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MAGUY SERAD: Alright, let's start again. This is Maguy Serad from ICANN Contractual Compliance team. Thank you for joining us. We apologize for the technical challenge we had this morning.

With me in the room I have Yan Agrononik. Yan is the risk and audit manager. I also have Victor Oppenheimer, senior manager for responsibility with registry agreements. I also have Roger Lim from the Asia Pacific contractual compliance team.

Yan will go through the presentation this morning, sharing with you the scope and the provisions. Please hold your questions until the end.

This session is being recorded.

Yan?

YAN AGRANONIK: Hello, everyone. Sorry for the technical difficulties.

The topic of today's presentation is the new Contractual Compliance New Registry Agreement Audit.

At the end of the presentation, we'll take the questions. Also, there will be an e-mail address provided so you can e-mail questions later.

The topics are: overall audit objective, meaning what are we trying to audit and why; audit phases and timeline, we'll show you the audit stages and when each stage is going to be started and finished; and

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*Note: The following is the output resulting from transcribing an audio file into a word/text document. Although the transcription is largely accurate, in some cases may be incomplete or inaccurate due to inaudible passages and grammatical corrections. It is posted as an aid to the original audio file, but should not be treated as an authoritative record.*

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what registry agreement's provisions exactly are we looking at and, again, why.

I see one participant type that they still hear 1-800 number is silent. If anyone has problems in audio, please let us know through the chat room unless, **[Maxine]**, you are the only one.

Okay. Overall audit objective.

Okay. No technical difficulties. That's good to know.

The goal is to identify the deficiencies in registries handling all the new gTLDs and assist them with the remediation process. We're trying to make sure that the registries are complying with the new registry agreement by testing several provisions in the contract. ICANN has a right to audit, which is in Article 2 shown on the slide. We can do it up to two times a year by ourselves or with the help of a third party.

Okay. This slide is important. It shows you the stages of the audit process. The important date here is the 1 July.

MAGUY SERAD:

Just one second. Some people can't hear.

YAN AGRANONIK:

Some people can't hear.

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MAGUY SERAD: Roger, can you type into the Adobe room the conference call number again with the participant code? Do you have it?

ROGER LIM: Yes.

YAN AGRANONIK: We'll take a couple-minute pause at this point. We're sending an additional code for people who can't hear us. I see that some people can hear us; some people not. Okay.

MAGUY SERAD: Can please people who entered the Adobe room and said they're hearing music, can you type through the Adobe room letting us know if you can hear us? Alright. We're not going to touch the speakerphone again.

YAN AGRANONIK: Alright, it's working now.

On 1 July, the registries who will be selected for the audit will receive and RFI. The RFI stands for request for information. Some of you already e-mailed us the question, "Are we going to be selected for the audit this year?" We will touch upon this a few slides later.

What I'm saying, by now we have an audit program that we will describe later. On 1 July, the registries will receive the RFI. During two

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months between July and August, we will continue data collection. The data will be collected securely through SSTP.

Next step is from the 1 September to 30 September, we're going to review the data and documentation received. On 1 October, the report will be issued to each registry that will list deficiencies if any.

Then we'll start the remediation phase. We'll basically indicate to the registry what do they need to do in order to remediate the deficiencies, if any.

For those of you who have been under audit on a regular annual audit this year or last year, this should sound familiar because that's pretty much the process we have been using for that last year and this year. Meaning we will issue the RFI, we collect the documentation, we review the documentation. If we notice any deficiencies, we'll put it in the report. Then remediation phase will be performed. If there are no deficiencies noted, then there will be no remediation phase, obviously.

The whole process will end on 1 November. Then we will continue the next audit process after that.

Okay, a little bit of background general information. We know that the registry agreements basically have the same structure. However, some of them have additional provisions or specific requirements. What we've done, we reviewed the obligations provisions and established the audit steps that targeted at certain provisions. Contracted parties are covered by the registry agreement. The reason for those provisions is that they should cover particular compliance areas.

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Here we're going to the most important part. The next several slides show what provisions are we considered to be vital and crucial. In the column on the right that says "Audit Objective/Community Value" is a description why do we believe it's important to audit them.

Again, under the "Registry Agreement Clause," there is a description of various provisions that we are going to be auditing, meaning there will be an audit step specifically designed to make sure that the registry is complying with this particular provision.

For example, Number 1 is Representations and Warranties. The essence of this provision is to make sure that the registry operator is in good standing. We know that during application, you provided certain documentation to show that you are in good standing. However, the purpose of the audit of this particular provision again is to make sure that the registry is still in good standing.

