

# Contractual Compliance September 2017 Round Registrar Audit Report

<https://www.icann.org/resources/pages/compliance-reports-2017>

Contractual Compliance

June 2018



## Table of Contents

<b>1 BACKGROUND</b>	<b>3</b>
<b>2 EXECUTIVE SUMMARY</b>	<b>3</b>
<b>3 AUDIT PROGRAM SCOPE</b>	<b>4</b>
<b>4 REGISTRAR AUDIT PROGRAM</b>	<b>5</b>
<b>5 AUDIT PROGRAM KEY STATISTICS</b>	<b>10</b>
<b>6 AUDIT PROGRAM KEY RECOMMENDATIONS</b>	<b>11</b>
<b>7 CONCLUSION</b>	<b>12</b>
<b>APPENDIX – THE REGISTRARS SELECTED FOR ROUND FOUR OF THE 2013 RAA AUDIT PROGRAM</b>	<b>12</b>

---

## 1 Background

ICANN's Contractual Compliance team's mission is to ensure that all contracted parties comply with their agreements and applicable consensus policies. ICANN strives to achieve this goal through prevention, enforcement, and education.

### **Goal of the Audit Program:**

To allow ICANN to identify, inform, manage and help remediate any deficiencies found with the contracted parties. Any deficiencies identified would relate to specific provisions and/or obligations as set out by the Registrar Accreditation Agreement ("RAA") and the New gTLD Registry Agreement ("Registry Agreement"). The ICANN consensus policies are also incorporated into those agreements, as applicable. This ensures that proper controls exist to mitigate future deficiencies related to the obligations in the RAA and the Registry Agreement.<sup>1</sup>

## 2 Executive Summary

On 18 September 2017, ICANN launched an audit round to test and validate the selected Registrars' compliance with the terms of the 2013 version of the RAA and ICANN temporary and consensus policies. This report constitutes the results of the audit that took place from September 2017 through May 2018.

The audit round was conducted through the testing of data and the review of documentation, Registrar websites and correspondence between the selected Registrars and ICANN's Contractual Compliance team.

Fifty-nine (59) Registrars were selected for this audit round. Of the 59 Registrars in scope, 27 were selected based on at least one of the following criteria and underwent a full-scope audit:

- Had not been audited since the initial audit round which launched in 2012
- Operated as stand-alone Registrars and not as part of a Registrars' family (in some cases, Registrars who are members of such families might have previously received audit waivers)

The remaining 32 Registrars had received a partially remediated report in a previous audit round and were subject to a follow-up verification of successful remediation or previously noted deficiencies.

During the Request for Information phase, one (1) Registrar subject to a full-scope audit did not complete the audit phase as they requested a voluntary termination of their RAA agreement with ICANN.

During the Audit phase, ICANN reviewed over 5,000 documents collected in 10 different languages from the remaining 58 Registrars.

<sup>1</sup> This update is provided for information purposes only. Do not rely on the information contained in this update to make conclusions or business decisions.

During the Remediation phase, one (1) Registrar requested that the audit be postponed to the next audit round due to unforeseen personnel changes and one (1) Registrar did not complete the remediation phase as they requested a voluntary termination of their agreement with ICANN.

By 30 May 2018, ICANN had issued final audit reports to the remaining 56 Registrars. Twenty-four (24) Registrars received an audit report that demonstrated resolution of all initial findings noted in their respective draft report. Thirty-two (32) Registrars received an audit report indicating that some areas of initial findings were still in the process of remediation and each Registrar is implementing necessary changes to address their non-compliance. ICANN will follow-up with these Registrars in an upcoming audit round as their agreed-upon due date for compliance is reached.

### 3 Audit Program Scope

The Audit Program operates on a recurring cycle. Registrars may be subject to an audit cycle based on the criteria previously mentioned in addition to other special circumstances or considerations.

