

# Tally Sticks vs. The Digital Pound: A Proposal with Treasury Model

This document contains the final, enhanced proposal comparing the Tally Sticks UK model with the official UK Digital Pound proposals, now including the "Transparent Public Treasury" concept.

To: Relevant UK Government Officials (The Chancellor of the Exchequer, HM Treasury; The Governor, Bank of England; The Chair, Treasury Select Committee)  
From: Ken, Tally Sticks UK CIC  
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Subject: A Comparative Analysis and Alternative Model for the UK's Digital Currency Future: Tally Sticks vs. The Digital Pound

## 1. Introduction: A Shared Goal, A Different Path

The Bank of England and HM Treasury's methodical exploration of a "digital pound" is a laudable and necessary initiative. The stated objectives—to provide a reliable and accessible digital payment mechanism, anchor monetary stability, and foster innovation—are ones we wholeheartedly support.<sup>1</sup> The commitment to a multi-year design phase and the requirement for primary legislation demonstrate a seriousness of purpose that is appropriate for a project of this magnitude.<sup>3</sup>

However, we believe the proposed "public-private platform model" with a centralized core ledger, while pragmatic, still represents a framework of centralized **"Power"**.

Tally Sticks UK offers an alternative, operational model built on a philosophy of **"Service"**. We can achieve the same admirable goals of the digital pound initiative without creating a new, centralized monetary instrument that carries inherent risks. We propose a system of constitutional validation that enhances our *existing* financial rails, rather than replacing them.

## 2. A Direct Comparison: Tally Sticks vs. The Digital Pound Proposal

This table directly compares the two models based on the Bank of England's published papers and the operational Tally Sticks framework.

Feature / Principle	The Digital Pound Proposal ("Power" Framework)	The Tally Sticks Model ("Service" Framework)
Core Architecture	A <b>centralized core ledger</b> provided by the Bank of England, with a "public-private platform model" for services. <sup>4</sup>	A <b>decentralized public audit trail</b> using the BSV blockchain. The EAVE engine validates data from <i>any</i> source (existing bank payments, etc.).

<b>Governance Model</b>	Centrally governed by the Bank of England and government, with rules set by authorities. <sup>2, 4</sup>	Governed by a <b>fixed, public Tally Sticks Constitution</b> , overseen by an independent Custodial Council.
<b>Privacy &amp; Data</b>	Aims for privacy via legislation and PETs, but a centralized ledger always presents a single point for potential surveillance or data access requests. <sup>1, 3, 9</sup>	<b>Privacy-by-design.</b> It does not see or track private transactions. It only validates and records the outcomes of <i>public</i> spending, preserving individual privacy.
<b>Control of Funds</b>	Authorities commit against programming money, but the centralized technical capability could exist. User-initiated programmability is enabled. <sup>7</sup>	<b>Cannot control funds.</b> The engine has no capability to program, restrict, or access users' money. It is a validation and recording layer only.
<b>Innovation Model</b>	Aims to foster innovation by providing APIs for private firms to build services on the BoE platform, with the Digital Pound Lab. <sup>4, 5</sup>	Fosters innovation through a universal <b>"Ethical Cartridge" system</b> . Any developer or regulator can build validation rule sets for any industry on top of the open EAVE core.
<b>Financial Operations</b>	Requires direct integration with the traditional banking system, creating reliance on banking partners and potential disintermediation risks. <sup>6</sup>	Operates its own <b>Transparent Public Treasury</b> . The CIC manages its own assets to facilitate on-chain operations, reducing reliance on risk-averse banking partners.
<b>Public Role</b>	The public are <b>consumers</b> of a new form of central bank money.	The public are <b>empowered auditors</b> and <b>rewarded participants</b> in the governance ecosystem.

### 3. The Tally Sticks Advantage: Achieving the Goals Without the Risks

The Tally Sticks model demonstrates that it is possible to achieve the UK's strategic objectives for digital finance in a more transparent, less intrusive, and more versatile way.

- We Enhance Stability, Not Disrupt It: By validating transactions on existing payment rails, Tally Sticks avoids the systemic risk of financial disintermediation

from commercial banks—a key concern noted in the official proposals.<sup>6</sup>

- **We Deliver Superior Transparency:** By using a public, permissionless blockchain (BSV), every validation of *public* spending creates a permanent, immutable, and independently verifiable audit trail that cannot be altered or controlled by any single authority.
- **We Foster Broader Innovation:** The "Ethical Cartridge" model of the EAVE is a truly open platform for innovation, far beyond just payments.

#### 4. A New Model for Financial Operations: The Transparent Public Treasury (NEW)

A key challenge for any system bridging fiat (GBP) and digital assets is the reliance on traditional banking partners, who are often risk-averse. Tally Sticks addresses this through a novel operational model that embodies radical transparency.

Tally Sticks UK, as a registered Community Interest Company, will maintain its own **Transparent Public Treasury**. This treasury, funded by grants, service fees, and contributions, holds both GBP (in a standard CIC business bank account) and BSV (in a publicly auditable wallet).

This model achieves three critical goals:

- **It Solves the Liquidity Problem:** The CIC can use its GBP reserves to purchase BSV for its treasury, acting as a single corporate entity. It then uses its own BSV assets to fund operational micropayments, such as the "Public Rewards for Audit QC" program. This removes the burden from individual users or government departments needing to acquire digital assets directly.
- **It Mitigates Banking Risk:** By managing its own treasury and acting as the facilitator, Tally Sticks UK de-risks the process for traditional banks. We are not operating a public exchange; we are a CIC managing our own assets to fulfill our community mission.
- **It Provides Ultimate Transparency:** The address of our BSV treasury wallet will be public. Anyone can audit our on-chain assets and transactions in real-time. This, combined with our commitment as a CIC to transparent financial reporting, creates a financial entity whose trustworthiness is not just claimed but is **verifiably demonstrated**. This is "Service Over Power" in practice.

#### 5. Our Proposal & Call to Action

We propose that the EAVE platform, as demonstrated by the Tally Sticks UK implementation with its Transparent Public Treasury model, be considered as a primary technology for the UK's digital finance future. The EAVE can act as the **constitutional validation layer** for *any* transaction, whether it occurs via the existing

banking system or a future digital pound.

By integrating the EAVE, you can guarantee that any future monetary system operates with the highest degree of transparency and adheres to a publicly auditable ethical framework, thereby securing public trust from the outset.

We would be honoured to provide a full demonstration of the live, operational Tally Sticks system.

Sincerely,  
Ken  
Tally Sticks UK CIC

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**End of Proposal Text**