MPC-03: Refusal, Fallback, and Freeze Logic

System: MaxProcess

Module ID: MPC-03

Title: Refusal, Fallback, and Freeze Logic

Version: 1.0

Classification: Capsule Behavior Specification

Responsible: TBYD Procedural Governance Group

License Model: TBYD License v2.2 / Audit Addendum A

Standards Reference: ISO/IEC 15408, TBYD Capsule Protocol v2.1

Applicability: MaxOneOpen v4.1+

# 1. Purpose

This module defines how capsule execution refusal is handled, how fallback paths are triggered, and how a ProcessCapsule is frozen for governance review. It ensures all deviations are traceable, predictable, and policy-compliant.

# 2. Refusal Logic

Assigned operators may explicitly refuse capsule execution. Refusal results in:  
- Immediate capsule state change to 'refused'  
- Trace entry creation in MaxAudit  
- Activation of fallback capsule (if defined)  
- Optional governance notification if marked critical

# 3. Fallback Logic

Fallback logic defines an alternative execution path if the main capsule is refused or untriggered. It is:  
- capsule-referenced (fallback\_path)  
- conditionally triggered by execution refusal, trigger failure, or delegation gap  
- immutable once defined and signed in the original capsule chain

# 4. Freeze Conditions

A capsule is marked 'frozen' if:  
- Refusal occurs and fallback is undefined or blocked  
- Governance actor explicitly intervenes  
- Capsule breach is detected via MaxAudit  
- Treaty condition mismatch is triggered  
  
Frozen capsules must be explicitly reactivated via override capsule or governance authorization.

# 5. CTO Summary

This logic formalizes refusal as a structural, traceable action rather than an untracked skip. Fallback and freeze mechanisms ensure process continuity or controlled interruption, fully observable and auditable across sovereign systems.