Audit program scope details can be found by clicking the following link:

<http://www.icann.org/en/resources/compliance/audits>

The Audit Program consists of six (6) phases with specific milestone dates and deliverables:

- 1) **Pre-Audit Notification Phase** – Issue<sup>2</sup> a general audit announcement to notify all contracted parties two weeks prior to the audit.
- 2) **Request for Information (RFI) Phase** – Issue a notice of audit to the selected contracted parties.
- 3) **Audit Phase** – Review responses and, where applicable, test and validate.
- 4) **Initial Report Phase** – Issue confidential draft audit reports containing initial findings to the auditees.
- 5) **Remediation Phase** – Collaborate with the contracted parties to remediate initial findings discovered during the Audit Phase.
- 6) **Final Report Phase** - Issue confidential final audit reports to auditees. A consolidated audit round report is then issued and published at:  
<https://www.icann.org/resources/pages/compliance-reports-2017>.

#### Timeline

The following table summarizes the Audit Program milestones and dates for the audits that took place from September 2017 through May 2018:

Audit Program Milestone Dates						
Request for Information (RFI Phase)			Audit Phase	Initial Report Phase	Remediation Phase	Final Report Phase
1 <sup>st</sup> Notice	2 <sup>nd</sup> Notice	3 <sup>rd</sup> Notice	Start/End	Date Issued	Start/End	End
18 Sept 2017	10 Oct 2017	18 Oct 2017	25 Oct – 06 Feb 2018	07 Feb 2018	07 Feb – 30 Apr 2018	17 May 2018

2 General audit announcement is discontinued as of 1 August 2017. ICANN sends audit notifications to contracted parties selected for an audit round.

## 4 Registrar Audit Program

The following table summarizes Registrars selected to participate in the audit.

Phases	Count
<b>RFI Phase</b>	
Registrars selected for the audit	59
Audit not completed due to termination (during RFI or Audit Phase)	(1)
Total Remaining Registrars	58
<b>Initial Report Phase</b>	
Registrars passed all audit tests	0
Registrars requiring follow-up and remediation	58
Registrar Total	58
<b>Remediation Phase and Final Report Phase</b>	
Registrars completed resolution of initial findings	24
Registrars implementing a remediation plan	32
Remediation not completed due to postponement (during Remediation Phase)	1
Remediation not completed due to termination (during Remediation Phase)	1
Registrar Total	58

The following table summarizes the RAA provisions that were tested for contractual compliance and the number of Registrars with deficiencies identified during the Audit or Remediation Phase.

A deficiency is defined as an initial finding noted in the audit report that is validated and not cured during remediation. For example, if a Registrar's reseller agreement was found to have insufficient language during the Audit Phase, and the registrar agreed to update their reseller agreement to be in compliance with the RAA, this would be considered a deficiency.

RAA Test Area	Description	# of Registrars with Deficiencies	% of Registrars with Deficiencies
4.1	Expired Registration Recovery Policy (ERRP)	21	38%
4.1	Whois Data Reminder Policy (WDRP)	21	38%
3.7.7.1 to 3.7.7.12	Domain Registration Agreement	20	36%
3.17	Contact Details on Registrar Website	20	36%
4.1	Transfer Policy	20	36%
3.3.1 to 3.3.5	Whois - Port43/Web, Corresponding Data Elements	16	29%
3.13	Registrar Training	14	25%
3.18	Abuse Contact and Reporting	12	21%
3.12	Reseller Agreement	12	21%
3.7.8	Business Dealings, Including with Registered Name Holders	10	18%
7.6	RADAR (Primary Contact)	10	18%
3.14	Obligations Related to Proxy and Privacy Services	9	16%
3.16	Link to Registrant Educational Information	9	16%
3.7.7	Self-Registered Domains	8	14%
3.19	Technical Specifications (DNSSEC)	8	14%
2.2	Registrar Use of ICANN Name, Website and Trademarks	7	13%
3.7.5.3 to 3.7.5.6	EDDP; Domain Name renewal, Provision of Applicable Information to Registrants	6	11%
3.4.2	Retention of Registration Data (Registration Agreements and Payments)	5	9%
3.7.11	Complaints & Dispute Resolution Process	5	9%
3.8	Domain-Name Dispute Resolution	3	5%
3.2	Notice of Bankruptcy, Convictions and Security Breaches	2	4%
4.1	Restored Names Accuracy Policy (RNAP)	2	4%

A test area is a provision consisting of multiple requirements, resulting in several test steps. For example, one registrar could have multiple deficiencies under test area 3.4.2; however, all deficiencies within a test area are counted as one.

