Contractual Compliance
2014 New Registry Agreement
Audit Report

Internet Corporation for Assigned Names & Numbers

Background

ICANN's Contractual Compliance team's mission is to ensure that all contracted parties comply with their agreements and the consensus policies. ICANN strives to achieve this goal via proactive monitoring and prevention activities as well as enforcement where appropriate. This report is in reference to the assessment of contracted parties who have an executed New Registry Agreement with ICANN.

The goal of the New Registry Agreement Audit Program is to identify deficiencies, if any, and then to collaborate with the contracted parties to help them remediate any deficiencies while ensuring proper controls exist to avoid future deficiencies. The deficiencies identified could relate to specific provisions and/or obligations set forth in the New Registry Agreement as well as in ICANN Temporary and Consensus Policies.

Executive Summary

In July 2014, ICANN launched an audit program to test compliance with the terms of the New Registry Agreement and ICANN Temporary and Consensus Policies. This report constitutes the results of this audit program.

A sample of 14 new gTLD Registries were selected with the objective to adequately represent the new gTLD population.

The audit assessments were conducted through testing of data, review of documentation and correspondence between the selected gTLD Registries representing the TLDs, their respective Data Escrow Agents and ICANN's Contractual Compliance team. The New Registry Agreement Audit completed with a 98% compliance of the sampled population.

ICANN reviewed nearly 900 documents submitted in three different languages and issued 14 audit reports. The gTLD Registries collaborated with ICANN and remediated any initially identified deficiencies and/or provided clarifications.

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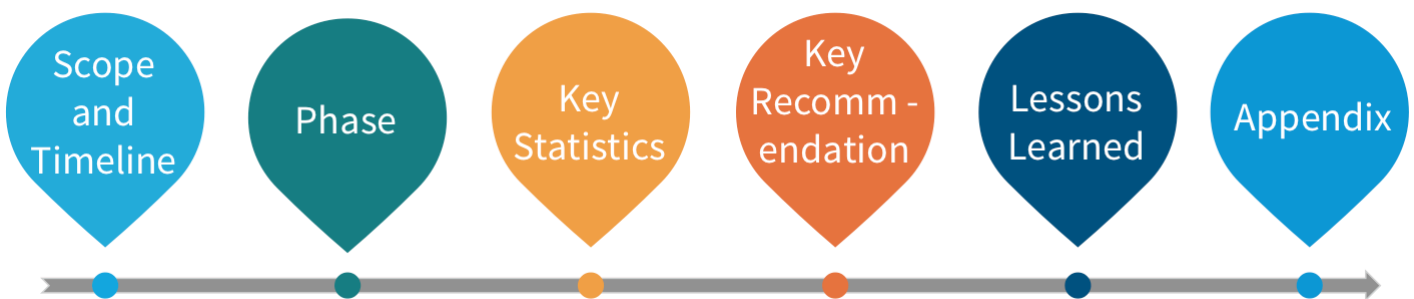
Program Scope and Timeline

In developing the New Registry Audit Program, we leveraged the methodology, processes and tools used for the Three-Year Audit Program.

The gTLDs in scope are those that have already been delegated into the root zone. In addition, we considered the following factors during the sample selection process:

- A threshold number of registered domains
- The timelines for Sunrise and Trademark claims periods

- The business models, i.e. various combinations of Registry Owner, Registry Service Provider & Data Escrow Agents
- The representation of Internationalized domain names
- The representation of gTLDs with voluntary Public Interest Commitments (PICs)

In an effort to increase transparency and readiness, ICANN conducted outreach sessions and published the audit plan, scope, audit notification as well as the risk mitigation plan. The information can be found at this link: http://www.icann.org/en/resources/compliance/audits

The Audit Program consisted of six phases with specific milestone dates:

Planning	creation of the audit scope and schedule
Organizing	development of the metric goals and establishment of roles and responsibilities
Pre-Audit Notification	notification sent to all selected contracted parties two weeks prior to the audit start date informing them that they have been selected and reiterating the scope of the audit
Audit	a Request for Information (RFI) listing all of the documents required for the audit, collecting and collating the data, and conducting the audit
Reporting	ICANN issued contracted party audit reports and reporting statistics to the community
Remediation	ICANN collaborated with the contracted parties to remediate deficiencies discovered (if any) during the audit and reporting phases.

