# Group 2 Topic: Bulk Transfers

# Existing Policy on Bulk Transfers

# ICANN-Approved Transfers and Bulk Transfers

★ Governed by Section I.B.2 of the Transfer Policy

B. ICANN-Approved Transfers

1. Transfer of the sponsorship of all the registrations sponsored by one Registrar as the result of (i) acquisition of that Registrar or its assets by another Registrar, or (ii) lack of accreditation of that Registrar or lack of its authorization with the Registry Operator, may be made according to the following procedure:

★ The gaining Registrar must be **accredited by ICANN** for the Registry TLD and must have in effect a **Registry-Registrar Agreement** with Registry Operator for the Registry TLD.
★ ICANN must certify in writing to Registry Operator that the transfer would **promote the community interest**, such as the interest in stability that may be threatened by the actual or imminent business failure of a Registrar.

2. Upon satisfaction of these two conditions, Registry Operator will make the necessary one-time changes in the Registry database for no charge, for transfers involving 50,000 name registrations or fewer. If the transfer involves registrations of more than 50,000 names, **Registry Operator will charge the gaining Registrar a one-time flat fee of US $50,000.**

# ICANN-Approved Transfers and Bulk Transfers

►IF a registrar is:

(i) **acquired** by another ICANN-accredited registrar,

(ii) **voluntarily terminates** its Registrar Accreditation Agreement (RAA) or allows expiration of the agreement without renewal,

(iii) has its **RAA terminated** by ICANN, or

(iv) has its **Registry-Registrar Agreement (RRA) terminated** by a registry operator or voluntarily terminates RRA:

► THEN the registrar's domain names will need to be transferred to another ICANN-accredited registrar.

- In both cases, ICANN follows the **De-Accredited Registrar Transition Procedure** to identify an ICANN-accredited registrar to take over management of the names and notifies affected registries when it has approved the bulk transfer.

❖ Procedure developed by ICANN with community consultation for managing the transition of names from a de-accredited registrar to an accredited registrar

❖ Approved by ICANN Board in **2008**

❖ Following introduction of Registrar Data Escrow, ICANN is (presumably) able to assist with the transition of names, even with an uncooperative registrar

❖ When a registrar is no longer accredited, the terminating registrar will be asked to nominate a gaining registrar, and this will usually be accepted b/c:

➢ Potentially best case scenario - least amount of friction

➢ Terminating Registrar may be more likely to cooperate with chosen registrar

➢ May minimize customer confusion

❖ Instances where gaining registrar nominee may not be accepted:

➢ Gaining Registrar nominee is not in good standing with compliance obligations

➢ Collusion b/w Gaining registrar nominee and losing registrar

❖ If there is no nominee or nominee is not approved, ICANN must select a gaining Registrar either through the fast-track or full application process

| FAST-TRACK PROCESS | FULL APPLICATION |
|---|---|
| Fewer than 1,000 domain names | Greater than 1,000 domain names |
| Reg data is incomplete or unreliable | Reliable reg data is believed to be available |
| Timing constraints or exigent circumstances | Lack of exigent circumstances |
| Several gTLDs are involved but with few registrations | More than handful of unique registrations |

# Charter Questions Related to Bulk Transfers

# Charter Questions Related to ICANN-approved Transfers (i1)

> i1) In light of these challenges described in section 3.1.7.2 of the Final Issue Report, should the required fee in Section I.B.2 of the Transfer Policy be revisited or removed in certain circumstances? (pp.50-51)

- ICANN org colleagues who manage the DARTP have noted that the requirement to **pay a one-time flat fee** has caused challenges in certain instances of de-accreditation.

- By way of example, when the pool of potential gaining registrars perceive the value of a domain portfolio to be minimal, where the terminating registrar's domains are known or suspected to have a significant portion of abusive registrations, data escrow issues (the data in escrow is outdated or incomplete), or expectations of renewal rates are low (in the case of aggressive promotions), the requirement to pay a fee makes it very difficult to secure a gaining registrar.

- This, in turn, poses a risk to the registrants who have utilized the services of the terminating registrar. Furthermore, ICANN has limited ability to determine the quality of the domains or make representations to potential gaining registrars as to the value of the domains.