Each selected Registrar received an individual audit report noting any initial findings identified in the audit. ICANN shared these audit reports only with the selected Registrars and are not available to the public. Fifty-eight (58) Registrars received a report noting initial findings and also received a request (1<sup>st</sup> Notice) to participate in the remediation process to cure noted findings in accordance with ICANN’s notification process (i.e. 15 days for the 1<sup>st</sup> Notice, 5 days for the 2<sup>nd</sup> Notice, 5 days for the 3<sup>rd</sup> Notice). For more information on the process, see:

<https://www.icann.org/resources/pages/approach-processes-2012-02-25-en>

Thirty-one (31) Registrars were still in the process of remediation and are implementing necessary changes to address the instances of non-compliance. ICANN will follow-up with the Registrars in a later audit round once their agreed-upon due date for compliance has been reached. The following table summarizes the RAA provisions that will be followed-up on in the upcoming audit rounds:

RAA Test Area	Description	# of Registrars for Follow-Up	% of Registrars for Follow-Up
4.1	Whois Data Reminder Policy (WDRP)	18	33%
4.1	Transfer Policy	14	25%
3.12	Reseller Agreements	10	18%
4.1	Expired Registration Recovery Policy (ERRP)	9	16%
3.7.8	Business Dealings Including with Registered Name Holders	7	13%
3.19	Additional Technical Specifications - DNSSEC	6	11%
3.13	Registrar Training	3	5%
3.4.2	Retention of Registration Data	3	5%
3.14	Obligations Related to Proxy and Privacy Services	2	4%
3.7.7.1 to 3.7.7.12	Domain Registration Agreement	2	4%
3.17	Registrar Contact Details on Registrar Website	1	2%
3.18	Registrar Abuse Contact and Duty to Investigate Abuse Reports	1	2%
3.20	Notice of Bankruptcy Convictions and Security Breaches	1	2%
3.3.1 to 3.3.5	Whois- Port43/Web Corresponding Data Elements	1	2%
3.8	Domain-Name Dispute Resolution	1	2%
7.6	Update Primary Contact Information in RADAR	1	2%

### *Enforcement Update - Notice of Breach and Termination*

The following table summarizes the number of notices of breach issued, breaches cured, and terminations resulting from the audit as of the date of this report. All notices of breach and termination are available at:

<http://www.icann.org/en/resources/compliance/notices>.

Phase	Self-Terminated	Notice of Breach	Cured	Total Terminated
RFI Phase	1	0	0	1
Audit Phase	0	0	0	0
Remediation Phase	1	2	2	1

**Breakdown: Remediation Phase – Notice of Breach**

The following selected Registrars were issued a breach notice during the Remediation phase and was able to cure all breach notice items.

IANA	Registrar	Status
141	Cronon AG	Cured
1509	Cosmotown, Inc.	Cured

**COMMUNITY REPRESENTATION**

The 59 Registrars represented 25 countries and provided documents in 10 languages:

**Countries**

- ⊙ Barbados
- ⊙ Burundi
- ⊙ Canada
- ⊙ China
- ⊙ Denmark
- ⊙ France
- ⊙ Germany
- ⊙ Gibraltar
- ⊙ Honduras
- ⊙ Hungary
- ⊙ India
- ⊙ Indonesia
- ⊙ Italy
- ⊙ Japan
- ⊙ Korea (South)
- ⊙ Malaysia
- ⊙ Netherlands
- ⊙ Netherlands Antilles
- ⊙ Norway
- ⊙ Russian Federation
- ⊙ Spain
- ⊙ Turkey
- ⊙ United Arab Emirates
- ⊙ United Kingdom
- ⊙ United States

