
NOTICE REQUEST FOR SUBMISSIONS

.ZA SLD GENERAL POLICY TO ACCOMMODATE MULTI-YEAR DOMAIN NAME REGISTRATION AND RENEWAL

Date: 20 November 2023

To: ZADNA members, .ZA Registry Operators, .ZA Registrars, South African Internet Community, South African Public

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.ZA Domain Name Authority NPC - Registration no. 2003/021150/08

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1. INTRODUCTION

The ZA Domain Name Authority (ZADNA) hereby extends an invitation to ZADNA members, .ZA SLD Registry Operators, .ZA Registrars, domain name holders (Registrants), the South African Internet Community (namespace community), and the South African Public to share their feedback and suggestions concerning the potential review of the .za SLD General Policy to allow for multi-year domain name registration and renewal.

It is important to emphasise that this call for public input should not be misconstrued as an indication or commitment by ZADNA to effect every proposed change while considering the review of the .za SLD General Policy. Rather, its purpose is to gather comprehensive input that will assist ZADNA in making informed decisions regarding potential modifications to the clauses of the General Policy to consider domain multi-year registration and renewal, which will, in turn, affect the current fee structure in place and, if deemed necessary, to determine the nature and extent of such alterations. This does not remove the option of the annual domain name registration and renewal as a domain name registrant would deem fit.

It is, therefore, imperative for the input solicited to reflect the aspirations of the stakeholders in enhancing the effectiveness of undergoing a policy review process to either support or negate the proposal for multi-year registrations and renewals under the .za namespace.

2. BACKGROUND

ZADNA is a juristic body established in terms of section 59 of the Electronic Communications and Transactions Act No 25 of 2002 to primarily to manage and administer the .za namespace. As part of its principal functions under section 65, ZADNA is entrusted with:

- 2.1.** Making recommendations to the Minister of the Department of Communications and Digital Technologies in relation to Policy on any matter relating to the .za domain namespace;
- 2.2.** Publishing guidelines on the general administration and management of the .za namespace;
- 2.3.** Conduct research into and keep abreast of developments in the Republic of South Africa and elsewhere on the domain name systems;
- 2.4.** Continually survey and evaluate the extent to which the .za namespace meets the needs of the citizens of South Africa;

2.5. Issue information on the registration of domain names in South Africa; and

2.6. Enhance public awareness of the economic and commercial benefits of domain name registration.

In pursuance of its functions abovementioned, ZADNA has developed and administers a policy framework application to the commercial and non-commercial Second-Level Domains (SLDs) under the namespace. These include the .za SLD General Policy, related SLD charters, and the respective policies and procedures for the SLDs to guide the functioning of the namespace. This framework necessitates a review process from time to time to keep abreast with best practices and means to enhance better service provision of the South African citizenry under the .za namespace.

The .za SLD General Policy, overseen by ZADNA, is undergoing a thorough review to introduce the concept of multi-year registration and renewal of domain names. This policy change encourages active and inclusive participation within the namespace community, ensuring all stakeholders can contribute to decisions affecting their businesses and lives. For this reason, ZADNA wishes to initiate this consultative process with a focus on the .za General Policy, which will guide the amendment of the supporting charters, policies, and procedures for the .za SLDs.

3. PURPOSE

Conduct a comprehensive evaluation of the .za SLD General Policy to implement provisions for multi-year registration and renewal of domain names.

4. OBJECTIVES

- To promote active and representative participation towards enabling all namespace community members to meaningfully contribute and influence the Authority's decisions that affect their business and lives;
- To gather comprehensive input that will assist ZADNA in making informed decisions regarding potential modifications to the current fee structure and Policy; and
- To utilise a namespace community's diversity to deepen shared understanding and produce outcomes of long-term benefit to the whole community.

5. DOMAIN NAME MULTI-YEAR REGISTRATION AND RENEWAL AND CURRENT LANDSCAPE

The current .za namespace framework and practice allow registering domain names, particularly under commercial SLDs, for 12 months, renewable at the anniversary of the end date. While there are measures in place following international standards to ensure that registrants are reminded at various times between a month in advance and a week before the anniversary date and further, five days after the expiration of a domain name¹ to prevent domain name loss, some jurisdictions have catered for domain name multi-year registration and renewals. A case in point is the United Kingdom under NOMINET, which has the third most registrations in the world, and its domain name registration process is similar to that of the .za namespace.

