

Procedure for New Second Level Domains

Second Level Domain Procedure for the .uk

Top Level Domain ("SLD Procedure")

A. Introduction and General Principles

1. This SLD Procedure summarises the procedure for the creation of new Second Level Domains (SLDs) and selection of operators of registry services for both open and closed SLDs within the .uk namespace.

2. The SLD Procedure will take effect from 1 March 2004 and should be read in conjunction with the SLD Policy, which is a separate document defining the policy of Nominet UK (Nominet) as the manager and trustee of the .uk Top Level Domain regarding the selection of operators for new SLDs.

3. The aim of the SLD Procedure is that Nominet, which may be an applicant to run a new SLD, should keep to a minimum its involvement in the administration and assessment process for new SLDs. For this reason, the SLD Procedure will be administered by a Secretariat, which is expected to be a firm of independent professionals (for example lawyers or accountants) initially appointed by, but otherwise independent of, Nominet. The Secretariat will act as an administrative support to the Panel, which will be the body appointed to evaluate competing applications. The Secretariat will play no part in the evaluation of applications, and will act as intermediary between the Panel and Nominet. The Panel Chair (see paragraph B3) will initially be appointed by Nominet, and the Panellists are drawn from a list recruited by the Panel Chair.

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. The criteria for the selection of SLD operators under the SLD Procedure are contained in the SLD Policy. All stages of review and selection under the SLD Procedure will be conducted in accordance with the SLD Policy and competing applications will be judged in the light of their relative ability to satisfy the criteria in the SLD Policy.

6. In this SLD Procedure the following words and phrases will have the following meanings:

Account - A ring-fenced escrow account described in paragraph D6, set up for each applicant, to hold and manage that applicant's fees for each stage of the SLD Procedure;

Council of Management - Nominet's board of directors;

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

Panellist – A member of the Panel;

Panel Chair - The chairperson of the Panel;

Policy Advisory Board (PAB) - Nominet's Policy Advisory Board, with whom Nominet consults on policy matters, as described on Nominet's web site at <http://www.nominet.org.uk/Pab/PolicyAdvisoryBoard>;

Pool – The collective name for all those eligible to become Panellists (see Section B below) whether or not they have been appointed to a particular Panel;

Pool Member – A member of the Pool

Secretariat - An independent body described at A3 above, appointed to administer the SLD Policy and the SLD Procedure;

Selected Applicant - An applicant selected by the Panel to run an SLD, and identified in the Panel's final report (see section K below);

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 Procedure, please read “applicants” or “applications” where appropriate in the context.

7. The SLD Procedure below describes each of the following aspects of the creation of new SLDs:

- (a) The appointment and operation of the Secretariat, the Panel and Panel Chair.
- (b) Communications between applicants and the Secretariat.
- (c) Fees and the ring-fenced escrow account.
- (d) The evaluation process.

8. SLD applications will be processed according to the SLD Procedure through a series of stages, which can be summarised as follows:

Stage 0 Optional pre-application review by the Secretariat.

Stage 1 Submission of application.

Stage 2 Call for competing applications.

Stage 3 Initial public consultation and appointment of Panel.

Stage 4 Full evaluation of application(s) and publication of initial recommendations.

Stage 5 Final public consultation.

Stage 6 Final Panel report.

Stage 7 Decision by Nominet's Council of Management, contract negotiation between Selected Applicant and Nominet and delegation of SLD.

9. Each applicant must be a single entity. However, other bodies may formally list their support for an application and an applicant may elect for delegation to be made to a third party, subject to that third party's prior consent.

10. At each stage of the SLD Procedure, fees are set on a full cost-recovery basis (see section D below).

11. An applicant may terminate an application at any time for whatever reason by providing written notice of termination to the Secretariat, appointed under section B below.

12. The Panel may terminate an application at any time if, in the view of the majority of the Panel, it has no reasonable prospect of success. This notice will be provided in writing to the applicant. The applicant will be given an opportunity to make representations before termination on this basis.

13. Applications by Nominet to operate an SLD will follow the SLD Procedure and will be assessed in accordance with the SLD Policy.

14. Where an application is subject to an ongoing process under the SLD Procedure (a "First Application") and where the Secretariat receives another application which it considers may be identical or similar (a "Second Application") to the First Application, it shall refer the Second Application to the Panel Chair to determine whether or not it is identical or similar to the First

Application. Where the Panel Chair, in his/her sole discretion, determines that the Second Application is similar or identical to the First Application, the following provisions shall apply:

- (a) If the SLD Procedure relevant to the First Application has not progressed to Stage 3 or beyond, the Panel Chair may allow the Second Application to join the SLD Procedure as at the end of Stage 2.
- (b) If the SLD Procedure relevant to the First Application has progressed to Stage 3 or beyond, the Secretariat will notify the Second Applicant that it is unable to accept the Second Application, and will return all papers to the Second Applicant. This will not prejudice the Second Applicant's ability to reapply following termination of the SLD Procedure relevant to the First Application (assuming that such application is not successful).

