

## Public Discussion Document

# .ZA Domain Name Policy and Administration

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## **1. Introduction**

### **1.1. Background**

The global domain name system (DNS) is used to identify resources on the Internet. It consists of a number of top-level domain names, each of which has many sub-domains. Most top-level domains are associated with countries, and are known as country-code top-level domains (ccTLDs). The ccTLD assigned to South Africa is “.ZA”. Well known sub-domains include CO.ZA and GOV.ZA.

In 1991, the responsibility for the management of .ZA was delegated to a tertiary education networking project called the Uninet project (or simply Uninet). The manager of Uninet set-up a basic structure for second-level domains (SLDs), and later, guidelines for the establishment of new SLDs. Subsequently, several new second-level domains were added, and the responsibility for the administration of most of the SLDs was delegated to a number of different organisations and people.

When the Uninet project came to an end in 2000, there existed no appropriate alternative body to which the responsibility for the .ZA ccTLD could be re-delegated. The last Uninet Manager, Mr. Mike Lawrie, continued to manage the .ZA ccTLD as a public service. An initiative by the South African chapter of the Internet Society (ISOC-ZA) to set-up a new administrative organisation led to the drafting of a set of policies and processes for the management of the domain name space, and eventually to the creation of a non-profit organisation called Namespace ZA.

The Electronic Communications and Transactions Act, No. 25 of 2002 (ECT Act), provided for the establishment of the .ZA Domain Name Authority (the Authority), and gave the Authority the responsibility for the administration and management of the .ZA domain name system. Both the membership of Namespace ZA and some of the policies and processes drafted as part of the Namespace process were incorporated into the new Authority.

In December 2004, the Internet Corporation for Assigned Names and Numbers (ICANN) approved the re-delegation of the .ZA ccTLD from the previous administrator (technically the Uninet project, but in reality Mr. Lawrie), to the .ZA Domain Name Authority. The .ZA Domain Name Authority has established a presence on the Internet at <http://www.zadna.org.za>.

In addition to administering and managing the .ZA ccTLD, the Authority is also mandated to licence and regulate registries and registrars and develop policy for the South African domain name space. A registry is responsible for managing the database of information associated with one or more second-level domains. A registrar is an entity licensed to access and update the database operated by a registry. There are a number of potential registry/registrar models that could be used for the South African ccTLD.

In order to fulfil its responsibilities in terms of the ECT Act, the Authority is reviewing a number of domain name policy issues and the model that is most appropriate for South Africa. The intention of this discussion document is to examine some key aspects of domain name administration and governance, and to solicit public opinion on them.

## 1.2. Structure of the Discussion Document

This discussion document has five parts, this introductory section and four main sections. Each of the main sections addresses one key domain name policy issue. For each issue, the international precedents and current situation are reviewed, and then a short discussion of policy considerations is presented.

Each section finishes with a series of questions designed to stimulate public input on that particular issue. Responses to this document need not be limited to the questions at the end of each section. The Authority welcomes public input on all aspects of domain name policy.

The four key policy issues discussed are:

- Structure of the .ZA domain: How should the South African domain name be structured? Should the sub-domain structure currently used be maintained? Should the domain be opened up for direct second-level registrations?
- Registry model: Who should administer the database of .ZA domains? Should sub-domains be administered by a centralised organisation, or by multiple registries? What financial models are appropriate for a registry or registries?
- Registrar model: Who should be licensed to access the database of .ZA domains? What should the licence conditions be? Should registrars be permitted to appoint resellers? What conditions should apply to resellers?
- Second-level domain policy: Who should determine policy for second-level domains? What role should the current second-level administrators play in determining policy? Should some second-level domains be treated as special 'closed' sub-domains?

## 1.3. Terminology

Unless the context indicates otherwise, the following meanings should be given to terms used in this discussion document:

"**Authority**" means the .ZA Domain Name Authority, as established by Chapter X of the ECT Act;

"**ccTLD**" means a country code domain at the top level of the Internet's domain name system assigned according to the two-letter codes in the International Standard ISO 3166-1 (Codes for Representation of Names of Countries and their Subdivision);

"**domain name**" means an alphanumeric designation used to identify an Internet resource as part of the global domain name system;

"**domain name system**" or "**DNS**" is the system used to relate domain names to Internet protocol addresses and information;

"**ECT Act**" means the Electronic Communications and Transactions Act, No. 25 of 2002;

"**ICANN**" means the Internet Corporation for Assigned Names and Numbers, a California non-profit public benefit corporation established in terms of the laws of the state of California in the United States of America;

"**ISP**" is an abbreviation for Internet service provider.

