



MEMORANDUM OF UNDERSTANDING

Management of the .nz Country Code Top Level Domain

1. This Memorandum of Understanding (MoU) sets out an agreement between the Ministry of Business, Innovation and Employment ([MBIE](#)) and Internet New Zealand Incorporated ([InternetNZ](#)) regarding the management of the .nz country code top-level domain name (ccTLD) as two significantly interested parties.
2. The purpose of this MoU is to set out the general principles that will govern the relationship among parties in relation to the .nz ccTLD.

Background

3. .nz is the country code top level domain (ccTLD) for New Zealand. ccTLDs are one of two main types of top level domains for the Internet, the other being generic top level domains (for example, .org, .info, and .biz). All countries and dependent territories have a corresponding ccTLD, based on the International Standards Organisation *Codes for the representation of names of countries and their subdivisions* (ISO 3166).
4. ccTLDs are held in trust for the local Internet community of the country they represent by a designated manager appointed by that community. ccTLDs are independent of the Internet Corporation for Assigned Names and Numbers ([ICANN](#)), the organisation with a mission to coordinate the global Internet's address systems, but they rely on the [IANA](#) function currently provided under contract by ICANN to enable their technical operation.
5. .nz operates in a globally competitive market where a New Zealander is free to register a domain name in .nz or any one of hundreds of other Top Level Domains (TLDs). While most TLD registrations are functionally equivalent and offer comparable levels of service, .nz has a special significance to New Zealand as it was created to represent New Zealand using the two letter code assigned in ISO-3166. It is because of this special significance that the ultimate say in the management of .nz is with the local Internet community.¹

¹ *The Framework of Interpretation for delegation and re-delegation of ccTLDs notes that term "Local Internet Community" is synonymous with "Significantly Interested Parties". The Framework states that "Significantly Interested Parties" includes, but is not limited to: a) the government or territorial authority for the country or territory associated with the ccTLD and b) any other individuals, organizations, companies, associations, educational institutions, or others that have a direct, material, substantial, legitimate and demonstrable interest in the operation of the ccTLD(s) including the incumbent manager.*



Guiding policy and principles

6. The rules governing the operation of a ccTLD are given in the Internet protocol document *Domain Name System Structure and Delegation* ([RFC1591](#)).
7. The ccNSO, a supporting organisation of ICANN, has produced a "[Framework of interpretation for delegation and re-delegation of ccTLDs](#)", which aids in understanding how RFC1591 should be implemented.
8. The Governmental Advisory Committee (GAC), an advisory committee of ICANN, has produced the "[Principles and Guidelines for the delegation and administration of country code top level domains](#)", which sets out a general framework of principles and guidelines for the relationship between national governments, the registry of the country code associated with that country, and ICANN.
9. InternetNZ has published the following set of [principles for TLDs](#) that guides its work in the domain name space:
 - 9.1. Domain name markets should be competitive.
 - 9.2. Choice for registrants should be maintained and expanded.
 - 9.3. Domain registrations should be first come, first served.
 - 9.4. Parties to domain registrations should be on a level playing field.
 - 9.5. Registrant data should be public.
 - 9.6. Registry / Registrar operations within a TLD should be split.
 - 9.7. TLD policy should be determined by open multi-stakeholder processes.
10. There are documented [.nz policies](#) published including a .nz Policy Development Process. All policies are subject to regular review using a public consultation process. Examples of how this operates in practice can be seen in Appendix 2.
11. .nz policies are established for the benefit of, and to ensure .nz continues to meet the needs of, the Local Internet Community. Examples in Appendix 2 demonstrate that InternetNZ invests in .nz enhancements that benefit the community accepting that they would reduce the surplus arising from the operation of .nz.

Roles and expectations of each party in relation to this MoU

Overview:

12. InternetNZ is a significantly interested party in the local Internet community of New Zealand by nature of its purpose, membership, community engagement, international engagement and outputs.
13. InternetNZ is the open membership society established in 1995 with a broad set of objects, and a fundamental purpose as follows: *to maintain and extend the availability of the Internet and its*

associated technologies and applications in New Zealand, both as an end in itself and as means of enabling organisations, professionals and individuals to more effectively collaborate, cooperate, communicate and innovate in their respective fields of interest. ([InternetNZ Constitution](#)). In doing all of its work, InternetNZ is committed to being demonstrably in touch with the views of the broad community of New Zealanders who use the Internet, so that it is able to realise its purpose.