B. Appointment and operation of Secretariat, Panel Chair and Pool

Roles

1. The SLD Procedure will be administered by the Secretariat, which will be independent of Nominet and will handle all applications and other documentation on a confidential basis until any such documentation is published.
2. The evaluation and selection of SLD applicants will be determined at all stages by the Panel, which shall be independent of Nominet, but subject to the exceptional veto of the Nominet Council of Management at Stage 7 in accordance with paragraph L2 below.
3. The Panel will consist of a chairperson (the "Panel Chair") and 4 other Panellists selected from the Pool. For the avoidance of doubt, reference to "Panellists" shall include reference to the Panel Chair, unless the context clearly implies the contrary. Panellists on the Panel for one application remain in the Pool for all other applications (unless B13(c) applies.)

Appointment

4. The first Secretariat will be selected and appointed by Nominet. Nominet will endeavour to appoint the Secretariat before any application is received. Any subsequent Secretariat will be selected and appointed by Nominet on the (non-binding) advice of the Panel Chair.
5. The first Panel Chair will be appointed by Nominet from a shortlist. The shortlist will be prepared by the PAB acting as a nominations committee.
6. Subsequent Panel Chairs will be appointed from the shortlist by the Pool of panellists. The shortlist will be prepared by the PAB acting as a nominations committee.
7. Members of the Pool, i.e. potential Panellists other than the Panel Chair, will be selected by (for the first round of appointments) the Panel Chair and (for each subsequent round of appointments) the Pool, in both cases from a shortlist prepared by the PAB acting as a nominations committee. The Panel Chair will endeavour to make appointments in a number sufficient to ensure that the Pool consists of 15 to 20 members, but may decide that the shortlist provided to him/her does not contain sufficient persons of the requisite calibre and remit the matter to the PAB.
8. Where the PAB acts as a nominations committee, it shall consider all applications for a place in the Pool in the manner it appoints, but as part of an open application process. The detail of the open application process, including methods of application, administration and deadlines shall be determined by the PAB, but should aim to provide a sufficient number of applicants of reasonable calibre and skill to allow the person making the final decision a genuine choice between capable applicants.
9. Nominet shall bear the cost of the initial appointments at B4 to B7 inclusive, on the basis that such costs will be apportioned between future applicants and will be repaid together with interest to Nominet by the Secretariat. Future costs shall be paid out of the Account and fees may include a non-refundable element towards the projected costs of such future applications.

General Eligibility and Disqualification

10. Pool Members will be appointed to represent diverse areas of expertise and interest, for example from the Internet, intellectual property and other relevant business or consumer communities.

11. Nominet employees, members of the PAB and members of the Council of Management will not be eligible to become Pool Members, Panellist, Panel Chair or the Secretariat. However, membership of Nominet will not in itself be a bar to appointment as a Pool Member, Panellist or as Panel Chair and may not be a ground raised on which to object to their appointment, or taken as evidence of a conflict of interests, by an applicant under sections F4 or H8.

Appointment to Panel

12. The Panel Chair shall serve on all Panels, subject to paragraphs B24 and F3.

13. The Panel Chair will appoint Pool Members to the Panel for an application on the basis of their relevant skills, experience, impartiality, and the requirements of Clause B3. The administration of such an appointment is the responsibility of the Secretariat. They will serve on that Panel unless:

- a. they cannot or do not sign the declaration of impartiality (at B14);
- b. objections raised by applicants are upheld (in line with paragraph H8);
- c. they are already serving on more than one Panel already and do not feel that they can devote the time required to this Panel.

Independence and Exclusion from Specific Panel

14. In the event that a person is appointed as Panellist, the Secretariat shall send a declaration of impartiality and independence to the Panellist, which the Panellist shall duly complete and return to the Secretariat within 5 working days of his/her appointment.

15. In accordance with paragraph B14 above, the Panellist shall complete the declaration while giving due consideration without limitation to the following:

- (a) any shareholdings that the Panellist possesses, whether as beneficial owner or nominee;
- (b) any offices that the Panellist holds;
- (c) any organisations by which the Panellist is employed or with which s/he undertakes engagements;
- (d) any organisation with which the Panellist has a pension, unit trusts or other form of investment;
- (e) details of the party(s) to any current litigation to which the Panellist is a party or in which the Panellist is directly or indirectly involved in any capacity; or
- (f) any dealings or relationships, past or present or potential, direct or indirect, financial, professional or personal with the applicants.

