



EBA BS 2011 197

14 February 2012

**Comments of the European Banking Authority
to the ICANN (Internet Corporation for Assigned Names and Numbers)
on the planned Top Level Domain Names '.bank' and '.fin'**

Background generally on the ICANN and on the assignment of Top Level Domains (TLDs)

1. The Internet Corporation for Assigned Names and Numbers (ICANN) was set up in 1998 to coordinate the release of unique identifiers used over the Internet to reach another person or website. Such identifiers are represented by so-called 'Internet Protocol address' (IP address), and words also separated by a dot, associated to an IP address, called 'domain names'.
2. In order to keep the Internet secure, stable and interoperable, the 'domain names systems' (DNS) across the world must be managed and synchronized according to ICANN policies. The final part of the domain name, such as 'com', 'net', 'org' and so on, is known as a 'Top Level Domain' (TLD). It is worth noting that the 'Top Level Domains' are also organized into different categories such as, for instance, 'generic Top Level Domains' (or 'gTLDs') like '.com', '.info', '.net', etc. and 'country code Top Level Domains', like '.it', '.uk', '.eu' etc.
3. ICANN interacts with governments and public authorities via the Governmental Advisory Committee (GAC) which provides advice on issues of public policy, where there may be interference between ICANN's activities or policies, on the one hand, and national laws or international agreements, on the other.

ICANN Proposal for new generic Top Level Domains '.bank' and '.fin'

4. In June 2011, the ICANN Board of Directors approved a 'New Generic Top Level Domain Programme' that allows the implementation of additional gTLDs. Under this programme new gTLDs such as '.bank' and '.fin' could be established and assigned to companies or individuals claiming to be financial intermediaries or banks. According to the ICANN 'Applicant Guidebook'¹, requests for a new gTLD can be sent to ICANN starting from 12 January 2012 up to 29 March 2012; each request will be made public

¹ See <http://www.icann.org/en/topics/new-gtlds/intro-clean-19sep11-en.pdf>

on ICANN's website. In the months following the application period, comments and objections could be submitted for each request and they will be considered by ICANN in the decision to allow or deny the use of the proposed gTLD.

Banking Supervisory concerns

5. The EBA Board of Supervisors is concerned that the new ICANN programme will allow companies and individuals to operate under a '.bank' or '.fin' address. The reasons for this concern are to be found in the possibility that customers could rely on the '.bank' gTLD to assume that the operator is a regulated entity, under supervision by a competent authority. A further concern is represented by the fact that '.bank' entities are not linked to a specific country, to a specific supervisor or to a specific regulatory framework. Therefore customers might have problems in assessing whether they are transacting with a bank with physical presence in their own or in other countries (EU or elsewhere) or whether they are dealing with an intermediary and where that intermediary is located.
6. The EBA Board of Supervisors is also concerned that 'true' banks and other regulated entities will need to put in place costly and complex legal or commercial initiatives in order to safeguard their trademarks from frauds and abuses. New '.bank' or '.fin' websites could also be used to conduct new types of frauds, giving way to a more dangerous kind of phishing² and scams.
7. The EBA has also considered the possibility of an approach whereby the use of such TLDs could be allowed under the condition that there is a process for registration and control for this which allows their use by authorised financial institutions only. Nevertheless, given:
 - What appears to be a not-as-yet identified benefit from the establishment and use of such gTLDs;
 - the several detailed technical issues which will indeed to be further discussed and sorted (some of which have already been identified by the European Central Bank's European Forum on the Security of Retail Payments);
 - the potential use of the proposed gTLDs by companies operating at any part of the world;
 - the potential effect of the use of such gTLDs upon consumers of banking services, i.e. creation of moral hazard and/ or (over)reliance on what might be perceived as a 'regulatory endorsement' of the companies operating under such gTLDs, if the above approach were to be followed;

² 'Phishing' (a paraphrasing of 'fishing') is the name given to the various fraudulent practices (sending e-mails, providing links to websites etc) aiming to confuse users in thinking that this is a genuine company operating on the Internet, so as to trick these users/customers into disclosing personal information, which will be subsequently used for committing identity theft.

- that until such time as these technical details are resolved in a satisfactory manner from the point of view of banking supervisors, consumers of banking and financial services will remain subject to the above-mentioned identified risks;

the EBA believes that it is not feasible to address most of the supervisory concerns of its members on the risks of misuse of the proposed gTLDs and calls the ICANN to reconsider its plans for allowing the such of the above mentioned gTLDs and to ban the establishment of such gTLDs altogether.

8. As a follow up action, and if the ICANN proposals in relation to these new gTLDs go ahead as planned at the beginning of 2012, the EBA plans to issue a public consumer alert, warning consumers of banking services to the risks of these new naming conventions and the need to be pro-active in checking that the website a consumer uses is indeed the site of a regulated entity. Further, the EBA plans to raise this issue for further discussion this with the other European Supervisory Authorities (ESMA and EIOPA).
9. This opinion shall be submitted to the ICANN and shall also be published on the EBA's website.

Done at London, 14 February 2012.



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For the Board of Supervisors