

NIRA AUCTION PROCESS & PROCEDURE

March 2010

1. Introduction

Nigeria's presence on the Internet (cyberspace) is about to receive a new boost with the expected massive registration of .ng domain names at different levels. Currently, NIRA's offering price for domain names registration is among the lowest in the domain market of any country in the world. This is a deliberate pricing policy by NIRA in order to encourage greater up take of the .ng domain at the shortest possible time.

Having put in place a world class automated registry system (built on the Cocca Registry Software and six anycast servers from four Anycast Service providers around the world), NIRA has accredited thirty-eight (38) Registrars, with more local and International registrars to be accredited. NIRA is set for the next level to make .ng domain the premium domain in Africa and the world at large.

To help achieve this, NIRA has identified some domain names as premium; unique levels for which it intends to sell by way of auction to enable it realize needed funds and make these domains available to the world with the appropriate content.

In order to give the auction process a focused strategy, an Auction Committee was constituted and mandated by the NIRA Executive Board to fashion out modalities for a viable and transparent auction process.

After exhaustive deliberations, the detailed auction procedure was approved by the NIRA Executive Board. The auction procedure is in three sections and covers three categories of

- ☒ Platinum Domain Auction
- ☒ Gold Domain Auction
- ☒ Diamond Domain Auction

SECTION 1- PLATINUM DOMIAN AUCTION

Preamble

With the adoption of the hierarchical domain structure as against the flat structure, NIRA has consigned domain registrations to the third and fourth levels. This makes the second level exclusive for NIRA's own second level zones.

All these have given the second level a unique exclusivity that can be harnessed for the benefit of the Internet community. It is with this regard that auction of domains on this level is regarded as the premium of premium, the real 'FIRST CLASS CABIN', thereby the name Platinum Domain Auction.

1. Nature of the Domains

Platinum Domain Auction is for domains in the second (2nd level). Examples would include banks.ng; name.ng; microsoft.ng, etc. There are NO restrictions on the names to be used as long as they are not offensive or repugnant to the Nigerian Internet community, and they conform to the NIRA Domain Name Policy. The words may not be more than sixty-four characters long in total, including the SLD and the TLD, but if one letter names then it should not be any of the five vowels of the Latin character sets: "a", "e", "i", "o", "u". The 2nd Level domain may only contain the following thirty-seven characters ("Characters") or a combination thereof:

- 1.1** the twenty-six unaccented Roman letters (i.e. a-z inclusive);
- 1.2** the ten Western digits (i.e. 0-9 inclusive); and
- 1.3** hyphens.

NIRA does not offer internationalized Domain Names for now, and so domain names that start with the characters "xn--" (i.e. "xn" followed by two dashes may not be registered.

2. Nature of the Auction

Platinum Domain Auction shall be as Slots. A Slot is an 'open' allocation of a single domain, whose name is provided by the bidder and approved by the Board before the auction is conducted. Names to be provided MUST NOT infringe on other policies like respect for intellectual rights, among others.

During each auction process, a given number of slots are presented to the bidding public. Interested bidders can buy any of the slots. Bidders are allowed to submit multiple names NOT exceeding three but only ONE would be registered on a successful bid.

3. Bid Access

In line with the existing policy of the .ng registry for a Registry/Registrar operation, ALL bidders are advised to bid through ANY NIRA Accredited Registrar.

4. Registrant Qualification

Domains on the second level are categorized as Open Domains as defined in the NIRA Domain Names Policy. This means that there is NO restriction of registrant's location or persons: a bidder can be Nigerian or Non-Nigerian, individuals or corporate bodies.

5. Auction Method

The sensitivity and premium nature of the 2nd level domain auctions demand that it be held as LIVE auctions, primarily. While this is so, two key efforts would be made towards optimal participation. First, an online connectivity for the auction shall be provided. This would enable remote bidders participate in real time bidding and pass instructions to their physical representatives, or better still (down the line), make their own bids directly. The second aspect is to collocate the auction with key ICT gatherings to maximize exposure. Such events include but not limited to annual or regular events of the various NIRA stakeholders.