16. Panellists must consider possible conflicts of interest throughout an SLD Procedure. In the event that any conflict of interest as listed in B15 above or other conflict of interest arises at any time during a Panellist's appointment, the Panellist shall immediately decline to continue to act as Panellist, and shall return to the Secretariat any papers provided to him/her in relation to the application within 5 working days of receipt.

Decisions of the Panel

17. The Panel will make its decisions on a majority basis and will give such weighting to the applications, and the consultation responses, as it sees fit. The Panel will take reasonable steps to verify any claims or matters on which the Panel bases its decision.

18. No in-person hearings (including hearings by conference call, video conference and web conference) will be held unless the Panel determines in its sole discretion and in exceptional cases that such a hearing is necessary to enable it to come to a decision. In the event that a hearing is called, all applicants involved in the SLD Policy and SLD Procedure at that stage (including Nominet if applicable) will be invited to attend. Applicants are not entitled to call for an in-person hearing. Any hearings will be recorded, and the recordings made publicly available.
19. Neither the Secretariat, nor Nominet or any of their respective directors, officers, employees or servants nor any Panellist shall be liable to an applicant for anything done or omitted in connection with the SLD Procedure unless the act or omission is shown to have been in bad faith.
20. All fixed time periods for evaluating an application may be extended in the event of disability through illness or prolonged absence of the Panel Chair or in the event of a similarly serious reason. The Secretariat will consult reasonably with all affected applicants regarding any such extension.

Dismissal and Retirement

21. The Secretariat may be dismissed by Nominet, but Nominet will consult with the Panel Chair before doing so and should have the Panel Chair's consent. Nominet shall endeavour to ensure that a new Secretariat is appointed (in accordance with paragraph B4) as soon as possible, and that disruption to any ongoing applications is minimised. The outgoing Secretariat shall cease all its functions (including the administration of ongoing applications) unless agreed otherwise with Nominet at the time.
22. The Panel Chair shall be appointed for periods of three years. Previous or current holders of the position of Panel Chair may reapply to be the next Panel Chair, provided that they do not serve more than two consecutive terms at a time. Current or former Panel Chairs who reapply do so on an even footing with all other applicants, subject to the two consecutive term limit.
23. The Panel Chair, a Panellist or a member of the Pool will automatically be resigned from his/her post if:
- two-thirds of the PAB vote or call for his/her resignation; or
 - 75% of the (other) Panellists in the Pool vote or call for his/her resignation; or
 - the provisions of paragraph B29 apply.
24. If the Panel Chair comes to the end of his/her three year appointment, he/she shall continue to sit, chair and vote on the Panel of any existing application as its Panel Chair, but shall not longer be the 'Panel Chair' for the whole Pool, and so will not automatically be appointed to the Panel for future applications.
25. If the Panel Chair is automatically resigned under Paragraph B23, the position shall be the same as under paragraph B24 unless either the PAB, or the Pool or Nominet (as applicable under paragraph B23) call for an immediate resignation from all posts.
26. Pool Members shall be appointed for periods of three years, but may be reappointed without a further public selection process if approved by the Panel Chair and the PAB.
27. If a Pool Member comes to the end of his/her three year appointment, and is not being reappointed, he/she shall continue to sit and vote on any Panels to which he/she has been appointed for the duration of those Panels but shall not be part of the Pool.
28. If a Pool Member is automatically resigned under paragraph B23, the position shall be the same as under paragraph B27 unless the other Panellists or Nominet (as applicable) calls for an immediate resignation from all posts.
29. Nominet, with the consent of the PAB, can dismiss all (not just some, or selected) Panellists, members of the Pool and the Panel Chair at the same time.

C. Communications between the applicants and the Secretariat

1. All communications must be in English.
2. All communications between the Panel (and any individual Panellists) and the applicant will be channelled through the Secretariat. There shall be no direct communication between the applicant and any Panellist, unless the Panel decides to hold an in-person meeting under section B18.
3. All formal communications from an applicant to the Secretariat shall be made in electronic form, by email, or provided on CD-Rom format by pre-paid post. In the case of applications, the applicant must also provide 7 copies in hard copy form by pre-paid post.

Electronic communications shall be provided either:

- (a) in plain text; or
- (b) both:
 - (i) in HTML format, without proprietary extensions, and without external links, in a manner that can be simply published on the Secretariat's web site; and
 - (ii) in Adobe .PDF format. If applicants feel additional electronic formats (for instance spreadsheet formats) would assist the Panel in their evaluation, they are encouraged to provide them except that the Secretariat may from time to time specify alternative formats.

The Secretariat reserves the right to reject communications supplied in any other manner.

