

Internet Corporation for Assigned Names and Numbers Contractual Compliance Update

January – March 2017

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

Table of Contents¹

- General Update
- Contractual Compliance Initiatives and Improvements
- Audit Program Update
- Complaints Handling and Enforcement Summary

General Update

In March 2017, the Contractual Compliance team participated at ICANN58, ICANN's Community Forum Meeting, in Copenhagen, Denmark. The sessions and presentations are at <https://www.icann.org/resources/compliance/outreach>. The main takeaway for the team was the community's request for more granular data and transparency on the compliance process and efforts.

During this quarter, Jamie Hedlund, in his new role as the Senior Vice President, Contractual Compliance and Consumer Safeguards, was actively engaging with the community. In February, he joined the [Non-Contracted Parties House Intercessional 2017](#) in Reykjavik, Iceland. In March, he attended the ICANN58 Community Forum in Copenhagen, where he presented at several sessions plus held formal and informal calls with community members. Common to all were the repeated requests for greater transparency in the handling and resolution of complaints. Read about it in his blog about Improving Contractual Compliance: <https://www.icann.org/news/blog/improving-contractual-compliance> .

Contractual Compliance Initiatives and Improvements

During this quarter, ICANN updated the Audit Frequently Asked Questions at <https://www.icann.org/resources/pages/faqs-2012-10-31-en> to include the selection criteria for an audit. In addition, ICANN published the audit phases and timeline here: <https://www.icann.org/resources/pages/audits-2012-02-25-en>.

System Update

During this period, the ICANN Contractual Compliance team's complaint processing system went live with these functional improvements:

¹ This update is provided for information purposes only. Please do not rely on the information contained within this update to make conclusions or business decisions.

- Removal of the 45-day duplicate auto-closure check for WHOIS inaccuracy complaints
- Update to closure codes to improve clarity, remove unused codes and add new codes
- Updates to closure notices to contracted parties to improve communications and to ensure ticket IDs are in the subject
- Updates to reporter templates to improve communications
- Updates to transfer templates regarding Change of Registrant
- Other template improvements for clarity and reduction of staff manual efforts

Participation in ICANN Policy Development Process

During this quarter, ICANN's Contractual Compliance team continued to participate in the Policy Development Process (PDP) working groups and reviews. Most efforts focused on:

- Thick WHOIS
- Privacy/Proxy Services Accreditation Implementation
- Competition, Consumer Trust and Consumer Choice Review

Registrar Update

Transfer Policy

This was the first full quarter for processing Transfer complaints under the new [Transfer Policy](#), which became effective 1 December 2016. Although the total Transfer complaint volume for January through March 2017 decreased compared to the same period in 2016, complaint complexity has increased. ICANN is updating templates as new scenarios are encountered, and to better inform reporters about the requirements of the Transfer Policy. More information about the Transfer Policy is at <https://www.icann.org/resources/pages/registrars/transfers-en>.

The most common issues arising under the Transfer Policy are:

- Reporters are not aware that making a material change to registrant information will result in a 60-day lock for a Change of Registrant.
- Reporters and registrars are not aware that once a 60-day lock is applied, it cannot be removed.
- If registrars provide the option to opt out of the 60-day lock, they must do so before a Change of Registrant is completed.
- Reporters are not aware that the designated agent may approve a Change of Registrant without informing the registrant.

On 21 December 2016, the ICANN Board instructed the Contractual Compliance team to defer the enforcement of a Change of Registrant relating to enabling or disabling privacy or proxy services (while ICANN reviews the matter). ICANN notes that some registrars do implement a 60-day lock for enabling or removing

privacy or proxy services.

Since December 2016, all complaints regarding a Change of Registrant were sent to registrars as inquiries. Starting 1 May 2017, ICANN will begin sending notices to registrars when there are identified areas of noncompliance, including failure to respond to an inquiry. For more information about the ICANN Contractual Compliance Approach and Process, see <https://www.icann.org/resources/pages/approach-processes-2012-02-25-en>.