6. Auction Volume and Frequency

Platinum Auctions would be done quarterly for a maximum of four auctions in a year. For now, each auction would offer TWO (2) slots ONLY, except otherwise determined by the Executive Board. However, for the first auction of 2nd level domains, FIVE (5) slots would be on offer.

7. Reserve Bid Price

Since names at the 2nd Level domains are extremely rare, unique, and preclude confusion with any other domain extension, they therefore have premium values. Whoever wins a Slot wins a very unique and valuable identity.

Consequent upon this, all slots shall have a Reserve Bid price which shall be published for each bid. The Reserve price shall be Five Million Naira only (N5, 000,000) per slot for the Inaugural bid.

8. BUY NOW Bid Price

To offer potential buyers option to bypass the auction process and pay a pre-determined value, all slots shall come with a BUY NOW Bid price. The BUY NOW Bid price shall be Seven Million, Five Hundred Thousand Naira only (N7, 500, 000) per slot for the Inaugural auction.

ALL BUY NOW bids are to be submitted within the defined period as released in the auction timetable. In the event that BUY NOW bids exceed available slots, then ALL slots MUST go for auction. Where on the other hand, BUY NOW bids are equal or less than the slots offered, all BUY NOW bids would become successful and the slots affected would be removed from the intended auction.

9. Registration Validity

All successful bids would have the requested domains registered by the bidder Registrar for a period of FIVE (5) YEARS without any additional payments. The bidder Registrant is expected to execute a bid agreement and meet all other registration requirement as spelt out in NIRA Policies such as acknowledgement of the Registrant agreement, among others. Registration shall be completed 48hrs after payment by a successful bidder.

On registration, the Registrant would have the right to the use of the name for the registration period subject to standard NIRA policies, and specific auction policies.

10. Domain Name Renewal

Bid winners shall be responsible for the renewal of the premium domain name at the expiration of the registration period.

Registrants of premium domain names on the 2nd Level will benefit from the usual warnings and grace periods accorded all domain name owners, to ensure renewals are done as at when due.

Renewal shall be through any NIRA Accredited Registrar and shall be done at a cost of 50% of the Reserve price set for the nearest auction to the domain expiration date. Renewal validity shall also be in line with the allowed registration period for the said auction.

If, however, a premium domain name is not renewed after all grace periods elapse, the Slot shall be forfeited and the domain name withdrawn. Such a domain name (if not encumbered by trademark considerations) shall become open for bidding during a new auction process.

11. Financial Pre-Qualification Requirement

A pre-qualification requirement for bidders would be a refundable bid deposit of 10% of the reserve price published for the auction, paid into the NIRA Auction Escrow Account within the stipulated time in the auction guidelines released for the auction.

The NIRA Auction Escrow account shall be opened with its bankers and shall be dedicated solely for monies deposited by bidders.

ALL unsuccessful bids shall have the bid deposit FULLY refunded. The deposit shall form part of the successful bid amount for the winning bid. Where the successful bidder is unable to pay within the stipulated time, the bid deposit SHALL be forfeited and the slot lost shall be offered to the next highest bidder provided that the bid was above the reserve price. Where the next highest bid was below the reserve price, the slot shall be returned to the available pool and may be re-auctioned.

12. Auction Partners

NIRA shall engage specified partners to achieve a seamless and efficient auction process in the execution of the auction. These partners shall include but not limited to Registrar, Legal, Auction event, and Financial partners. Such partners shall be declared for each bid in order to avoid the issue of conflict of interests. Fees for such partners would be as approved by the Executive Board of NIRA.

13. Payment on successful Bid

On a successful bid, the bidder is expected to make full payment less the Escrow deposit within the stipulated time into the Escrow account.

Failure to make payment within the stipulated time shall result in the forfeiture of deposit and loss of ALL rights to the slot by the successful bidder. Thereupon, the slot shall be made available to the next highest bidder provided that the bid was above the reserve price. Where the next highest bid was below the reserve price, the slot shall be returned to the available pool and may be re-auctioned.