4. Applications should be expressed in clear language and should be as concise as possible. Panellists will not be obliged to consider any materials which they in their sole discretion believe to be irrelevant.
5. Each application shall contain an index, identifying each relevant section of the SLD Policy and the SLD Procedure and stating the relevant paragraph(s) of the application which deals with that section. The index should be in the format set out in Schedule 1, or as otherwise specified by the Secretariat.
6. During the course of an application, if the applicant changes its address details, it must promptly notify the Secretariat.
7. Except as otherwise provided in the SLD Policy or SLD Procedure or as otherwise decided by the Secretariat, all communications provided for under the SLD Procedure shall be deemed to have been received:
 - (a) if sent by e-mail or fax, on the date transmitted;
 - (b) if sent by first class post, on the second working day after posting;
 - (c) where communications are received by more than one method, at the earliest date received;and, unless otherwise provided in the SLD Policy or SLD Procedure, the time periods provided for under the SLD Procedure shall be calculated accordingly.
8. Applications, relevant correspondence and any decisions of the Panel will be published on the Secretariat's website and may also be published on Nominet's website. The Secretariat may also in its discretion not publish correspondence between the Secretariat, the Panel and applicants and (where appropriate) other parties. Applicants are therefore encouraged not to submit materials which they wish to keep in commercial confidence. Where more than one application is ongoing, the Secretariat will, where practicable, publish materials relating to all applications at the same time, and will until the date of publication keep all unpublished materials confidential. "Publication" and similar terms will be understood in this sense throughout the SLD Procedure.

D. Fees and the ring-fenced escrow account

1. The fees charged by the Secretariat, Panel Chair and the Panellists, together with any other relevant expenditure, will be paid by applicants in full. The current schedule of fees, as amended from time to time, is published on Nominet's web site. The fees may be subject to increase/reduction in the light of the experience of operating the SLD Procedure and in any event the fees will be reviewed annually.
2. The fees are calculated on a cost-recovery basis, and are based on estimates of reasonable costs at each stage. The actual costs may vary from the fees which are due at the beginning of each stage, in which case the applicants will be required to make up any shortfall. Any surplus may, at the applicant's option, be returned to the applicant at the end of each stage, together with any interest accrued, or may be applied towards the next stage of the SLD Procedure.

Commencing the next Stage

3. If an applicant wishes to progress to the next stage of the SLD Procedure, each applicant who wishes to participate in the next stage must within 10 working days after the end of the ongoing stage:
 - (a) give written notification to the Secretariat that it wishes to commence the next stage; and
 - (b) deposit cleared funds in the Account (see D6).
4. In addition to D3 above, in respect of Stages 3-6, where there is more than one applicant:
 - (a) the applicable fees will be shared equally between the applicants participating in the relevant stage; and
 - (b) in the event that one or more applicants fail to pay their fees within the prescribed time, they will be deemed to have withdrawn from the SLD Procedure. The Secretariat will give notice to the remaining applicants to make up the resulting deficiency pro-rata within 10 working days and the start of the relevant stage will be delayed until cleared funds are received. Any applicant which does not provide its pro-rata share of any deficiency will also be deemed to withdraw from the SLD Procedure.
5. The Secretariat will acknowledge receipt of all cleared funds.
6. For all applicants, a ring-fenced escrow account (the "Account") will be set up to manage the deposit of monies by the applicants and the payment of fees for processing the stages of the application, evaluation and review process. The Account will be held and managed by the Secretariat. In order to establish the Account, each applicant must place a deposit of £10,000 plus the fees for the next Stage. The deposit will be held against any potential shortfall in funds throughout the SLD Procedure.
7. Before each stage (including before Stage 0), applicants must deposit enough funds in the Account in advance to pay for completion of that forthcoming stage in the SLD Procedure. Since applicants are able to terminate an application at any stage for whatever reason, there is no commitment to providing the funding for any given stage if the applicant wishes to withdraw from the SLD Procedure, so long as that stage has not begun before the applicant's withdrawal.
8. At the end of the SLD Procedure (or following termination before completion of any defined stage) any surplus attributable to an applicant (including any remaining deposit plus any interest but minus fees owed to the Secretariat or the Panel) shall be returned to them.
9. Throughout the SLD Procedure, any shortfall, whether actual or projected, shall be made up by an applicant within 5 working days from notice of such shortfall by the Secretariat. Unless the shortfall is made up in accordance with this paragraph, the application in relation to the relevant stage of the SLD Procedure shall be deemed to terminate at the discretion of the Panel and of the Secretariat.

E. Stage 0 - Pre-application (optional)

1. An applicant may (but is not obliged to) request an informal, confidential and non-binding review of a proposed application to operate a new SLD.
2. The applicant will submit an application to the Secretariat and deposit the Stage 0 fee specified at Schedule 1 into the Account.
3. The Secretariat will conduct a Stage 0 review of the application and will provide a written report to the applicant within 15 working days of receiving the application. The review will not be made public unless the applicant so requests.
4. The purpose of the Stage 0 review is an informal aid to applicants to check that the form of an application broadly complies with the formal requirements of the SLD Procedure and of the SLD Policy. The Secretariat will not be obliged to provide an opinion on the merits of any application at Stage 0.
5. No element of Stage 0 (including the fact that an application has or has not been through Stage 0) will prejudice evaluation of applications at a later stage, and the Secretariat's view will not bind the Panel.
6. The sending of the Secretariat's report to the applicant will conclude Stage 0. In sending the report, the Secretariat will include a statement to the effect that Stage 0 has been completed.