"**registrant**" means an applicant for or holder of a domain name;

- “**registrar**” means an entity licensed by the Authority to update a repository;
- “**registry**” means an entity licensed by the Authority to manage and administer the repository for a second-level domain;
- “**repository**” means the primary register of information relating to a second-level domain;
- “**second-level domain**” or “**SLD**” means the sub-domain immediately following the ccTLD;
- “**sub-domain**” means any subdivision of the .ZA domain name space;
- “**TLD**” means a top-level domain of the domain name system;
- “**.ZA domain name space**” means the .ZA ccTLD and all sub-domains thereof.

Note that in some cases, the meanings assigned here to these terms differ slightly from the definitions contained in the ECT Act. This has been done to make this discussion paper slightly clearer. For the purposes of this discussion paper and responses to it, the above definitions are utilised.

## **2. Structure of the .ZA domain**

**Overview:** The South African domain system currently permits domain registrants to register third level domains, for example ACME.CO.ZA or WITS.AC.ZA. Another option is to open up the .ZA domain to direct second-level registrations, for example ACME.ZA. This section reviews options for the structure of the .ZA domain.

### **2.1. Current situation**

The South African domain is currently divided into several sub-domains – CO.ZA, ORG.ZA, etc. Domain registrants register third-level (or sometimes fourth-level) domains within the defined second-level domain structure.

**Table 1: Second level domains under .ZA**

<b>Active sub-domains</b>		<b>Dormant* sub-domains</b>		<b>Direct registrations</b>	
AC.ZA	LAW.ZA	ALT.ZA	NGO.ZA	AGRIC.ZA	INCA.ZA**
CITY.ZA	MIL.ZA	BOURSE.ZA**	TM.ZA	CYBERNET.ZA	LANDESIGN.ZA**
CO.ZA	NOM.ZA	NET.ZA	WEB.ZA	DB.ZA**	NIS.ZA
EDU.ZA	ORG.ZA			GRONDAR.ZA	OLIVETTI.ZA**
GOV.ZA	SCHOOL.ZA			IACCESS.ZA**	PIX.ZA
				IMT.ZA**	

\* Not accepting new registrations

\*\* Apparently no longer in use

As shown in the above table, a small number of direct second-level registrations exist. These domains were registered before firm guidelines had been put in place for second-level registrations. However, there have been no new direct second-level registrations for more than a decade and the majority of the South African domains are registered within sixteen structured SLDs.

Each of these sixteen SLDs is intended for a specific purpose or for a defined category of registrants. However, there is some overlap between the current SLDs, and in some cases, the intended category of registrants is not very clearly defined.

## 2.2. International practice

There are three main sub-domain models in use by ccTLDs in other countries:

- A defined second-level structure, with registrants only permitted to register third level-domains. Examples of ccTLDs using such a model include Australia (.AU), New Zealand (.NZ), Kenya (.KE), the United Kingdom (.UK) and South Africa (.ZA).
- Direct registration of second-level domains by registrants. Examples of ccTLDs using such a model include Germany (.DE) and France (.FR).
- A combination of structured second-level domains and direct registrations. Examples of ccTLDs using a hybrid model are Canada (.CA), Chile (.CL), Japan (.JP), South Korea (.KR) and Singapore (.SG).

There are also a few examples of ccTLDs with a defined second-level structure allowing a limited number of premium priced 'vanity' names as direct second-level registrations. Such a step offers a ccTLD administrator an interesting mechanism for generating income to contribute towards ccTLD operations.

There is no one 'correct' model for ccTLDs, with successful case studies existing for many models. However, there does seem to be a global trend towards opening up ccTLDs to second-level registrations. It should be noted that this is, essentially, a one-way change. Once a ccTLD has been opened up to direct second-level registrations, the requirements for stability and fairness dictate that the ccTLD cannot reverse this decision.

## 2.3. Policy options

Since the .ZA domain already has an established structure, there are only two possible policy options to consider: retain the established SLD structure, or retain the established SLD structure **and** allow direct second-level registrations (i.e. a hybrid model).

