https://www.icann.org/resources/pages/compliance-reports-2016-04-15-en

Table of Contents[1]

I.   Background

ICANN's Contractual Compliance team's mission is to ensure that all contracted parties (Registrars and Registries) comply with their agreements, including the consensus policies that are incorporated into those agreements, as applicable. ICANN strives to achieve this goal through prevention, enforcement and education.

Goal of the Audit Program: To allow ICANN to identify, inform, manage and help remediate any deficiencies found with the contracted parties. The deficiencies identified would relate to specific provisions and/or obligations as set out by the Registrar Accreditation Agreement (RAA) and the Registry Agreement (RA), including ICANN Consensus Policies that are incorporated into those agreements, as applicable. The Audit Program is geared toward identifying and collaborating with the contracted party to remediate those deficiencies, while ensuring that proper controls exist to mitigate future deficiencies related to the obligations in the RAA and the RA.

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[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.

II.   Executive Summary

On 02 May 2016, ICANN launched an audit round to test and validate the selected Registrars' compliance with the terms of the 2013 version of the RAA. This report constitutes the results of the audit that took place in May 2016 through October 2016.

The audit round was conducted through the testing of data and the review of documentation, selected Registrar websites, and correspondence between the selected Registrar and registered name holders.

One-hundred and twenty-three (123) Registrars were selected for this audit round. Of the 123 Registrars in scope, 122 were selected as they have not been previously audited and one (1) Registrar was selected as a result of ICANN community concerns.

During the Request for Information (RFI) phase, 108 Registrars reported as families to ICANN. A family consists of a group of Registrars that are managed by the same organization and operate similarly. As a result, 15 Registrars were audited, they were representing 123 Registrars originally selected for audit.

During the Audit Phase, ICANN reviewed nearly 1,600 documents collected in four (4) different languages.

By 10 October 2016, ICANN had issued a final audit report to the five (5) Registrars that demonstrated resolution of all initial findings noted in their respective draft audit report. The remaining 10 Registrars were still in the process of remediation and are implementing necessary changes to address the instances of non-compliance. These Registrars will be re-tested in future audit rounds to verify the effectiveness of remediation measures implemented.

III.   Audit Program Scope

Audit Program Scope

The Audit Program operates on a recurring cycle. Registrars may be subject to an audit cycle based on the criteria previously mentioned in addition to other special circumstances or considerations.

Registrars under the same management who are technically and practically operated in the same manner were given the option to respond as a "family." To respond as a "family," they were required to fully respond for one Registrar (i.e., submit a completed Request for Information (RFI) document and provide all requested documentation for that one Registrar) and to include a reference to all the Registrar IANA numbers (i.e., without any additional documentation) for all of the remaining Registrars within the family.

In an effort to increase transparency and readiness, ICANN conducted two outreach sessions with the selected Registrars and published the presentation on ICANN's Compliance Outreach Activities page. This website can be found by clicking the following link:

https://www.icann.org/resources/compliance/outreach

Timeline

The Audit Program consists of six phases with specific milestone dates:

1) **Pre-Audit Notification Phase** – Issue a general audit announcement to notify all contracted parties two weeks prior to the audit start date

2) **Request for Information (RFI) Phase** – Issue a notice of audit to the selected contracted parties. In addition, a follow-up email is sent to those who were not selected

3) **Audit Phase** – Review and assess responses and, where applicable, test and validate

4) **Initial Report Phase** – Issue the initial audit reports containing initial findings to the selected contracted parties

5) **Remediation Phase** – Collaborate with the selected contracted parties to remediate initial findings discovered (if any) during the Audit Phase

6) **Final Report Phase** – Issue final audit reports to selected contracted parties and publish final report at https://www.icann.org/resources/pages/compliance-reports

The following table summarizes the Audit Program milestones and dates:

Audit Program Milestone Dates								
Pre-Audit Notification	RFI Phase			Audit Phase		Initial Report Phase	Remediation Phase	Final Reports Issued
	1st Notice	2nd Notice	3rd Notice	Begin	End	Date Issued	Start / End	Date
02 May 2016	17 May 2016	7 Jun 2016	14 Jun 2016	14 Jun 2016	1 Aug 2016	2 Aug 2016	2 Aug – 6 Sep 2016	By 14 Oct 2016

IV.   Registrar Audit Program

The following table summarizes Registrars selected to participate in the audit.