F. Stage 1 - Request to initiate SLD Procedure

1. The applicant will submit the SLD application to the Secretariat, plus a summary of the application not exceeding 2,000 words for publication on the Secretariat's web site, and the Stage 1 fee as specified at Schedule 1 together with a formal request to initiate the SLD Procedure. The summary should include the following:
 - (a) a description of the proposed SLD and its purpose;
 - (b) a description of the applicant, together with brief biographies of key staff; and
 - (c) a description of the proposed registry structure, rules and start-up mechanisms.
2. Subject to D3, within 5 working days of receiving an application, the Secretariat will:
 - (a) acknowledge receipt of the application and fee;
 - (b) publish on its web site a notice to the effect that an application has been received, the name of the proposed SLD and the name of the applicant, together with the application and the summary;
 - (c) ask the Panel Chair to confirm that he/she does not have any conflict of interest in respect of the application. If a conflict of interest is declared, the Secretariat will appoint an alternative Panel Chair from its list of potential Panellists within 5 working days; and
 - (d) notify the applicant of the named contact point at the Secretariat and the name of the Panel Chair.
3. The appointments of the Panel Chair will be confirmed unless the applicant objects to him/her within 5 working days of the notification being sent to them. The final appointment of the Panel Chair marks the end of Stage 1.
4. The only grounds for objection to the proposed Panel Chair is "conflict of interests". An objection from the applicant on this grounds should be examined by the Secretariat. The Secretariat shall investigate the complaint to the degree that it feels necessary and as promptly as it believes reasonable. This investigation may include providing a copy of the complaint to the potential Panel Chair or requesting proof of any allegations made from the applicant. If the Secretariat upholds any objection the Panel Chair shall not sit on the Panel and shall nominate an alternative Panel Chair in respect of this application. The applicant may also object to the alternate Panel Chair, in which case the original Panel Chair will name a further alternative and so on.

5. Within 3 working days of the expiry of Stage 1, the Secretariat will inform the applicants that Stage 1 has ended.

G. Stage 2 - Call for competing applications

1. Within 5 working days of the commencement of Stage 2 (and subject to D3 above), the Secretariat will publish the application on its web site and will advertise the following:

- (a) the existence of the application;
- (b) the location of application and the summary on its own website;
- (c) a call for competing applications;
- (d) the closing date for receipt of any competing applications; and
- (e) the website URL of a list of the members of the Pool.

2. Such advertisement will be published on the Secretariat's website and in suitable industry publications at the earliest reasonable opportunity.

3. Competing applicants will be given 40 working days from the date of publication of the advertisement in the first journal in accordance with paragraph G2 above to submit competing applications, together with a summary of not more than 2,000 words, notice of any objections to members of the Pool and the grounds for such objection, and the Stage 2 fees. The summary should cover the matters specified in paragraph F1 above.

4. The terms "applicant" and "application" and other terms relating to the application and evaluation process will, where such implication is clear in the context, refer equally to the initial applicant and to competing applicants from Stage 3 onwards.

5. The expiry of the 40 working day period for competing applications will mark the end of Stage 2. Within 3 working days of the expiry of Stage 2, the Secretariat will notify all applicants that Stage 2 has ended.

H. Stage 3 Initial public consultation and selection of Panel

Consultation

1. Subject to D3-D4 above, within 3 working days of the end of the time limit specified in accordance with G5 above, the Secretariat will invite the Nominet Policy Advisory Board specifically to comment on all applications and will undertake a broad initial public consultation in accordance with best practice and with regard to the principles outlined in the Cabinet Office's "Code of practice on written consultation" as amended or replaced from time to time.

2. The call for consultation responses shall include the following:

- (a) the existence and identity of all applications to operate the relevant proposed SLD, including the names of all applicants;
- (b) the location of the applications and of the summaries on its own website;
- (c) an invitation to comment on any aspect of the applications and details about how to submit comments;
- (d) a specified deadline for submitting consultation comments on all applications, which must be not less than 12 weeks from the first publication of an advertisement under this stage;
- (e) the fact that the Nominet Policy Advisory Board has been specifically invited to comment by the date at (d);
- (f) a date 40 working days after the date at (d) when the Secretariat will publish the Panel's Stage 4 recommendations (described at section I below) on its own website and request

final public consultation, to follow the end of the period for amended applications;

- (g) a date 5 working days after the date at (f) by which applicants may (if they so choose) submit any comments, clarifications and responses to the Panel's recommendations, which the Secretariat shall publish; and
- (h) a date not less than 12 weeks after the date at (g) when all consultation will end and when the Panel will commence finalisation of its Stage 6 report (described at section K below), thus allowing a period of not less than 12 weeks for final consultation.

