

THE ALTKUZNETS GST BOOST TO CIRCULAR ECONOMY

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THE ACE GST-LEVERAGED CIRCULARITY STRATEGY

ACE

- IP based Companies House, Incorporation, Oct 2024.
- Participated in ICSD 2024
- Seeking City & Investor Interest

ACE CIRCULARITY STRATEGY

- Market-leveraged, GST-centric, Finance- & IT-intensive, Nerve-center Strategy
- Comprehensive (Sectors, Precincts, Households, Listed & Unlisted Firms, Rem. Firms)
- FDI, Precinct & Biz Leverage

CIRCULARITY

- **Physical Definition of Circularity**
 - **Limited Context**
 - **Irrelevant to Modern Economy**
- **Economist Definition of Circularity**
 - **Material Circularity – bears on Primary vs Secondary Prod.**
 - *Production Waste*
 - *Packaging Waste*
 - *Post Consumption Waste*
 - **Energy Circularity – External Effects on the Commons**
 - **Circularity as applicable Multi-product Firms**
 - **Firm/Sector/Market/Sovereign Context**
 - **Lends itself to Financial Constructs**
 - **Subsidies & PLLs**
 - **Circularity ETFs**
 - **Circularity CDOs**

CIRCULARITY

- **How tight the Circularity?**
 - Item Circularity
 - Product Physical Circularity
 - Media Circularity
 - Brand Circularity (EPR)
 - Household Circularity
 - Corporate Circularity
 - Precinct Circularity
 - Sovereign Circularity
 - DY Circularity
 - Market Circularity
- **Circularity as a quantitative metric**
 - Producers/Manufacturers
 - Intermediaries (Transporters/Online Vendors)
 - Consumers
 - Post Consumption Entities
 - Derivation of Circularity Score

MICRO CIRCULARITY

- **Micro Determinants of Circularity**
 - **Recoverability**
 - *Packaging Size*
 - *Nature of Product*
 - *Modularity*
 - *Hi Value Elements & Components*
 - *Perishability / Shelf Life*
 - *Food/Liquid Product*
 - *Explosive/Toxic chemicals*
 - *Recovery Costs*
 - **Stage of Recovery**
 - *Manufacturer*
 - *Wholesaler*
 - *Precinct Retailer*
 - *Household*

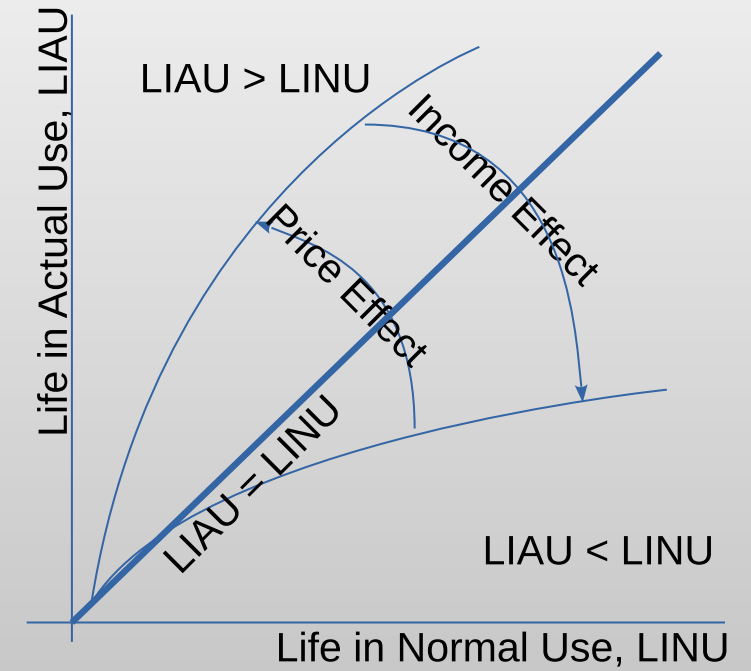
MACRO CIRCULARITY

Macro Determinants of Circularity

- **Consumer Preferences**
 - Low WTP for Precinct NIMBY & Commons Externalities
 - Festival-correlated Bonuses reduce Durable Life
- **Technology**
 - Material Technology
 - Packaging Technology
 - Commodity Prices – Margins & Market Returns
- **Median Household Incomes & Consumption paradigm**
- **Sector Policies**
 - Taxes on Circularity Deficiencies
 - Caps on Primary Material
 - Secondary Recycling Capacity (Circularity Incentives)
- **Precinct Participation**
- **Trade Policy-engendered Trade Camouflage**
- **DNM, SDG & PE Response to Circularity**

CIRCULARITY

- **Nature of Capital Market**
 - *Closed Cycle Vs Open Cycle*
 - *Investor Premium for CC Equities*
 - *PE Sensitivity of Equities*
- **Regulations**
 - *Ambient Air/Water Quality Standards*
 - *No. of Competitors in Consumer Goods*
 - *Packaging Size*
- **Product Life (Manufacturer vs Household)**
 - *Reliability-based Manufacturer-intended Product Life*
 - *Software-defined Life of Durables (Schump)*
 - *Household Durable Decisions*
 - *Price & Income Effect*
 - *Model Schump (Incremental Features)*



CIRCULARITY

- **Ease of re-manufacturing Unsold Inventory**
- **Sensitivity of Product Quality to Secondary Recycled Material**
 - **Warranty**
 - **Brand Upgrade (Social Consciousness)**
 - **Brand Downgrade (???)**
- **Component-based Recycling**
 - **Electronics Devices**
- **Strategic Recycling**
 - **Recycling to recover Strategic Elements in Short supply**
- **Physical Indices - Recycling rates**
 - **Recycling Costs**
 - **Costs of Collection, Sorting & Remelting/Refining**

CIRCULARITY-INCENTIVIZING INSTRUMENTS

- **Mandated Purchase of**
 - **DPRC & SOPP Certificates**
 - **CO2 Plateau/Primary Plastics Cap**
- **Voluntary Purchases of**
 - **Circularity ETFs**
 - **CDOs**
 - **Durable Plastic Recycling Certificates, DPRCs**
 - **Env. Remediation Certification**
 - **GreenCharge & RE Certificates**
- **Financial Incentives**
 - **Sector-issued Private Dividends**
 - **Bullion-Hedge issued PE Upgrade**
 - **SDG-recompensed Circularity Programs**