# Charter Questions Related to ICANN-approved Transfers (i2)

i2) Should the scope of voluntary bulk transfers, including partial bulk transfers, be expanded and/or made uniform across all registry operators? If so, what types of rules and considerations should govern voluntary bulk transfers and partial bulk transfers? (p.51)

- Public comments on Issues Report noted that the current scope of ICANN-approved bulk transfers is very limited, and the eventual WG should explore an updated policy that could accommodate bulk transfers not tied to an acquisition

- "Although some registry operators utilize Bulk Transfer After Partial Portfolio Acquisition (BTAPPA), in order to provide this service, registry operators must first add it as an additional registry service through the Registry Services Evaluation Policy (RSEP). Because of these complicating factors, there may be differences between registry operators for bulk transfers, and not all registry operators may offer bulk transfers."

- "The standardization of the bulk transfer process between registrars would allow registrars who are also acting as resellers to more efficiently consolidate their domains under management onto a single IANA credential, should they so desire. It may also harmonize divergent processes between registries, adding transparency and efficiency to the DNS ecosystem limits competition and free trade."

# Summary of Early Input Received

# i1) Required fee for bulk transfers

- **RySG**: Recommends a review of both the required fee in Section I.B.2 and the quantity threshold in the same section, possibly to include removal in the event of the exercise of the DARTP

- **RrSG**:The $50,000 fee could be for multiple registries, which could be cost prohibitive to some registrars. Can ICANN provide more information about the frequency and total domains for these bulk transfers?

- **BC**: If it is the case that the $50,000 flat rate fee has shown itself to be a problem in terms of securing a registrar to take over a de-accredited registrar, then there could be consideration of a fee dependent on volume

# i2) Bulk transfers streamlined across registries

- **RySG**: the RySG does not support enforced uniformity of voluntary bulk transfer across all ROs. The RySG believes that an RO should be able to use its bulk transfer capability as a competitive differentiator.

- **RrSG**: While this would be desirable for registrars, what is the frequency of these transfers? Is it common enough that a uniform set of rules should be established? This will require process changes for registries, so the cost to make the changes should be justified through common usage. With this additional information, the RrSG can provide better feedback.

# Charter Question i1)

# Charter Questions Related to ICANN-approved Transfers (i1)

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- ICANN org colleagues who manage the DARTP have noted that the requirement to **pay a one-time flat fee** has caused challenges in certain instances of de-accreditation.

- By way of example, when the pool of potential gaining registrars perceive the value of a domain portfolio to be minimal, where the terminating registrar's domains are known or suspected to have a significant portion of abusive registrations, data escrow issues (the data in escrow is outdated or incomplete), or expectations of renewal rates are low (in the case of aggressive promotions), the requirement to pay a fee makes it very difficult to secure a gaining registrar.

- This, in turn, poses a risk to the registrants who have utilized the services of the terminating registrar. Furthermore, ICANN has limited ability to determine the quality of the domains or make representations to potential gaining registrars as to the value of the domains.

# Numbers related to Bulk Transfers - 2018 - 2022

There were **9** ICANN-Approved Bulk Transfers involving **50K or more names**

Of the **9** approved transfers involving 50K or more names, **2** were involuntary, and ICANN org sent out an application for the names

**141** ICANN-approved transfers resulting from voluntary/involuntary terminations or voluntary assignments

# Questions for Consideration

- The $50,000 fee is a requirement from BTAPPAs that existed in a pre New gTLD world? Accordingly, what fee considerations (if any) should be made now that bulk transfers could involve multiple TLDs?

- Are there instances where the $50,000 fee(s) should be waived? (Examples could include involuntary bulk transfer arising from involuntary bulk transfer resulting from RAA terminations).

- Should additional carve-outs be considered for involuntary transfers - for example - premium names?

- Should tiered fees depending on volume be considered in ICANN-approved bulk transfers?

# Transfer Policy Working Group Meeting #97

# Charter Questions Related to ICANN-approved Transfers (i1)

> i1) In light of these challenges described in section 3.1.7.2 of the Final Issue Report, should the required fee in Section I.B.2 of the Transfer Policy be revisited or removed in certain circumstances? (pp.50-51)

Relevant Policy Language:

I.B.2. Upon satisfaction of these two conditions [Gaining Rr accredited in relevant TLD(s) +  ICANN must certify in writing to Registry Operator that the transfer would promote the community interest, such as the interest in stability that may be threatened by the actual or imminent business failure of a Registrar. Registry Operator will make the necessary one-time changes in the Registry database for no charge, for transfers involving 50,000 name registrations or fewer. **If the transfer involves registrations of more than 50,000 names, Registry Operator will charge the gaining Registrar a one-time flat fee of US$ 50,000.**

# Recap of Some Overarching Themes from Last Week

➔ The WG seemed to agree that in the event of an involuntary termination involving a bulk transfer, the mandatory bulk transfer fee should be waived.

