

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

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I. Background

ICANN's Contractual Compliance team's mission is to ensure that all contracted parties comply with their agreements and applicable consensus policies. ICANN strives to achieve this goal via proactive prevention activities and enforcement where appropriate. At the same time, ICANN advocates contracted parties' education to ensure they understand and comply with their agreements. This report is in reference to the assessment of contracted parties, namely those parties who have an executed agreement with ICANN.

The goal of the New gTLD Registry Agreement Audit Program is to identify issues and collaborate with the contracted parties to remediate findings noted, if any, while simultaneously ensuring proper controls exist going forward. The issues identified could relate to specific provisions and/or obligations set forth in the New gTLD Registry Agreement as well as in ICANN's Temporary and Consensus Policies.

II. Executive Summary

In July 2014, ICANN launched the New gTLD Registry (new generic Top Level Domains or gTLD) Audit Program to test compliance with the terms of the New gTLD Registry Agreement and ICANN Temporary and Consensus Policies. This report constitutes the results of the second round of this Audit Program.

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.

The audit assessments were conducted through testing of data, reviewing of documentation, and reviewing of correspondence between the selected gTLD Registries representing the TLDs, their respective Data Escrow Agents, and ICANN's Contractual Compliance team.

At the conclusion of the Audit Phase, individual audit reports were issued to the 11 gTLD Registries audited. During the Remediation Phase, all gTLD Registries collaborated with ICANN Compliance in remediating audit findings, if noted. 10 out of 11 gTLD Registries were able to resolve all audit issues; at the time of preparation of this report, one gTLD Registry was still in the process of remediation.

III. New gTLD Registry Audit Program Scope

The new gTLD Audit Program operates in a recurring cycle. gTLDs, and their respective Registry Operators, that have been delegated into root zone could potentially be selected for audit in each cycle.

In an effort to increase transparency and readiness for the Program, ICANN conducted outreach sessions and published the audit plan, scope, notifications, and the risk mitigation plan. The information can be found at the following link: <http://www.icann.org/en/resources/compliance/audits>

Timeline

The Audit Program consists of five phases with specific milestone dates and deliverables:

1. Pre-Audit Notification Phase – ICANN sends an audit notification to the registry operators two weeks prior to the audit start date to inform the contracted parties of an upcoming audit
2. Request for Information Phase – ICANN sends the audit notice, also referred to as RFI, to the selected contracted parties per process. Contracted parties' response to audit request and provide data and documents.
3. Audit Phase – ICANN reviews the submitted documents, issues an initial findings report to each contracted and follows-up per process.
4. Reporting Phase – ICANN issues individual audit reports to the contracted parties and begins effort to generate the Audit Report statistics.
5. Remediation Phase – Contracted parties remediate findings discovered (if any) during the audit. ICANN publishes the Audit Report.

Below is the outline of the Audit Program Milestones, which were included in the Pre-Audit Notification e-mailed to all contracted parties on 9th March 2015.

Audit Program Milestone Dates							
Start						End	
Pre-Audit Notification	Request for Information (RFI) Phase			Audit Phase		Reporting Phase	Remediation
	1 st Notice	2 nd Notice	3 rd Notice	Begin	End		
09 Mar 2015	23 Mar 2015	14 Apr 2015	21 Apr 2015	21 Apr 2015	24 Jun 2015	25 Jun 2015	25 Jun 2015 – 29 Jul 2015

Note: Extensions were granted during Remediation so long as the Registry was actively working on remedial efforts

IV. New gTLD Registry Audit Program

The audit consisted of multiple test areas. The table below summarizes the New gTLD Registry Agreement provisions and the ICANN Temporary or Consensus Policies that were tested for compliance during this audit.

Test Areas	Description
Article 1.3(a) ii	Representations & Warranties
Article 2.2	Compliance with Consensus Policies and Temporary Policies
Article 2.3	Data Escrow (Specification 2)
Article 2.4	Monthly Reporting (Specification 3)
Article 2.5	Publication of Whois Registration Data (Specification 4)
Article 2.6	Reserved Names (Specification 5)
Article 2.7	Registry Interoperability and Continuity; IPv6 (Specification 6)
Article 2.8	Protection of Legal Rights of Third Parties (Specification 7) - TMCH Sunrise and Claims Period
Article 2.14	Registry Code of Conduct (Specification 9 - Parts A, B, D)
Article 2.17	Additional Public Interest Commitments (Specification 11)
Article 2.19	Community-based TLD's Obligations of Registry Operator to TLD Community (Specification 12)

Note: A 'test area' is a provision in the Agreement with the contracted party which may consist of multiple requirements and test steps. Therefore, a gTLD Registry could have multiple findings in a single 'test area'

Each gTLD Registry received an individual audit report noting any findings identified in the audit as well as a 1st Notice to participate in the remediation process in accordance with the 15-5-5 process (<http://www.icann.org/en/resources/compliance/approach-processes/overall-19jun13-en.pdf>).

The following table summarizes the New gTLD Registry participation per audit phase.