Below is the outline of the Audit Program milestones and dates for 2014.

Audit Program Milestone Dates							
Start							**End**
Pre-Audit Notification	**Request for Information Phase**			**Audit Phase**		**Reporting Phase**	**Remediation Phase**
	1st Notice	**2nd Notice**	**3rd Notice**	**Begin**	**End**		
30 Jun 2014	14 Jul 2014	05 Aug 2014	12 Aug 2014	19 Aug 2014	19 Sep 2014	22 Sep 2014	22 Sep 2014 – 31 Oct 2014

Program Phase

The audit consisted of multiple test areas based a sample of 25 domains for each gTLD. The table below summarizes the New Registry Agreement provisions and the ICANN Temporary or Consensus Policies that were tested for compliance.

Test Areas	Description
Article1.3(a) ii	Representations & Warranties
Article 2.2	Compliance with Consensus Policies and Temporary Policies
Article 2.3	Data Escrow (Specification 2)
Article 2.4	Monthly Reporting (Specification 3)
Article 2.5	Publication of Whois Registration Data (Specification 4)
Article 2.6	Reserved Names (Specification 5)
Article 2.7	Registry Interoperability and Continuity (Specification 6)
Article 2.8	Protection of Legal Rights of Third Parties (Specification 7) - TMCH Sunrise Period
Article 2.14	Registry Code of Conduct (Specification 9 - Parts, B, D)
Article 2.17	Additional Public Interest Commitments (Specification 11)

Note: A 'test area' is a provision in the Agreement with the contracted party that may consist of multiple requirements which in turn results in several test steps and hence deficiencies. (For example, one New Registry could have multiple deficiencies under Article 2.7 or Article 2.8 and each deficiency would be counted).

Each selected gTLD Registry received an individual report noting deficiencies identified in the audit and a 1st Notice to participate in the remediation process in accordance with the 15-5-5 compliance audit process.

The following table summarizes the gTLD Registry participation in the audit.

Phases	Count
RFI Phase	
"New" gTLD Registries	14
Audit Reporting Phase	
"New" gTLD Registries Passed all Audit tests	10
"New" gTLD Registries Requiring Remediation	4
Remediation Phase	
"New" gTLD Registries (completed remediation)	3

Community Representation

The 14 gTLD Registries selected represented four countries and provided documents in three languages:

Europe
• Germany
• Ireland

Asia/Australia/Pacific Islands
• Australia
• China
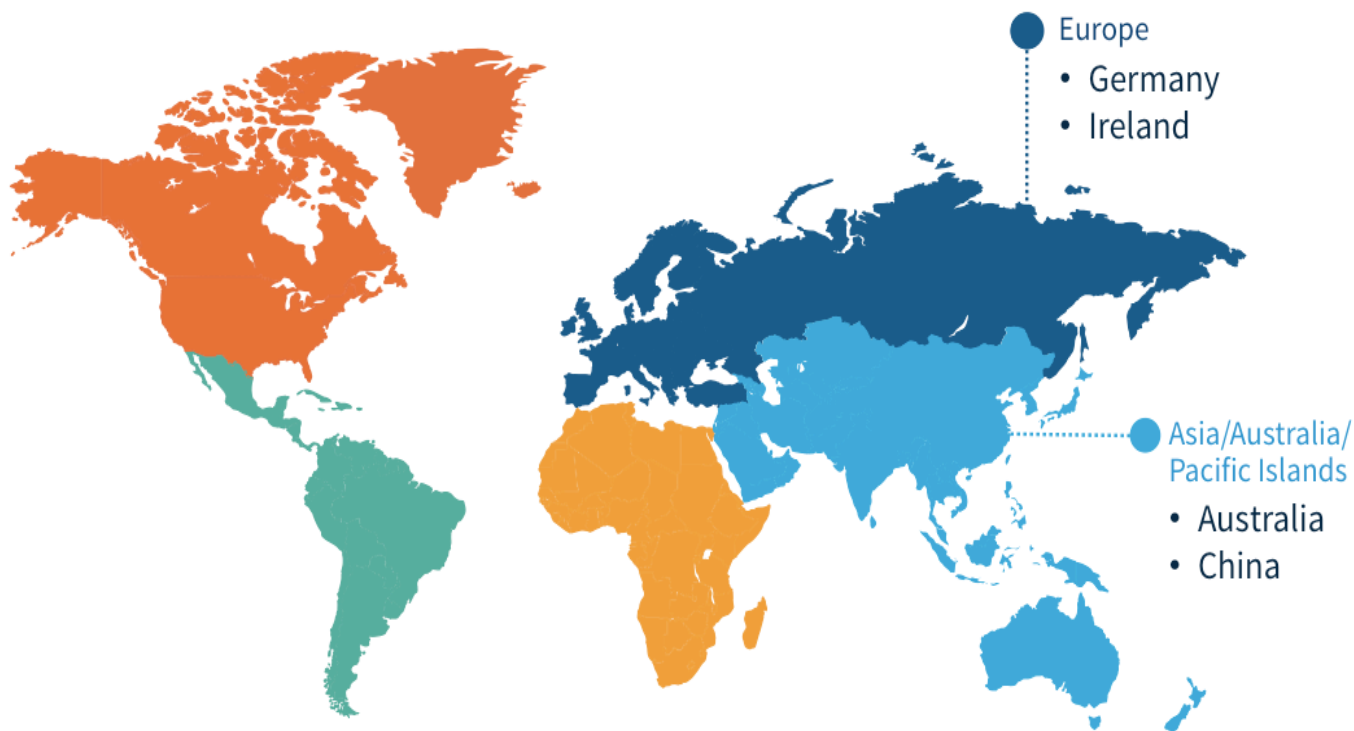
Languages: English, German and Mandarin