➔ The WG noted it needs to further discuss the mandatory bulk transfer fee, i.e.,
- ◆ Should the mandatory fee be removed from the policy and left between Ry/Rr?
- ◆ Should the mandatory fee be tiered based on volume rather than one lump sum?
- ◆ Should the mandatory fee language remain as is?
- ◆ Other options?

➔ Generally speaking, the language in Section B2 needs some rethinking in terms of clunky and confusing wording. (For example, not all bulk transfers are included in this policy.)

**Proposed Preliminary Agreement**: The WG recommends that ICANN-approved bulk transfers resulting from an involuntary registrar termination should be exempt from any required bulk transfer fees.

# Options for Mandatory Bulk Transfer Fee - Removal from Policy

◉ Some WG members seem to recall that the mandatory fee of $50,000 for ICANN-approved bulk transfers involving >50,000 names was put in place in a pre-gTLD landscape to **dissuade overuse**

◉ The payment of the fee is between the registrar and the registry operator (ICANN is not involved), so is it appropriate to retain this language here?

◉ Would removal of specific numbers allow Contracted Parties more flexibility?

◉ Would a price ceiling be appropriate if specific fees are not mentioned?

◉ Would a cost recovery option for registries rather than a flat fee be further explored?

# Options for Mandatory Bulk Transfer Fee - Tiered Pricing

- Support Staff prepared this example tier to generate discussion:
  - Do these numbers make sense?
  - Are there additional suggestions?

| Domain Names | Mandatory One-Time Fee |
|---|---|
| 0 - 10,000 | $5,000 |
| 10,001 - 19,999 | $10,000 |
| 20,000 - 29,999 | $20,000 |
| 30,000 - 39,999 | $30,000 |
| 40,000 - 49,999 | $40,000 |
| >50,000 | $50,000 |

# Section I.B of the Transfer Policy

Bulk Transfers typically fall into 4 buckets (the first three of which are named in the Transfer Policy:

ICANN-approved bulk transfer resulting from voluntary termination of RAA of RRA

ICANN-approved bulk transfer resulting from involuntary termination of RAA or RRA

ICANN-approved bulk transfer resulting from registrar acquisition

Partial Bulk Transfers Under the BTAPPA (Bulk Transfer After Partial Portfolio Acquisition (Note: this is between a Ry and a Rr)

# I.B Language + Potential Edits for Consideration

Current: I.B.1 Transfer of the sponsorship of all the registrations sponsored by one Registrar as the result of

(i) a Registrar acquisition of that Registrar or its assets by another Registrar, or (ii) lack of accreditation of that Registrar or lack of its authorization with the Registry Operator, may be made according to the following procedure:

Potential Update for WG editing: *[There are some instances that fall outside of the requirements in Section I(A) of the Transfer Policy. Specifically, ICANN org may authorize the transfer of a registrar's domain names through an ICANN-approved bulk transfer without the prior approval of the Registered Name Holder in the following instances:*

*(i) the Registrar or its assets are acquired by another ICANN-accredited Registrar;*

*(ii) the Registrar is no longer accredited with ICANN org;*

*(iii) the Registrar is no longer accredited with a Registry Operator(s) in a TLD(s), e.g., termination of Registry-Registrar Agreement(s)\**

*[Potential language to be added regarding registry approval partial bulk transfers following discussion of Charter Question i2)]*

# Transfer Policy Working Group Meeting #98

# Charter Questions Related to ICANN-approved Transfers (i1)

i1) In light of these challenges described in section 3.1.7.2 of the Final Issue Report, should the required fee in Section I.B.2 of the Transfer Policy be revisited or removed in certain circumstances? (pp.50-51)

Relevant Policy Language:

I.B.2. Upon satisfaction of these two conditions [Gaining Rr accredited in relevant TLD(s) + ICANN must certify in writing to Registry Operator that the transfer would promote the community interest, such as the interest in stability that may be threatened by the actual or imminent business failure of a Registrar. Registry Operator will make the necessary one-time changes in the Registry database for no charge, for transfers involving 50,000 name registrations or fewer. **If the transfer involves registrations of more than 50,000 names, Registry Operator will charge the gaining Registrar a one-time flat fee of US$ 50,000.**

# Charter Questions Related to ICANN-approved Transfers (i1)

**Preliminary Agreement #1**

The WG noted that in the case of an ICANN-approved bulk transfer, the involved registry/ies MAY charge a fee for executing the bulk transfer. (Some noted that there may be instances where the registry chooses to waive the fee, so it should not be mandatory.