The aim of specifying the dates at (f), (g) and (h) in this initial round of consultation is to facilitate and expedite final public consultation at section J below.

3. As part of the consultation, the Secretariat will publish the following on its web site:

- (a) the (competing) application(s) in full, together with the summary provided by each applicant; and
- (b) a list of questions on which consultation responses are sought, in a format which addresses all relevant aspects of the SLD Policy. An example of a consultation framework is annexed to this SLD Procedure as Schedule 2.

4. The Secretariat may at its discretion not publish, or remove, any consultation responses which in its sole opinion it deems to be libellous, obscene or wholly unintelligible. Otherwise, the Secretariat will publish on its own web site in a timely manner the consultation comments received by the date at H2(d) above and applicants may submit to the Secretariat responses to these comments for publication during the consultation period or for a period of 5 working days after its end, unless expressly stated otherwise. The Panel will where it is reasonable to do so take the responses of the applicants into account in formulating its initial recommendations or final report, but is not obliged to treat such responses as part of the application(s).

5. The Panel (to the extent that it has been appointed) may, via the Secretariat, contact and communicate with actual or potential respondents to the consultation if they believe it to be necessary.

Panel Selection

6. If at any point during the process of selecting Panellists the Secretariat or Panel Chair is of the opinion that the Pool is, as a result of objections or for any other reason has become, insufficiently large to provide a Panel which meets the requirements for a diverse and qualified Panel at B10 and B13, the Secretariat shall commence the process of appointing further Pool Members in accordance with the procedure at B7, and the costs of such appointment will be borne by the applicants in the SLD Procedure.

7. Following the appointment of additional Pool Members, the Secretariat shall give each applicant 5 working days to object to the new Pool Members on the basis that they have a conflict of interests bias and H8 will be repeated.

8. Each objection from an applicant to a potential Panellist should be examined by the Secretariat. The Secretariat shall investigate the complaint to the degree that it feels necessary and as promptly as it believes reasonable. This investigation may include providing a copy of the complaint to the potential Panellist or requesting proof of any allegations made from the complainant. If the Secretariat upholds any objection on the grounds at H7 the potential Panellist shall be removed from the Pool in respect of that Application.

9. Within 3 working days of the end of the process at H8 the Panel Chair shall select the final Panel and notify the Secretariat.

End of Stage

10. The expiry of the consultation period specified at H2(d) above, and the notification of the final

Panel at H9 above will together mark the end of Stage 3. Within 3 working days of the end of Stage 3, the Secretariat will notify the applicants that Stage 3 has ended and give details of the identity of the Panel selected.

I. Stage 4 - Evaluation of application(s)

1. Subject to D3-D4 above, and within 3 working days of the commencement of Stage 4, the Secretariat will ask the Panel to fully evaluate the application(s) against the SLD Policy. Where the Panel in its reasonable judgment believes EITHER that it is not adequately qualified to conduct an appropriate evaluation of the application(s) against the criteria or a subset thereof OR that there is another compelling reason for seeking alternative, expert opinion, it shall retain the services of further independent persons with expertise in the relevant areas, such as, but not limited to finance, economics, market research, management, business consultancy and intellectual property law, in each case in order to help and inform the evaluation. The cost of retaining such services will be met by the applicants and the Secretariat will request further Stage 4 cleared fees from all applicants, prior to such services being used.
2. Within 20 working days of the Secretariat's request at I1, the Panel will deliver to the Secretariat a summary of its recommendations (for publication as part of Stage 5) and its initial report. The Panel will not be obliged to recommend the appointment of any applicant and may recommend the appointment of none.
3. The Secretariat will forward a copy of the Panel's initial report to the applicants within 3 working days of receipt, and will publish the initial report on its web site within 5 working days of receipt
4. The applicants will be given an opportunity to respond formally to the Panel's recommendations within 5 working days of the date of receipt of the Panel's initial report.
5. The publication of the Panel's initial report, or the delivery to the Secretariat of the applicant's response (whichever is the later) will mark the end of Stage 4. Within 3 working days of the end of Stage 4 the Secretariat will notify the applicants that Stage 4 has ended.

