

## Review of .so ccTLD – 1 April 2011 to 31 March 2012.

### **The purpose of this report is to:**

Provide background information of the .so ccTLD based on resources from the Somali Ministry of information, posts and telecommunication and the ITU paper that was produced in 2009 as well as other information from online sources.

Indicate future directions of this project based on the contract signed between the Somali ministry of posts & telecommunication and GMO. This will also include marketing performance and financial position comparison with other ccTLDs, domain industry positions, ensuring the report to have an independent perspective.

### **Methodology**

The report is based on registry data from the registry, marketing and financial departments. The report will then be submitted to an independent reviewer who will analyse and if necessary interview all relevant parties to produce a separate report to supplement the end of the year report.

We need to keep in mind that this is the first review report we are producing and might not cover all the issues in details, but I hope it will a good foundation for future reports.

### **Current position**

During the last 17 months since Sunrise Registration that began in November 2010, .SO has maintained steady growth. As of April 13<sup>th</sup>, 2012 there are 36,503 registered domain names, which ranks .SO amongst the most popular ccTLDs in the African Continent. With renewals to begin the next coming month, (although General Availability began last April, renewals for domains names registered during that time will not be renewed until early July due to what is called a EXPIRY and GRACE PERIOD, whereby an applicant who forgets to renew his/her domain name has the chance to do so within roughly 2 months of expiration with an added fee after which the domain name gets “dropped” and released to anyone who wishes to register) a drop in registrations is sure to happen like all other TLDs. However GMO Registry is confident that with extensive marketing at appropriate areas and events, registrations will increase again.

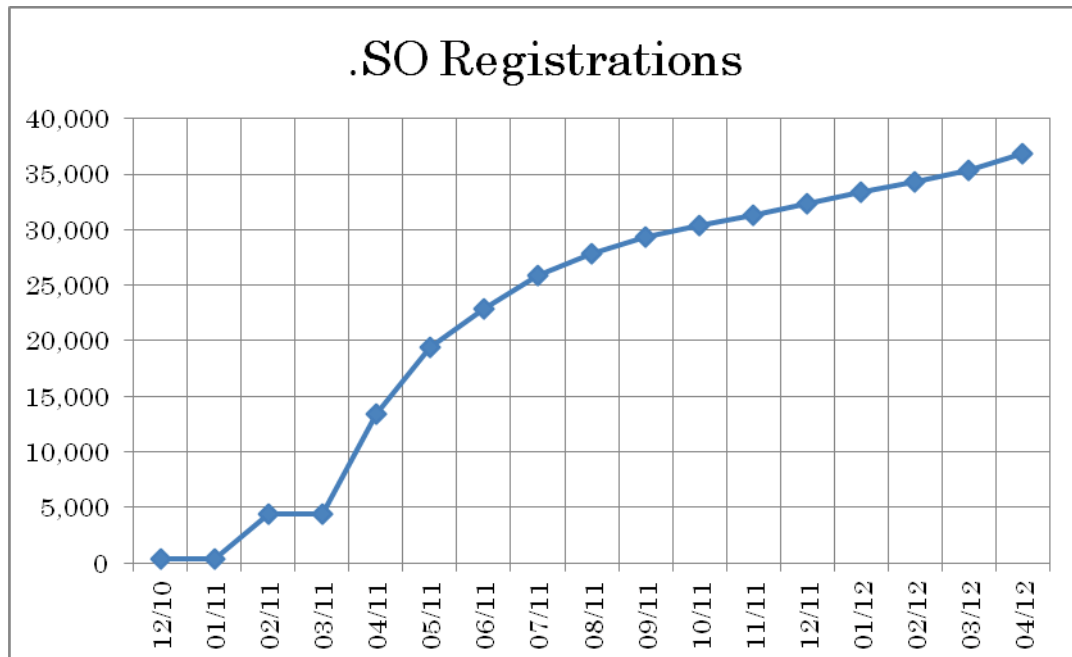
The marketing process: our efforts were focused on advertising, meetings, etc. the launching, the different phases (sunrise, landrush, etc.) and associated processes. A report showing the number of domains registered by which registrar by when is produced monthly for distribution. This report is used as a part of the monitoring process to ensure that no domains are registered that fail to follow to policy guidelines.

As with all domains that have been recently introduced, registration or the introduction of .SO went through multiple steps in order to provide all adequate opportunities for both Somali and international stakeholders to register trademarks as necessary – a process which is known to the industry as “Sunrise” during which we received 365 domain name registrations from around the globe, including customers like “Google, Inc.”. The following period was one whereby so called the “early-birds” get a chance to register domain names before others with a premium. In the case of .SO,

premiums were not introduced in an effort and plan to increase contending application which are resolved through auctions. As such, there were 2,214 applications during Landrush or which 457 domain names went into auctions.

Details of registration by registrar will be provided in a separate excel data.

As of April 13<sup>th</sup>, 2012, there are 36,503 domain names registered under the .SO TLD.



As of April 2012, there are 63 accredited registrars of .SO in Somalia, US, UK, France, Germany, Netherlands, China, Korea, Singapore and Japan to name a few.

