

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.

De-Accredited Registrar Transition Procedure (DARTP) (1 of 2)

- ❖ 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

De-Accredited Registrar Transition Procedure (DARTP) (2 of 2)

- ❖ 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.