Currently, there is no apparent demand for direct second-level registrations, and thus no immediate pressure to permit second-level registrations. However, no research has been done on this issue, so the apparent lack of demand may simply be a result of a lack of awareness that direct registrations are an option.

Opening the .ZA domain name space to direct second-level registrations could lead to significant confusion in the market, and an investment in public awareness would be needed to prevent this. In addition, permitting direct second-level registrations places a much greater technical burden on the management of .ZA and increases the cost of operation of the .ZA database substantially.

## 2.4. Questions

The Authority seeks responses to the following questions:

- **Q1: Does the current system of registration in defined second-level domains adequately serve South Africa's needs? If not, what requirements are not being fulfilled?**
- **Q2: Should the .ZA domain be opened up for direct second-level registrations? If so, why? If not, why not?**

### **3. Registry model**

**Overview:** At present, different .ZA sub-domains are administered by different organisations. A more typical model for ccTLDs is for the administration of sub-domains to be handled by a single, centralised registry. This section reviews potential registry models.

#### **3.1. Current situation**

An initial set of six second-level domains was created when the .ZA top-level domain was first established. They are AC.ZA, CO.ZA, GOV.ZA, MIL.ZA, NET.ZA and ORG.ZA. This list mirrored the structure used for the .UK domain at the time. Other second level domains were added over the years at the request of the communities to be served by those domains and immediately delegated to a representative of the served community. No new second level domains have been created for many years.

By the time the .ZA Domain Name Authority was formed, the administration of all second level domains except NET.ZA had been delegated to entities separate from the top-level .ZA administrator. The delegated entities include organisations, companies and individuals. The following table lists the administrators of the ten sub-domains currently accepting new registrations.

**Table 2: Administrators of active second level domains**

<b>Sub-domain</b>	<b>Administrator</b>
AC.ZA	Duncan Martin, Tertiary Education Network (TENET)
CITY.ZA	Pieter Geldenhuys, UNISA Graduate School of Business Leadership
CO.ZA	UniForum SA
EDU.ZA	Theuns Laubscher, ICG
GOV.ZA	Sean White, Sean Greven, Karl Hohls, SITA
LAW.ZA	Law Society of the Cape of Good Hope
MIL.ZA	Department of Defense
NOM.ZA	Mike Jensen
ORG.ZA	Internet Solutions
SCHOOL.ZA	SchoolNet SA

Each of these administrators operates the database for that SLD and provides the related registry services. (To a significant extent, the administrators also currently determine policy for these sub-domains.) One consequence of the many different administrators is that the registration interface and technical requirements differ from sub-domain to sub-domain. The time taken to process or update a domain also varies significantly between these SLDs.

#### **3.2. International practice**

The model most commonly used by ccTLDs to administer second level domains is a centralised registry model. With the exception of certain closed domains (see section 5.5), the operation of the ccTLD database and the second level databases are handled by a single registry, with multiple (usually licensed) registrars authorised to make changes to the database system.

Countries with a single primary registry include Chile (.CL), the Czech Republic (.CZ), France (.FR), Mexico (.MX), Norway (.NO), New Zealand (.NZ) and Australia (.AU). In the case of the Australian ccTLD, the administrator's policy provides for separate, competing registry operators, but the outcome of a tender process resulted in a single registry operator providing registry services for all open sub-domains.

### **3.3. Policy options**

The key policy consideration regarding the registry model to be used for .ZA sub-domains is whether there should be a single registry for all of the sub-domains or whether competing registries should be licensed.

#### 3.3.1. A single consolidated registry operator

A single consolidated registry operator will benefit from economies of scale, and would be able to provide (to registrars) a uniform interface for the registration of all second-level domains. This means that one registry would maintain the database of all third-level domain registrations, as well as maintaining the zone files for each second-level domains and providing domain name servers for those domains. (As noted in section 5.5 below, exceptions may be made for specific, limited use closed domains.)

#### 3.3.2. Multiple competing registries

As an alternative, the Authority could licence multiple registry operators, with the various second-level domains administered by different licensees. This would be similar to the existing situation, with different registries maintaining CO.ZA, ORG.ZA, and so on.

To some extent, this could be viewed as creating a more competitive environment for domain name services. However, since most second-level domains have a specific purpose, or are intended for a specific type of registrant, registry operators administering different sub-domains do not actually compete directly with each other. Evidence of this is the lack of meaningful competition between the current administrators of second-level domains.