Phases	Count
RFI Phase	
Registrars selected for the audit	123
Registrars waived from audit as they reported under a family	(108)
Total Registrars to Receive RFI Notices	15
Initial Report Phase	
Registrars passed all audit tests	0
Registrars requiring follow-up and remediation	15
Registrar Total	15
Remediation Phase and Final Report Phase	
Registrars completed resolution of initial findings	5
Registrars implementing a remediation plan	10
Registrar Total	15

The following table summarizes the RAA provisions that were tested for contractual compliance and the number of Registrars with deficiencies identified during the Audit Phase.

A *deficiency* is defined in this report as an initial finding noted in the audit report that is validated. For example, if a Registrar's reseller agreement was found to have insufficient language during the Audit Phase and the Registrar agreed they needed to update their reseller agreement to be in compliance with the RAA, this would be considered a deficiency.

A *test area* is a provision consisting of multiple requirements, compliance with which have been verified by several test steps.

Test Area	Description	Registrars with Deficiencies
3.3.1 to 3.3.5	Whois- Port43/Web, Corresponding Data Elements	67%
3.4.2	Retention of Registration Data	20%
3.7.5.3 to 3.7.5.6	EDDP-Domain name renewal, provision of applicable information to registrants	73%
3.7.7	Self-Registered Domains	27%
3.7.7.1 to 3.7.7.12	Registration Agreement	93%
3.7.11	Complaints & Dispute Resolution process	7%
3.12	Reseller agreement (mandatory provisions)	7%
3.13	Registrar Training	47%
3.14	Obligations Related to Proxy and Privacy Services	33%
3.16	Link to Registrant Educational Information	53%
3.17	Registrar contact details on Registrar website	27%
3.18	Registrar Abuse Contact and Duty to Investigate Abuse Reports	60%
3.19	DNSSEC	13%
3.20	Notice of Bankruptcy, Convictions and Security Breaches	13%
4.1	Consensus Policies - Inter-Registrar Transfer Policy (IRTP) and Transfer Emergency Action Contact (TEAC)	60%
4.1	Expired Registration Recovery Policy	13%
4.1	Restored Names Accuracy Policy	7%
4.1	Whois Data Reminder Policy (WDRP)	20%
7.6	Update Primary Contact Information in RADAR	27%

Each selected Registrar received an individual audit report noting any initial findings identified in the audit. ICANN shared these audit reports only with the selected Registrars and are not available to the public. Fifteen (15) Registrars received a report noting initial findings and also received a request (1st Notice) to participate in the remediation process to cure noted findings in accordance with ICANN's notification process (i.e. 15 days for the 1st Notice, 5 days for the 2nd Notice, and 5 days for the 3rd Notice). For more information on the process, see:

https://www.icann.org/resources/pages/approach-processes-2012-02-25-en.

Enforcement Update - Notice of Breach

The following Registrar was issued a breach notice during the Remediation phase and was able to cure all breach notice items.

IANA	Registrar	Status
1902	HazelDomains, Inc.	Cured

Contracted Parties Representation

The 15 Registrars represented 7 countries and provided documents in 4 languages:

Countries
- Canada
- China
- France
- Indonesia
- Ukraine
- United Arab Emirates
- United States

Languages
- Chinese
- English
- French
- Russian

V.   Audit Program Key Statistics

RFI Phase – Notifications & Data Collection

The following table summarizes the number of selected Registrars receiving a 1st, 2nd or 3rd notice as part of the RFI Phase.

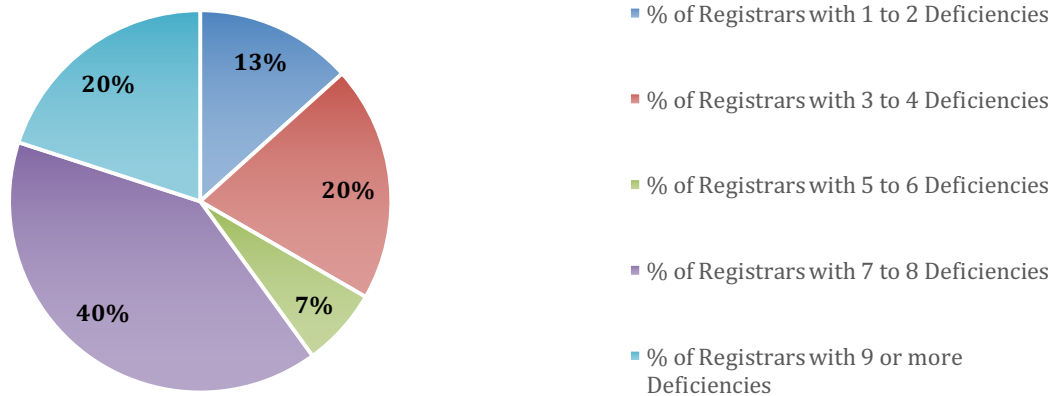| Statistic Description	1st Notice		2nd Notice		3rd Notice	
Number of Registrars to Receive Notice	15	100%	8	53%	7	46%