14. Site Operation Condition

It is not permissible to register names for either vanity or parking purposes. Names must be registered with the clear intent to putting it to immediate use. NIRA's purpose of increasing

Nigeria's presence on the Internet may be defeated if such a potentially powerful advertising tool as a Second Level domain name is otherwise left un-used.

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Therefore, Winners of the Slots would be given a time period, not exceeding three (3) months to have a functional site. Failure to have the site online at the expiration of this period would lead to a revocation of such Slot as well as the registered domain, and there would be no refund. The revoked slot would be re-introduced into the auction market.

15. Tentative Date of Auction

With the consultation period concluded by April 30, 2010, the first LIVE auction of the Platinum Domain is tentatively scheduled for July 7, 2010, as approved by the NIRA Executive Board.

SECTION 2- GOLD DOMAIN AUCTION

Preamble

To make the generality of domains under the .ng ccTLD very affordable, NIRA has recognized direct Registry auction of Premium Domains as the best tool to balance these needs. While this is so, NIRA will work with two fundamental principles, viz:

- A.** Premium names MUST be finite and defined. Consequently NIRA has released a comprehensive list of premium names in English which would be applicable to ALL Nigerian languages. All domains NOT listed can be freely registered by registrants at the regular cost of registration.

- B.** ALL registrants under the Legacy system of selected premium domains would be given first offer of refusal for the domain at a price fixed by the Executive Board. A FIRST OFFER OF REFUSAL is where the Legacy Registrant is offered to purchase the domain at a FIRST RIGHT price set for the premium domains. For all legacy premium domains the approved FIRST RIGHT price is =N=200,000. FIRST RIGHT offers would be open from June 3, 2009 to June 15, 2010. All legacy domains without a FIRST RIGHT offer would go for full auction at allotted times.

Eligible Legacy Premium domains are domains duly registered on or before May 31, 2008 and for which the registrant meets the eligibility criteria in the NIRA policies.

1. Nature of the Domains

Gold Domains are specific domains reserved by NIRA for premium domain auction. The names comprise of single generic names (for example, books, bank, shop, etc); combined words (for example, webstore, storefront, shopright); local words and slangs (or example, kasuwa, oja, naijadey, wahala) and unique 2 characters words (tm, as, be, etc). These names can be on any of the open Second Level Domains (SLDs) and some of the closed Second Level Domains. These names would be supplied by NIRA from its pool of reserve domain names. These Gold domains exclude the Diamond domains of the new 2LDs, and would not be any or a combination of any of the five vowels of the Latin character sets: "a", "e", "i", "o", "u".

2. Nature of the Auction

Auction of the Gold domains shall be by the names released for the auction in question. Names to be auctioned would not infringe on other NIRA Policies such as respect for intellectual rights, among others. Provision shall also be made for domain requests where bidders can request for a particular domain to be listed in a scheduled auction.

During each auction process, a given number of premium names are presented to the bidding public, interested bidders can bid for any of these names.

3. Bid Access

In line with the existing policy of the .ng registry for a Registry/Registrar operation, ALL bids must be made through ANY NIRA Accredited Registrar.

4. Registrant Qualification

Domains to be made available for the Gold Domain Auction would be of two types. The first would be offered from the 2nd level zones designated as open domains under our Domain Names Policy. This means that there is NO registrant qualification and registrant and/or bidder can be Nigerian or Non-Nigerian, individuals or corporate bodies.

The second category is for zones on the 2nd level designated as closed under our Domain Name Policy. This means that only bidders who meet the qualification criteria stipulated under the same Domain Name Policy can bid for these domains.

5. Auction Method

All auctions for the Gold domains would strictly be through an ONLINE auction either directly at NIRA auction site or through designated third party NIRA auction partners.

6. Auction Volume and Frequency

Auctions of the Gold domains would be done weekly or as approved by the NIRA Executive Board. The volume of domains to be offered for each auction would be clearly stated and publicized before the take off of the auctions.