Domain name multi-year registration and renewal is a concept within DNS that allows a domain name registrant registration/renewal of a domain name over a set period above a one (1) year cycle. Despite the different registry models globally, it has been applied in various jurisdictions because of its benefits, as will be expounded below. The Internet Corporation for Assigned Names and Numbers at the 2011 ccNSO meeting (ICANN 40)² discussed Introducing multi-year registration of domain names, delving into a registrar survey that was administered in 2009 amongst 118 registrars and had the following key findings:

- a) Most of the respondents (79%) were in favour of multi-year registrations and will offer this option to their clients (82%); and
- b) The majority believes that up to 30% of their domain portfolio will move toward multi-year registrations (66%), but this feature will not significantly impact the demand for the domains (67%).

5.1. Rationale for Domain Name Multi-Year Registration and Renewal

The following reasons provide the context for which ZADNA considered it crucial to explore and potentially adopt the implementation of domain name registration and renewals under the .za namespace:³

¹ <https://www.icann.org/resources/pages/domain-name-renewal-expiration-fags-2018-12-07-en>

² <http://archive.icann.org/en/meetings/siliconvalley2011/bitcache/eu%20Introduction%20of%20Multiyear%20Registrations%20-%20Giovanni%20Seppia,%20.eu-vid=23305&disposition=attachment&op=download.pdf>

³ <https://www.exabytes.my/blog/why-multi-year-domain-registration/>

a) Brand Protection

Registering a domain name for multiple years provides consistency, prevents accidental expirations, and offers better security measures, streamlined management, and potential legal advantages. It ensures that the brand maintains control of its online identity over an extended period, reducing the risk of domain hijacking and maintaining a stable online presence. With this review and proposed policy changes, ZADNA aims to enhance digital rights and online experiences for individuals, businesses, and organisations in South Africa while ensuring the stability and growth of the .za namespace. This initiative reflects ZADNA's commitment to its community and the evolving nature of the digital landscape, calling for progressive policies to support it.

b) Cost Effective and Efficiency

Multi-year domain name renewal can be cost-effective and efficient. It allows brands to lock in current renewal rates, providing budget predictability. Additionally, it streamlines domain management, reducing administrative overhead and the associated costs. It also minimises expenses related to domain lapses or accidental expirations while maintaining domain security.

c) Avoiding Renewal Challenges

Multi-year registration means fewer renewal reminders and a reduced risk of accidentally letting a registrant's domain lapse due to oversight, offering more control over the renewal process.

d) Stability for Long-Term Projects

For businesses that rely heavily on their online presence, such as e-commerce platforms, having a domain secured for several years provides stability. The web address remains unchanged. This consistency is valuable for users and visitors accustomed to accessing your website. Multi-year renewals help maintain the same domain name, a crucial part of brand recognition and trust-building. Search engines consider domain age as one of the factors in ranking websites. Renewing a domain for multiple years signals search engines that the website is here to stay, potentially improving your search engine ranking and visibility over time. Multi-year renewals extend the domain's expiration date, reducing the risk of accidental disruptions or downtime, which can harm the project's goals.

5.2. Policy Paragraph Consideration

Considering the above and the invitation, a policy review is proposed to amend the .za SLD General Policy to accommodate the multi-year registration and renewals under the various SLDs, effectively changing key paragraphs that currently read as:

Paragraph 1.9.3

"A Registrant's failure to pay applicable fees in respect of a Domain Name may result in the suspension and deletion of that Domain Name, and in the Domain Name becoming available for registration by another party."

Paragraph 1.9.4

"A fee-charging Registry may allow a Registrar to pay Domain Name Registration and Domain Name renewal fees in advance, provided that the terms and conditions applicable to such advance payments are clearly specified in the Registry-Registrar agreement."

Paragraph 1.9.5

"Unless otherwise agreed with a Registrar, a Registrant shall enjoy the use of a Domain Name upon having its application accepted and validated by a Registry and having applicable fees paid, subject to any technical limitations such as the propagation of Domain Name records."

The approval of the review in the General Policy shall subsequently pave the way to the review of relevant SLD charters, policies, and procedures.

