

**ccNSO Council Decision on
Guideline Financial contributions ccTLD's to ICANN
20 November 2013.**

Background

The ccNSO Finance WG was established in October 2010 with a mandate that included:
“a. to discuss with ICANN (i.) the amounts attributed to ccTLDs and (ii) the underlying attribution method(s) to attempt to establish which of those amounts and method(s) are reasonable and may be acceptable to the ccTLD community
b. to discuss with ICANN a methodology for individual ccTLDs to use to calculate a fair and equitable voluntary financial contribution to ICANN and propose such a methodology to the ccTLD community

After a long and intense consultation process of the community the WG and others the WG, finalized its report during the ccNSO meeting in Buenos Aires meeting (November 2013).

The chair of the Finance WG submitted the Final Report of the WG to the Council recommending that the ccNSO Council adopts the proposed Guideline to replace the March 2007 Guideline on Financial contributions.

(<http://ccnso.icann.org/announcements/announcement-09mar07.htm>)

The chair of the ccNSO received a letter from ICANN's CEO and President expressing his support for the emerging outcome of the discussion on the financial contribution from the ccTLD community to ICANN, and his acceptance of the “ value exchange model” and the associated overall level of the financial contribution and the voluntary nature of the contributions

(<http://ccnso.icann.org/announcements/announcement-20nov13-en.htm>).

Resolution

The ccNSO Council notes and welcomes the exemplary, long and intensive consultation efforts and process the Finance WG went through, to gather input and feed-back from the community.

The ccNSO Council notes and welcomes the letter from ICANN's CEO and President on the overall level of the financial contribution and the voluntary nature of the contributions.

The ccNSO Council adopts the proposed November 2013 Guideline for Voluntary Contributions of ccTLDs to ICANN (included in Annex A), and request the chair of the ccNSO to inform the CEO and President of ICANN accordingly, once the Guideline becomes effective.

The ccNSO Council requests staff to publish this resolution as soon as possible after closure this ccNSO Council meeting.

In accordance to the rules of the ccNSO (<http://ccnso.icann.org/about/ccnso-rules-dec04-en.pdf>) , the November 2013 Guideline will become effective seven days after publication of the decision by the Council.

Finally, the ccNSO Council wholeheartedly thanks and congratulates all who participated in the process and in particular the chair of the Finance WG (Byron Holland, .CA) and the members of the Finance WG, and Xavier Calvez (CFO ICANN) and other staff, and all members of the community who were involved in this long and sometimes challenging effort.

The resolution was passed by acclamation (unanimous)

Annex A:

Guideline for Voluntary Contributions of ccTLDs to ICANN

Date: November 2013

- ICANN and the ccNSO each recognize the value the ccTLD community and ICANN bring to their relationship
- ICANN and the ccNSO recognize and acknowledge the value exchange model, with specific, shared and global value categories, which has been developed cooperatively, as the basis to allocate expenditures
- The ccNSO recognizes that ICANN undertakes expenditures that are of direct and specific benefit to the ccNSO community and recommends that ICANN be reasonably compensated for these costs
- Consistent with its public interest mandate and not-for-profit status, ICANN is encouraged to continue to its efforts to improve its management practices and be cost efficient
- ccTLDs function in a wide variety of operating environments using differing business and governance models
- The ccNSO has developed the attached 'banded model' for voluntary contributions to ICANN, however, the level of contribution that any ccTLD registry makes to ICANN should continue to be determined between ICANN and the individual ccTLD manager
- Where a ccTLD agrees to initiate payment of contributions or to an increase in contributions, either as a result of the adoption of this guideline or in time, after reaching a higher band, these amounts could be phased in annually or over a period of three to five years
- Where a Registry is responsible for managing more than one ccTLD, it will have the option of determining its ICANN contribution on the basis of either
 - the total domains under management, or
 - the sum of the contributions of the individual ccTLDs
- ICANN and the ccNSO have agreed to have a discussion on the need to review the model and its results, after a minimum period of five (5) years.

Revenue Bands

<u>Band</u>	<u>Domains Under Management</u>	<u>Suggested Voluntary Contribution</u> (\$US)
Band A	Greater than 5 million	\$225,000
Band B	2.5 million to 5 million	\$150,000
Band C	1 million to 2.5 million	\$ 75,000
Band D	500, 000 to 1 million	\$ 25,000
Band E	250,000 to 500,000	\$ 15,000
Band F	50,000 to 250,000	\$ 10,000
Band G	Less than 50,000	\$ 500