Article 2.2, 2.3 – these are all provisions that we believe are crucial and need to be reviewed. Data Escrow Specifications Compliance – the purpose of an audit here is to ensure that the content of the escrow deposit is per contract. It's not just a formal audit just to make sure that you just have it. There is a data escrow file that exists. We want to make sure that the file is good and can be used in case it needs to be restored.

Same with Legal Requirements, 2.3, Part B, Data Escrow Agent verification. On this particular step, we're going to be dealing not with the registry but with the data escrow agent, through the registry though.

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I have to say that some of the audit steps will require registry cooperation and some of them can be done by ICANN without disturbing the registry operator, let's put it this way.

Compliance With Policies and Specifications. Monthly Reporting – here we're trying to ensure that the pre-registrar transaction report that we are getting is correct. "We" meaning ICANN.

2.5, WHOIS Data Specification – we're going to make sure that the WHOIS data is in compliance with Spec 4.

Reserved Names – very important provision. We want to make sure there that the registry operator actually reserved what they're supposed to be reserving.

So is similar to that the Article 2.6 for Blocked Second Level Domain Names. We're going to be testing that whatever names should be blocked are actually blocked.

2.7, we need to confirm here that the registry has a business continuity plan, meaning the plan that describes how your business practices are protected. We will request a business continuity plan from the registry during an audit.

Also, we are going to be looking at orphan glue records. I'm not going to go into technical details here, as you probably already know this. But for every step here, we have developed the technical approach, how exactly we're going to test the compliance here.

2.7 is talking about the IPv6 addresses. We know that you have provided the sufficient proof of your technical capabilities during the

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application period, but we will retest it because we want to make sure that you're still in good standing in regards to IPv6 addresses.

Protection of Legal Rights of Third Parties – here we're talking about the domain names registration during Sunrise period. The idea there is to make sure that the names that have been registered during Sunrise period were eligible. We're going to be working with the registry and TMCH on that.

Similar to that, Article 2.8, Trademark Claims Period. We will review a sample of domain names, and we will make sure that they were eligible for the registration.

Code of Conduct – we are verifying that the registry is compliant with the Code of Conduct and no preferential treatment of registrars is taking place. We had some initial complaints on that subject, so this is a pretty important agreement clause.

Additional Public Interest Commitments – we paid attention to some questions that we received during last ICANN's meeting. Here, we are trying to make sure that the registry operator complies with the public interest commitment as it's described in Spec 11 in the registry agreement.

Number 14 is Specification 12. We are verifying that the registry has a written registration policy and complied with it for the community-based TLDs.

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Last is step 15, which is Brands. We want to make sure here that only registry operator or its affiliates and trademark licensees are registering brand domain names.

This slide is talking about our approach for a sample selection. At this point of time, we know that less than 20 registries are handling several thousands of new gTLDs, which are registering hundreds of thousands of domains at this point in time. What we'll try to do, we'll try to select a sample that is representative enough that would cover this whole population of domains.

We certainly will include gTLDs with some voluntary PICs. We will include the IDNs, meaning the international domain names. At this point of time, there is only one, but pretty soon we'll have more of those. We will include some of the gTLDs that are in Sunrise and trademark claims as well as general availability periods.

I had a question before from one of the registries. "Does the number of domains matter?" The answer is actually no because the objective of an audit is to test the business practices of a registry. Whether a registry has 200,000 domains or 5, at this point, will not impact the audit.

Next steps – as we speak, we're conducting the audit program outreach. Next is we are asking you if you have any feedback. Any suggestions or critique, feel free to let us know. We will review whatever you are going to send to us and update the audit program after reviewing your suggestions or comments. The program will be presented at ICANN 50. As I mentioned before on a previous slide, we'll start the audit process on 1 July by sending the RFI to those who will be under audit.



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Feel free to send your questions and suggestions to this e-mail address, and we will review.

MAGUY SERAD: If you can go to the couple of slides back on the Next Steps, please, before we open it.

YAN AGRANONIK: Okay.

MAGUY SERAD: What I'd like to do is briefly summarize to the audience what Yan has just shared with you. ICANN is conducting outreach sessions today, this morning and this evening, so that we can cover the global scope.

The objective of the outreach sessions as you have been accustomed to seeing through the different ICANN meetings is to inform and collaborate with the contracted parties and make sure that there is an understanding of the scope and expectations. But the other objective is also the ability to receive your feedback, which speaks to the second bullet.

By end of day today, the contracted parties have an opportunity to provide us feedback or to provide or pose your questions. We will keep that window through 16 May. If you have any questions, require clarifications or input, please send us your feedback no later than 16 May.

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We will review the feedback and, if we requiring further clarification, we will reach out to the team members to the contracted party who has either requested the feedback or we have questions about it. The program will be updated accordingly. Some feedback, if we cannot accommodate, we will let the person know.