In addition, having multiple registry operators for second-level domains would make it harder to ensure consistent registration interfaces and response times across all of the sub-domains.

### **3.4. Impact on current administrators**

One implication of having a single consolidated registry operator, is that all current second-level domain administrators would be required to hand-over the responsibility for the administration of their domains to the single licensed registrar. Some administrators may continue to play a role in determining appropriate policies for the domain (as described in section 5), but they would be required to give up control over the database of third level domains.

Establishing a single consolidated registry operator significantly impacts all of the current administrators.

### **3.5. Financial model for a single registry operator**

For a single registry operator model, there are several different funding options to be considered:

- The Authority could issue a tender for the registry operator function based on a fixed annual cost for the provision of the registry services. In this model, the Authority would collect domain registration fees from registrars, and would pay the registry operator a fixed fee for the provision of registry services.
- The Authority could base a tender on the payment to the Authority of a fixed fee per domain registered by the registry service. In this model, the registry operator would collect domain registration fees from registrars, and would be required to pay a fixed portion of each fee to the Authority.

- The Authority could issue a tender based on a profit-sharing arrangement. In this case, the registry operator would pay the Authority a share of the profits it generates from the registration of services.
- The Authority could become the registry operator itself, rather than outsourcing this function to a third party. Here, the Authority would collect fees directly from registrars, and would need to invest in infrastructure and staff to manage the registry function. (This model is similar to that used by Nominet UK.)

Where necessary, the Authority would also need to regulate the wholesale prices charged by the registry operator to registrars in order to prevent undue profiteering by the registry.

### 3.6. Questions

The Authority seeks input on the best registry model for the South African Internet sector:

- **Q3: Does the single registry model make sense for the South African market? Please provide reasons for your answer.**
- **Q4: What effect would a single registry model have on the rights of current second-level domain administrators? What steps (if any) might need to be taken to protect their interests, if the Authority implements such a model?**
- **Q5: Which registry operator financial model makes the most sense for the Authority, and for the Internet sector? Are there any alternative financial models that the Authority needs to consider?**

## 4. Registrar model

**Overview:** Registrars are those entities permitted to make changes to the domain name database managed by the registry operator. Typically, multiple competing registrars are licensed to provide domain name services to end-users. This section reviews options for licensing registrars and resellers.

### 4.1. Current situation

There is currently no clear distinction between registries and registrars in the administration of the South Africa domain name space. All second-level domain administrators provide registration services directly to end-users, fulfilling the role of both the registry and the registrar.

The current administrator of the CO.ZA sub-domains (UniForum SA) does provide a consolidated billing option for a few Internet service providers (ISPs) who register large numbers of CO.ZA sub-domain, but these ISPs do not gain any special access to the registration system.

### 4.2. International practice

For both the global top-level domains (gTLDs) such as .COM and .ORG, and for many ccTLDs, a registry/registrar model is used. The registry operator manages the database of domain records and provides registrars with a defined interface to that system. Registrars supply domain registration services to end-users, and process registrations via the interface provided by the registry operator.

In almost all cases, registrars are licensed, either by ICANN (in the case of gTLDs) or by the relevant ccTLD administrator. Typical licence conditions include a commitment to follow a particular dispute resolution process, and adherence to specific technical standards.

### **4.3. Policy options**

The following model is suggested for the South African domain name space: Only licensed registrars will be permitted to make changes to the domain name system maintained by the registry operator. The Authority would evaluate applications from potential registrars and award licences to registrars that meet the specified licence conditions.

Key policy considerations regarding registrars are the licence conditions and requirements (see section 4.4, below). Other considerations are whether the number of registrar licences to be issued should be limited, and whether the registry operator should also be permitted to be a licensed registrar.

It is suggested that the number of licensed registrars should not be limited, but rather that any person meeting the requirements for a registrar should be awarded a licence. However, it is also suggested that the licensed registry operator should not be permitted to apply for a registrar licence. In order to ensure meaningful and fair competition between registrars, it seems sensible to prevent the underlying registry operator from competing with licensed registrars.

An annual licence fee is envisaged for registrars. This fee should be cost-based, and should cover only the cost of processing the initial licence application and the cost of monitoring registrar compliance with the licence conditions.

It is not envisaged that the Authority will place any pricing restrictions on registrars, but will instead only influence the wholesale prices of domain registrations offered to those registrars by the registry operator.