J. Stage 5 - Final Public Consultation

1. Subject to D3-D4 above, and within 3 working days of the commencement of Stage 5, the Secretariat shall commence a final consultation period in accordance with best practice and with regard to the principles outlined in the Cabinet Office's "Code of practice on written consultation" as amended or replaced from time to time.
2. Despite paragraph J1, this final public consultation shall not exceed one month in length.
3. As part of the consultation, the Secretariat shall invite the Nominet Policy Advisory Board specifically to comment on the Panel's recommendations and will advertise for further public comments on the Secretariat's website.
4. In addition to referring to the documents and information set out in section H2 above, the advertisement on the Secretariat website will (i) publish the Panel's summary of its recommendations and (ii) confirm the date (specified at paragraph H2(h) above) at which consultation will end.
5. Subject to paragraph H4 above, the Secretariat will publish in a timely manner on its web site the consultation comments received in the final public consultation stage and the applicants may submit to the Secretariat responses to these comments during the consultation period or for a period of 5 working days after its end. The Panel will where it is reasonable to do so take the responses of the applicants into account in formulating its final report, but is not obliged to treat such responses as part of the application(s).
6. . The expiry of the consultation period specified at H2(h) above will mark the end of Stage 5. Within 3 working days of the end of Stage 5, the Secretariat will notify the applicants that Stage 5 has ended.

K. Stage 6 - Final report

1. Subject to D3 above, and within 3 working days of the commencement of Stage 6, the Secretariat will request the Panel to produce its final report.
2. On a date 20 working days after the end of final public consultation (i.e. 20 working days after the date specified at paragraph H2(h)) the Panel will deliver its final report to the Secretariat.
3. The Panel's final report will recommend that:
 - (a) no application be taken forward to Stage 7, in which case the SLD Procedure in respect of the application(s) will terminate;
 - (b) one application only (the "Selected Application" and, accordingly, the "Selected Applicant") be taken forward to Stage 7, subject to no further amendments; or
 - (c) the Selected Application be taken forward to Stage 7, subject to further amendments required by the Panel, which will be detailed and explained in the report.
4. If the amendments described at paragraph K3(c) above are not made by the Selected Applicant to the Panel's satisfaction and within the time limit specified by the Panel in the final report, the Panel will in its discretion terminate the SLD Procedure or recommence Stage 6, retaining the right to select an alternative Selected Applicant.
5. Nothing in the Panel's final report will prejudice a subsequent application.
6. The publication of the Panel's final report, or the expiry of the time-limit set by the Panel in accordance with paragraph K3(c) if applicable (whichever is the later), will mark the end of Stage 6. Within 3 working days of receipt, the Secretariat will forward the Panel's final report to the applicants, together with notification that Stage 6 has ended, and within a further 2 working days, the Secretariat will publish on its web site the Panel's final report.

L. Stage 7 - Decision by Nominet's Council of Management

1. Subject to D3 and within 3 working days of the commencement of Stage 7, the Secretariat will refer the matter to Nominet's Council of Management for approval.
2. At the board meeting following the date of delivery of the Panel's final report and in any event not more than 3 months after that date, the Council of Management will confirm its acceptance of the report's findings, except that the Council of Management will be able to reject the report's findings and terminate the SLD Procedure in question where it has reasonable grounds to believe that the operation of the relevant SLD by the Selected Applicant would for demonstrable technical or legal reasons prejudice the quality, efficiency and reliability of Nominet's operation of the .uk namespace, or where approval of the report would conflict with Nominet's Directors' fiduciary duties to Nominet.
3. Within 3 working days of the Council of Management's decision, Nominet will inform the Secretariat of the Council of Management's decision.
4. Within 3 working days of notification at paragraph 3 above, the Secretariat will inform the applicant of the Council of Management's decision. In the event that the decision is to reject the Panel's recommendation, the SLD Procedure will terminate.
5. In the event that the Council of Management accepts the Panel's recommendation, the Selected Applicant and Nominet will enter into negotiations in good faith to agree a contractual relationship and the contract thus agreed will cover (but will not be limited to) the following:
 - (a) the payment by the Selected Applicant to Nominet of Nominet's cost-recovery charges relating to:
 - (i) Nominet's reasonable legal and other costs directly associated with the delegation of the SLD; and

- (ii) a ring-fenced insurance policy insuring Nominet against liability generated by the Selected Applicant;
- (b) the appointment of an agreed independent third party (which may be but need not be the Panel) to resolve any future dispute about the need to delegate the SLD away from the Selected Applicant and the apportionment of any relevant fees of the independent third party; and
- (c) the timing and procedure of delegation at Stage 7.

6. Throughout this stage, the Panel will remain in place and will be available to assist with the resolution of any deadlock or breakdown in the negotiations. Such assistance may be requested either by the Selected Applicant or Nominet. The cost of retaining such services will be met by the Selected Applicant and the Secretariat will request further Stage 7 cleared fees from the Selected Applicant, prior to such services being used. In the event that negotiations break down irretrievably, the matter will be referred to formal mediation according to the CEDR rules from time to time in force.

