

# Policy for new Second Levels Domains

## Second Level Domain Policy for the .uk Top Level Domain ("SLD Policy")

### A. Introduction

1. This SLD Policy summarises the policy of Nominet UK (Nominet) as the manager and trustee of the .uk Top Level Domain regarding the creation of new Second Level Domains (SLDs) within the .uk namespace.
2. The SLD Policy should be read in conjunction with the SLD Procedure, which summarises the procedure for the selection of operators of registry services for new SLDs within the .uk namespace.
3. The SLD Policy and the SLD Procedure will take effect from 1 March 2004 and apply to any new SLD created after that date, whether the SLD is open to all registrants in the Domain Name System (DNS) or is closed, i.e. reserved for members of a defined, limited community.
4. Nominet may make modifications to the SLD Policy and SLD Procedure at any time following a process of open public consultation. Such changes will be published in advance (where practicable, 30 days in advance) on our web site: <http://www.nominet.org.uk/> and will become effective upon the date specified therein.
5. In this SLD Policy the following words and phrases will have the following meanings:

DNS - The Domain Name System: a distributed database which allows for the universal resolution of domain names into their underlying internet protocol numbers. Internet protocol numbers identify the machines on which e-mail or web services are hosted;

Panel - A panel of 5 independent persons, consisting of a chairperson and 4 other Panellists (as described in section B of the SLD Procedure), which will assess each application in accordance with the SLD Policy and the SLD Procedure;

SLD- A second level domain under the .uk namespace. For a further explanation of the domain name structure, please see [Nominet's Rules for the .uk Domain](#).

For "applicant" or "application" in the SLD Policy, please read "applicants" or "applications" where appropriate in the context.

### B. General principles of the SLD Policy

The elements set out in this paragraph 'B' numbered 1 to 4 inclusive (and in the case of closed SLDs B5 also) are mandatory and of equal importance.

1. An SLD should have the following purposes:
  - a) to act as a mnemonic for users of the DNS. For this reason the SLD should be as short as practicable (ideally, 2 or 3 letters long);
  - b) to help identify the community of (potential) registrants for whom the SLD is intended; and
  - c) to facilitate the location of Internet resources in the UK.
2. The general view of both the UK Internet community and Nominet is that the approach to creating new namespaces within the DNS should be measured and responsible in respecting primarily the stability of existing Internet namespaces. Nominet's policy is that any new SLD should fulfil the following requirements:
  - a) it should add sensibly to the existing DNS hierarchy;
  - b) it should not create or add to confusion amongst Internet users in locating the Internet resources

they seek. It may reduce or remove confusion amongst Internet users by better enabling the location of such Internet resources;

c) it should be likely to introduce new registrants, rather than to create a proliferation of defensive or duplicative registrations; and

d) it should be likely to meet previously unmet needs of potential registrants. In respect of a specified class of existing registrants, it should better meet their needs than the existing suite of SLDs.

3. No SLD should be created if its uses and functions are wholly or substantially contained within the charter of any single existing SLD.

4. SLDs should serve a significant community of potential registrants. For this reason:

a) a closed SLD should not normally be created where an open SLD would better serve the interests of the Internet community; and

b) a new SLD should not normally be created where a new SLD with a wider charter would better serve the interests of the Internet community.

5. For closed SLDs, the applicant should demonstrate that:

a) the relevant community can be clearly defined and has needs and interests in common which are distinguishable from those of the broader Internet community; and

b) that there is support within the relevant community for the proposed SLD.

6. The SLD Procedure will be run according to the general principles for the SLD Policy as listed in section B and the whole of the SLD Policy will form the selection criteria for the SLD Procedure.

### **C. General principles for the assessment of applicants**

1. It is the view of both the UK Internet community and Nominet that applications should appropriately respect the stability of the Internet (in accordance with paragraphs B1 to B5 above) and also should be assessed on a transparent, objective and non-discriminatory basis. Specifically the following principles will apply:

a) applications will be chosen on a merit basis by independent assessment in accordance with the SLD Procedure;

b) applications will be subject to open competition;

c) competitive applications will be subject to public consultation;

d) applications will be assessed in the light of quality, efficiency, reliability and the maintenance of the stability of the Internet;

e) Nominet itself will be subject to the SLD Policy and to the SLD Procedure and, should it choose to make an application, it will apply on the same basis, and be subject to the same criteria as, other applicants; and

f) applications will attract a fee calculated on a full cost-recovery basis.