14. InternetNZ has been the designated manager for the .nz ccTLD since 1996, when it was appointed to this role by the local Internet community of New Zealand after being established in 1995 with this role in mind. InternetNZ was specifically appointed to this role on the understanding that it might in time realise a surplus from the operation of .nz, and that if this situation arose any such funds would be used to promote and protect the Internet and Internet users in New Zealand. That is the charitable object at the core of InternetNZ's constitution.
15. As designated manager for the .nz ccTLD, InternetNZ is the trustee of the top-level domain for New Zealand. In the management of the .nz domain, InternetNZ has a duty to manage the .nz ccTLD in service to the local internet community.
16. As the government agency responsible for telecommunications policy, the Ministry has a focus on developing efficient, reliable and responsive infrastructure, productive and competitive businesses, and a world-class business environment. In regulating the telecommunications industry, the government seeks to promote competition in telecommunications markets for the long-term benefit of all end-users of telecommunications services within New Zealand.
17. When considering the management of the .nz ccTLD, InternetNZ and the Ministry share a similar objective, in seeking to ensure that this resource is managed in a way that supports the interests of the local internet community/the long-term benefit of all end-users of telecommunications services.

Ministry:

18. As ccTLDs have a strong link with the identity of a country and its internet users, the Ministry is, as defined in RFC1591, a *significantly interested party* when it comes to the management of the .nz ccTLD. This is consistent with the Ministry's commitment to multistakeholder governance of the Internet.
19. The Ministry's primary role in the .nz ccTLD is focused on the stability of the Internet. The Ministry has the responsibility for ensuring that New Zealand's communications infrastructure – including its domain name space - is reliable and responsive. The Ministry has an interest in ensuring that the .nz ccTLD continues to be run consistent with RFC1591. In particular, the Ministry has an interest in ensuring the .nz ccTLD is managed in a way that supports the interests of New Zealand end-users of telecommunications services.
20. Its secondary role is a monitoring role, related to its status as a significantly interested party and the wider role of the New Zealand Government as the representative of the citizens of New Zealand.
21. The Ministry has a role as a long standing participant in ICANN through the Governmental Advisory Committee ([GAC](#)). This participation is not to represent .nz but a wider role to advise ICANN on its policy and operations both for the Internet's address systems and ICANN's role in the Internet Governance ecosystem.



InternetNZ:

22. As noted above, InternetNZ was chosen by the local Internet community at a public meeting in 1996 to be the designated manager for the .nz ccTLD.
23. InternetNZ's primary role in relation to this MoU is to manage .nz in the public interest as set out in the objects of the society.
24. As the designated manager of .nz, InternetNZ's role is:
 - a. The technical operation of the .nz registry and .nz DNS.
 - b. Deciding and implementing the market structure for .nz, guided by its object *to promote the competitive provision of Internet access, services and facilities in an open and uncaptureable environment.*
 - c. Determining the principles and policy under which .nz operates.
 - d. Regulating the .nz market and ensuring compliance with the .nz policies by market participants.
25. InternetNZ currently delegates some aspects of .nz to subsidiary companies and the Ministry and those companies may interact directly on those aspects. To support this interaction, the roles of these subsidiary companies and contact details are set out in Appendix 1 for information only. InternetNZ may update Appendix 1 at any time should identified personnel or the structure change.
26. In its role as designated manager InternetNZ commits to high standards of public transparency and commits to continuing with the following established practices:
 - a. Publishing its annual report publicly and in a timely fashion;
 - b. Holding meetings of its governing Council in public and publishing the minutes afterwards in a timely fashion;
 - c. Providing public reports on its activities that are funded by the surplus from .nz;
 - d. Engaging in broad community consultation on any changes to the objects of InternetNZ.
27. To help ensure InternetNZ is demonstrably in touch with the broad community of New Zealanders who use the Internet, and to increase the community's understanding of its own views on Internet issues, InternetNZ will begin regularly testing the views of the broad community of New Zealanders who use the Internet to identify their key issues of concern, and publicly reporting back on the views expressed.

Joint:

28. Both parties commit to regular, open dialogue regarding the management of the .nz ccTLD.



Resolving concerns over the management of the .nz ccTLD

29. The resolution steps set out in this part of the MoU are in principle available on an equal basis to any significantly interested party.
30. At any time the Ministry can contact InternetNZ seeking explanation, clarification or dialogue on any matter concerning the operation of .nz. Should such correspondence be received by InternetNZ a response will be made to the Ministry within 10 working days. If matters remain following that exchange, the Ministry can request a meeting with appropriate representatives from InternetNZ. Such a meeting will be convened within 10 working days of receiving the request.
31. Under the .nz Policy Development Process any party is free to identify possible policy requirements and raise these. The Ministry acknowledges this provision and notes that they are able to make use of this if they want to propose a policy position for .nz. This can occur at any time, not only during formal consultations on specific policy. Any proposal made by the Ministry will be subject to public consultation in line with the process set out in the PDP.
32. If the Ministry develops, or becomes aware of, serious concerns that the .nz ccTLD is being managed in a manner inconsistent with RFC1591 then the Ministry will in the first instance notify InternetNZ and allow reasonable time for InternetNZ to address these concerns.
33. If these concerns remain then the Ministry may, as may any member of the local Internet community, initiate a multi-stakeholder conversation with the local Internet community that is open, inclusive and transparent; allows all the key issues to be discussed; and provides fair opportunities for engagement by all significantly interested parties. This conversation would be to determine if a clear consensus exists that:
 - a. InternetNZ is managing the .nz ccTLD in a manner inconsistent with RFC1591; and
 - b. A better, local manager for the .nz ccTLD exists that will manage the .nz ccTLD in a manner consistent with RFC1591.
34. In the event that this clear consensus exists then the local Internet community may, through the Ministry (or through other means), instruct IANA to process a transfer of designated manager of the .nz ccTLD.
35. In the event that the local Internet community reaches this clear consensus then InternetNZ will support the community and the Ministry to transfer the management of .nz to the new designated manager with the goals of protecting the rights of registrants and minimising disruption to their service. This includes, but is not limited to, the transfer of the zones and registrant details to the new designated manager.