CEO Certification

The 2013 Registrar Accreditation Agreement requires ICANN-accredited registrars to complete an annual self-assessment and provide ICANN with a compliance certification by 20 January. This year the Compliance team followed up with 62 individual registrars and 9 family registrars that did not submit certificates by the deadline and/or per the required format and content. Compared to last year's number, this year's return rates were higher, taking into account the increased number of registrars on the 2013 RAA (2914 vs. 1974 at the end of 2015). ICANN also added a DocuSign electronic signature system this year, which improved efficiency and might have increased responsiveness.

Compliance Outreach Activities

In January 2017, the Asia Pacific (APAC) Contractual Compliance team conducted an outreach activity with Southeast Asian (SEA) registrars in the ICANN Singapore APAC hub office. Four regional registrars attended the outreach event. The face-to-face workshop centered around the new ICANN Transfer Policy and common compliance issues faced by SEA registrars. It helped to answer many of the registrars' questions on ICANN policies.

WHOIS Accuracy Reporting System

During the quarter, the Contractual Compliance team completed processing WHOIS Accuracy Reporting System (ARS) Phase 2, Cycle 3 complaints. More information about WHOIS ARS Phase 2, Cycle 3, is at <https://whois.icann.org/en/file/whois-ars-phase-2-cycle-3-report-syntax-and-operability-accuracy>. In response to community feedback, ICANN will publish additional metrics regarding the processing of WHOIS inaccuracy tickets generated by WHOIS ARS. The information will be published in May 2017 at <https://whois.icann.org/en/whoisars>.

The following tables summarize WHOIS inaccuracy tickets created based on data from WHOIS ARS Phase 2, Cycle 3 (as of 1 April 2017). Tickets may go through several process steps, or may receive multiple closure codes, therefore the numbers below will total more than the number of tickets created.

WHOIS ARS Phase 2, Cycle 3 Metrics	
Total tickets received by Contractual Compliance	4,552
Tickets closed before 1st notice	2,662
Tickets that went through 1st notice	1,892
Tickets that went through 2nd notice	250
Tickets in 3rd notice	16
Tickets still in complaint process	5
Total tickets closed	4,547

WHOIS ARS Phase 2, Cycle 3 Resolve Codes	
WHOIS data at ticket creation different from sampled WHOIS data	1,616
Domain suspended or canceled	1,442
WHOIS data changed or updated	406
WHOIS format issue identified for 2013 Grandfathered Domain	382
Domain not registered when ticket processed	207
Known privacy/proxy service	173
Registrar corrected WHOIS format	135
Registrar verified that sampled WHOIS data is correct	72

Registry Update

Processing of Compliance Matters Related to Registry Operators

During this quarter, the largest volume of complaints about registry operators pertained to completion of annual compliance certifications, requests for zone file access in the Centralized Zone Data Service (CZDS) and monthly reporting.

On an annual basis, by 20 January, registry operators meeting certain conditions are required to conduct an internal review and submit to ICANN a Certification of Compliance for the prior year. This includes registry operators with an approved Specification 13 .brand designation, registry operators with an approved Exemption to the Code of Conduct, and registry operators and registry operators with a registry related party that also operates as a provider of registrar or registrar-reseller services. During this quarter, ICANN reviewed approximately 750 generic top-level domains (gTLDs) for compliance with this obligation and sent approximately 90 compliance inquiries regarding missing certificates and to ensure the content of the certifications met the applicable requirements.

ICANN continues to receive complaints alleging that registry operators failed to process requests for zone file access in the CZDS as required by the registry agreement. Registry operators are reminded that it is noncompliant to impose requirements for access to zone files beyond those in the registry agreement and CZDS Terms and Conditions. Additionally, registry operators are reminded to submit to ICANN the required monthly transaction and activity reports for each top-level domain (TLD) – and to ensure the contents of the report are accurate – within 20 days of the end of each calendar month.

