



# UNDERSTANDING



## Your Section 17 Corporation

A Guide for Sisseton-Wahpeton Oyate Tribal Members





# UNDERSTANDING AYA CORPORATION

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## What is a Section 17 Corporation?

Aya Corporation is a special type of economic development corporation called a **Section 17 Corporation**, because it was chartered under Section 17 of the Indian Reorganization Act of 1934. The law is written in the United States Code at 25 U.S.C. § 5124.

**Think of it this way:** Just like a business can be incorporated under tribal or state law, tribes can create corporations under federal law. This gives us special advantages that help protect our tribe and create better opportunities for economic growth.

## How Did Aya Corporation Begin?

The Tribal Council petitioned the Secretary of the Interior to issue a federal charter. Once the charter was approved and ratified by the Tribal Council in June 2024, Aya Corporation officially came into being. The charter cannot be revoked except by an act of Congress, which means it has strong, permanent legal standing.

## Who Owns Aya Corporation?



**The Sisseton-Wahpeton Oyate owns 100% of Aya Corporation.**

No individual tribal member, tribal official, or outside person can own any part of it. The shares cannot be sold, transferred, or given away. This means:

- All benefits flow back to the tribe
- The tribe maintains complete control
- Our sovereignty remains intact
- Profits support tribal government services and programs

## The Key Benefits of a Section 17 Corporation

### 1. Protection of Tribal Assets (Sovereign Immunity)

#### What this means:

Aya Corporation carries the same legal protections as the tribe itself, including sovereign immunity. Sovereign immunity means that the corporation generally cannot be sued without its express consent.

#### Why this matters:

If Aya Corporation borrows money or enters into a business deal and something goes wrong, only the corporation's assets are at risk – not tribal government property, not the land, not tribal programs or services. This is like having a firewall that protects the tribe's core assets while allowing us to do business.

#### Real-world example:

If Aya Corporation takes out a loan to start a new business and that business fails, the lender can only go after Aya Corporation's property – they cannot touch tribal land, casino revenues, government buildings, or other tribal assets, and only if we expressly waived sovereign immunity.

## 2. No Federal Income Taxes

### What this means:

Aya Corporation does not pay federal or state corporate income taxes on its earnings, whether it does business on or off the reservation.

### Why this matters:

Most corporations pay 21% of their profits to the federal government and from 0% to 11.5% to States in taxes. This is an impressive competitive advantage for Aya to operate in the open market in any industry. Because we do not pay this tax, we keep more money to:

- Reinvest in growing our businesses
- Create more jobs for tribal members
- Eventually distribute profits to the tribal government for community services

### Real-world example:

If Aya Corporation earns \$100,000 in profit, we keep the full \$100,000. A regular state-chartered corporation would only keep about \$79,000 after federal taxes. Over time, this difference adds up to hundreds of thousands or even millions of dollars that comes back to our community in profit payments by dividend.

## 3. Economic Development and Job Creation

### What this means:

The charter specifically directs Aya Corporation to develop the tribal economy and create employment opportunities for tribal members.

### Why this matters:

Having a corporation dedicated to economic growth helps:

- Create career opportunities on and off the reservation
- Build new businesses that generate income
- Develop industries that weren't available before
- Provide training and professional development for tribal members

### Current focus:

Aya Corporation is concurrently developing several businesses including:



**Aya Labs LLC:** Independent testing laboratory in Minnesota: testing pharmaceuticals, agriculture, clinical/medical testing, cannabis and hemp.



**Aya Services LLC:** Corporate contracting under NMSDC certification; federal government contracting under ISBEE and the SBA 8(a) Business Development Program.



**Aya Farms LLC:** Agricultural operations, farming Corn and Soybeans on tribal land.



**Aya Brandworks:** Promotional products, high-quality print materials, custom wearables, engaging graphic design, and effective websites



**Sisseton-Wahpeton Oyate  
Tribal Council**



**Aya Corporation  
Board of Directors**

**Shared Services Platform**

HR/Benefits | Finance & Accounting | Marketing & Communications | IT | Risk Management



## 4. Revenue for Tribal Government Services

### What this means:

Under the Charter, up to 10% of Aya Corporation's annual net revenues in excess of \$500,000 can be distributed to the tribal government to support programs and services for tribal members.

### Why this matters:

This creates a new source of funding for:

- Health and human services
- Education programs
- Elder care
- Housing assistance
- Youth programs
- Infrastructure improvements

### The long-term vision:

As Aya Corporation's businesses grow and become profitable, they will provide sustainable funding that reduces the tribe's dependence on federal grants and gaming, creating more financial independence.

## 5. Separation of Business and Politics

Aya Corporation is managed by a Board of Directors and executive officers who make day-to-day business decisions separate from tribal politics. This allows business decisions to be made based on what's best for profitability and growth, while the Tribal Council focuses on governance and services.

## 6. Authority to Conduct Business

Aya Corporation has broad powers to buy, sell, and manage property; enter into contracts; borrow money; hire employees; lease tribal land for up to 25 years without extra approval; and create subsidiary companies for different types of businesses.

## 7. Preservation of Tribal Sovereignty

Even though Aya Corporation can do business anywhere, it remains under tribal law and maintains the tribe's sovereign rights. We are not subject to state regulation or taxation, and we maintain control over our economic destiny.

## 8. Flexibility for Federal Programs and Grants

As a Section 17 corporation, Aya Corporation may be eligible for certain federal economic development programs, loans, and grants specifically designed for tribal entities, including the SBA 8(a) program, Economic Development Administration grants, and special tribal financing programs.

## How Does This Benefit Tribal Members?

### Direct Benefits:

- **Revenue sharing** when profits are distributed to the tribe
- **Economic stability** for the community
- **Preservation of assets** for future generations
- **Employment opportunities** as businesses grow
- **Career development** and training programs

### Long-Term Benefits:

- **Financial independence** from federal appropriations
- **Sustainable economy** that supports tribal programs
- **Professional development** opportunities
- **Economic diversification** beyond gaming
- **Stronger sovereignty** through economic strength





## The Bottom Line

**Aya Corporation** is a powerful tool for tribal economic development. As a Section 17 federally chartered corporation, it:

- **Protects tribal assets** through sovereign immunity
- **Saves money** through federal tax exemption
- **Creates jobs** and career opportunities
- **Generates revenue** for tribal programs
- **Preserves sovereignty** and self-determination
- **Builds wealth** for current and future generations

**This is about more than just business – it's about strengthening our tribe's economic foundation for the next seven generations.**

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### For More Information

#### **Aya Corporation**

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