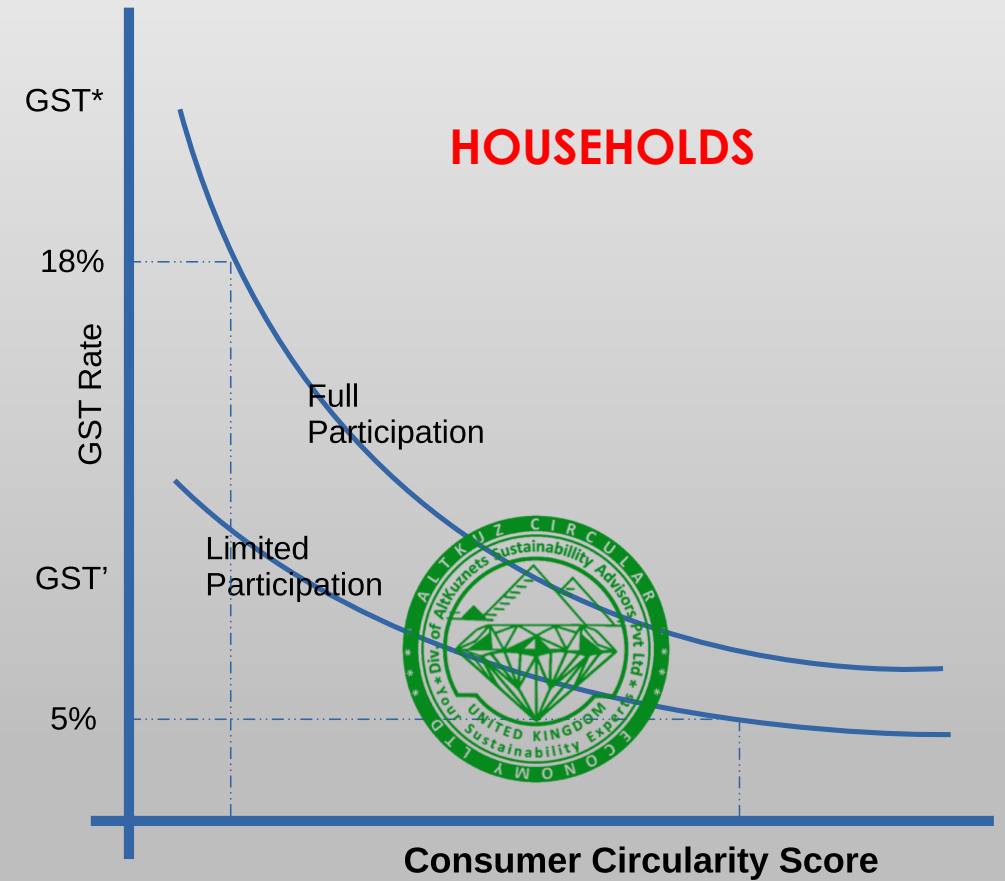
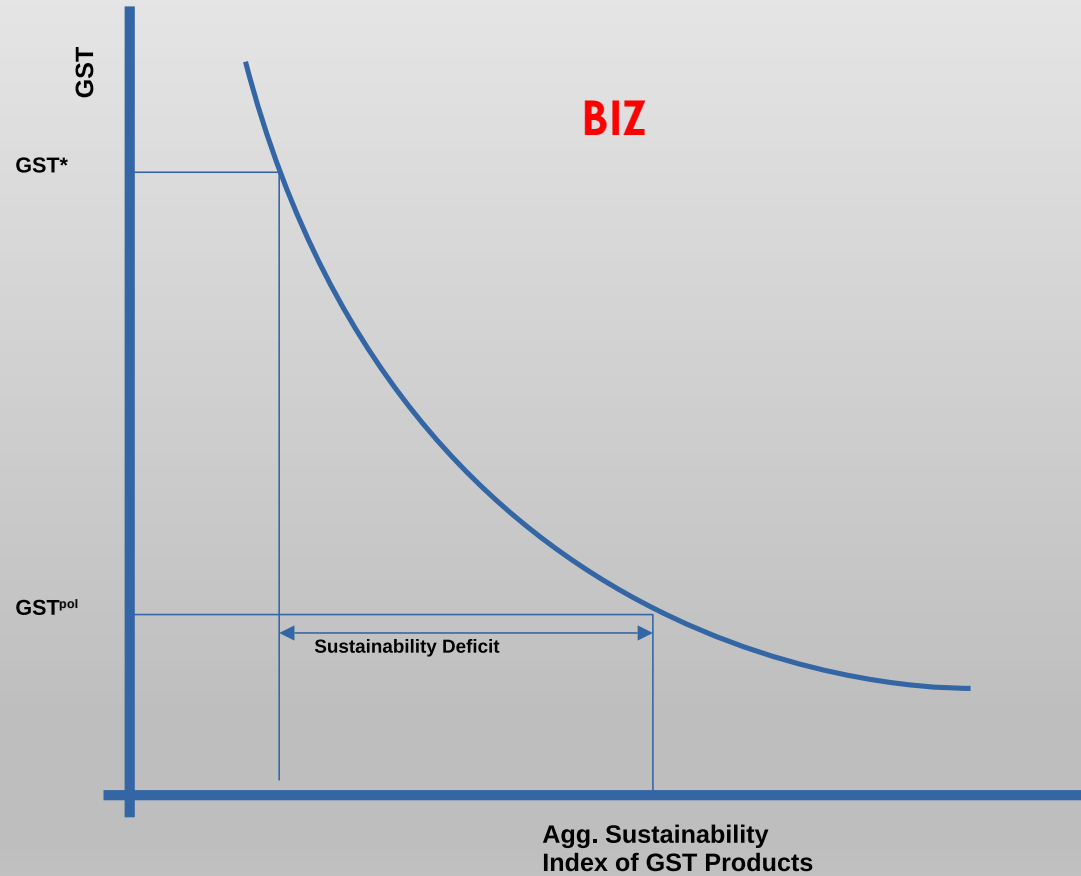
The GST

- **GST is a globally-preferred method of Taxation of Biz & Households Transactions**
- **Applicable to transactions across Biz Tiers & Intermediate Products**
- **GST has several aspects to it :**
 - **Formalises Economy & Taxation**
 - **Raises Revenue for the Federal & Precinct Governments**
 - **Obtains Return to Precinct Land & Infra**
 - **Raises funds for Damages associated Economic Activities**
 - **Obtains basis for PLI & other Incentives**
- **GST Tiers & Slabs Subject to Coterie Politics, & Trade Winds, but invariant to Sustainability**
- **ACE Strategy correlates GST to Producer & Household Sustainability**

GST IN THE GLOBAL SOUTH

- Tax Equity Primary; Tax Neutrality of alternative Proposals
- Global South characterized by Real Society & Lack of Purchasing Power; Deficient WTP for Circularity
- Online Platforms anonymize externalities, particularly in 5% Slab
- Online Platforms expand the externality Sphere to a larger geography
- Necessary to anticipate Circularity Downgrade in the Global South
- ACE offers GST-leveraged 2-tier Circularity Strategy (Fig)

The ACE Interpretation of the Two-pronged GST Tiers



GST Neutrality – Recompensing the Government

- AltKuz Sustainability-rebates could imply a loss of GST Revenues
- Loss of Tax Revenues are socially & politically-sensitive

Revenue Neutrality

$$\sum_s r_{s0} P_{s0}(r_{s0}) Q_{s0}(P_{s0}, \epsilon_{s,Q,P}) = \sum_s \sum_{byr} \sum_{sllr} r_{s2} P_{s2}(r_{s2}) Q_{s2}(P_{s2}, \epsilon_{s,Q,P})$$

$$r_{2byr,sllr} = [1 + \gamma PEI_s] \left[1 - (\beta_{sllr} EPS_{sllr}) - (\beta_{byr} CCS_{byr}) \right] [1 + r_0 + x]$$

- AltKuz offers two strategies to obtain Revenue Neutrality:
 - Monetization of ‘Group Future-Sus FV’ from Sustainability Trades at Long Bonds-AO Market Mirror OC-Green Bonds (GreenShoe & the ‘Pre’)
 - Sus Gold ETF on *SDG Circularity Achieve Gold*
- DNM & FDI Leverage obtain Precinct & Sovereign cooperation.