This quarter, ICANN issued an enforcement notice to a new gTLD registry operator in accordance with the Public Interest Commitment Dispute Resolution Procedure (PICDRP). The PICDRP is a dispute resolution mechanism for parties alleging a registry operator's noncompliance with Specification 11 of the registry agreement. The enforcement notice was issued following a finding of noncompliance by the PICDRP Standing Panel. This was ICANN's first invocation of the PICDRP Standing Panel under the procedure. All Contractual Compliance enforcement notices that ICANN issues are published at <https://www.icann.org/compliance/notices>.

Voting on Global Amendment to Base New gTLD Registry Agreement

The Contractual Compliance team is planning to align its operations with any updates to the registry agreement that come as a result of an approved global amendment. The period for applicable registry operators to vote on the proposed global amendment to the Base New gTLD Registry Agreement closes on 10 April 2017 at 23:59 Coordinated Universal Time (UTC). Details can be found at <https://www.icann.org/resources/pages/global-amendment-base-new-gtld-registry-agreement-2017-01-23-en>.

Audit Program Update

The Contractual Compliance Audit Program is ongoing. Typically, ICANN conducts two rounds of audits a year for registrars and two for registries. As of the end of March 2017, ICANN is in the final stage of the second round of registrar audits and has launched the second round of registry audits. An update for each type of audit is provided below.

Registrar Accreditation Agreement Audit (Launched 4 October 2016)

The Audit team issued the preliminary audit report to each auditee in January 2017. Since then, the registrars are remediating the deficiencies discovered during the review. A final report is scheduled for late April.

Registry Accreditation Agreement Audit (Launched 23 January 2017)

During this quarter, the Audit team sent requests for information to 21 auditees and their respective data escrow agents. The audit in this round is inclusive of TLDs subject to safeguards applicable to Category 1 gTLDs (consumer protection, sensitive strings and regulated markets). The auditees compiled and responded to the audit requests. At this point, the Audit team is reviewing the responses and documents. As of the end of March 2017, the Audit team has reviewed over 950 documents in 3 languages received from 9 countries.