A meeting with the previous minister and the project manager insisted that vigorous method to be introduced that will made necessary the policy guidelines developed earlier to be revised. It was made very clear to us that the ministry wanted to reserve the right to cancel any domain name that was not appropriate to the Somali culture and religious norms.

The policy for .SO was created by a well-known expert in the industry at Deloitte Touche Tohmatsu Limited, who also wrote the policies for most of the recently introduced TLDs including but not limited to .CO (Columbian ccTLD), .TEL (gTLD for telecommunications), and .ASIA (gTLD for ASIA).

In an effort to assess the cultural sensitivities, the following amendments were made on March 3<sup>rd</sup>, 2011 which essentially allows the Ministry of Information, Posts, and Telecommunications to stop registrations or take back what has been registered if the registrant is identified to have not complied with the policy of the .SO ccTLD. (Following are excerpts from the policy)

5.1.4. Domain Names that are identical to the names referred to on the list of Restricted Names will be unavailable at any time; the Registry reserves the right to allocate and register a Domain Name mentioned on the list of Restricted Names to a party indicated by the Government of the Republic of Somalia.

The Registry shall be entitled at all times to cancel the registration of a Domain Name or delete same following receipt of a written instruction from the Government of the Republic of Somalia, indicating that said Domain Name is considered defamatory, contrary to public order or morality or otherwise not allowed under the laws of the Republic of Somalia. The Domain Name Holder expressly agrees and accepts that he or she shall not be entitled to claim any compensation or refund from the Registry when the latter implements the Government instruction referred to above.

5.4.3. Applicants and Domain Name Holders shall hold the Registry harmless from claims filed or disputes initiated by third parties, and shall compensate the Registry for any costs or expenses incurred or damages for which they may be held liable as a result of third parties taking action against it on the grounds that the Applications for or the registration or use of the Domain Name by the Applicant infringes the rights of a third party, or is deemed contrary to morality, public order or unlawful under applicable laws.

5.5.3. When submitting Applications to the Registry, or when effectuating a Domain Name Registration, the Accredited Registrar will ensure that the Applicant represents and warrants that:

- the Application contains true, accurate and up-to-date information and is made in good faith, for a lawful purpose and does not infringe the rights of any third party;
- it shall participate in good faith in any proceedings described in these Policies commenced by or against the Applicant;
- the Domain Name is not defamatory, contrary to public order or morality or unlawful under applicable laws and regulations, in particular the laws of the Republic of Somalia.

Though subject to government decision, the auction for both 2 letter and 1 letter domain names should be launched before any new gTLD is delegated and released, which is expected to be in January of 2013. However since the first batch of TLDs is to be authorized in November of 2012, some may be released within the same calendar year. For all the reasons above, 2 letter and 1 letter auctions should be conducted together to provide enough interest amongst the community of domainers. GMO Registry suggest the autumn of 2012 as a launch period so as to avoid any competition with new gTLDs that could be delegated the following year. Both auctions will be conducted through our partner entity from Canada, „pool.com“ which is the largest in the industry with most experience, that provides auction solutions. GMO Registry will notify its partner registrars and resellers who will then notify its customers throughout the globe. The auction provider will also notify its customers who on a periodical basis, purchases domains through auctions. Once enough domainers around the globe are notified of the auction, we will be able to conduct the launch of both 2 letter and 1 letter auctions at once.

### **The .me.so initiative**

The namespace for .me.so has already been created on the system, ready for registrations. As such, GMO Registry is ready for launch as soon as dates are confirmed. In regards to the policy, though it is extremely important to sustain equality amongst registrars around the globe, it is also important to

satisfy the needs of the Somalis, for whom the domain is essentially for. That said, GMO Registry proposes .me.so to be launched only through a designated registrar within Somalia. For those that are outside and wish to purchase, they may do so by conventional ways; i.e. money wire through Western Union or whatever way possible and efficient in Somalia.

### **Financial position**

As of the end of March, 2012, the financial status of .SO was as follows:

Gross Revenue : \$424,440.00

Operational Fees paid to GMO : \$49,014.00

Operational setup costs paid including policy development and amendments, registry modifications to enable access to Mogadishu office, travel and marketing expenses - \$264,732.09

Profit Payable to MIPT : \$110,693.91

It is important to note that the above figures are based on the status of end of the .so ccTLD operational year. Since the policy was modified and the registry monitors submitted many controversial names to be rejected, the figure quoted above might have to be revised accordingly.

Please also note however that due to taxation policies in China, the registry may incur additional tax payments of up to 15% of the revenue made in China. Also there might be project management costs to be covered. As of now, there has yet to be an invoices or bills from the project manager, but in the event that an invoice arrives from the TAX authorities of China or from the project manager, GMO Registry will notify MIPT.

### **Conclusion**

On receipt of the reviewer's audit report, we envisage a meeting with the project manager to finalise and deliver a detailed report to the ministry in the near future.

**Mohamed Ibrahim**

**.SO Project Manager.**