### **4.4. Licensing considerations**

A number of factors will need to be considered when evaluating registrar licence applications, including:

#### 4.4.1. Technical requirements

Potential registrars will need to demonstrate the capability to use the technical interface to the domain name system provided by the registry operator (or operators). In addition, registrars may also be required to demonstrate an understanding and adherence to existing Internet standards (such as RFC 2182, *Selection and Operation of Secondary DNS Servers*).

#### 4.4.2. Procedural requirements

Registrars will be required to demonstrate an understanding of, and a willingness to abide by any domain name policies set by the Authority, or by the Minister of Communications. Such policies would include any dispute resolution policy, and any relevant second-level domain name policies (see section 5.4).

#### 4.4.3. Business and financial requirements

If a registrar's business collapses, all of the domain name registrants using that registrar's service will be left without a domain name service provider. To avoid this situation, there should perhaps be a requirement for registrars to provide an overview of their business plan, a cash flow forecast, and to be able to demonstrate that they have a sustainable business model for the provision of domain name services.

#### 4.4.4. Ownership requirements

Although the ECT Act does not require the Authority to set specific ownership requirements for registrars, it will include Black Economic Empowerment (BEE) criteria for the ownership of licensed registrars, taken as a group.

#### 4.4.5. Code of practice

To protect customers, and ensure good business practices in the domain name service sector, it is recommended that registrars must adhere to a reasonable code of practice. Such a code of practice should be industry-driven, but the Authority may need to specify minimum requirements for such a code.

### **4.5. Resellers**

Since not all entities that currently offer domain registration services to customers will want to (or, possibly, be able to) obtain registrar licences, it is likely that some licensed registrars will appoint resellers for their services. As an example, a licensed registrar may provide domain name registrations directly to end-users, but may also offer discounted registration services to ISPs who are not registrars themselves, but who register many domains. These ISPs would presumably get discounted rates for their registrations and may also have access to the technical systems of the registrar.

It is suggested that resellers should not require licences, or that any ownership or business plan requirements should apply. However, any registrars appointing resellers must ensure that their resellers are familiar with the technical and policy requirements for registrars. Additionally, it may be appropriate for resellers to be required to abide by any established code of practice for the sector.

### **4.6. Questions**

Input is sought on the proposed registrar model, in order for the Authority to develop a framework for licensing registrars.

- **Q6: Does the proposed licensing model for registrars make sense for the South African Internet sector? What other models might be appropriate to consider?**
- **Q7: Should any limitations be placed on the number of registrars licensed?**
- **Q8: Should the registry operator (or operators) be allowed to also fulfil a registrar function, or should a registry operator be prohibited from also holding a registrar licence?**
- **Q9: Is an annual licence fee for registrars an appropriate mechanism for registrar fees? What other models could be used for these fees?**
- **Q10: Are any of the licence considerations mentioned above not appropriate for registrars? Are there any additional considerations that the Authority should take into account?**
- **Q11: Should registrars be permitted to appoint resellers? What additional conditions and requirements (if any) should be placed on registrars who choose to appoint resellers? What conditions and requirements should be placed on resellers?**

## **5. Second-level domain policy**

**Overview:** At present, the policies for each .ZA second-level domain are largely determined by the administrators of those sub-domains, based (in some cases) on the terms of the original sub-domain delegation. This section reviews the process used to determine or change policies for second-level domains, and the scope of those policies.

### **5.1. Current situation**

The responsibility for the administration of most South African second-level domains has been delegated to a number of separate persons, as noted in section 3.1, above. Each administrator performs both a technical role (adding new domains to the domain name system) and a policy role (determining the criteria and process for new domain registrations, and the fee charged for a registration).

Many of the delegated administrators have some form of agreement with the previous .ZA administrator. This generally consists of the original proposal/rationale for the delegation of the domain, and is not necessarily a formal legal agreement. For some of the earliest delegated domains, there exist no formal records of the rationale or conditions for the delegation of that domain. Public information on the policies for .ZA sub-domains is available for some, but not all of current second-level domains.

Once the administration of a sub-domain has been delegated, the administrators have historically been free to determine various sub-domain policies, such as the fees they wish to charge for domain registrations, with little further oversight from the .ZA administrator.