CIRCULARITY ORGANIZATION

- **Goods & Services constitute the largest set of Economy**
- **Necessary to conceive of a strategy to encompass that entirety**
- **GST Authority (GSTA)**
 - **Is universally-subscribed to Government Taxation Entity**
 - **Broadband Tax structure – similar across Nations**
 - **Is Online & Digital Tax integrated w/ Banks & GST-reporting**
 - **Is Compatible with Marketing Platforms & Lifetime Card**
- **ACE prefers '*GSTI Portal-OC AO-GST Paradigm*' alignment**
 - **GSTI would be a Nerve-center in the mirror of the GSTA**
 - **Platform co-opts Producers & Consumers to Sustainability**

CIRCULARITY PARTICIPATION

- Firms & Individuals would buy Remediation Program Units, RPUs & RE, Recycling, Secondary Material Certificates, RRS MC



$$\text{Firm: } \text{PRPU}_{ft} = \partial \Pi_{ft} / \partial \text{QRPU}_{ft} ;$$

$$\text{Sector : } \text{PRPU}_{\text{Mkt},t} = \partial \text{PE}_{\text{Mkt},T} / \partial \text{QRPU}_{ft} ;$$

$$\text{Market : } \text{PRPU}_{ft} \sim \sim \partial \text{MACS}_{\text{snT}}^{\text{mkt}} / \partial \text{QRPU}_{ft} ;$$

$$\text{PRRC}_{ft} = \partial \Pi_{ft} / \partial \text{QRRSMC}_{ft}$$

$$\text{PRRC}_{\text{Mkt},t} = \partial \text{PE}_{\text{Mkt},T} / \partial \text{QRRSMC}_{ft}$$

$$\text{PRRC}_{ft} \sim \sim \partial \text{MACS}_{\text{snT}}^{\text{mkt}} / \partial \text{QRRSMC}_{ft}$$

- Firm Purchases are Private-pareto & at variance with Bullion Hedge or Market Preferences

CIRCULARITY PARTICIPATION

- **Businesses would :**
 - Participate in Mandatory Env / Circ Programs (SOPPs, Plateau Options)
 - be issued non-tradable, but Circularity-calibrated, Dividend-eligible Public Shares
 - Increment their holdings with Voluntary Purchases of Rem. Program Units & Recycling Certificates.
- **Households may participate with Annual Subscription**
 - Households incentivized with
 - Lifetime Offers
 - Retirement Incentives (Unvested → Vested)
 - Subtended Durable Leases
 - Free Consumables
 - Anticipate Household Diffidence
 - Tradability of HCCUs/EPS

CIRCULARITY INDICES

Circularity

- **Process Definition**
 - **Computed from Mass units**
- **Environmental Definition**
 - **Prioritizes & weights substances by Toxicity Index**
 - **Fails with Concentration measures**
- **Economic Definition**
 - **Computed from composite of :**
 - ❖ **Value-added**
 - ❖ **Toxicity Index**
 - ❖ **Recycling Rates**
 - ❖ **Certificate Purchases**
 - ❖ **Divisia Growth Rates**

CIRCULARITY INDEX

$$CCS_{f/r,t} = A_{f/r,t}^{\alpha} (1 - B_{f/r,t})^{\beta} (1 + C_{f/r,t})^{\gamma} \quad \alpha^{prv} = \beta^{pub} + \gamma^{pub}$$

- **A : Value-added Efficiency Measure**

Incentivizes Efficiency, higher Product Quality, higher Product prices, higher Profits, & Secondary Inputs

- **B : Externalities**

Component B measures the magnitude of environmental damages

- **C : Remediation**

Measures Remediation & Circularity Investments

- Expression could be adapted to Sectors

CIRCULARITY INDEX

- ACE Circularity Index borrowed from Waste Externality copyright
- Constructed as the product of 3 ratios
- Component A measures Value Added with Secondary Material Credit
- Component B accounts for multi-media Environmental Damages
- Component C credits the firm for Certificate purchases
- An Efficient Firm that applies Secondary, recycled material, minimizes externalities and invests in Certificates obtains a high CCS
- LCPs are Long Carbon Permit that require subscription to FLEXCAP Carbon Plateau Options

$$A_{LME,ft} = \left[\frac{\sum_{fg} P_{fg} Q_{fg}^{LME} + \sum_{fi} P_{fi}^{sec} (q_{fi}^{sec}) Q_{fi,f}^{sec,LME} - \sum_{fi} P_{fi}^{pr} Q_{fi,f}^{pr,LME} (w_f, w_{MI,f}, P_{E,f}, P_{M,f},}{\sum_{fi} P_{fi} Q_{fi,ft}^{LME}} \right]$$

$$B_{LME,ft} = \left[\frac{\sum_m TD_{m,ft}^{LME} (Q_{fi}) + P_t^{LCP} (Q_{E,ft}^{LME} + Q_{nrF,ft}^{LME}) + V_{NCW,unrec,ft}^{LME}}{\sum_{fi} P_{fi} Q_{fi,ft}^{LME}} \right]; \quad B_f < 1$$

$$C_{LME,ft} = \left[\frac{V_{AAPTAC}^{LME} + \sum_m V_{RC,f,m,t}^{LME} + V_{SDRE,f,t}^{LME} + V_{NCW,rec,f,t}^{LME} + V_{CWsold}^{LME}}{\sum_{fi} P_{fi} Q_{fi,ft}^{LME}} \right]$$

$$V_{AAPTAC,f,t}^{LME} = \sum_s P_{s,t} Q_{s,t}^{LME}$$

$$V_{LCP,f,t}^{LME} = CCSP_{f,t,tpch,tdep,T}^{LME} P_{tpch}^{LCP} Q_{LME,f,tdep}^{LCP}$$

$$V_{CP,f,t^{Nix}}^{LME} = (1 + NIXPR_{LME,f,t^{Nix}}) [V_{NCP,f,t^{Nix}}^{LME} + V_{LCP,f,t^{Nix}}^{LME}]$$

(37)

$$V_{RC,f,m,t}^{LME} = RAD_{m,f,t}^{LME} + V_{NCW,rec,ft}^{LME};$$

$$aoe = [MS, ES, HH, ULME, GE, DE, PU, CE, CS, STK]$$

$$V_{CW,ft}^{LME} = \sum_m DivP_{m,t}^{CW} Q_{CW,LME,m,ft}^{CW};$$

$$V_{NCW,rec,f,t}^{LME} = \sum_m DivP_{m,t}^{NCW} \left(Q_{NCW}^{LME} + \sum_{aoe} Q_{NCW,aoe,rec,m,ft}^{LME} \right);$$

$$aoe = [MS, ES, HH, LME, ULME, GE, DE, PU, CE, C]$$

$$V_{NCW,unrec,ft}^{LME} = \sum_f \sum_m DivP_{m,t}^{CW} Q_{NCW,DE,unrec,m,ft}^{CW}$$

$$V_{CP,t^{Nix}}^{LME} = \sum_l [1 + e^{r(T-t^{Nix})}] P_l Q_l^{LME,Nix};$$

$$l: [PCP, NCP, LCP]$$

$$CCS_{j,ft}^{LME} = A_{LME,j,ft}^{\alpha} (1 - B_{LME,j,ft})^{\beta} (1 + C_{LME,j,ft})^{\gamma};$$

$$\alpha^{prv} = \beta^{pub} + \gamma^{pub}$$

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NCW: Recovered, Placed and Managed Non-Commercial Waste that could potentially include Post Consumption Waste. It is distinct from Secondary materials (that is at times, Commercial Waste, CW).