**Preliminary Agreement #2**

The WG noted the entity requesting the voluntary bulk transfer (typically the current registrar of record) MUST be responsible for any fee charged by the Registry.

# Charter Questions Related to ICANN-approved Transfers (i1)

**Preliminary Agreement #3**

In the case of an involuntary bulk transfer resulting from an involuntary RAA or RRA termination, the WG recommends that the relevant registry/ies MUST waive any required fee. [This is in recognition of the difficulty in procuring a gaining registrar to take on a failing or unresponsive registrar's domain name portfolio.]

**Preliminary Agreement #4**

To enhance the predictability around the fees for bulk transfers, the WG noted that the Registry must publish fees associated with bulk transfers within its [Registry Registrar Agreement/conspicuous place within the Registry portal.]

# Charter Questions Related to ICANN-approved Transfers (i1)

**Preliminary Agreement #5**

In the event a registry establishes a mandatory fee, the fee MUST NOT exceed [$50,000 or $1 per domain name, whichever is less.]

# Charter Questions Related to ICANN-approved Transfers (i2)

> i2) Should the scope of voluntary bulk transfers, including partial bulk transfers, be expanded and/or made uniform across all registry operators? If so, what types of rules and considerations should govern voluntary bulk transfers and partial bulk transfers? (p.51)

- Public comments on Issues Report noted that the current scope of ICANN-approved bulk transfers is very limited, and the eventual WG should explore an updated policy that could accommodate bulk transfers not tied to an acquisition.

- "Although some registry operators utilize Bulk Transfer After Partial Portfolio Acquisition (BTAPPA), in order to provide this service, registry operators must first add it as an additional registry service through the Registry Services Evaluation Policy (RSEP). Because of these complicating factors, there may be differences between registry operators for bulk transfers, and not all registry operators may offer bulk transfers."

- "The standardization of the bulk transfer process between registrars would allow registrars who are also acting as resellers to more efficiently consolidate their domains under management onto a single IANA credential, should they so desire. It may also harmonize divergent processes between registries, adding transparency and efficiency to the DNS ecosystem limits competition and free trade."

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- "Although some registry operators utilize Bulk Transfer After Partial Portfolio Acquisition (BTAPPA), in order to provide this service, registry operators must first add it as an additional registry service through the Registry Services Evaluation Policy (RSEP). Because of these complicating factors, there may be differences between registry operators for bulk transfers, and not all registry operators may offer bulk transfers."

- "The standardization of the bulk transfer process between registrars would allow registrars who are also acting as resellers to more efficiently consolidate their domains under management onto a single IANA credential, should they so desire. It may also harmonize divergent processes between registries, adding transparency and efficiency to the DNS ecosystem limits competition and free trade."

# Transfer Policy Working Group Meeting #99

# Charter Questions Related to ICANN-approved Transfers (i2)

i2) Should the scope of voluntary bulk transfers, including partial bulk transfers, be expanded and/or made uniform across all registry operators? If so, what types of rules and considerations should govern voluntary bulk transfers and partial bulk transfers? (p.51)

Specific circumstances noted in BTAPPA boilerplate:

(i) one ICANN-accredited Registrar purchases, by means of a stock or asset purchase, merger or similar transaction, a portion but not all, of another ICANN-accredited Registrar's domain name portfolio in the TLD,

(ii) a newly accredited Registrar (gaining registrar) requests a transfer of all domain names from the losing Registrar for which the gaining Registrar has served as the Reseller, or

Potential expansion in BTAPPA or Policy:

**[(iii) an agent of the Registrar, such as a Reseller or service provider, elects to transfer its portfolio of domain names to a new gaining registrar, and the registration agreement explicitly permits the transfer]**

# Charter Questions Related to ICANN-approved Transfers (i2)

**Preliminary Agreement #1**

The process should be transparent, and Registrants should be informed. [Registrars shall either notify or ensure their Resellers (where applicable) notify affected Registered Name Holders of the transfer (and allow opt out?)]