Despite the lack of formal agreements between the parties currently administering domains, changes to second-level domain policy (particularly for the CO.ZA sub-domain) have historically included significant consultation with the Internet community and other stakeholders.

### **5.2. International practice**

The global domain name system is hierarchical and its strength and scalability derive from delegation of sub-domains. Although many ccTLDs favour a central registry model, it is still very common for sub-domains to be managed by different parties. This often includes management of policy for that sub-domain.

Even in the United Kingdom (.UK) where Nominet manages the public domains and Australia (.AU) where auDA formally asserted control over the second levels, there are sub-domains delegated to other organisations. Obvious cases are the sub-domain for the government, and where it exists, the military. (These cases are discussed further in section 5.5, below.)

Because of the somewhat haphazard and informal delegation of ccTLDs during the initial development of the Internet and the domain name system, many other ccTLDs have been faced with a similar lack of clarity on the responsibility for second-level domain policy. In general, where a country has embarked on a process to formalise the role of the ccTLD administrator, this process has also been used to clarify policy for any sub-domains of that country's top-level domain.

### **5.3. Policy options**

Chapter X of the ECT Act gives the Authority a mandate to develop policy for the administration of second-level domains within the .ZA ccTLD. It is suggested that for each second-level domain, a 'charter' need to be established, clearly documenting policy for that sub-domain. Charters for sub-domains must be established in consultation with existing and future domain registrants and with licensed registry and registrar operators.

#### 5.3.1. Role of current administrators

To a significant extent, responsibility for the various sub-domains has been delegated to the current administrators. Clearly, any changes to the policies and administration of sub-domains need to be made in consultation with those administrators. Ideally, existing administrators should play a key role in developing the charter for the sub-domain they have historically administered.

#### 5.3.2. New second-level domains

The policy and processes for the establishment of new second-level domains within .ZA were detailed extensively in documents drawn up by a drafting committee of the South African Chapter of the Internet Society, prior to the establishment of the Authority. These processes were subsequently incorporated into the Articles of Association of the Authority.

The existing process is that an applicant for a second level domain must provide a charter defining the purpose and operation of the domain. Once the Authority has approved the charter and the choice of registry and registrars, the applicant has relative autonomy to operate the second-level domain, provided it does so in accordance with the charter.

It should be noted that the Authority has no immediate plans to add new second-level domains, and that the policy and processes for doing so may be amended as a result of responses to this discussion document.

### **5.4. Scope of SLD policy**

A variety of domain name issues need to be determined for each sub-domain. Some of these issues may form general second-level domain policy applicable to all SLDs. Other policies may be contained in the individual charters for the sub-domains.

#### 5.4.1. Technical

Any technical standards (such as RFCs) that domain registrants must adhere to when registering domains need to be clearly defined. These requirements will probably be the same across all second level domains.

#### 5.4.2. Sub-domain structure

For most second-level domains, registrants will simply register a third-level domain under the relevant SLD. However, for some sub-domains, there will be a need for policy to address registrations at different levels. For example, the NOM.ZA domain – intended for individual use – permits registrations only at the fourth level. This means that instead of registering SMITH.NOM.ZA, a registrant would only be permitted to register JOHN.SMITH.NOM.ZA – a fourth-level domain. Any .ZA sub-domains that have such a structure need to have clear policy set down addressing the sub-domain structure.

(Note: In fact, this example does not accurately represent the operation of the NOM.ZA domain. Currently, it is possible for someone to register SMITH.NOM.ZA, but that person may be obliged to then allow another party to register sub-domains of SMITH.NOM.ZA.)

### 5.4.3. Disallowed domains

It may make sense to have some restrictions on the domains that may be registered by registrants. Restrictions might include words or names that are considered to have specific cultural significance (e.g. MADIBA.ORG.ZA), places names (e.g. PRETORIA.CO.ZA) or profanities.

There may be some general restrictions that apply across all sub-domains, or there may be restricted words detailed in the charters of specific second-level domains.

### 5.4.4. Eligible registrants

Some sub-domains are intended for use by a specific category of registrants. For example, registrants using the LAW.ZA domain are limited to "practising firms of attorneys in good standing with their respective law society". For each domain intended for a limited category of registrants, the charter for that domain needs to define the eligibility for registrations of those sub-domains, and an acceptable mechanism for registrants to demonstrate their eligibility (for example, by providing a letter from the relevant law society in the example above). Policy also needs to provide a mechanism for dealing with registrants who are found to have registered a domain in breach of the eligibility requirements.