CLOSED CYCLE SCORE FOR A MULTI-PRODUCT WORLD

$$CCS_{ft}^s = w^s \left[A_{sft}^\alpha (1+B)_{sft}^\beta (1-C)_{sft}^\gamma \right] + (1-w^s) CCS_{sft-1}^s$$

$$w^s = (1-MS_{ft})$$

$$CCS_{ft0} = A_{t0}^\alpha (1+B)_{t0}^\beta (1-C)_{t0}^\gamma$$

$$CCS_{ft}^S = w_t^{CCS} \left[\sum_{pr} K_{1,pr,ft} \sum_m \left[\frac{PGMEXPNDTR_{mft}^S}{\sum_m PGMEXPNDTR_{mft}^S} \frac{K_{2,mft}}{360} \frac{\partial SDRENAV_t}{\partial PGMEXPNDTR_{mft}^S} PGMEXPNDTR_{mft}^S \right] \right] + (1-w_{t-1}^{CCS}) CCS_{ft-1}^S$$

$$CCS_{ft0} = A_{t0}^\alpha (1+B)_{t0}^\beta (1-C)_{t0}^\gamma$$

$$K_{1,ft} = \frac{PRS_{pr,ft} \cdot P_{pr,ft} \cdot Q_{pr,ft}}{\sum_{pr,ft} P_{pr,ft} \cdot Q_{pr,ft}}$$

$K_{1,ft}$: Recyclability – adj Product Share of Revenues

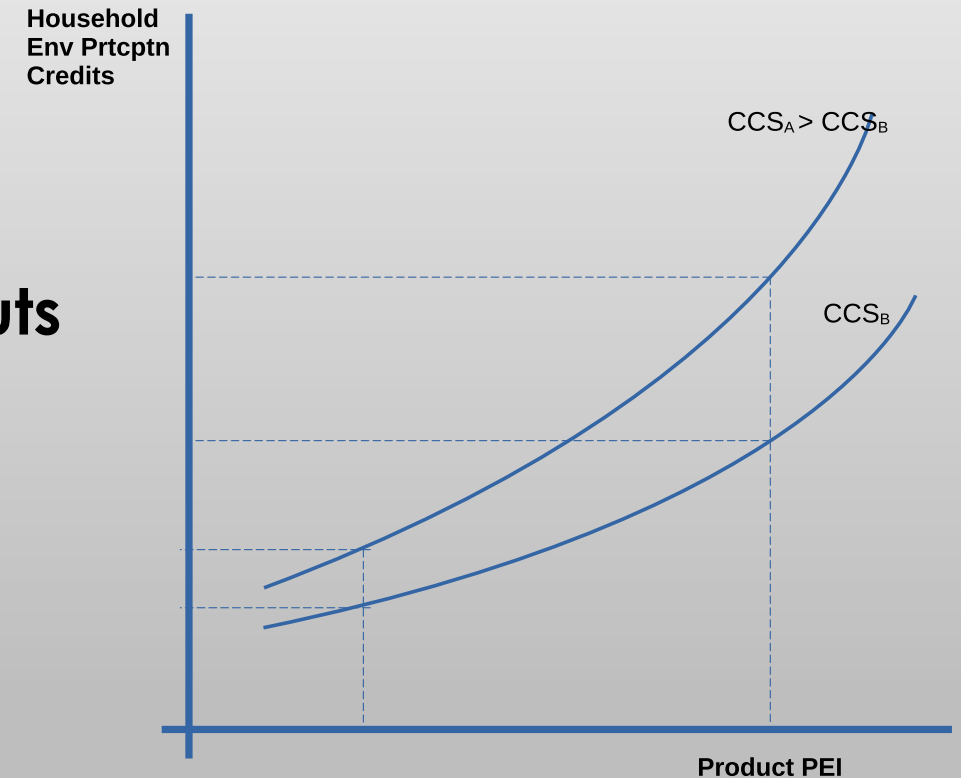
INPUT & PRODUCT EXTERNALITY INDEX, PEI

- CCS refers to Firm's Current/Cum Score across products (& prod sites)
- PEI is a Transaction-specific Score
- PEI relates to Externality-intensiveness of Inputs & Product and Proximity
- Relate PEI to TD(fi) in Component B of CCS expression

$$Q_{POLL}^{DIV}_t = \pi_0 + \pi_1 Q_{Pr1} + \pi_2 Q_{Pr2} + \pi_3 Q_{Pr3} + \pi_4 Q_{Pr4} + \pi_{14} Q_{Pr1} Q_{Pr4} \\ + \theta_1 Q_{fi1} + \theta_2 Q_{fi2} + \theta_3 Q_{fi3} + \theta_4 Q_{fi4} + \theta_{12} Q_{fi1} Q_{fi2}$$

$$PEI^{Pr}_{jt} = \partial Q_{POLL}^{DIV} / \partial Q_{Prj} = \pi_j + \pi_{jk} Q_{Pr,k}$$

$$PEI^{fi}_{jt} = \partial Q_{POLL}^{DIV} / \partial Q_{fi_j} = \theta_j + \theta_{jk} Q_{Pr,k}$$



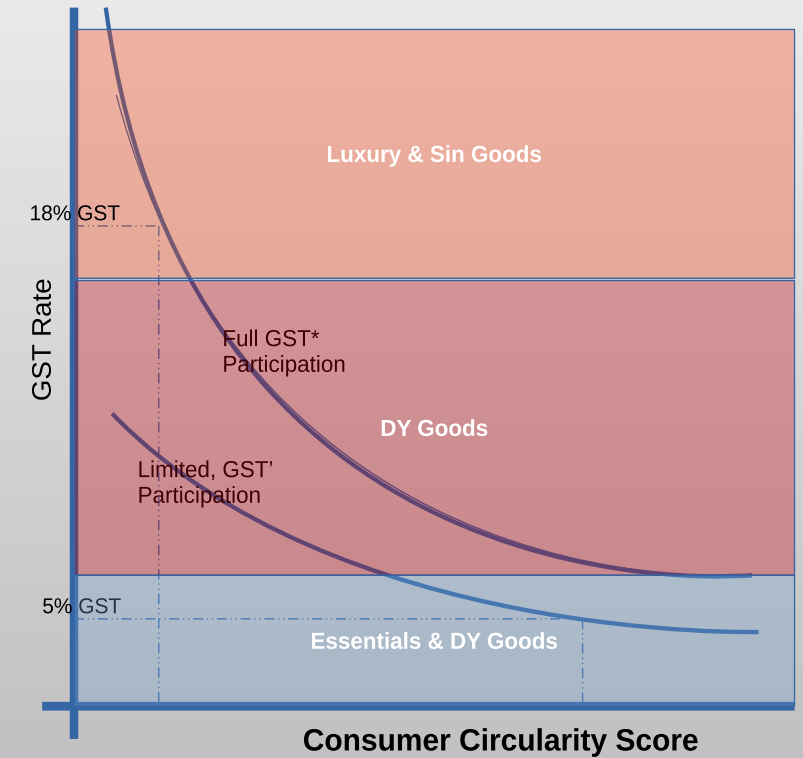
The AQP RATIONALE

- Conventional Externality evaluations beset by WTP & Valuations issues
- Conventional CC policies are deemed onerous & resented because they offer little by way of Biz returns
- AltKuz Strategy is Market-based & flexible; leverages the 'GST-Nerve Centre' with Tradable Env. Instruments
- AQP Strategy leans on relative 'Slope Coefficient' rather than 'absolute levels'
- An ordinal ranking of Firm CCS & HH EPS suffices; Pre-empting theoretical obfuscations that delay the Cause

The AQP RATIONALE ...contd

- Government Taxation is differentiated between Center (CGST) & State (SGST)
- Govt. GST rates are invariant to Sustainability of Goods / Seller / Buyer.
- GST Slabs revised to 5% or 18% & conform to Essentials or Discretionary spending