The program will be presented at ICANN 50. As we shared at ICANN 49, during the Wednesday outreach session, there will be a public presentation of the program similar to this. We are targeting to start the audit in July. We will keep you informed of every step of the way.

With this summary, I want to now turn it over to questions. If you are going to speak through the phone, please identify yourself: your name and the TLD you represent. If you don't want to speak through the phone, please type in your question or do not hesitate to send us your question to the Compliance e-mail that's in the slide.

The presentation will be posted on the ICANN Compliance outreach Web page, but we will also follow up through an e-mail to all participants thanking you and attaching the link so that you know where it's posted.

Roger, do you want to read the first question?

ROGER LIM:

Yes. I see the question. Just to read out the questions that have been posted on the chat room, first question from **[Steiner]**: "Will the RFI be sent to primary contact or Compliance point of contact?"

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YAN AGRANONIK:

We intend to send it to Compliance point of contact.

ROGER LIM:

Next question from **[Statin]**: “Is there a draft RFI that can be circulated prior to July so that we have some advance idea of the information that will be requested?”

YAN AGRANONIK:

No. The RFI will be sent to those who are under audit on July 1. The RFI itself contains the request for the information that should be readily available. It’s really nothing that needs any kind of research or additional actions.

ROGER LIM:

Okay. “Thank you to WHOIS registry, we have noted the July 2013 should be July 2014 on slide 11 as we are looking at it now.”

YAN AGRANONIK:

Correct.

ROGER LIM:

Question from **[Maxine]**: “Could you please publish draft FAQ and a simple guide on how to pass audit prior to July 2014?”

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YAN AGRANONIK:

The FAQ we can. When we receive your questions through the e-mail, also we will capture the questions received today, then we can use those questions with the answers and post them.

The guide on how to pass an audit, there is no such thing as a guide. It's basically the RFI, which is self-explanatory. I don't think at this point you need a guide how to pass an audit, especially to those who are not under audit.

Again, the FAQ will be published. The guide is not.

MAGUY SERAD:

**[Maxine]**, if I may add, I think the guide here is more so responding and providing the information that is being requested. What the team will do – because we know the business model is different across the different registry operators – so instead of telling the registry operator, “Here's what we expect,” ICANN will ask the question as it relates to the provision or to the contract.

Once we receive information, the first and most important point I would like to make on this call, please respond. Please acknowledge. Please send what you have. The team will collaborate through the process that you are all accustomed to. There is a collaboration phase, which is the 1-2-3 step process. The contracted parties will have opportunity to provide and upload the documentation that's requested or to answer questions that are asked in the request for information.

When we receive your information, we will get back to you if something is missing. There will be a collaboration effort that's between ICANN

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and the contracted party. That will guide the contracted party in providing the responses. Through that process, that guidance will be provided.

ROGER LIM:

Okay. A couple of questions on the slide deck: “Can we obtain a slide deck, and how can you get a link to the slide deck?” We will be providing the information on how to obtain the slide deck after this call, so please be patient. We will provide it after the call.

Next question is from **[Steiner]**: “How long will the registry have to respond to the RFI?”

YAN AGRANONIK:

On this slide, number 4, you can see that you have two months. Well actually, the faster you respond is better because like Maguy described, we will be going through documentation and we will ask the questions and we will work with the registry helping to pass the audit. If you will respond by only 30 August, which is the last day, it really does not help us in order to help you. But you have two months to do that.

MAGUY SERAD:

**[Steiner]** and everyone on the call, when the pre-audit notification goes out, which is the RFI, it will clearly have a due date on it. Two months is from beginning to end for the phase. It does not mean you have until end of August to respond, please.

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The RFI clearly says 15 business days to respond. If we do not hear from you in those 15 business days, that's the first notice, we will follow up with a second notice. That gives an additional 5 business days. If we do not hear from you, then we follow up with a third notice.

The last thing you want to avoid if we do not hear from the contracted party by the third notice, a breach notice will go out. That's when it becomes public who is not collaborating in an audit.

To Yan's point, when the RFI is sent out (and to my point earlier) acknowledgement, uploading the data, responding to the questions are really – and I saw somebody type on the Adobe room, “A guide to pass the audit is to respond and be compliant.” Again, that collaboration, we're not going to breach just from the first day, but please respond and provide the data.

I think it was **[Stanton]** at the beginning asked about the RFI scope. If you remember earlier in the presentation, Yan's spoke about the provisions that are under consideration. That gives you the scope. It may not necessarily include all those provisions, but that is the scope that is under consideration.

Next question?

ROGER LIM:

Okay. Next question is from Thomas: “Can we expect a more precise WHOIS spec other than Spec 4 prior to the audits? The WHOIS output is grossly underspecified as it is and hardly a good basis for an audit.”