7. Reserve Bid Price

Depending on the auction, the need and value of a reserve price would be advised for each auction.

Consequent upon these, all domains with Reserve Bid price shall be published for each bid. ALL bids below the Reserve bid price shall NOT be successful.

8. BUY NOW Bid Price

To offer potential bidders an option to bypass the auction process and pay a pre-determined value, some premium names may come with a BUY NOW Bid price. Such BUY NOW Bid price where applicable would be disclosed for the auction process.

ALL BUY NOW bids are to be submitted within the defined period as released in the auction timetable. Where there is more than one BUY NOW bid then the premium domain MUST go for auction. Where, on the other hand, there is only one BUY NOW bid, then the BUY NOW bid would have been successful and the premium domain affected would be removed from the intended auction.

9. Registration Validity

All successful bids would have the requested domains registered by the bidder Registrar for a period of ONE (1) YEAR without any additional payments. The bidder Registrant is expected to endorse the necessary agreement and meet all other registration requirements as spelt out in NIRA Policies such as acknowledgement of the Registrant Agreement, among others. Registration shall be completed 48hrs after payment by successful bidder.

Upon registration, the Registrant would have the right to the use of the name for the registration period subject to the standard NIRA Policy and specific auction policies.

10. Domain Name Renewal

Bid winners will be responsible for the renewal of the premium domain name at the expiration of the registration period.

Registrants of Gold domain names on the existing 3rd Level will benefit from the usual warnings and grace periods accorded all domain name owners, to ensure renewals are done as at when due.

Renewal shall be through any NIRA Accredited Registrar and shall be done at the published price for domain name registrations under the NIRA Fee Policy. Renewal validity shall also be in line with the allowed registration period in the Fee Policy.

If, however, a premium domain name is not renewed after the grace period elapses, the domain shall be forfeited and the domain name withdrawn. Such a domain name (if not encumbered by trademark considerations) shall become open to be bided upon during a new auction process.

11. Financial Pre-Qualification Requirement

All bidders must have, and support an electronic payment system in the form of debit or credit cards. Bidders are to know that for a bid offer to be successful, the electronic payment instrument would have to be debited as deposit. The debited offers would be paid into the NIRA Auction Escrow Account.

The NIRA Auction Escrow account shall be opened with its bankers and shall be dedicated solely for monies deposited by bidders.

ALL unsuccessful bids shall have the deposits FULLY refunded.

12. Auction Partners

NIRA shall engage specified partners to achieve a seamless and efficient auction process in the execution of the auction. These partners shall include but not limited to Registrar, Legal, Auction event, and Financial partners. Such partners shall be declared for each bid in order to avoid issues of conflict of interests. Fees for such partners would be as approved by the Executive Board of NIRA.

13. Payment on successful Bid

On a successful bid, the bidder is expected to make full payment less the Escrow deposit within the stipulated time into the Escrow account.

Failure to make payment within the stipulated time shall result in the forfeiture of accumulated deposit and loss of ALL rights to the domain by the successful bidder. Thereupon, the domain shall be made available to the next highest bidder, provided that the bid was above the reserve price. Where the next highest bid was below the reserve price, the name shall be returned to the available pool and may be re-auctioned at the next auction.

14. Site Operation Condition

It is NOT permissible to register names for either vanity or parking purposes. Names must be registered with the clear intent to make immediate use, else NIRA's purpose of increasing Nigeria's presence on the Internet may be defeated.

Therefore, Winners of the Premium domains would be given a time period, not exceeding three (3) months to have a functional site. Failure to have the site online at the expiration of this period would lead to a revocation of such auction as well as the registered domain. The revoked name would be re-introduced into the auction market.

15. Tentative Date of Auction

It is expected that the Gold domain auction would take off June 29, 2010.