**Languages**

- ⊙ Chinese
- ⊙ English
- ⊙ Italian
- ⊙ Japanese
- ⊙ Russian
- ⊙ Spanish



- ⦿ French
- ⦿ German

- ⦿ Korean

- ⦿ Turkish

## 5 Audit Program Key Statistics

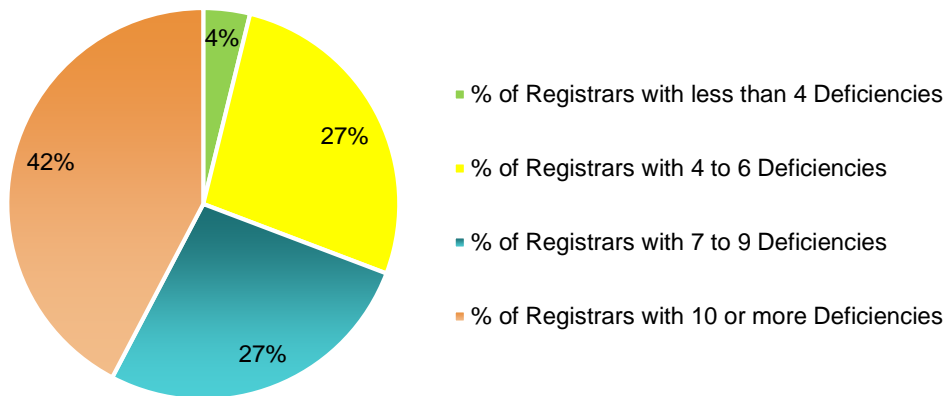
The following table summarizes the number of selected Registrars receiving a 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup> notice as part of the RFI Phase.

Statistic Description	1 <sup>st</sup> Notice		2 <sup>nd</sup> Notice		3 <sup>rd</sup> Notice	
	Count	Percentage	Count	Percentage	Count	Percentage
Number of Registrars to Receive Notice	59	100%	23	39%	10	17%

### *Audit Phase – Registrar Reporting*

The chart below provides an overview of the percentage of the 26 full-scope Registrars that completed the Audit phase with deficiencies noted. Registrars undergoing a limited-scope audit are excluded to prevent skewing of data.

### Registrar Deficiency Profile



### *Remediation Phase – Notifications*

Based on the results of the Audit Phase, 58 Registrars participated in the Remediation Phase to cure initial findings noted in their Audit Report. The following table summarizes the number of selected Registrars receiving a 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> notice as part of the remediation process.

Statistic Description	1 <sup>st</sup> Notice		2 <sup>nd</sup> Notice		3 <sup>rd</sup> Notice	
	Count	Percentage	Count	Percentage	Count	Percentage
Number of Registrars to Receive Notice	58	100%	40	69%	28	48%

## 6 Audit Program Key Recommendations

### A. General

- Registrars are encouraged to communicate questions regarding acceptable documentation or unique process / procedures as they arise to ICANN to avoid delays in the audit process.
- Registrars should maintain accurate Registrar Contact Information Database (RADAR) primary contact information to ensure timely communication.
- Registrars that are a part of a Registrar “family” that are operationally and technically the same should proactively identify its members and communicate this to ICANN.
- When communicating to ICANN, Registrars should send emails with “receipt requested” option to ensure all emails are received by ICANN.

### B. All Registrars should review the current Audit Program on ICANN’s webpage to understand the areas ICANN is reviewing, self-verify that their processes are compliant with the selected areas and proactively address potentially non-compliant areas prior to ICANN initiating an RFI Phase

- Registrars should ask for clarifications regarding the data requested (e.g. acceptable evidence to demonstrate compliance with the Whois Accuracy Program Specification).
- Registrars are encouraged to participate in Audit webinars and ask questions for clarification.
- ICANN will continue to recognize the uniqueness of Registrars’ business models and methods of operation and adjust requirements accordingly if communicated in advance and agreed.
- Registrars should provide detailed explanations within their RFI questionnaire if documents requested are not available or if alternatives have been submitted.