- $GST_Upper = 18\% (+ ACE\ 12\%) - \rho_0.CCS_{ft}^{\rho_1} - \rho_1.HCC_{ft}^{\rho_2}$
- $GST_Lower = 5\% (+ ACE\ x\%) - \sigma_0.CCS_{ft}^{\sigma_1} - \sigma_2.HCC_{ft}^{\sigma_3}$



THE ALTKUZNETS CIRCULARITY STRATEGY

- **AltKuz leverages a geographically-tiered, inter-media SDRE-ESH ZS-RE Bond Cause Bond.**
- **Bond weighs Externalities, rates Certificates; Crypto obtains Sus. Consumption Capital**
- **Our Strategy is compatible with Multi-product Firms at multiple Platforms & Buyer transactions at multiple Platforms**
- **It co-opts Producers, Manufacturers, Biz & Households in a mutually-beneficial, incentivized scheme**

THE ALTKUZNETS CIRCULARITY STRATEGY

- Strategy leverages GST NerveCenter to rebate GST to Sus.Transactions
- Biz & Households may purchase units in Env. Remediation Programs to raise their Closed Cycle Score, CCS & Env. Participation Score, EPS
- Households issued free Consumables, Durables Leases & Lifetime Assets against Household EPS. Transferability enhances participation
- Households issued Hedge Consumables & Durables Leases against Lifetime Aspirations
- Strategy could be tuned wrt Num. of Household Participants, Consumables & Durables Threshold, PEI & EPS Coefficients

THE ALTKUZNETS CIRCULARITY STRATEGY

- Firms register to participate in ACE GST Strategy; issued (fixed +) variable *GST Shares* proportion Annual Revenues
- Firm CCS updated to include Cycle Sustainability Investments
- Transaction GST Rate discounted by Firm's current CCS & Household EPS
- Circularity Indices upscaled in to PV & FV Contexts :
 - Precinct - DNM
 - Government - FDI
 - Corporate – Hedge PE
 - Households – Subtended Lease/Consumables

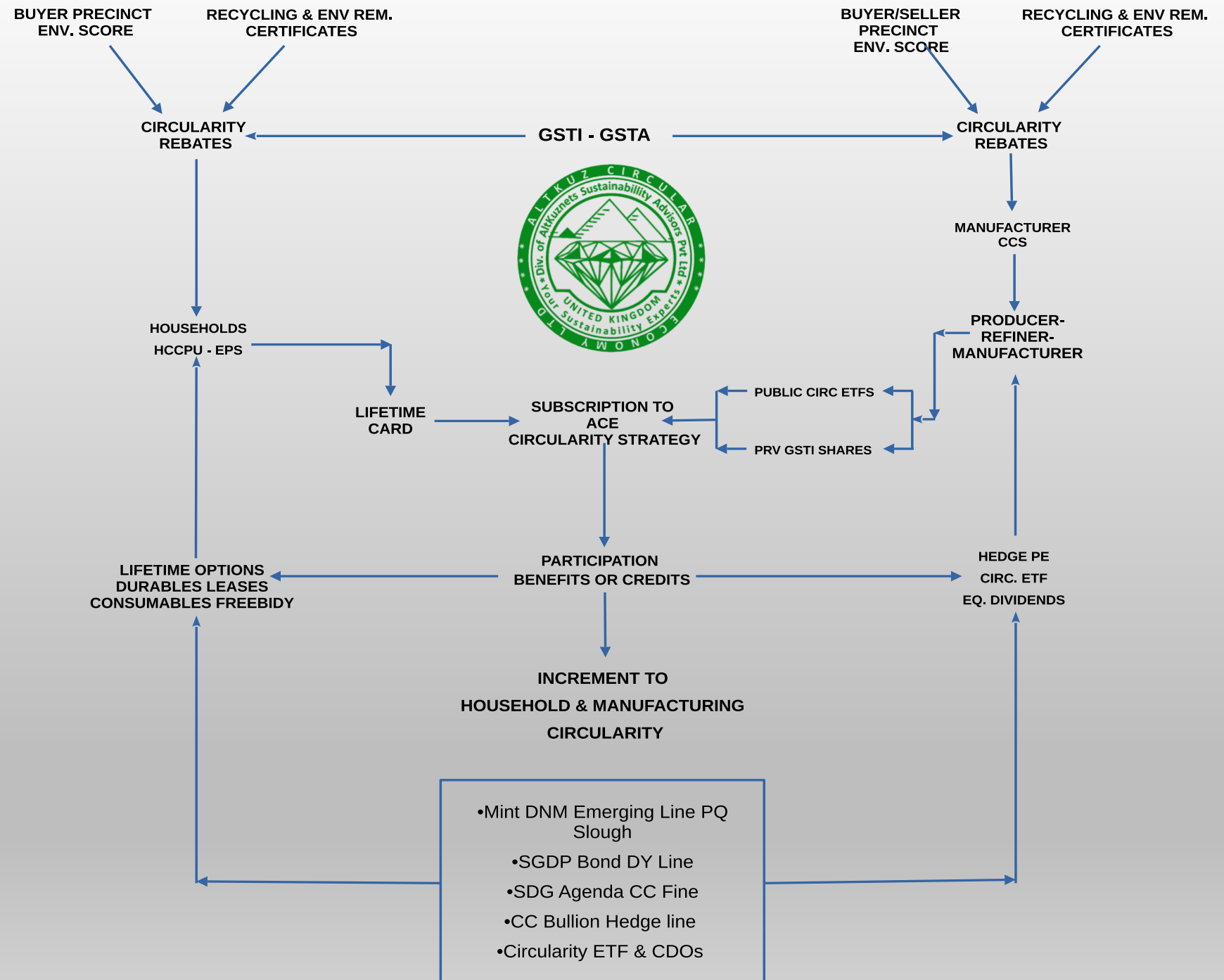
THE ALTKUZNETS CIRCULARITY STRATEGY

- Households add to HHEPS / HCCPU with Lifetime Card & GSTI Portal Purchases
- HCCPUs applied to Consumables, Durables & Lifetime Options
- Top few %ile HCCPU Owners recognized by Lifetime Card Issuer with Consumable, Durable or Lifetime Asset.
- Strategy incentivizes *universal, cross-media, participation*
Hence Scale- & Scope-conducive

THE ALTKUZNETS CIRCULARITY STRATEGY

- **Circularity ETFs & CDOs**
 - **Circ ETF issued Sector Associations**
 - **Traded opposite Bullion Gold ETFs**
 - **Raises Circularity Capital from Local Public & RoW Private**
 - **Circularity ETFs earn Dividends for GSTI Private Units**
 - **Sector Association may reward select firms with 'Bullion Hedge – issued PE Slice or Dividend**
- **Bullion Long Gold-collateralized CDOs inflate with Circularity Deficit**
- **CDOs placed with Govt; Govt may sell CDOs as (Circularity) Gold Bonds**
- **Circularity Gold Bonds bought by Friendly & Inimical Nations**
- **Circularity Gold Bonds could influence Trade Volumes & Prices**

ACE CIRCULARITY STRATEGY



GOVT. PARTICIPATION

- **Government Intents to close Budgets & minimize Taxation at odds with Biz Circularity Intents**
- **Government Policy to bifurcate GST Taxation in to an Upper & Lower set of Goods & Service induces Income-based Differentiation of Consumers**
- **Income-based Differentiation further concentrates Externalities in 5% Tier**
- **Government would accept Externality Onus associated Circularity CDOs**
- **DNM Participation by Mint**

