.5. Have avenues for appeals.
 - 8.1.6. Use alternative dispute resolution processes, as outlined in the Asgardia Dispute Resolution Act, which encourages mediation and arbitration as initial methods of resolving disputes.
 - 8.1.7. Distinguish between minor and major offenses, as well as the applicability of enforcement measures.
 - 8.1.8. List levels of enforcement from fines to judiciary rulings.

9. Social Contributions and Community Investment

- 9.1.** The Asgardia government is authorised, encouraged, and should be a proponent of Asgardia's tax revenues being used in a circular tax investment manner. This means that Asgardians invest in the tax revenue, which is then invested back into Asgardians. This circular economy will have the following prohibitions:
 - 9.1.1.** Political parties or influences.
 - 9.1.2.** Pyramid schemes.
 - 9.1.3.** Hierarchical dictatorial schemes.
 - 9.1.4.** Social class schemes.
 - 9.1.5.** Prejudicial schemes.
 - 9.1.6.** Fraud, waste, and abusive schemes.
- 9.2.** The Asgardia government is authorised to invest Asgardia's tax revenues in the following project areas under the influence of Asgardia's governing system:
 - 9.2.1.** Occupational projects.
 - 9.2.2.** Medical projects.
 - 9.2.3.** Investment projects.
 - 9.2.4.** Manufacturing projects.
 - 9.2.5.** Lending projects.
 - 9.2.6.** Educational projects.
 - 9.2.7.** Enterprise start-up and expansion projects.
 - 9.2.8.** Asgardia expansion projects.
 - 9.2.9.** Research and Development projects.
 - 9.2.10.** Science projects.
 - 9.2.11.** Humanitarian projects.
 - 9.2.12.** Environmental projects.
- 9.3.** The Audit Office of Asgardia will perform an annual review or audit to guarantee that tax revenues are effectively and transparently used for community investments.
- 9.4.** Upon formation, the task force outlined in Article 7 will delineate mechanisms for public engagement and offer oversight in the selection of investment projects. This requirement will be incorporated into its annual report addressed to the Minister of Finance.
- 9.5.** This task force will engage in collaboration with the governing bodies of Asgardia to establish mechanisms for public engagement and protocols for oversight specifications.
- 9.6.** All Asgardia governmental operational expenditures are authorised to be deducted from tax revenues.