**Preliminary Agreement #2**

The expiration dates of transferred registrations are not affected and, therefore, there are no ICANN fees. Once the BTAPPA is complete, there is no grace period to reverse the transfer. (current text of BTAPPA)

# Charter Questions Related to ICANN-approved Transfers (i2)

**Preliminary Agreement #3**

Registry Operator must reject a BTAPPA request if there is **reasonable evidence that a transfer under BTAPPA is being requested in order to avoid fees otherwise due to Registry Operator or ICANN**. Registry Operator has discretion to reject a BTAPPA request if a registrar with common ownership or management or both has already requested BTAPPA service within the preceding six-month period. (current language of BTAPPA)

**Preliminary Agreement #4**

The losing registrar's **existing Registration Agreement with customers must permit t**he transfer of domain names in the event of the scenarios described in the Transfer Policy/BTAPPA.

# Charter Questions Related to ICANN-approved Transfers (i2)

**Preliminary Agreement #5**

Registry Operator may charge a fee for a partial bulk transfer, but Registry Operators MUST provide notice to registrars of any fees associated with partial bulk transfers upon request and prior to the completion of the transfer. How Registry Operators choose to provide notice of fees will be up to the Registry to decide, i.e., password protected portal, website, written notice, etc. (this language is a work in progress but attempts to characterize WG's thoughts on full portfolio transfers)

# Transfer Policy Working Group Meeting #100

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

**Preliminary Agreement #1**

The Working Group recommends that Registry Operator MAY charge a fee to implement a **full domain name portfolio transfer**\* from one ICANN-accredited registrar to another ICANN-accredited registrar. The Working Group recognizes that there may be instances where the Registry chooses to waive this fee, such as cases where [a registrar is **involuntarily terminated** by ICANN org due to a compliance breach, nonresponsiveness to renewal notices, etc.]

\* Note: this could include all of the domain names a registrar has within a gTLD or all of the gTLD domain names a registrar has under management.

**Preliminary Agreement #5**

In the event a registry establishes a mandatory fee for full portfolio transfers, the Working Group recommends [the fee MUST NOT exceed $50,000 or $1 per domain name, whichever is less.]

- Do we want to consider/anticipate portfolio transfers that cover multiple registries? For example, how to coordinate (separately? individually?), how are fees determined, etc? Suggestions?
- One option for the fee would be to ensure that that all ROs are made whole, plus some type of administrative fee per RO for processing the change of sponsorship?

**Preliminary Agreement #1 (Change of Sponsorship)**

In the event a change of sponsorship is permitted by the Registry operator, Registrars shall either notify or ensure their Resellers (where applicable) notify affected Registrants at least [30 days] before the change of sponsorship will occur [**and provide opt out instructions where applicable**].

- Should we make sure that the notification also include instructions on how to opt out? While transferring a domain is always an option, some registrants might not know how to do this.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

Preliminary Agreement #4 (Change of Sponsorship): The losing registrar's existing Registration Agreement with customers must permit the transfer of domain names in the event of the scenarios described in the Transfer Policy with respect to a change of sponsorship. [Additionally, prior to initiating the transfer, the losing registrar must ensure the affected registrants have agreed to the terms.]

- While registration agreements may permit such transfers, we need to make sure that registrants have agreed to those terms prior initiating the transfer (and that includes sending out any required notifications).

# Transfer Policy Working Group Meeting #101

# Recap of Agreements from Last Meeting

**Preliminary Agreement #1**

The Working Group recommends that a Registry Operators MAY charge a fee to implement a full domain name portfolio transfer* from one ICANN-accredited registrar to another ICANN-accredited registrar. The Working Group recognizes that there may be instances where the Registry Operator MAY waive this fee.**

* Note: this could include all of the domain names a registrar has within a gTLD or all of the gTLD domain names a registrar has under management.
** A non-exhaustive list of examples where a Registry Operator may choose to waive the mandatory fee include cases where a registrar is involuntarily terminated by ICANN org due to a breach, ICANN terminates a registrar due to unresponsive to renewal notices, etc.

**Preliminary Agreement #4**

Due to the variable nature of the fee associated with full portfolio transfers, the Working Group recommends that Registry Operators MUST provide notice to registrars of any fees associated with full portfolio transfers upon request and prior to the **initiation** of the full portfolio transfer. How Registry Operators choose to provide notice of fees will be up to the Registry to decide, i.e., password protected portal, website, written notice, etc.

