

Date: Wednesday, 17 September 2014

**NOTICE:**  
**Invitation of Comments and Feedback:**

**PROPOSED PRICING ADJUSTMENT:**  
**Co.za, Net.za, Org.za and Web.za**

The .ZA Domain Name Authority (ZADNA) hereby invites comments and feedback to the proposed per domain name fee adjustment for the Co.za, Org.za, Net.za and Web.za Second Level Domains (SLDs). ZADNA recently received the fee adjustment proposal from the ZA Central Registry (ZACR) – the registry operator of the aforementioned SLDs.

If approved, the adjustments will come into effect during the first quarter of 2015, and concern both wholesale EPP annual fees and the annual fees for the Co.ZA Legacy System.

**PROPOSED PRICE ADJUSTMENTS**

**1. EPP Wholesale Fee**

A wholesale fee is the annual per domain name fee that the ZACR charges its accredited registrars for creates and renews. The current EPP wholesale fee for Co.za, Net.za, Org.za and Web.za is R35 and is VAT exclusive. The ZACR has requested ZADNA to approve a new EPP wholesale fee (as shown in **Table 1** below) that is intended to apply over a 5 year period starting from 2015. The proposed new fee is exclusive of VAT.

**Table 1: Proposed ZACR EPP wholesale fee excl. VAT**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
SLD EPP	<b>R45,00</b>	<b>R45,00</b>	<b>R45,00</b>	<b>R45,00</b>	<b>R45,00</b>
Effective Date:	Q1 2015				

## **2. Co.za Legacy System Fee**

Co.za legacy fees are the fees that resellers or registrants pay to the ZACR for creating and renewing Co.za registrations using the old legacy system. The current Co.za legacy fee is R65.78 and is VAT exclusive. The proposed adjustment should have the legacy fee being adjusted on annual basis over a 5 year period as shown in **Table 2**, and is meant to encourage further migration of Co.za registrations from the legacy system to the EPP registry system.

**Table 2: Proposed Co.za legacy fees excl. VAT**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Co.za Legacy	R90,00	R100,00	R110,00	R120,00	R130,00
Effective Date:	Q1 2015				

## **COMMENTS AND FEEDBACK SUBMISSION**

ZADNA is of the view that the proposed price adjustments are justified (see attached “Background” below), but before making a final determination, ZADNA wishes to consider comments and feedback from any interested person.

Comments and feedback may be emailed to [submissions@zadna.org.za](mailto:submissions@zadna.org.za) or faxed to 086 688 7109, marked for the attention of Vika Mpisane, ZADNA CEO, no later than 16h00 on Monday, 13 October 2014. Submissions received after the deadline may not be considered.

## **BACKGROUND**

Over the last 17 years the ZACR (formerly UniForum SA) has operated Co.za on a cost-recovery basis, and has overseen its growth to more than 947 000 names to date. ZACR's wholesale fees, being the annual domain name fees charged to accredited registrars, have resulted in the SLDs under the ZACR's operation remaining highly competitive and attractive when compared to their international counterparts.

In 2011, when the EPP system was first introduced, the ZACR implemented an annual EPP wholesale (create and renew) fee, marked down from the then Co.za legacy fee (R43,85 VAT exclusive) to R35,00 (VAT exclusive). Conversely, the price for Co.za registrations on the legacy system increased from R43,85 to R65,78 (excl. VAT).

The primary purpose of the initial EPP fee, in relation to the increase in legacy fees, was to incentivize and encourage the migration of registrations from the Co.za legacy system to the automated, more reliable and robust EPP system. This is likely the primary reason why more than 80% of the total Co.za registrations are currently administered via the EPP system.

The move to a world-class EPP registry system has enabled the ZACR to improve system redundancy, security, reliability, failover and availability measures. However, these benefits, coupled with the ZACR having recently assumed the operation of Net.za, Org.za and Web.za (in addition to Co.za), have increased operational costs to the point that the ZACR has an under-recovery on the current fees.

The ZACR is a not-for-profit entity. The proposed EPP wholesale and Co.za legacy fee adjustments are meant to enable the ZACR to sufficiently finance its increased operations, and to recover its costs. Once this is achieved, further adjustments (upward or downward) may be approved.

ZADNA is satisfied that the proposed adjustment to the EPP wholesale fee is feasible because it is meant to remain in place for several years. This should create a sustainable environment for the growth of .ZA. Furthermore, the proposed adjustments to the Co.za legacy fee should encourage further migration of registrations to the more reliable and robust EPP system. The proposed adjustments still maintain .ZA on a very competitive and attractive footing compared to its international counterparts.

-----  
**END**