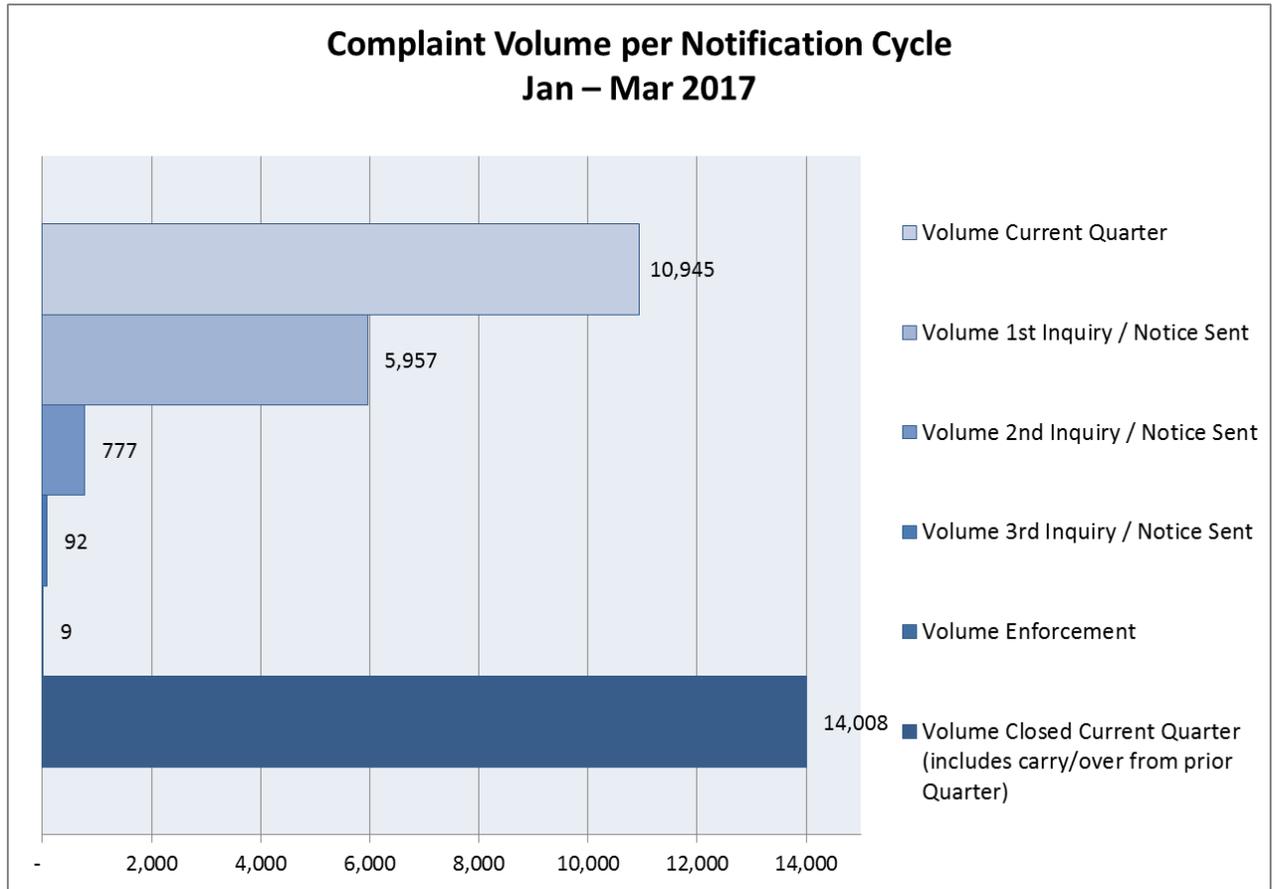
Data Escrow Audit Update

As part of ongoing audit procedures and at ICANN's request, data escrow agents performed more in-depth registrars' escrow file content reviews. ICANN focused on registrars that received a 3rd notice or a notice of breach during this period.

ICANN is working to establish a similar approach for data escrow reviews with the other ICANN-approved data escrow providers.