6. EFFECT OF THE POLICY REVIEW ON THE CURRENT FEE STRUCTURE

Domain Name multi-year registration will require assessing the current wholesale fee structure applicable under the .za namespace. Considerations would involve the actual cost throughout the value chain, the contractual undertakings between the registrars and registrants, and the systematic manner of handling registrations and renewals as it currently is. Drawing from advanced jurisdiction⁴

⁴ <https://www.afnic.fr/en/observatory-and-resources/expert-papers/increase-of-com-and-net-prices-between-protecting-margins-and-forging-ahead/>

in consideration of the cost aspect of this concept, which could result in an adjustment of the wholesale fee in a given period, the two critical points are established as outlined below:

- a) A fee review could have the effect of protecting the namespace revenue and margins collected by increasing its prices to offset the fall in create operations, which are often influenced by the inflationary factors and names retained; and
- b) On the other hand, maintaining attractive prices over a certain period could show that the namespace remains competitive compared to other ccTLDs.

ZADNA believes that a balancing exercise of the two factors above is crucial to ensure that the namespace is financially sound to sustain while also ensuring that the end user (registrant) finds it conducive and cost-effective to become and remain an active participant in the namespace. This would, in turn, ensure the following:

- a) The namespace administration, including the Regulator, appointed Registry, and Registrars, can mitigate the financial impact of inflationary and foreign exchange effects on its operational expenditure and the actual increase in real costs of conducting business in South Africa; and
- b) The registrant can assess and manage the cost-benefit of registration and renewal of a domain name annually against the benefit of the multi-year registration and renewal of a domain name.

7. INTERVENTION REGARDING THE FEE STRUCTURE

In light of the context above, ZADNA calls for further public input on the following:

- a) Consideration of a fee structure review annually for the next 5 years to align with the annual Consumer Price Index (CPI) as of June of any given year for registrants registering or renewing a domain name on a 12 months basis. This would effectively mean that the month percentile, as established in June of the year relevant, would be adaptable for the wholesale fee chargeable for each domain name. For the current period ending June 2024, inception of **6.35%** would result in a fee adjustment from **R55.00** to **R58.50** rounded, emanating from an average of the CPI over March-August 2023 for every name registered or renewed annually. For subsequent years, an adjustment based on the below CPI projected estimates rounded off and as determined by

Statistics South Africa⁵ and Monetary Policy Committee⁶, which are used as examples to show year-on-year adjustments:

Item	2024/25	2025/26	2026/27
Current Price	R 58.50	R 61.25	R64.01
CPI Rate	4.7%	4.5%	4.5%
New Price	R 61.25	R64.01	R66.89

- b) Consideration of an adjustment made on multi-year registration or renewal of domain names for a period between two to five years using an average of the apex levelling off rate of **6.9%**⁷ and the rate in each given year stipulated in 7(a) above to be applied on a case-by-case basis as of the year of registration or renewal. i.e., to reflect the following:

Item	2024/25	2025/26	2026/27
Current Price	R 58.50	R 61.89	R65.42
CPI Rate	5.8%	5.7%	5.7%
New Price (payable over # of years registered)	R 61.89	R65.42	R69.15

8. SUBMISSION OF INPUT/FEEDBACK

- 8.1. Participants are encouraged to make submissions on sections 6, 7, and 8 of this document addressing the following key areas:

8.1.1. Review of the .za General Policy to Accommodate Multi-year Registration and Renewal

⁵ <https://www.statssa.gov.za/>

⁶ <https://www.resbank.co.za/content/dam/sarb/publications/statements/monetary-policy-statements/2023/september/Statement%20of%20the%20Monetary%20Policy%20Committee%20September%202023%20.pdf>

⁷ <https://www.statista.com/statistics/370515/inflation-rate-in-south-africa/>

- a) Is it your view for the .za namespace to consider Multi-year Registration and Renewal?
- b) What additional considerations should ZADNA look into in the policy review process?

8.1.2. Effect of the Policy Review on The Current Fee Structure

- a) What effect will the change in Policy have on you as a service provider/end-user regarding the review of the current fee structure?

8.1.3. Intervention Regarding the Fee Structure

- a) Do you agree with the proposition for a fee adjustment review annually to align with the annual Consumer Price Index (CPI)?
- b) Do you agree to the proposed **6.35%** adjustment before the period ending in June 2024?
- c) Do you agree to the proposed adjustment for the subsequent years per 7(a) and or (b) above? If not, what are the proposed adjustments in the alternative?
- d) What could be other downsides or upsides in adjusting the Wholesale Fee?

8.2. All submissions for input or feedback are to be made no later than **Thursday, 14 December 2023**, to ZADNA via email at submissions@zadna.org.za. Should you have queries and request additional information, please direct them in writing to the same aforementioned email address.