Phases	Count
RFI Phase	
gTLD Registries	11
Audit Reporting Phase	
gTLD Registries Passed All Audit Tests	0
gTLD Registries Requiring Remediation	11
Remediation Phase	
gTLD Registries Successfully Completed Remediation	10

Community Representation

The 11 Registries randomly selected for the second round represented eight countries and provided documents in six languages:

Countries

- Belgium
- China
- France
- Great Britain
- Ireland
- Japan
- Russia
- South Africa

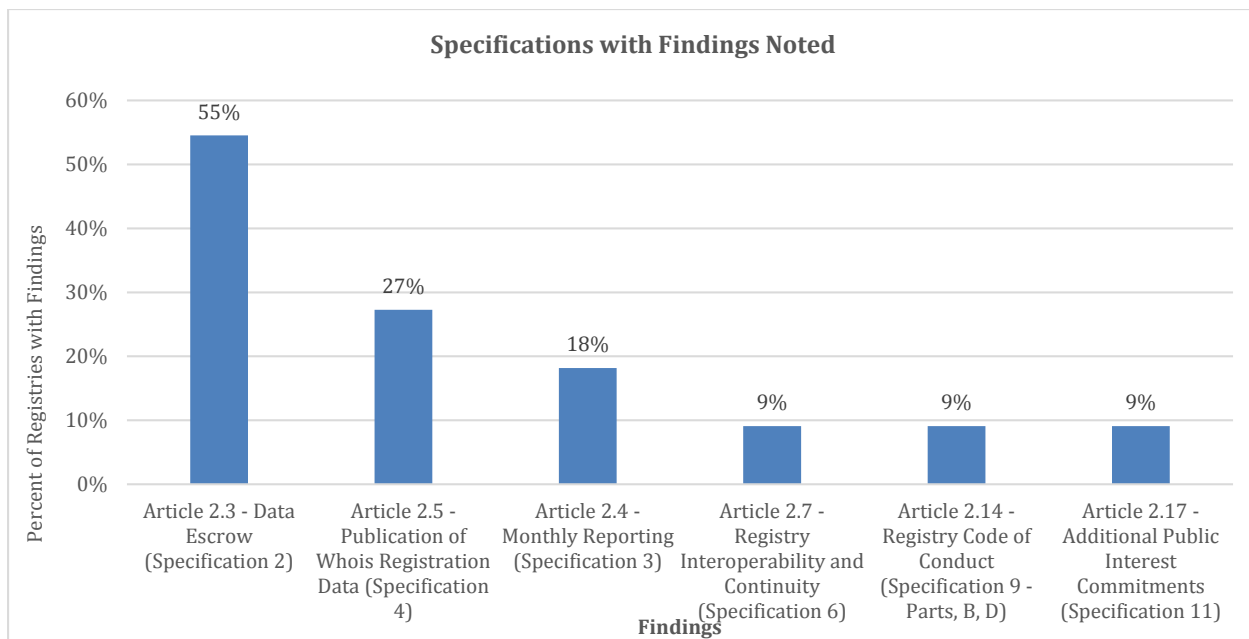
Languages

- Dutch
- English
- French
- Japanese
- Mandarin
- Russian

V. Audit Program Key Statistics

New gTLD Registry Audit Phase – Findings within Test Areas

During the Audit Phase, New gTLD Registry Agreement provisions were tested utilizing the RFI responses, documentation received, and the Registry’s website. The graph below represents the test areas with findings noted as a result of the audit phase.



Key Audit Issues and Impact Analysis

The following were noted during Audit Phase and addressed during remediation phase by Registry Service Providers / Back-end Service providers:

Issue Noted	Potential Risk/Impact
Data Escrow file: <ul style="list-style-type: none"> - Whois registration data differed from escrow data - Some mandatory fields are missing in DE file 	Correct processing and escrowing of registration data is required for data restorability and to protect consumers
Incomplete data returned in Whois queries	Processing, maintaining and displaying of domain level information are required and vital for consumers of the gTLD
Monthly reporting issues; number of domains over/underreported	Inaccurate Monthly reporting of domain counts may result in incorrect reporting of domain counts to the public and over or underpayment for domains
Orphan glue records identified in Zone File	Orphan glue records are susceptible to malicious abuse

Issue Noted	Potential Risk/Impact
Eligibility Criteria for prospective Registrars were not clear and/or available	Establishing and communicating clear eligibility criteria for prospective registrars is needed to prevent limiting registrations to a single entity
Registry-Registrar Agreements missing required abuse language	Communicating required language in contracts is essential to promoting a secure community and reducing legal exposure

VI. Appendix A – The New gTLDs Selected for March 2015 of the New gTLD Registry Audit Program

IDN	Delegated String (gTLD)
Bio	Bio
Capetown	Capetown
Cooking	Cooking
Gent	Gent
Moscow	Moscow
Ovh	Ovh
Tokyo	Tokyo
Wales	Wales
Wang	Wang
Xn—io0a7i	网络