# Continued Discussion of Charter Question Responses

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

**Preliminary Agreement #5**

In the event a registry establishes a mandatory fee for full portfolio transfers, the Working Group recommends [the fee MUST NOT exceed $50,000 or $1 per domain name, whichever is less.]

- Do we want to consider/anticipate portfolio transfers that cover multiple registries? For example, how to coordinate (separately? individually?), how are fees determined, etc? Suggestions?
- One option for the fee would be to ensure that that all ROs are made whole, plus some type of administrative fee per RO for processing the change of sponsorship?

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

→ **Concept 1**: The Working Group recognizes that a fee may be involved in a full portfolio transfer but believes **flexibility is necessary,** and the number should not be explicitly prescribed in the Transfer Policy.

→ **Concept 2:** The Working Group also recognizes, however, that a **price ceiling** is helpful to include in the policy language to **avoid abusive pricing**.

→ **Concept 3:** In light of Concept 2, the Working Group believes the fee for a full portfolio transfer must not exceed **[$50,000 or $1.00 per domain name transferred]**.

→ **Concept 4**: If the full portfolio transfer involves multiple registries, the affected registries must ensure the collective fee does not exceed the recommended ceiling, and the **fee should be apportioned based on number of domain names.** By way of example, if a registrar has 60,000 domains under management under two TLDs, e.g., 40,000 names under .ABC, and 20,000 names under .DEF, the combined fee cannot exceed $50,000 USD (per concept 3). Since two thirds of the names under management are registered to .ABC, .ABC registry may bill the registrar for 66.66% of the fee, e.g., $33,333.33, and .DEF may bill the registrar for the remaining 33.33% of the fee, e.g., $16,666.67.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

→ **Concept 4(a):** [Following the completion of the transfer, the Registry Operator(s) MUST provide notice to ICANN that the transfer is complete, and the **notice to ICANN** MUST include the number of domain names transferred. Following receipt of notices from all involved registries, **ICANN will send a notice to affected Registry Operators** with the reported numbers and corresponding percentages of domain names involved in the bulk transfer, e.g., 26% of names for .ABC and 74% of names for .DEF. The Registry Operators MAY then charge the registrar a fee according to their schedule.]

→ **Concept 5**: The Working Group notes the Registry Operator should have flexibility to establish and waive fees associated with full portfolio transfers and accordingly, **does not recommend a required price floor**. So long as the Registry Operator's fee is below the maximum ceiling, the Registry Operator may establish its price schedule as it chooses, provided the price schedule is communicated transparently to the requesting registrar [(see Rec. x, currently Proposed Preliminary Agreement #4)].

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

**Proposed Preliminary Agreement #2:** The Working Group recommends that the entity voluntarily requesting a full portfolio transfer (typically, the Losing Registrar) MUST be responsible for paying the relevant Registry's fee (if any).

Rationale: The Working Group recognizes that a voluntary request to transition a domain name portfolio to another registrar will require internal coordination and work from the relevant Registry Operator, and accordingly, the Registry Operator may charge a fee for this process. Due to the voluntary nature of the portfolio transfer request, the requesting entity (typically, the Losing Registrar) should be responsible for paying this fee to the Registry Operator.

- The current policy indicates that the gaining registrar pays (1.B.2). Why is this switching? Rationale doesn't seem to capture that. Often the losing registrar is turning into a non-entity and is not able to pay.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

> **Preliminary Agreement #1 (Change of Sponsorship) (AKA BTAPPA)**
>
> In the event a change of sponsorship is permitted by the Registry operator, Registrars shall either notify or ensure their Resellers (where applicable) notify affected Registrants at least [30 days] before the change of sponsorship will occur [**and provide opt out instructions where applicable**].

- Should we make sure that the notification also include instructions on how to opt out? While transferring a domain is always an option, some registrants might not know how to do this.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

> **Preliminary Agreement #4 (Change of Sponsorship)**: The losing registrar's existing Registration Agreement with customers must permit the transfer of domain names in the event of the scenarios described in the Transfer Policy with respect to a change of sponsorship. [**Additionally, prior to initiating the transfer, the losing registrar must ensure or ensure their Resellers (where applicable) have confirmed the affected registrants have agreed to the terms.**]

- While registration agreements may permit such transfers, we need to make sure that registrants have agreed to those terms prior initiating the transfer (and that includes sending out any required notifications).