2. In assessing applications, the Panel will have discretion as to what weight to give the different criteria set out in this Policy, and will also have regard to consultation responses. All applications must demonstrate to the Panel's satisfaction that the proposed SLD meets the criteria set out at B1-B5. The Panel must also be satisfied that the applicant has demonstrated that it is capable of running the SLD in a fair and efficient manner, has procured firm commitments for all necessary resources, and has demonstrated sensible and realistic operational, technical, financial, business, marketing and legal plans. The Panel will take reasonable steps to verify any claims or matters on which the Panel bases its decision, and applications should therefore be presented in a manner that enables the Panel to verify claims made in it. The criteria set out below are non-exhaustive and are

primarily intended to assist applicants and Panellists alike in preparing or assessing applications. The Panel will have discretion as to what relative weight to give the different criteria in each case. The Panel will give due regard to the qualifications and relevant experience of the applicants (and proposed staff).

#### **D. Operational and technical requirements**

1. Applicants must set out comprehensive operational plans to describe the processes and services offered by applicants themselves and/or where appropriate third parties to ensure the quality, efficiency, reliability and accessibility of the operation and management of the proposed SLD. Such operational plans should include (but need not be limited to) the following aspects:

- a) every aspect of registration and renewal, including outline rules for the SLD, the length of registration periods, methods of registration whether electronic or manual, the registration policy whether first come first served or otherwise, the extent of any pre-vetting of applications and how the registration policy is to be applied in an objective and fair manner;
- b) every aspect of the transfer and cancellation of domain names within the proposed SLD;
- c) invoicing and debt recovery;
- d) a detailed description of the proposed structure for how registrations will be made, for example whether through registration agents or otherwise. If a system of registration agents (or equivalent) is proposed, the application should describe in outline the contractual arrangements, how registration agents join or are accepted and details of how registrants who wish to do so may move domain names from one registration agent (see paragraph F1) to another;
- e) a detailed description of the policy and methods for allocating domain names in a fair and timely manner during any start-up period;
- f) disaster recovery procedures to respond to any form of failure, whether or not limited to failure of the proposed SLD;
- g) the possible existence of alternative registry operations in the event of business failure of the applicant. This is not a requirement necessarily to identify an alternative registry operator, but is a requirement at least to be in a position to transfer operation of all processes involved in the applicant's operation of the proposed SLD, and to communicate with and support its customers and/or all relevant stakeholders during any period of transition;
- h) regular testing (preferably by an external party) of (a) the applicant's current processes, (b) disaster recovery procedures and (c) possible alternative registry operations in the event of business failure of the applicant;
- i) responding to future potential changes in Internet protocol or other relevant developments;
- j) processes for discouraging excessive duplicative or defensive registrations in the event of future increased proliferation of other SLDs or Top Level Domains; and
- k) other relevant or diversified services, which may include (in the case of closed SLDs) services tailored to any relevant specific Internet community under paragraph F4 below.

2. The applicant must demonstrate strong and sound technical ability, and the application must set out satisfactory provision for each of the following:

- a) the continued, correct and unimpaired operation of the SLD by the applicant (if successful);
- b) minimisation of unscheduled outages of registry or registration systems due to technical failures or malicious activity of others;
- c) ensuring consistent compliance with technical requirements in the operation of the SLD;
- d) an analysis of the effect of the new SLD on the operation and performance of the DNS in general

and the root-server and UK name server systems in particular;

e) measures to promote rapid correction of any technical difficulties that occur (whether or not due to the SLD's operation), such as availability of accurate, consistent, and helpful Whois information; and

f) provisions for orderly and reliable allocation of domain names during the initial period of the SLD's operation.