As well as specific eligibility criteria in the charters of some second-level domains, there may be a need for some general eligibility requirement for all sub-domain registrations. An example of such a requirement might be a need for the registrant to specify a South African physical address, or a business registration number. Also falling within this category is the issue of foreign registrations of domains. There are currently no requirements for registrants of .ZA domains to be South African, but some ccTLDs do place restrictions on foreign domain registrants, and such requirements would also fall under this heading. For instance, as a minimum, it may be appropriate for all registrants to have a South African contact address and accept jurisdiction of South African courts.

### 5.4.5. Pricing policy

Depending on the registry/registrar model adopted, it is likely that Authority will influence pricing only by regulating the wholesale price charged by the registry operator (or operators) to licensed registrars. Different wholesale pricing may be set for different categories of domain name. For example, a lower wholesale figure may be set for ORG.ZA registrations than for CO.ZA registrations, since the former are intended for non-profit organisations.

The charter for each second-level domain should clearly set out any specific pricing requirements or policy.

### 5.4.6 Dispute resolution

The policy for the resolution of disputes should be clearly established in each second-level domain charter. This should reflect the regulations referred to in section 69 of the ECT Act.

## **5.5. Closed sub-domains**

Some second-level domains are only used by a specific, limited, clearly identifiable set of users. For example, the MIL.ZA sub-domain is used only by divisions or sections within the Department of Defence. Similarly, the GOV.ZA sub-domain is used only by government departments or organisations.

It seems appropriate for domains like these to be treated slightly differently from the more general sub-domains. It seems appropriate to view such sub-domains as "closed" sub-domains, and for the following special rules to apply to these domains:

- The maintenance of the sub-domain database and the operation of the domain name servers for the domain need not be provided by the licensed registry operator, but could instead be delegated to another appropriate entity. Essentially administrators of closed sub-domains would have the right to operate their own registry service or to delegate another provider to provide registry services.
- Registrars would not necessarily be able or permitted to make changes to the domain name system of closed sub-domains. Their ability to do so would depend on the administrator of the sub-domain.
- The delegated administrator for each sub-domain would play a greater role in determining policy for registrations within that closed sub-domain. The Authority may still have a policy oversight role, but would play a less active part in shaping policy for that particular sub-domain.

Closed sub-domains would be identified on a case-by-case basis, but broadly the criteria for a closed sub-domain would be:

- The sub-domain must be intended for the use of a well-defined, limited set of registrants.
- A potential sub-domain administrator must exist who is able to fairly represent the interests of all of the potential registrants within that sub-domain.

## 5.6. Questions

The Authority seeks responses to the following questions to guide it in developing second-level domain name policy:

- **Q12: Should the Authority determine policy for second-level domains? If not, then which entities would be more appropriate custodians of such policy?**
- **Q13: What role should current second-level domain administrators play in determining future policy for their delegated domains?**
- **Q14: Are there any categories of policy (such as those discussed in section 5.4.) that should not be determined by the Authority? If so, please specify which ones.**
- **Q15: What additional matters should the Authority review when determining second-level domain policy? Who needs to be consulted before any policy changes are made to a particular second-level domain?**
- **Q16: There may be many current domain name registrants who do not meet requirements for the domains that they have registered. Should these registrants be 'grandfathered' in, or should they also be required to meet any policy requirements set by the Authority? If they should be grandfathered in, should this be a permanent effect, or should it stay in effect only until the domain in question is due for a renewal?**
- **Q17: Should the Authority designate certain sub-domains as 'closed' and treat those sub-domains differently from the rest of the .ZA sub-domains?**

- **Q18: What special rules should apply to such closed sub-domains? Are any of the special rules noted in 5.5 inappropriate exceptions to make for close sub-domains?**
  - **Q19: What criteria should be used to identify potential closed sub-domains? Which of South Africa's current second-level domains could be considered to be closed sub-domains?**
  - **Q20: There are several historic sub-domains registered directly at the second-level (see section 2.1). Should these domains be treated as closed sub-domains?**
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**#END#**

**Submissions:**

**Submissions can be posted as follows:**

(email)        [submission@zadna.org.za](mailto:submission@zadna.org.za)  
(post)         Suite 175, Postnet x15, Menlo Park 0102  
(fax)          +27 (12) 361 9515