

# Governance Chain Lineage for Pair Settlement

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## What It Specifies

The settlement record carries: the pair identity (both parties), the credentialing authorities for both parties, the admissibility evaluation results, the proximity verification, the substantive settlement claim, and signatures binding all of the above.

Downstream audit traverses the lineage from settlement record through admissibility through credentialing through originating authority. Each step is structurally supported.

## Why It Matters Structurally

Settlement without lineage produces records that may be procedurally clean but architecturally unverifiable. The downstream audit reconstructs from logging that wasn't structured for the audit purpose.

Governance-chain lineage produces structurally-supported audit. Auditors verify the chain rather than reconstructing it; the verification is repeatable rather than dependent on engineering reconstruction.

## How It Composes With Mesh Operation

The architecture binds each settlement to its governance chain at construction time. The chain is declared as part of the settlement; downstream consumers admit the chain before integrating the settlement.

Chain validation operates structurally. Authority chains, credential chains, and observation chains all have declared validation procedures; the architecture supports the validation without implementation-specific knowledge.

## **What This Enables**

Regulatory audit of pair settlements (financial, custody, evidentiary) gains structural support. Defense pair-coordination audit gains the same.

The architecture also supports cross-authority lineage. Pair settlements crossing authority boundaries carry chains from both authorities; the audit traversal proceeds across the boundaries through declared federation rules.