7. The negotiations will be concluded within 3 months, unless both parties agree to extend the time limit.

8. Upon agreement between the parties and the lodging of the performance bond in paragraph L5(b) Nominet will delegate the relevant SLD to the Selected Applicant in the manner and according to the timescales agreed between the parties.

9. Any unused and uncommitted funds in the Account will be returned, together with interest, to the Selected Applicant and (where it has not been possible to calculate apportionment at an earlier stage) to all other applicants. The Secretariat will issue a report on the Account to all applicants.

10. The delegation of the SLD, or the Council of Management's rejection of the Panel's recommendation (as the case may be) will mark the end of the SLD Procedure. Within 5 working days, the Secretariat shall publicly declare on the web site that the SLD Procedure in relation to the relevant SLD has closed.

Schedule 1 – Indices (see C5)

The index should list each paragraph of the Policy and Procedure which sets out a requirement or other matter which the applicant must deal with in its application, and show clearly which paragraphs or sections of the application deal with this point. The Policy and Procedure clauses should be listed in order. Only the clauses which impose an obligation (listed below) need to be detailed. These should be subdivided where necessary for clarity.

Policy Paragraph	Application Paragraph
B1 (all) [name and purpose of SLD]	
B2 (all) [requirements for creation of new SLD]	
B3 (all) [no redundancy]	
B4 (all) [significant community of registrants]	
B5 (all) for closed SLDs: [Defined community of interest]	

[Support from that community]	
C1(d) [criteria]	
D1 (all) [operational plans]:	
D1(a) [registration, renewal]	
D1(b) [transfer, cancellation]	
D1(c) [invoicing and debt recovery]	
D1(d) [structure for registration system]	
D1(e) [start up period]	
D1(f) [disaster recovery]	
D1(g) [business failure of applicant]	
D1(h) [testing of disaster recovery]	
D1(i) [responding to changes in protocols]	
D1(j) [defensive registrations]	
D1(k) [other services]	
D2 (all) [strong and sound technical ability]	
D2(a) [continued operation of SLD]	
D2(b) [unscheduled outages]	
D2(c) [compliance with technical requirements]	
D2(d) [effect of new SLD on operation of DNS]	
D2(e) [measures for rapid correction]	
D2(f) [disaster recovery]	
D2(g) [start up period]	

E1 (all) [stakeholder interaction]	
E2 [minimise risk to registrants from failure]	
E3 [financial security and stability]	
E4 (all) [details of finances]	
E4(a) [source of funding]	
E4(b) [insurances]	
E4(c) [costs and capital requirements]	
E4(d) [funds in event of business failure]	
E4(e) [audits]	
E5 [ability to comply with SLD contract]	
E6 [senior staff CVs]	
F1 [adequate choice of registrant agents]	
F2 [benefits to outweigh burdens]	
F3 [evidence of genuine demand]	
F4 [methods of policy development]	
G1 [sunrise and general dispute resolution]	
G2 [regulatory compliance]	
G3 [whois provision]	
G4 [transfer on registry failure]	
G5 [UK base or office]	
Procedure Paragraph	Application Paragraph
A9 [applicant single entity]	
C3 [provision of electronic	

information]	
F1 [2,000 word summary]	

Schedule 2 – Consultation Framework (H3b)

Generally:

- The consultation should be in plain English, although quotes from the applications in the SLD Procedure need not be rewritten.
- The consultation should seek to provide documents in formats accessible to the disabled.

The consultation will be based on the following framework:

1. Introduction by the Secretariat and/or Panel Chair (at Secretariat's discretion)
2. The six consultation criteria set out in the Cabinet Office document (dated January 2004) should be listed, details of the Cabinet Office guidance on consultation and an explanation that the consultation will comply with that guidance where possible.
3. Identification of the interested parties and those whom the new SLD would be likely to affect and how, if relevant, difficult to reach audiences (as set out at section 1.8 of the Cabinet Office guidance) will be consulted.
4. A summary of what informal consultation will be undertaken, if any, including the statement that the PAB has been asked to comment (H2(e)).
5. A summary of the proposals, who is likely to be affected and the timescale for responses. An explanation of which parts of the proposals are non-negotiable (if any). Generally, there should be no limitation but sections may be amenable to change (for technical reasons, or because of the Policy and/or Procedure).
6. Specific questions which the Secretariat and/or Panel want answered, and a notice that although all responses will be considered, more weight will be given to those that address the questions asked.
7. Details of where documents can be obtained (if relevant), how queries about the SLD Procedure can be made and how/where consultation responses should be submitted.
8. A summary of the deadlines and the other time periods set out in H2(d), H2(f), H2(g) and H2(h).
9. A summary of how consultation responses will be made available (if at all) and how next stages of the SLD Procedure work.