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MAGUY SERAD: Let's get back to Thomas on that one.

ROGER LIM: Okay, Thomas, we will get back to you on that one.

We have [inaudible]: "Did they say how many TLDs will be audited?"

YAN AGRANONIK: No, we didn't say. Only the gTLDs that are currently actively registering domains will be audited. That's first of all. If you have a gTLD that does not have any domains, then we will not audit it. How many we're going to audit we haven't decided yet. We are selecting a sample as we speak that should be representative enough to cover the whole population of gTLDs.

ROGER LIM: Thank you. Next question is from TLD: "Some registries are not outputting full WHOIS. Things like name, are these optional?"

YAN AGRANONIK: We need to get back to you on that. That's a pretty technical question.

ROGER LIM: Okay, that's the end of the questions on the chat room. Any more questions on the phone line? Okay, I guess that's it.

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MAGUY SERAD: We will wait a couple of minutes in case more questions come in.

ROGER LIM: Okay, we're going to wait for a couple minutes.

MAGUY SERAD: Thank you for joining us. There will be a second session this evening scheduled the same topic. Only thing I'd like to remind the audience or the participants, please provide any questions for clarification or your feedback to us during this week.

The slides will be sent out today with the link. The FAQs will be built based on some of the questions we have received today. We will also have a follow up to the two questions that were asked in the Adobe room.

ROGER LIM: Maguy, there were two new questions, if I may. **[Steiner]** asked, "Will the RFI be sent using the CS Portal or GDD?"

YAN AGRANONIK: We will e-mail the RFI directly to Compliance contact e-mail address with a receipt required, so no GDD.

ROGER LIM: Okay. Next question is from Rightside Registry: "Is that 15 business days from July 1?"



YAN AGRANONIK: Yes, it is.

MAGUY SERAD: Excuse me, 15 business days when we sent the RFI.

YAN AGRANONIK: Which is 1 July, yes.

MAGUY SERAD: When the RFI goes out, in the RFI we state the due date of the business date.

ROGER LIM: Any other questions on the chat room. Oh, hang on.

YAN AGRANONIK: What's this? Oh, here's another question: "May I please be copied on your response to TLD?" There is a question from John on Who's Who Registry, which I don't understand. So please e-mail it to the e-mail address provided at the end of the presentation.

ROGER LIM: Oh, there's a new question. Oh, okay. It's the same one.

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MAGUY SERAD:

The general questions that are posed in the Adobe room, the response will go out to everybody. Actually, what we'll do is also put it as part of the FAQ on the Compliance Audit Web page.

We're going to wait a couple of more minutes in case additional people in the Adobe room have questions. But for those who are leaving us, thank you again for joining us. We will see you in London.

The Compliance team is going to remain on the line for five more minutes. The Compliance team is still in the Adobe room and on the phone line if people have any more questions. Or significant you want us to go up certain slides, let us know, please.

ROGER LIM:

Alright, this question has just come in from Michael: "Will there be consideration given to registry service providers who support multiple registries?"

YAN AGRANONIK:

Yes. We have situations now where we know that the registry providers support multiple registries. When we select a sample, at this point we believe that one TLD per registry who handles multiple TLDs will be sufficient unless they operate differently.

ROGER LIM:

Okay. Next question from Thomas: "To what extent will the documentation that is expected as a reply to the RFI? I hope it's not

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going to require us to repeat everything that's already in the gTLD application and/or the agreement."

YAN AGRANONIK:

Yes, Thomas. The audit's objective is to verify the compliance to the provisions that are mostly not covered by initial application, for example, data escrow specifications and other things. So to answer your question, what extended documentation is expected is – like Maguy said – we'll work on that. You provide something. We will review that, and if it's not enough, we'll let you know.

ROGER LIM:

Ray has a question: "Is this program for all gTLDs in existence?"

YAN AGRANONIK:

The first phase is for gTLDs that currently are registering domains. So we're not looking at all the gTLDs in existence, meaning even the ones that have been delegated.

MAGUY SERAD:

We don't see any more questions in the Adobe room, and our audience has thinned out tremendously.

Again, we thank you for your participation and kindly remind the remaining audience that you do have an opportunity to send us additional questions and feedback through 16 May.

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Of course, the opportunity is open throughout the entire program to always receive your feedback. We're here to collaborate. But as far as feedback related to this, we want to as much as possible address any concerns that you might have or questions before we get to ICANN 50 because at ICANN 50 we will publicly share the same material with the ICANN community.

With that, I want to thank Yan for presenting and leading this program and the other ICANN participants with me. Have a great day, guys, and see you in London.

**[END OF TRANSCRIPTION]**