BIZ PARTICIPATION

- Businesses register with GSTI. Issued with 'GSTI Sponsor Preference Shares' &/or 'GSTI Circularity Private Shares'
- Pvt GSTI Circularity Shares issued in proportion Market Revenues & Circularity

$$Num_circ_shr_{ft} = Rev_{ft} (1 + CCS_{ft})$$

- Circularity Shares priced private to each firm's Corporate Strategy
- GSTI Circularity Shares are tradable to IPO Firms
- Public-priced Circ ETFs issued Sector Association in numbers Mkt %ile Ranking
- GSTI Private Vs Circularity ETF Public Dividends

HOUSEHOLD PARTICIPATION

- Households register once and renew membership biennially
- Households issued 'Lifetime Credit Card' to transact at GSTI. Lifetime Card cumulates Household Participation Credits, HPCs (HCCPUs) with imbued Circularity FV.
- HPCs credited proportional Sustainability Purchases & Seller CCS
- HPC-calibrated Thresholds & Rates to qualify for :
 - Lifetime Options
 - Subtended Durable Leases
 - RE Schump Consumables Freebidy
- HPC Transferability obtains Flexibility, Credibility & encourages Participation
- ACE offers Basis Point Discount, BPD, against HPCs – adds to Upfront Inv. Returns
- ACE offers Durables & Consumables Hedge Units to those in Lifetime Asset stream.

HOUSEHOLD COOPERATION

- Households discount speculative long rewards with negative portents for participation
- AltKuz anticipates varying Household Fidelity with
 - Transferable HCCS Credits
 - Early issue of Rewards
- Transferable Households Participation Credits, HPC, & *AltKuz BuyBack facility* obtain Flexibility & enhanced Participation
- Lifetime Options are conducive with Long-term Participation in the Sustainable Consumer Economy

FINANCING THE ACE GST BOOST

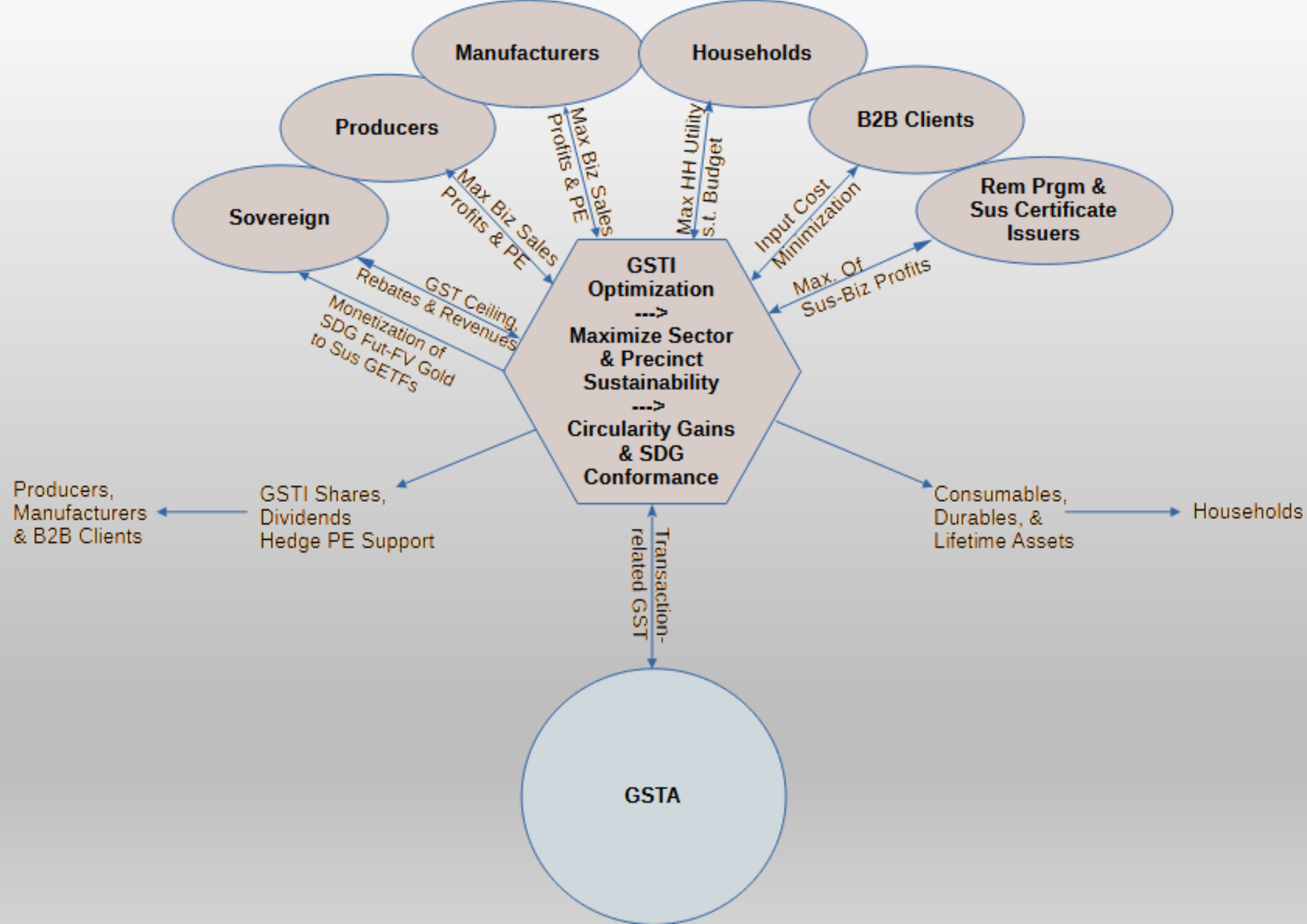
- Long Bond GreenShoe
- Pre-Slice Green Bonds
- SDG Program : 3, 8, 9, 11, 12, 14 & 15
- DNM SuperEarth-Mint Placed Line
- Circularity ETF & Circularity- & Secondary CDOs
- DSM Commons Circularity Oo
- Bullion Hedge Circularity Incremental Hedge PE-CDO Boo Ku



MULTI-STAKEHOLDER OPTIMIZATION OF GST DESIGN

- Our Strategy envisages multi-stakeholder, multi-variable optimization
- Government optimizes GST Tax collection to max GDP Growth
- Corporates max. Profits & PE while adding to GSTI Sus. Units
- Households maximize Utility associated with Consumables, Durables & Lifetime Assets obtained against Sustainable purchases
- Regulator super-optimizes over Govt, Corporates and Households by adjusting
 - GST Ceiling, Rebate structure, Corporate & Household Credits,
 - Inter-media Remediation Coefficients, Dividend rate & Households incentives.

MULTI-STAKEHOLDER OPTIMIZATION



PLASTICS CIRCULARITY

- **Plastics are ubiquitous to the modern economy.**
- **All Sectors – Households, Govt & Biz, consume Plastics**
- **Plastics Consumption could be categorized in to Consumables & Durables**
- **Proliferation of Plastic Wastes consequent smaller packs.**
- **We recommend :**
 - 1. Commons Plastics Strategy,**
 - 2. Consumables Plastics Strategy &**
 - 3. Durables Plastic Strategy**

The ACE Marine Plastics Challenge

- Commons Cell Sponsors bid for Lease ownership of Marine Micro zones
- Readings collated to issue State of Plastic Pollution, SOPP, Certificates
- SOPP are Cell-specific Certificates : NAV falls with 'Unit Plastic Count'
- SOPPs trade at ACE GSTI Counter as Circularity-enhancing Certificates
- Sponsors & SOPP Owners have a financial incentive to minimize Plastic pollution within & around.
- Commons Circularity Credit obtains SOPP holder in proportion
 - i) SOPP Holding &
 - ii) Quality-improvement over holding period.

