

# JPNIC's review of IPv4 address transfer

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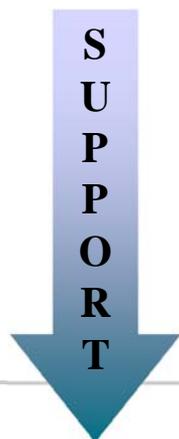
# Situation of Transfer proposal

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- ❑ Had been discussing the issue since APNIC24 (Sep 2007)
- ❑ Reached “meeting consensus” at Manila although did not reach final consensus after ML discussions
- ❑ General feeling is to support the proposal itself and currently discussing final details of the criteria

# Status of Discussions

	APNIC Forum	JP Forum
2007	<u>APNIC24</u> (Sep 2007) More discussions required on impact of address trading, criteria of transfer, etc	<u>JPOPM13</u> (Nov 2007) Only an update – No Discussions
2008	<u>APNIC25</u> (Feb 2008) Similar issues raised as APNIC24 Some support also confirmed  <u>APNIC26</u> (Aug 2008) Issues still raised but <u>Support outnumbered Objections</u>	<u>JPOPM14</u> (Jul 2008) Several issues raised on its impact Support continue discussions  <u>JPOPM15</u> (Nov 2008) Discussions with Geoff Huston (prop author) <u>80% Support , No Objections</u>
2009	<u>APNIC27</u> (Feb 2009) Reached meeting consensus But no consensus after ML discussions	<u>Temporary JPOPM</u> (Feb 2009) Discussions on transfer criteria for APNIC27



# JPNIC's Position and Situation

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- ❑ Acknowledge community support in Japan as well as the APNIC region
- ❑ Will be proposed in our OPM in Nov based on our PDP to consider implementing in Japan
- ❑ As expressed in Manila, JPNIC believes impact outside of address management must also be reviewed
  - Ensure there is no large confusion/issues before providing service to the community
- ❑ Currently working on review of transfer mechanism to give JPNIC's concrete position before our OPM

# Questions We Have

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-  How are address transfers likely to take place?
  - Scale, type of transactions, etc.
  - Any confusion anticipated? if so, what are necessary measures?
  
-  Do we need a new legal framework for transfer transactions?
  - To minimize frauds, disputes
  
-  What should we note about the transfer procedure?
  - Where do we draw a clear line between transfer transactions and registration?
  - How should legal disputes be handled esp. after recording transfer?
  - Anything to note about inter-registry transfers. e.g., customs duty, responsibility between registries?
  
-  What would be the impact on taxation/finance?
  - if address space is considered to have monetary value

# Current Review Status

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- ❑ Simulation of address transfer
  - Roundtable discussions with ISPs
    - ❑ how they think they will trade address space
  - Economist
    - ❑ How transfers are likely to happen from economic perspective
  
- ❑ Need for a new legal framework
  - Lawyers, Domain Name DRP specialist
  
- ❑ Review of procedural issues
  - Teleconference with APNIC/NIRs April
    - ❑ Confirm procedure including inter APNIC – NIR members
  - Lawyers, Domain Name DRP specialist
    - ❑ needs for legal framework, responsibility between transfer transactions/registrations, issues on inter-registry transfer
  
- ❑ Taxation/finance issues
  - Contact chartered accountant

❑ Share status with government



# How ISPs in Japan speculate transfer transactions

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- ❑ No strong motivation to undertake transfer before APNIC pool runs out
  - Charging fee to historical resources likely to help fluidity of unused historical resources
- ❑ Companies are likely to obtain address through consult system integrators/consulting firms
  - as a part of network consulting
  - more trustable if you know the firm than auctions/public markets
- ❑ Probably no strong motivation to run an open market
  - market is expected to last only for a few years, so no enough motivation to recover cost for market-operators
- ❑ Most of the transferred address are likely to be from historical range
  - Most portable allocations are efficiently used
  - ISPs will not be willing to give out unused space to others
- ❑ Transfer will just be one of the options
  - Will review cost balance with other technologies, e.g., NAT and IPv6 deployment

# Interim Review Result

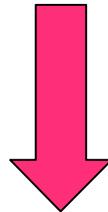
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- ❑ Transfer transactions are likely to be limited in timeframe, scale and method of transactions
  - a few years after the transfer
  - mostly based on historical resources
  - transactions via system integrators or consulting firms rather than through open market
  
- ❑ No new legal framework required
  - no different from other commercial transactions in nature
  - Close to transfer of “credit obligation” in nature in Japan
  
- ❑ No major issue in handling disputes for transfer transactions and registration
  - As long as registry’s role and responsibility is clearly defined, no need to worry about involved in disputes
  - the biggest issue to take care of is duplicate transfers of the same space, which can be addressed by ensuring documents from both source and recipient
  
- ❑ Registration policy for "leasing" should be clearly defined
  - If doesn't register, WHOIS does not reflect the actual user (which doesn't fully meet the intention of the proposal)
  - OTOH, registering leased user as the holder of the space may cause confusion
  
- ❑ Should clearly define of responsibility between registries for inter-registry transfers
  - Especially when transfer is not completed

# Summary of the Current Review

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- ❑ No major issue at this stage in legal area/the transfer transactions itself
- ❑ Concern over taxation remains
  - difficult to for experts to provide analysis
- ❑ Need to fix policy for leasing
  - what we have in mind is to register lease as "lease" information
  - hope to exchange opinion with APNIC and NIRs
- ❑ More review on procedure/defining responsibility is needed for smooth Inter-registry transfers
  - No major issue with what APNIC shared with us in April



- ❑ Will conduct further review on situation in domain name

# Co-operation with APNIC and NIRs

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- ❑ We hope to exchange information with APNIC and NIRs for implementation
  - Esp. in area of how to handle leasing and inter-registry transfers
  
- ❑ We'd also love to hear if you have any ideas about how you plan to handle taxation issue in your economies (if you have issues)
  
- ❑ JPNIC is happy to share further information about our review.
  - Please feel free to contact me at “izumi@nic.ad.jp” !

# Q&A

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