

Charter second Finance WG

Version 01 – 3 December 2024

1. Introduction & Background

During its meeting in Istanbul at **ICANN81** in November 2024, the ccNSO Council noted:

- i. The [ccNSO Financial Guideline](#), which was adopted in November 2013, needs to be reviewed at a minimum every 5 years. The first review was undertaken in November 2018, resulting in an improvement of the invoicing process.
- ii. The core principles of the Guideline as developed by the [former Finance WG](#), the underlying [value exchange model and related monetary model](#), and the discrepancy between the aggregate level of financial contributions by the ccTLDs and the total amount the ccTLD community considered to be reasonable to contribute in 2013 and 2018.
- iii. The second review should be conducted by a working group in close collaboration and assisted by ICANN Finance, in line with the manner in which the former Finance WG operated.
- iv. This new group should inform and consult the ccTLD community at the ICANN meeting in Seattle (ICANN82) and make recommendations to the community and Council by ICANN83 in Prague.

The new group will focus on reviewing the current financial contribution Guideline, including its underlying framework, with the assumption that the model will be retained. However, if significant improvements can be made, the group should explore and propose potential alternative models. The key objectives should include:

1. **Model Review and Proposals:**
 - Explore, review, and propose various financial contribution models, including the current banded contribution model, for consideration by the community and Council.
2. **Addressing Contribution Discrepancies:**
 - Identify and suggest ways to address the gap between the aggregate level of actual contributions and the level considered reasonable, while upholding the principle of voluntary contributions.

The ccNSO Council resolved to set up a working group to undertake the suggested activities.

2. Objective

The objective of the second Finance Working Group is to review, explore and propose financial contribution models that are fair and equitable, and encourage ccTLDs to contribute at a level deemed reasonable, while preserving the principle of voluntary contributions.

3. Scope

The scope of activities of the working group is to do whatever it deems relevant and necessary to achieve its objective whilst taking into account, amongst others, the current ccNSO ccTLD contribution Guideline, the underlying value exchange model and related monetary model, and current level of contributions.

Specifically, the working group will:

- a. review the current value exchange model and related monetary model underpinning the current financial contribution model
- b. Identify the strengths of the models and any relevant shortcoming(s) in the current models.
- c. Explore alternatives models, to address relevant shortcoming(s) in the current models, or to suggest significant improvements

To ensure that the group informs the community and the ccNSO Council, it will organize focused sessions at ICANN events and/or intersessionally and report to Council regularly (monthly).

4. Chair, Members, and Experts

Membership of the working group is open to all representatives of ccTLD managers (members and non-members of the ccNSO) who meet the following criteria:

- An ongoing commitment to actively participate in the activities of the working group;
- An involvement in financial area of the ccTLD they represent;
- An ability and willingness to attend the group's meetings regularly (at least two (2) out of every three (3) successive meetings, which are expected to be organized on a rotational basis).

Members of the working group will be appointed by the ccNSO Council taking into account the background of the applicants to reflect the diversity of the ccTLD community.

The chair of the ccNSO Council, or a ccNSO Councillor designated to replace the chair, and the chair and vice-chair of the SOPC are appointed ex-officio.

Regional Organizations may nominate a representative as an observer. Observers may participate on equal footing in the deliberations of the working group

The chair and vice-chair of the working group shall be appointed by the ccNSO Council at the nomination of the members of the working group.

The chair, vice-chair, members and observers and experts, if any, will be listed on the webpage of the working group.

The chair of the working group will invite relevant ICANN staff to participate in the deliberations of the working group as experts. Experts are not considered members, but otherwise are entitled to participate on equal footing.

5. Reporting

The chair of the working group will report regularly to the ccNSO Council, ccNSO members and the ccTLD community on its progress. The chair will also submit a working group Report on the activities of the WG, including the proposed financial contribution model(s) by ICANN83.

6. Omission in or unreasonable impact of Charter

The chair of the working group shall exercise reasonable discretion in the event that this charter does not provide sufficient guidance and/or the impact of the charter is unworkable with respect to the conduct of business of the working group. In such a case the chair shall inform the ccNSO Council and seek additional guidance, for example to change the charter.

7. Closure

The working group will be closed upon adoption of the working group's Report. The Report is expected to be submitted by ICANN83, however, if this is not feasible the chair of the working group will inform ccNSO Council accordingly.

The ccNSO Council may take any actions it deems necessary to ensure progress and achieve the working groups objectives, including but not limited to extending the mandate of the group.

8. References

- [2013 Final report ccNSO finance working group](#)
- [2013 ccNSO Financial contribution Guideline](#)
- [Letter ICANN CEO on financial contributions](#) (November 2013)
- [Letter Chair Finance WG to CEO ICANN on ccTLD Financial contributions](#) (December 2013)
- [Annual Contributions overviews](#) (multiple years)
- [ccTLD Billing process](#)
- FY 25ber 2024) [ccTLD Financial contributions model](#)