The ACE SOPP

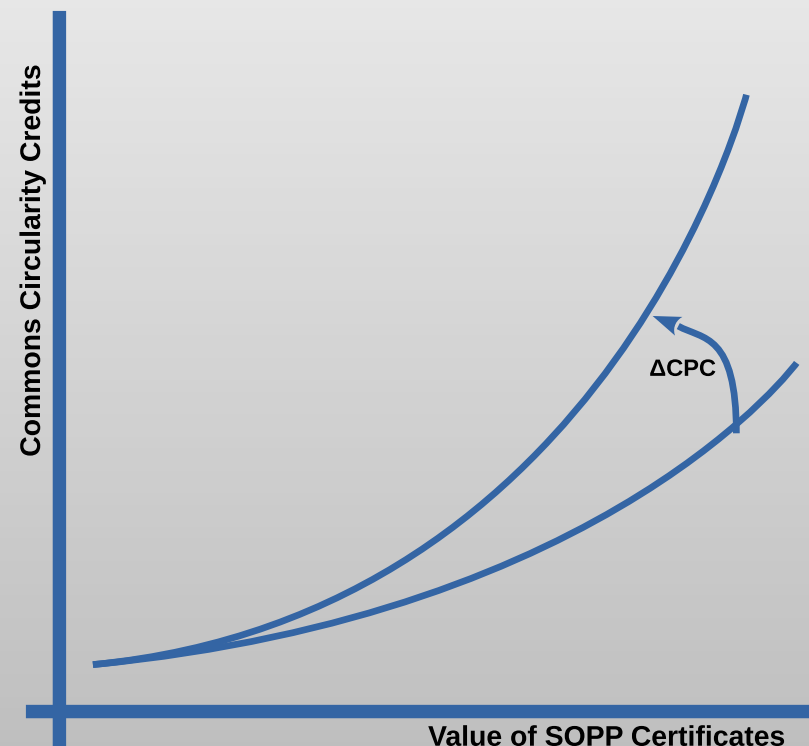


$$CCC_{f/c/t} = P_t^{SOPP} \cdot Q_t^{SOPP} (1 + \rho_1 \cdot \Delta CPC_t) (1 + \rho_2 \cdot \Delta FPC_t)$$

$$\Delta CPC_t = CPC_t - CPC_{t-1}$$

ΔCPC : Basis Point change in Cell Plastic Concentration;

Circularity Credits for holding SOPP increment with ΔCPC_t , ΔFPC_t & Holding Period



COMMONS PLASTICS

- **Plastics in Commons – Lakes, Estuaries & Oceans could be classified as:**
 - **Coarse**
 - **Fine**
- **Commons Circularity Credits, CCC, computed as :**

$$CCC_{f/c,l,t} = \underline{P_{l,t}^{SOPP}} \cdot \underline{Q_t^{SOPP}} (1 + \rho_1 \cdot \underline{\Delta FPC_{l,t}}) (1 + \rho_2 \cdot \underline{\Delta CPC_{l,t}})$$

ΔFPC : Basis Point change in Cell Fine Plastic Concentration; $\underline{\Delta FPC_{l,t}} = \underline{FPC_{l,t}} - \underline{FPC_{l,t-1}}$

ΔCPC : Basis Point change in Cell Coarse Plastic Concentration; $\underline{\Delta CPC_{l,t}} = \underline{CPC_{l,t}} - \underline{CPC_{l,t-1}}$

DURABLE PLASTICS RECYCLING CERTS, DPRCs

- **ACE suggests Durables Purchasers qualify for Loan or Lease with purchases of DPRCs**
- **DPRCs appended with variable Refund Voucher**
- **DPRCs priced inversely proportional Durable Life**
- **Refunds increment exponentially beyond 'No Refund Period'**
- **Proceeds fund Plastic Recovery, Re-melting & Re-use**
- **DPRCs obtain CCS Credits for Biz & HPCs to Households**

The Listing Unlisted

- Unlisted Firms contribute to 5% GST Products & are Externality-intensive
- ACE offers Supplementary Strategy to solve this gaping externality
- Compute Revenue-weighted Sector Median PE, SMPE
- Issue '*CC IPO Pyramid 2 Slice-Mirror Potential*' to SMPE-Supra Firms
- Mirror Potential placed as a '*CC Pyramid 2*' with Sector Association.
- Supra Firms apply '*Pyramid 2 Slice*' to enlist the unlisted

The Listing Unlisted

- Listed firms stake Pyramid CCS with Sector Association annually
- Leading Supra Firm issued '*CC DNM Moon Market Copy*' in exchange for transfer of the 'Pyramid of the Unlisted'.
- Sector Association competes OpCy Dividend Issuals with CCS of Counterweight Unlisted OpCy OE Group.

Extended Producer Responsibility, EPR – Metamorphosed !

- EPR – Manufacturer cognizance of Lifetime Pollution Releases & Impacts
- EPR significant to Circularity & Clean Prod Agenda
- EPR is partially correlated to ACE CCS
- ACE suggests Bullion-Hedge-sponsored Brand Equity Units
- Firm-specific BEUs would be generated with Revenues, EPR & CCS
- Strategy incentivizes active EPR programs and rewards Corporates with 'Brand PQ LQ Capital' – toward Offers to Customers.



NGDP Bond Brand Equity Creation Units (Firm, j)

$$QBREQ_{j,t0} = \beta_0 P_j Q_j CCS_j^{\beta_1}$$

$$PBREQ_{j,t0} = \gamma EPRI_{j,t0}^{\beta_2 CCS_j}$$

Purchase

$IF(CCS_{k,t1} > CCS_{f,t1}, QBREQ_{f,t1})$; k could denote a firm in

$$PBREQ_{k,t1} = \gamma [EPRI_k / EPRI_f]_{t1}^{\beta_2 CCS_{k,t1}}$$

Sale

$IF(CCS_{f,t2} > CCS_{k,t2}, QBREQ_{f,t2})$

$$PBREQ_{k,t2} = \gamma [EPRI_k / EPRI_f]_{t2}^{\beta_2 CCS_{k,t2}}$$

The ACE Circularity ETF ZS CDO Strategy

- ACE Circularity Scores are benchmarked to a Market Agg. Median Score
- Superior Scores recognized with Bullion Circ ETFs issued to Sector Association
- Circularity ETFs are Assets, holding & transferring which obtain a lean on the underlying Circularity Achievement
- Entities with inferior Scores are bundled to Bullion-collateralised Debt Obligations, CCDO.
- Circularity CDOs are Debts that Governments (would) hold & trade with Bullion. Govt pays down Debt that might otherwise enlarge with Inflation.
- Release of 'CDO Long BV Gold' against Circularity Gains would add to Hedge PE of the Equity market, and Circularity Dividend Issuance.