Program Key Statistics

Key Audit Findings

During the Audit Phase, the New Registry Agreement provisions were tested using the RFI responses, documentation received and by reviewing the gTLD Registry website. All Registries addressed the deficiencies during the remediation phase. Potential Risk or Impact of the Key Audit findings is summarized below:

Articles	Issue Noted	Potential Risk/Impact
2.3; 2.5	Data Escrow issues; mismatches Whois registration data and corresponding data in the escrow file	May result in incorrect processing and maintaining of domain level information as required safeguards for consumers of the gTLD.
2.4	Monthly reporting issues; number of domains over/underreported	May result in incorrect domain count as reported to public by ICANN and in over or underpayment fees.
2.7	Incomplete / missing abuse contact information	May result in Internet users' inability to contact the gTLD Registry with abuse comments or complaints.
2.17	Technical analysis of security threats not performed (as a PIC requirement)	May impact the gTLD Registry's ability to identify and address security threats in a timely and fact-based manner.
2.7	Business Continuity Plan not performed	May impact the sustainability of the delegated string.

Program Key Recommendations

Based on audit team experiences and communications with Registries/Back-end Service Providers/Data Escrow Agents, a number of opportunities for improvements are noted below.

A. General Category

- ICANN to add additional Frequently Asked Questions in advance of the Audit Phase.

- The gTLD Registries are encouraged to communicate questions regarding acceptable documentation or unique process / procedures with ICANN to avoid delays in the audit process.

B. RFI Phase

- The gTLD Registries should review their Registry Agreement with ICANN to clarify requirements and should review the Audit Program to plan their responses, and ask for clarification, as necessary.

- ICANN recognizes the uniqueness of some gTLD Registries' business models and methods of operation. As such, gTLD Registries should respond with explanations of alternative documentation, which can be provided to meet Audit objectives.

- Registries should provide detailed explanations within their RFI for documents that may not be available and provide evidence to support such explanations.

C. Audit Phase

- The gTLD Registries should review their ICANN Audit Report immediately upon receipt and action any remediation steps.

D. Remediation Phase

- The gTLD Registries should provide explanations, additional information or amended documentation for each deficiency and give timely and accurate responses to the deficiencies noted in their Audit Report.

Program Lessons Learned

- ICANN should outline the roles for the Registry Operator, Registry Service Provider and Data Escrow Agent in advance of the Audit.

- ICANN should define a creation date range for the requested documents.

- ICANN should provide additional information regarding the Audit Program during any outreach sessions.

Appendix A – The New Registries Selected for Round One of the New Registry Audit Program

IDN	Delegated String (gTLD)
berlin	berlin
CEO	CEO
guru	guru
link	link
menu	menu
onl	onl
ruhr	ruhr
Uno	Uno
wed	wed
xn--3ds443g	在□
xn--80asehdb	онлайн
xn--ngbc5azd	شبكة
xn--q9jyb4c	みんな
xyz	xyz