Complaints Handling and Enforcement Summary

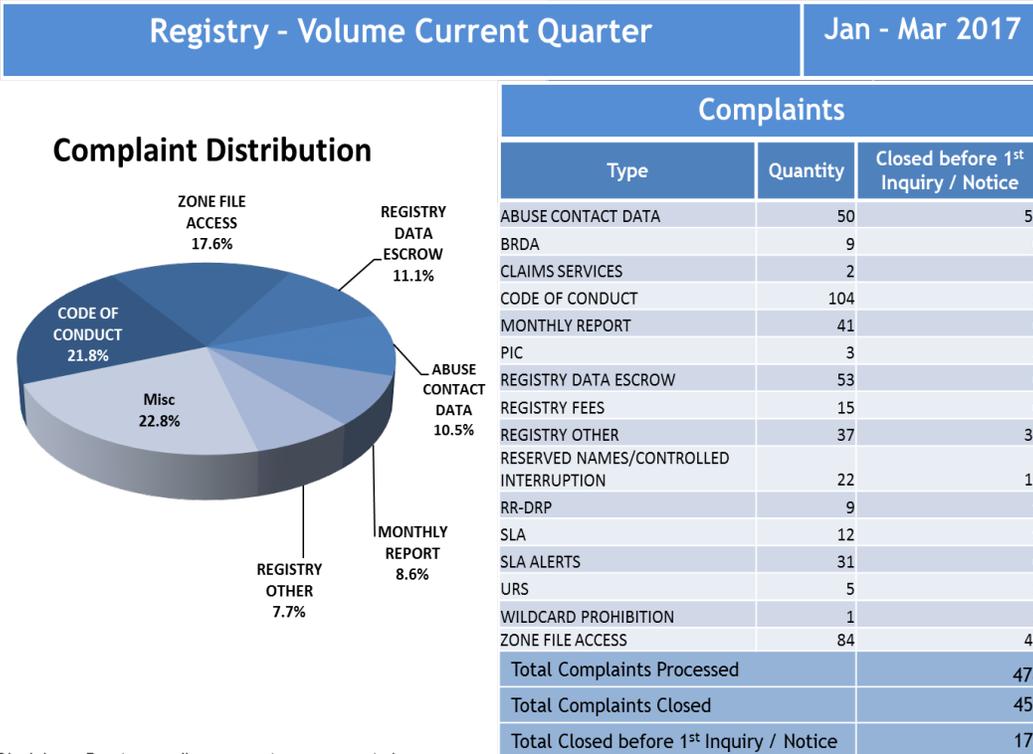
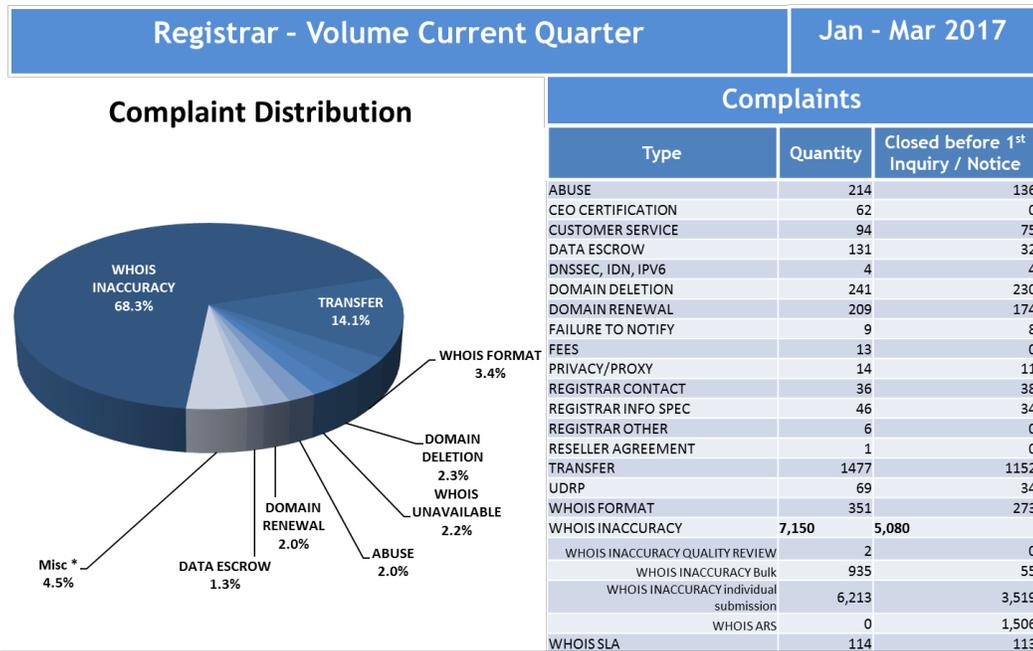
The chart below shows the complaint volume as complaints advance through the overall Contractual Compliance informal and formal processes.



- **Volume Current Quarter** = number of tickets submitted in the current quarter
- **Volume Closed before 1st Inquiry / Notice Sent** = number of tickets closed before 1st Inquiry / Notice was sent in current quarter
- **Volume 1st Inquiry / Notice Sent** = number of tickets where 1st Inquiry / Notice was sent in the current quarter
- **Volume 2nd Inquiry / Notice Sent** = number of tickets where 2nd Inquiry / Notice was sent in the current quarter
- **Volume 3rd Inquiry / Notice Sent** = number of tickets where 3rd Inquiry / Notice was sent in the current quarter
- **Volume Enforcement** = number of enforcement notices sent in the current quarter
- **Volume Closed Current Quarter** = number of tickets closed in the current quarter

The charts below provide a summary of the complaints received January thru March 2017. The volume of complaints closed before 1st Inquiry / Notice refers to complaints that are not sent to the Registrar or Registry Operator. A reason for closing a complaint before 1st Inquiry / Notice could be: complaint is invalid, a duplicate complaint is already open, requested evidence or additional information not provided by reporter, data changed, etc. Learn more at this link

<https://features.icann.org/compliance/dashboard/archives#definition> .



Disclaimer: Due to rounding, percentages may not always appear to add up to 100%.

The tables below provide a list of the enforcement activities for this quarter and prior months, the type of enforcement, the status and the reasons for the enforcement. The list of enforcement by registrars and by registries can also be found at <https://features.icann.org/compliance/enforcement-notice> .