The table below shows the progression of data uploaded by selected Registrars from the RFI Phase through the start of the Audit Phase.

Statistic Description	17 May 2016	7 Jun 2016	14 Jun 2016	21 Jul 2016
Registrar Documents Uploaded	0	588	803	1,546

Audit Phase – Registrar Reporting

The 15 Registrars received an ICANN Initial Audit Report at the end of the Audit Phase. Many of the findings noted in the reports were then fully remediated after collaboration with the selected Registrars. The chart below provides an overview of the percentage of selected Registrars with deficiencies.

Registrar Deficiency Profile

- % of Registrars with 1 to 2 Deficiencies
- % of Registrars with 3 to 4 Deficiencies
- % of Registrars with 5 to 6 Deficiencies
- % of Registrars with 7 to 8 Deficiencies
- % of Registrars with 9 or more Deficiencies

Remediation Phase – Notifications

Based on the results of the Audit Phase, 15 Registrars participated in the Remediation Phase to cure initial findings noted in their Audit Report. The following table summarizes the number of selected Registrars receiving a 1st, 2nd or 3rd notice as part of the remediation process.

1st Notice		2nd Notice		3rd Notice	
15	100%	13	87%	13	87%

VI.   Audit Program Key Recommendations

A.   General

- Registrars are encouraged to communicate questions regarding acceptable documentation or unique process / procedures as they arise ICANN to avoid delays in the audit process.

- Registrars should maintain accurate Registrar Contact Information Database (RADAR) primary contact information to ensure timely communication (of RFI, Audit Report etc.).

- Registrars, who are a part of "family" that are operationally and technically the same should proactively identify its members and communicate this to ICANN.

- When communicating to ICANN, Registrars should send emails with "receipt requested" option.

- ICANN will continue to simplify the communication approach.

- All Registrars should review the current Audit Program on ICANN's webpage to understand the areas ICANN is reviewing and verify their processes are compliant with the selected areas.

B.   RFI Phase

- Registrars should ask for clarifications as early as possible regarding the data requested.

- Registrars are encouraged to participate in Audit webinars and ask questions for clarification.

- ICANN will continue to recognize the uniqueness of Registrars' business models and methods of operation and adjust requirements accordingly.

- Registrars should provide detailed explanations within their RFI questionnaire if documents requested are not available or if alternatives have been submitted.

C.   Audit Phase

- Registrars should review their ICANN Audit Report immediately upon receipt and seek clarification if they do not understand any of the findings.

D.   Remediation Phase

- Registrars should provide explanations, additional information or amended documentation for each finding and give timely and accurate responses to the findings noted in their Audit Report.

In an effort to continue to improve the audit program, ICANN invited the selected Registrars to participate in the "ICANN Contractual Compliance Audit Survey". The feedback, mostly focused on process, communication, and people, is taken into consideration.

VII.   Conclusion

Five (33%) of the Registrars completed the audit with deficiencies noted, however, they were able to fully resolve them prior to the completion of the Remediation Phase. Ten (67%) of the Registrars completed the audit with deficiencies noted but were unable to fully resolve them prior to the completion of the Remediation Phase. These Registrars are implementing necessary changes to prevent the instances of non-compliance from recurring in the future. These Registrars will require follow-up (i.e. partial re-audit) from ICANN to verify the remaining deficiencies have been remediated.

Appendix A – Selected Registrars

Unique (Non-Family) Registrars

IANA_#	Registrar Name
468	Amazon Registrar, Inc.
894	Domain Jamboree, LLC
1503	PT Ardh Global Indonesia
1591	Promo People, Inc.
1630	Ligne Web Services SARL
1640	Beijing Wangzun Technology Co., Ltd.
1667	Seymour Domains, LLC
1729	Beijing ZhongWan Network Technology Co Ltd
1738	Emirates Telecommunications Corporation - Etisalat
1910	CloudFlare, Inc.
1923	Beijing Lanhai Jiye Technology Co.,Ltd
2374	Hosting Ukraine LLC
2476	PlanetHoster Inc.