# Transfer Policy Working Group Meeting #102

# Recap of Agreements from Last Meeting

**Preliminary Agreement #1**

The Working Group recommends that a Registry Operators MAY charge a fee to implement a full domain name portfolio transfer* from one ICANN-accredited registrar to another ICANN-accredited registrar. The Working Group recognizes that there may be instances where the Registry Operator MAY waive this fee.**

* Note: this could include all of the domain names a registrar has within a gTLD or all of the gTLD domain names a registrar has under management.
** A non-exhaustive list of examples where a Registry Operator may choose to waive the mandatory fee include cases where a registrar is involuntarily terminated by ICANN org due to a breach, ICANN terminates a registrar due to unresponsive to renewal notices, a registrar chooses to voluntarily cease operations with a specific TLD, etc.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

**Proposed Preliminary Agreement #2:** The Working Group recommends that the Gaining Registrar MUST be responsible for paying the relevant Registry's fee (if any).

Rationale: The Working Group recognizes that a voluntary request to transition a domain name portfolio to another registrar will require internal coordination and work from the relevant Registry Operator, and accordingly, the Registry Operator may charge a fee for this process. Due to the voluntary nature of the portfolio transfer request, the Gaining Registrar should be responsible for paying this fee to the Registry Operator as (i) the Gaining Registrar, through the transfer, is inheriting new customers, and (ii) the Losing Registrar may be going out of business and, accordingly, may be unable to pay the fee.

# Charter Questions Related to ICANN-approved Transfers (i1 and i2)

→ **Concept 1**:  The Working Group recognizes that a fee may be involved in a full portfolio transfer but believes **flexibility is necessary,** and the number should not be explicitly prescribed in the Transfer Policy.

→ **Concept 2:** The Working Group also recognizes, however, that a **price ceiling** is helpful to include in the policy language ~~to avoid abusive pricing~~ **in order to promote transparency in pricing**.

→ **Concept 3:** In light of Concept 2, the Working Group believes the **total** fee for a full portfolio transfer must not exceed **[$50,000 or $1.00 per domain name transferred]**.

→ **Concept 4**: If the full portfolio transfer involves multiple registries, the affected registries must ensure the collective fee does not exceed the recommended ceiling, and the **fee should be apportioned based on number of domain names.** By way of example, if a registrar has 60,000 domains under management under two TLDs, e.g., 40,000 names under .ABC, and 20,000 names under .DEF, the combined fee cannot exceed $50,000 USD (per concept 3). Since two thirds of the names under management are registered to .ABC, .ABC registry may bill the Gaining Registrar ~~for~~ **up to** 66.66% of the **total** fee **[of $50,000]**, e.g., **up to** $33,333.33, and .DEF may bill the Gaining Registrar ~~for~~ **up to** ~~the remaining~~ 33.33% of the **total** fee **[of $50,000]**, e.g., **up to** $16,666.67.

# Continued Discussion of Charter Question Responses

# Charter Questions Related to Partial Bulk Transfers (i2)

> **Preliminary Agreement #1 (Change of Sponsorship) (AKA BTAPPA)**
>
> In the event a change of sponsorship is permitted by the Registry Operator, Registrars shall either notify or ensure their Resellers (where applicable) notify affected Registrants at least [30 days] before the change of sponsorship will occur [**and provide opt out instructions where applicable**].

- Should we make sure that the notification also include instructions on how to opt out? While transferring a domain is always an option, some registrants might not know how to do this.

# Charter Questions Related to Partial Bulk Transfers (i2)

> **Preliminary Agreement #4 (Change of Sponsorship)**: The losing registrar's existing Registration Agreement with customers must permit the transfer of domain names in the event of the scenarios described in the Transfer Policy with respect to a change of sponsorship. [**Additionally, prior to initiating the transfer, the losing registrar must ensure that they, or their Resellers (where applicable), have confirmed the affected registrants have agreed to the terms.**]

- While registration agreements may permit such transfers, we need to make sure that registrants have agreed to those terms prior initiating the transfer (and that includes sending out any required notifications).
- Isn't it simply the responsibility of the gaining registrar? Not sure if this is a policy requirement. In the case of a reseller or other entity, it is up to them to make sure their agreements reflect or mirror the agreement with the new registrar.