#### **E. Financial and other qualities of applicants**

1. The applicant, as an SLD operator, must act in the interests of the UK Internet community as a trustee of the delegated SLD, and must demonstrate its ability to do so, and the mechanisms by which this will be achieved. Existing experience of the operation of Internet registry or other Internet services may help to demonstrate such ability. Appropriate mechanisms may include (but need not be limited to):

a) stakeholder participation in the development of policy; and

b) adequate communication with stakeholders.

2. The applicant must demonstrate the measures it proposes to take to minimise the risk to registrants from its own business or financial failure, both in terms of minimising the chances of such an occurrence, and minimising its effect by mechanisms including, but not limited to, data escrow.

3. The applicant must demonstrate its financial security and stability, in a way consistent with the nature of the tasks undertaken for operating the proposed SLD, as detailed in the business model described at section F below (the "Business Model").

4. In demonstrating its financial security and stability, the applicant should provide adequate information about each of the following:

a) the applicant's sources of existing or guaranteed funding;

b) an adequate level and range of insurances;

c) the anticipated costs and capital requirements of each element of the Business Model;

d) the applicant's proposed arrangements for monies to be held in escrow to meet the cost of maintaining and transferring the operation of the proposed SLD in the event of the business failure of the applicant and before appointment of a replacement operator. This applies whether such monies are paid on a lump-sum basis or on a profit-percentage basis or through insurance; and

e) details of external audits to be performed on the applicant during the period of its operation of the proposed SLD.

5. In relation specifically to the factors listed at paragraph E4 above and generally to the content of the Business Model at section F below, the applicant is alerted to the contractual provisions listed at Paragraph L5 of the SLD Procedure.

6. The application must identify proposed senior staff of the applicant (by name) and provide a curriculum vitae ('CV') for each. The CV must provide all relevant details about the proposed staff member's skills, past experience and also specify which proposed role the staff member will (or does) fill in the applicant organisation, and what that role entails.

#### **F. Business Model - value of name and choice among users**

1. The application must demonstrate in the Business Model that potential registrants will have an adequate choice of registration agents who may offer registrations within the proposed SLD on competitive terms. If the Business Model does not include a wide choice of registration agents freely operating in the market, the application must provide a satisfactory explanation as to why this

will not hinder the registration agent market.

2. The onus is on the applicant to demonstrate that the benefits offered to existing and potential registrants in terms of increased choice between SLDs outweigh the likely costs imposed on existing and potential registrants in other SLDs who may consider themselves obliged to make defensive registrations to protect their rights.
3. In relation to both closed and open SLDs, the application must include evidence of genuine demand for the proposed SLD from potential registrants and users (rather than the Internet industry) together with market projections and analysis.
4. The applicant must demonstrate how it seeks to develop policy with regard to the interests of each relevant stakeholder group, whether it is the specific community relevant to a closed SLD or the Internet community in general.

## **G. Legal**

1. The application must demonstrate provision for the adequate protection of both registrant and third party rights, both in terms of a suitable start-up mechanism, and the resolution of domain name disputes.
2. The application must demonstrate how the registry will ensure compliance with all applicable legislation, and in particular with UK data protection legislation.
3. The application must make adequate provision for Whois service that strikes an appropriate balance between providing information to the public regarding domain name registrations in a convenient manner and offering mechanisms to preserve personal privacy.
4. The applicant must demonstrate that there are no legal impediments to the transfer of responsibility for operating the SLD either to Nominet or to a third party as appropriate in the event of business failure.
5. It is a generally accepted principle within the world-wide Internet community that a country code Top Level Domain (ccTLD) registry should be based in the country which the ccTLD denotes. Nominet adheres to this principle, which is expressed in a number of documents, including RFC1591, a document widely respected by many ccTLD operators. For this reason, the applicant, if successful, must agree to operate under UK law and subject to the exclusive jurisdiction of the UK courts. If other than English law, the applicant must specify which legal system within the UK it wishes to operate under. The applicant, if its general operations are not based in the UK, must demonstrate an ability to operate the relevant SLD with a sufficiently informed understanding of the circumstances and interests of the likely UK-based registrant constituency for the SLD. The applicant may, for instance, demonstrate such an ability through the establishment of a UK branch.