DotMedia Family Registrars

IANA #	Registrar Name
1871	DOMAINNAME FWY, INC.
1899	CyanDomains, Inc.
1900	DomainName Bridge, Inc.
1902*	HazelDomains, Inc.*
1903	KQW, Inc.
1905	Xiamen Domains, Inc.
1907	DomainName Path, Inc.
1919	DomainName Driveway, Inc.
1921	Fujian Domains, Inc.
1922	Guangzhou Domains, Inc.

* Represented the family in this audit

Web.com Family Registrars

IANA #	Registrar Name
2806	All Domains LLC
2807	Backstop Names LLC
2808	Best Drop Names LLC
2809	Blue Angel Domains LLC

2810	Bounce Pass Domains LLC
2811	Catch Deleting Names LLC
2812	Catch Domains LLC
2813	Chipshot Domains LLC
2814	Circle of Domains LLC
2815	Copper Domain Names LLC
2816	Coral Reef Domains LLC
2817	Curveball Domains LLC
2818	Deep Sea Domains LLC
2819	Deep Water Domains LLC
2820	Deleting Name Zone LLC
2821	Domain Bazaar LLC
2822	Domain Gold Zone LLC
2823	Domain Grabber LLC
2824	Domain Landing Zone LLC
2825	Domain Pickup LLC
2826	Domain Secure LLC
2827	Domain Source LLC
2828	Domain Stopover LLC
2829	Domain Success LLC
2830	Domaincatcher LLC
2831	Domaincircle LLC
2832	Domaindrop LLC
2833	Domainer Names LLC
2834	Domainplace LLC
2835	Domains Etc LLC
2836	Domains Express LLC
2837	Domainshop LLC
2838	Domainsnapper LLC
2839	Draftpick Domains LLC
2840	Drop Catch Mining LLC
2841	Dropcatch Auction LLC
2842	Dropcatch Landing Spot LLC
2843	Dropcatch Marketplace LLC
2844	Dropcatching Names LLC
2845	Exclusive Domain Find LLC
2846	Fastball Domains LLC
2847	Firstround Names LLC
2848	Free Drop Zone LLC
2849	Freefall Domains LLC

2850	Gold Domain Names LLC
2851	Goldenfind Domains LLC
2852	Goldmine Domains LLC
2853	Goto Domains LLC
2854	Hanging Curve Domains LLC
2855	Iconicnames LLC
2856	Jumpshot Domains LLC
2857	Layup Domains LLC
2858*	Long Drive Domains LLC*
2859	Millennial Names LLC
2860	Meganames LLC
2861	Name Connection Area LLC
2862	Name Connection Spot LLC
2863	Name Find Source LLC
2864	Name Icon LLC
2865	Namecatch LLC
2866	Namecatch Zone LLC
2867	Namegrab LLC
2868	Names Express LLC
2869	Names On The Drop LLC
2870	Names Stop Here LLC
2871	Namesaplenty LLC
2872	Namesnap LLC
2873	NameSnapper LLC
2874	Namesource LLC
2875	Namestop LLC
2876	Namewinner LLC
2877	Rare Gem Domains LLC
2878	Secondround Names LLC
2879	Sharkweek Domains LLC
2880	Silver Domain Names LLC
2881	Slamdunk Domains LLC
2882	Slow Motion Domains LLC
2883	Slow Putt Domains LLC
2884	Snag Your Name LLC
2885	Snapsource LLC
2886	Sterling Domains LLC
2887	Swordfish Domains LLC
2888	Targeted Drop Catch LLC
2889	The Domains LLC

2890	Thirdroundnames LLC
2891	Threepoint Domains LLC
2892	Top Level Domains LLC
2893	Top Pick Names LLC
2894	Top Shelf Domains LLC
2895	Top Tier Domains LLC
2896	Touchdown Domains LLC
2897	Treasure Trove Domains LLC
2898	Turbonames LLC
2899	Victorynames LLC
2900	Wide Left Domains LLC
2901	Wide Right Domains LLC
2902	Win Names LLC
2903	Your Domain LLC
2904	Zinc Domain Names LLC
2905	Zone of Domains LLC

* Represented the family in this audit

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