### C. Audit Phase

- Registrars should review their ICANN Audit Report immediately upon receipt and seek clarification if they do not understand any of the findings.
- ICANN will work to update the language used in the audit report to be more specific in terms of the issue.

### D. Remediation Phase

- Registrars should respond to the first (1<sup>st</sup>) notice of the remediation phase with at least partial information and/or documentation addressing the findings noted in their audit report.
- ICANN will communicate the remediation process and the communication structure more clearly in future audit rounds
- ICANN will send notices on a more consistent time schedule.

## 7 Conclusion

Twenty-four (43%) of the 56 Registrars who received a final report had initial findings noted in their draft report and were able to fully resolve them prior to the completion of the Remediation Phase. Thirty-two (57%) of the 56 Registrars completed the audit with deficiencies noted as they were unable to fully resolve their initial findings prior to the completion of the Remediation Phase. These Registrars are implementing necessary changes to prevent the instances of non-compliance from recurring in the future. ICANN will follow-up with these Registrars in a later audit round once their agreed-upon due date for compliance has been reached.

## Appendix – The Registrars Selected for Round Four of the 2013 RAA Audit Program

IANA #	Registrar Name
49	GMO Internet, Inc. d/b/a Onamae.com
64	Domain Registration Services, Inc. dba dotEarth.com
86	TierraNet Inc. d/b/a DomainDiscover
87	HANGANG Systems, Inc. dba Doregi.com
106	Ascio Technologies, Inc. Danmark - Filial af Ascio technologies, Inc. USA
128	DomainRegistry.com Inc.
141	Cronon AG
420	Alibaba Cloud Computing (Beijing) Co., Ltd. (formerly HiChina Zhicheng Technology)Limited
431	DreamHost, LLC
455	EnCirca, Inc.
468	Amazon Registrar, Inc.
471	Bizcn.com, Inc.
472	Dynadot, LLC
600	Rebel Ltd
633	Beijing Innovative Linkage Software Service Co. Ltd
643	DNS:NET Internet Service GmbH
697	Todaynic.com, Inc.
818	Interdominios, Inc.
837	Freeparking Domain Registrars, Inc.
844	Minds and Machines Registrar UK Limited
958	Virtual Registrar, Inc.
985	Own Identity, Inc.
1001	Domeneshop AS dba domainnameshop.com
1003	Ekados, Inc., d/b/a groundregistry.com
1007	Net 4 India Limited
1290	SafeBrands SAS
1291	Crazy Domains FZ-LLC
1340	Arctic Names, Inc.
1362	Regtime Ltd.
1379	Service Development Center of the State Commission Office for Public Sector Reform
1381	AFRIREGISTER S.A.

1408 united-domains AG  
1454 Nics Telekomunikasyon Tic Ltd. Āžti.  
1472 LiquidNet Ltd.  
1479 NameSilo, LLC  
1501 DotRoll Kft.  
1503 PT Ardh Global Indonesia  
1506 Gesloten Domain N.V.  
1509 Cosmotown, Inc.  
1582 Tecnologia, Desarrollo Y Mercado S. de R.L. de C.V.  
1591 Promo People, Inc.  
1601 Atak Domain Hosting Internet ve Bilgi Teknolojileri Limited Sirketi d/b/a Atak Teknoloji  
1619 GuangDong NaiSiNiKe Information Technology Co Ltd.  
1630 Ligne Web Services SARL dba LWS  
1635 Beijing Midwest Taian Technology Services Ltd.  
1640 Beijing Wangzun Technology Co., Ltd.  
1667 Seymour Domains, LLC  
1715 DevilDogDomains.com, LLC  
1724 Stork Registry Inc.  
1729 Beijing ZhongWan Network Technology Co Ltd  
1733 Beijing Zihai Technology Co., Ltd  
1738 Emirates Telecommunications Corporation - Etisalat  
1741 Shinjiru Technology Sdn Bhd  
1857 Alpname Limited  
1863 DotMedia Limited  
1895 Namespro Solutions Inc.  
1902 HazelDomains, Inc.  
1910 CloudFlare, Inc.  
1911 NUXIT