Limitations

36. Neither party has any funding obligations or expectations arising from this MoU.
37. Other than in the event of this clear consensus detailed above being reached, this MoU has no bearing on the assets of the .nz operations, including the register of .nz domain names, the .nz zones and all associated infrastructure, which remain the property of InternetNZ.



Commencement and duration of this MoU

38. This MoU takes effect on the date that it is signed by all parties (or, if signed by them on different days, the date the last party signs it) and will remain in effect indefinitely from the date of the signature, unless this MoU is terminated earlier:
- a. by the parties at any time by mutual agreement; or
 - b. on the expiry of 60 calendar days after either party gives written notice to the other to terminate the MoU.

Public announcements

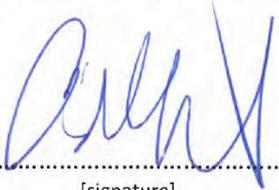
39. Where practicable, the parties will consult with each other in advance about the timing and scope of any public announcements in relation to the MoU. Any public announcement will note that the two parties to the MoU are the Ministry and InternetNZ.

Variation

40. Any variation to this MoU will be mutually agreed in writing and signed by the parties.

SIGNED FOR:

**Ministry of Business, Innovation and
Employment**
Wellington

by: 
[signature]

Name: Andrew Crisp

Title: Deputy Chief Executive, - Building,
Resources and Markets

Date: 4 May 2016

Internet New Zealand Incorporated
Wellington

by: 
[signature]

Name: Jordan Carter

Title: Chief Executive

Date: 2 May 2016

Appendix 1: Allocation of roles within the InternetNZ Group

The current structure, as of May 2016, has InternetNZ delegate aspects of its role in .nz to two 100% owned subsidiary companies: Domain Name Commission Ltd ([DNCL](#)) and NZRS Ltd ([NZRS](#)). The split of responsibilities as outlined below is designed to give effect to the principles set out in section 9 of this MoU.

DNCL has the following delegations:

- Oversee the registration and management of .nz domain names;
- Manage the operation of the .nz Domain Name Space, and the agreements and policies that underpin it;
- Monitor activity in the .nz Domain Name Space;
- Regulate the use of the .nz Domain Name Space;
- Represent the .nz Domain Name Space at international fora.

DNCL can be contacted as:

Debbie Monahan
Domain Name Commissioner
dnc@dnc.org.nz

NZRS has the following delegations:

- Operates and manages the register of domain names and Domain Name System (DNS) in the .nz domain name space.

NZRS can be contacted as:

Jay Daley
Chief Executive
jay@nzrs.net.nz

For clarity it is noted that **InternetNZ** has not delegated decision making on the following:

- The long term strategy for the .nz Domain Name Space;
- The monthly registration fee;
- The policy framework underlying the allocation and use of domain names in the .nz Domain Name Space;
- Changes to the .nz Domain Name Space position on international issues;
- The key principles that underpin policy regarding the .nz Domain Name Space.

InternetNZ can be contacted as:

Jordan Carter
Chief Executive
jordan@internetnz.net.nz

Appendix 2: Policy development in the .nz domain name space

Under the [.nz Policy Development Process](#) policies are developed through an open consultation process. The approach taken depends on the nature of the proposed policy and the possible impact of that policy on the Local Internet Community.

Two examples are:

- When proposing to introduce macronised vowels into .nz domain names, a Working Group was established that included representatives from the Māori Language Commission and the Māori Internet Society. Consultations were undertaken in Māori and English and provisions were put in place to give rights to existing registrants when the new characters were introduced. A link to the second consultation on this topic is <https://dnc.org.nz/story/internationalised-domains-names-idns-second-consultation>
- Three consultations were undertaken in respect of the proposal to allow .nz registrations directly at the second level. The third consultation paper, including links to the first two and submissions received, can be seen at https://dnc.org.nz/second_level_proposal_c3. In addition to the formal consultations, meetings were held with a number of those who made submissions. DNCL made a formal recommendation to the InternetNZ Council as this was a strategic decision which InternetNZ retains decision making over. The recommendations paper from DNCL sets out the process followed and the decision criteria used and can be seen at https://dnc.org.nz/content/second_level.pdf.