

## **Review on Administration of Internet Domain Names in Hong Kong**

Comments by the Hong Kong General Chamber of Commerce

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1. This paper sets out the Chamber's response to the Consultation Paper on Review on Administration of Internet Domain Names in Hong Kong.
2. Administration of Internet domain names is a day-to-day matter that relates to almost the entire business sector. It is not just a simple matter of registration and fee collection, but one that has implications for industry and clients (mostly companies), especially the thousands of companies in Internet-related businesses.
3. From the user point of view, the proposal for automatic membership of domain name registrants (para 18 of the consultation paper) is an excellent concept and will put the proprietorship – and corresponding responsibility – for all basic aspects of the administration firmly where it belongs with the users of the system.
4. On the other hand, the proposal to reduce the number of membership classes from the current six to three (para 18) seems to reflect some kind of artificial exclusivity of the "Class" structure of membership. It does not seem consistent with the concept of automatic membership for all domain name registrants as the rightful user class. How the interests of the greatly expanded membership will be properly reflected, advanced and promoted in parallel with the "interests and voice" of the proposed (apparently artificially selected) three membership class, would require further attention.
5. Accordingly, we support the establishment of the new consultative and advisory panel (CAP) to act as a filter and channel of the public interface with the Board (para 16) of the Hong Kong Internet Registration Corporation (HKIRC). We would highlight in particular the importance of the requirement for the Board to account for its decisions when it takes a direction either contrary to or inconsistent with the advice the CAP (para 17).
6. The key is to enable greater involvement of a much wider field of stakeholders in proprietorship, and to ensure that they have the corresponding power of voice and expression. It is important therefore to have a mechanism for proper streaming of members' views up to the Board, and to ensure that the Board is not just accountable to the CAP but also to the members at large. This apparent lack of coordinated streaming of the interest of the member/users is another area that requires more attention, to ensure that they are well represented in the corporate expression of their rights.
7. In terms of representation of the Board, it is important that the board comprises qualified members who have good understanding of corporate governance and the role and duties of

being an independent non-executive director, and are familiar with the Internet, domain name administration and related issues.

8. We agree that the number of members should be increased, and that there should be a mix of appointed and elected directors, with say half appointed by Government. The major Chambers (including the HKGCC) should continue to be represented both in the Board and the consultative and advisory panel.