ENFORCEMENT ACTIVITY FOR MARCH						
SENT DATE	DUE DATE	CONTRACTED PARTY	IANA ID	NOTICE TYPE	STATUS	FAILURE NOTICE BASIS
10-Mar-17	31-Mar-17	#1 Internet Services International, Inc. dba 1ISI	1334	Breach		Complete and provide Compliance Certificate (RAA 3.15).
13-Mar-17	3-Apr-17	Tecnología, Desarrollo Y Mercado, S. de R.L de C.V.	1582	Breach		Maintain and provide information required by the Registrar Information Specification (RAA 3.17).
13-Mar-17	3-Apr-17	Domain Jamboree, LLC	894	Breach	Data and Documents Under Review by ICANN	Complete and provide Compliance Certificate (RAA 3.15).
16-Mar-17	15-Apr-17	Top Level Spectrum, Inc.	contact	Breach	Data and Documents Under Review by ICANN	Operate the TLD feedback in a transparent manner consistent with general principles of openness and nondiscrimination by establishing, publishing and adhering to clear registration policies, as required by Section 3.c. of Specification 11 of the RA.
30-Mar-17	20-Apr-17	Alice's Registry, Inc.	275	Breach		Allow RNH to transfer domain name (IRTP 1) or provide valid reason for denial (IRTP 3).
						Provide AuthInfo code (IRTP 5).
						Maintain and provide communication records (RAA 3.4.2/3).

ENFORCEMENT ACTIVITIES FROM PRIOR MONTHS						
SENT DATE	DUE DATE	CONTRACTED PARTY	IANA ID	NOTICE TYPE	STATUS	FAILURE NOTICE BASIS
1-Dec-16	31-Dec-16	GreenTech Consultancy Company W.L.L. (mobily and xn--mgb9fbpob)	Mobily	Breach	Cure Period Extended Until 20 February 2017; under review by ICANN	Pay past due fees (Article 6 of the RA).
6-Jan-17		Aim High!, Inc.	644	Suspension	Effective 23 January 2017 and will conclude on 23 April 2017	Failure to terminate officer judged to have committed fraud or breach of fiduciary duty (5.5.3 RAA).
13-Feb-17	6-Mar-17	Webair Internet Development, Inc.	1326	Breach	Breaches cured	Take reasonable steps to investigate claimed WHOIS inaccuracies (RAA 3.7.8).
						Maintain and provide communication records (RAA 3.4.2/3).
						Validate and verify WHOIS contact information (RAA/WAPS 1, 2, 4).
18-Nov-16	9-Dec-16	Registration Technologies, Inc.	321	Breach	Breaches cured	Provide documents and information to ICANN (RAA 3.15).

ENFORCEMENT ACTIVITIES FROM PRIOR MONTHS						
SENT DATE	DUE DATE	CONTRACTED PARTY	IANA ID	NOTICE TYPE	STATUS	FAILURE NOTICE BASIS
						Maintain and provide communication records (RAA 3.4.2/3).
						Pay accreditation fees (RAA 3.9).
21-Nov-16	12-Dec-16	Web Business, LLC	966	Breach	Voluntary Termination	Pay accreditation fees (RAA 3.9).
						Escrow registration data (RAA 3.6).
						Provide domain name data in the specified response format (RAA-RDDS 1.4).
						Display renewal/redemption fees (ERRP 4.1).
						Publish on website name and position of officers (RAA 3.17 and RIS 17).
						Publish on website email address for abuse reports (RAA 3.18.1).
						Maintain and provide records related to abuse reports (RAA 3.18.3).
						Prohibit sublicense use of the ICANN logo to any other party (RAA Logo License Specification).
4-Jan-17		Nanjing Imperiosus Technology Co. Ltd.	953	Termination		Cure breaches of the RAA within 21 days (5.5.4 RAA).
12-Jan-17		Oi Internet S/A	1380	Termination		Cure breaches of the RAA within 21 days (5.5.4 RAA).

Please refer to <https://features.icann.org/compliance> for up-to-date information.