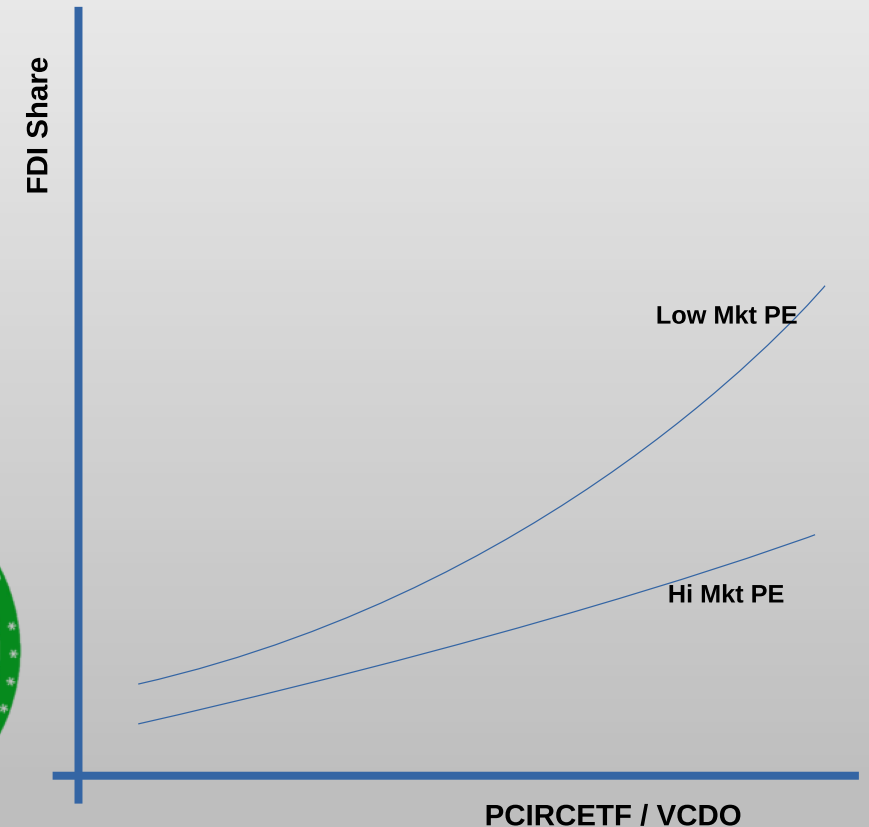
The ACE Circularity ETF ZS CDO Strategy

- Circularity ETFs issued by Bullion Hedge to Sector Associations on Sector-specific Circularity Benchmark
- Circularity ETFs Trade opposite Gold ETFs
- Circularity ETF Market Participated by
 - ETF-endowed Firms
 - Mutual & Wealth Funds
 - Sector Associations
 - Bullion
 - Mint Set, Sovereign Fractal
- Circularity CDO Participated by
 - Insurance
 - Hedge Funds
 - Inimical Sovereign/Bullion Fractal

The ACE FDI Connect

- FDI is fountain of Global Ec. Growth & significant for Emg. Economies
- FDI also relates to Sustainability & Circularity Achievers
- ACE suggests FDI leverage of Circ Scores

$$\text{FDISHARE}\% = f(\text{MACRO}, \text{MICRO}, \text{MKTPE}, \text{PCIRCETF} / \text{VCDO})$$



- Dual Cognizance of Circ ETFs & CDOs induce expedited conformance with Circularity Goals

CALIBRATION OF GST MODEL PARAMETERS

- **Significant Computations & Equations**
 - SDG Issuance
 - Hedge PE Incremental
 - Issue of GSTI Circularity Shares
 - GST Rebate vs PEI &/or CCS
 - Dividend Computation
 - CCS & CCS Benchmark
 - HH EPC, Consumables, Durables, LO
 - EPC vs PEI &/or CCS
 - DPRC & SOPP Computation
 - CircETFs & CDO Computations
 - FDI – CircETF Sensitivity
 - Modeling Intertemporal Household Optimization

CALIBRATION OF GST DESIGN

- **Calibration of Parameters**
 - Conventional routine relies on past data & econometric techniques
 - Such routine useful for repeating DY contexts
 - Sustainability Strategies must distance themselves from the Past
 - Applying past data & parameters reinforce the problem over the solution.
 - AltKuz FinTech has preferred a forward-looking Financial Optimization
 - We suggest Exogenous Macro values & Endogenous values for Goals & Objectives at Terminal Time, T
 - Leverage Monte Carlo-type Simulations to fill the pareto Public-Private parameter Set

Caveats

- Necessary to co-opt GSTA & Market Platforms across nations to implement strategy
- Strategy is incremental to Site-specific OSHA Regulations
- CCS & EPS, DPRC, & SOPP Computations are significant
- SDG, Hedge PE, Circ.ETFs & CCDOs participation necessary
- Strategy is conducive with an expansionary economic regime; else could require a significant Schump Component.

SOVEREIGN, BIZ & PRECINCT/HOUSEHOLD BENEFITS

SOVEREIGN BENEFITS

- FDI Leverage
- Apply Circularity Gains to Hedge Long FX

BIZ BENEFITS

- Increment to Bullion Hedge PE & Wealth Fund Participation
- Schump Slice
- Access to SDG Circularity Funds

PRECINCT & HOUSEHOLD BENEFITS

- DSM Circularity Slice
- LQ Upgrade
- Potential to convert Lifetime Options in to Next Offers

SALIENT POINTS

- **GST is an universally-adopted online Taxation instrument.**
- **GST is, both, Infra-recompensing & Revenue-raising**
- **Online Payment-facilitated Digital Platform Commerce has been universally adopted by Consumers**
- **Such Commerce diffuses & anonymizes externalities**
- **Protests against GST hikes have been solved 2-pronged rates**
- **Rate Reduction for DY Goods particularly harmful to Environment.**

SALIENT POINTS ... contd.

- Strategy leverages the '*GST Nerve-Center*' Scale advantage
- Dual-pronged Strategy is Politically-compatible, but differentiated in Incentives
- Strategy expands Circularity context to include Buyer, Seller & Other Precincts, & various Remediation alternatives
- Strategy funded by :
 - Mint DNM Emerging Line PQ Slough
 - SGDP Bond DY Line
 - SDG Agenda CC Fine
 - CC Bullion Hedge line
 - Circularity ETF & CDOs

SALIENT POINTS ... contd.

- **Strategy anticipates Household Diffidence & Impatience**
- **Strategy advantages Rem Programs, RE- & Recycling Certs.**
- **Sovereign compensated for its Tax Losses with SDG Gold-derived Bullion Sustainability GETFs.**
- **Our Strategy extends Incentives to the Unlisted Firms**
- **Potential to leverage Strategy toward Circularity Monetization**
- **Our Circularity Design pulls in SDG funds in to the Nation**
- **Circularity CDOs induce Sovereign Cognizance**

SALIENT POINTS ... contd.

- Strategy leverages the Lifetime Card Sustainable Consumption Strategy
- Sustainability Purchases could be leveraged as BPD to offer Market Return or as Discounted Insurance Policy Purchases
- Strategy is *Voluntary*, addresses a large domain of Producers & Consumers, is *scalable with multiple Compliance Options* that add to *Flexibility & Cost Efficiency*
- Strategy records Transaction Circularity with Seller & Buyer CCS/HHCredits – incentivizes search of upscale Seller & Buyer.
- Facilitates Precincts to leverage Circularity Upgrades toward Precinct Property Values & DSM Mint Sustainability Capital.

INVESTOR SALIENCE

- **Macro-Global strategy leverages Online Platforms & GST**
- **Wealth Funds advantaged with robust Hedge PE Upgrades**
- **Sustainability Strategy pulls in SDG Funds**
- **Circularity ETFs & CDOs enliven the market & FDI Counter**
- **IT-leveraged Strategy adds to IT-Sector Returns globally**
- **Circularity adds to Precinct Metrics & Property Values**
- **Lifetime Card Credits leveraged as BPD toward MF Purchases**

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***YOUR SUSTAINABILITY
NIRVANA !***



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