SECTION 3-DIAMOND DOMAIN AUCTION

Preamble

While still emphasizing the goal for affordable domain in the .ng ccTLD, NIRA is also mindful of the unique opportunity its ccTLD name presents. With a TLD as .ng, Nigeria's country code assumes a global significance for many words by coupling of the TLD with any of the vowels of the English language. The introduction of such unique new 2nd Level domains as "a.ng", "e.ng", "i.ng", "o.ng", "u.ng", these would lead to combinations that would form action verbs that are ONLY possible with the .ng ccTLD, and NOT on any other ccTLD or gTLD. So, we could have domains like danc.i.ng (dancing), bank.i.ng (banking), s.a.ng (sang), bel.o.ng (belong), s.u.ng (sung), f.e.ng (feng), w.i.ng (wing), cl.i.ng (cling), wr.o.ng (wrong), s.o.ng (song), l.o.ng (long), y.o.ng (yong), b.a.ng (bang), f.a.ng (fang), p.a.ng (pang), p.i.ng (ping).

NIRA intends to exploit these potentials to continue to make .ng a global registry irrespective of the new gTLD entry.

1. Nature of the Domains

Diamond domains are special domains created with the addition of new 2LDs using the vowels and also reserved by NIRA for premium domain auction. The names comprises of words as shown above on the preamble. These names can be on any of the new 2LDs. These names would be supplied by NIRA from its reserve pool.

2. Nature of the Auction

Auction of the new Diamond Domains shall be by the names released for the auction in question. Names to be auctioned would not infringe on other policies like respect for intellectual rights among others. Also bidders would have the opportunity to request for specific domains from the pool.

During each auction process, a given number of premium names shall be presented to the bidding public, and interested bidders will bid for any of these names.

3. Bid Access

In line with the existing policy of the .ng registry for a Registry/Registrar operation, ALL bids must be made through ANY NIRA Accredited Registrar.

4. Registrant Qualification

Domains on the new third level are categorized as Open Domains as defined in the NIRA Domain Name Policy. This means that there is NO registrant qualification and registrant and/or bidder can be Nigerian or Non-Nigerian, individuals or corporate bodies.

5. Auction Method

All auctions of Diamond domains may be through a LIVE or an ONLINE auction, either directly at NIRA auction site or through designated third party NIRA auction partners.

6. Auction Volume and Frequency

Auctions of Diamond domains would be done monthly or as approved by the NIRA Executive Board. The volume of domains to be offered for each auction would be clearly stated and publicized before the take off of the auctions.

7. Reserve Bid Price,

All Diamond domains will have a Reserve price, which would be advised for each domain prior to the auction. ALL bids below the Reserve price shall NOT be successful.

8. BUY NOW Bid Price,

To offer potential bidders an option to bypass the auction process and pay a pre-determined value, Diamond premium names may come with a BUY NOW Bid price. Such BUY NOW Bid price, where applicable, would be disclosed for the auction process.

ALL BUY NOW bids are to be submitted within the defined period as released in the auction timetable. Where there is more than one BUY NOW bid, then the premium domain MUST go for auction. On the other hand, where there is only one BUY NOW bid, then the BUY NOW bid would have been successful and the premium domain affected would be removed from the intended bid.

9. Registration Validity

All successful bids would have the requested domains registered by the bidder Registrar for a period of ONE (1) YEAR without any additional payments. The bidder Registrant is expected to endorse the necessary agreement and meet all other registration requirement as spelt out in NIRA policies such as the acknowledgement of the NIRA Registrant Agreement, among others. Registration shall be completed 48hrs after payment by a successful bidder.

Upon registration, the Registrant would have the right to the use of the name for the registration period subject to standard NIRA policies and specific Auction policies.

10. Domain Name Renewal

A bid winner shall be responsible for the renewal of the premium domain name at the expiration of the registration period.

Registrants of Diamond domain names on the new 3rd Level will benefit from the usual warnings and grace periods accorded all domain name owners, to ensure renewals are done as at when due.

Renewal shall be through any NIRA Accredited Registrar and shall be done at the published price for the new 3rd level domain name registrations under the NIRA Fee Policy. Renewal validity shall also be in line with the allowed renewal policy under the Fee Policy.

If however a premium domain name is not renewed after the grace period elapses, the domain shall be forfeited and the domain name withdrawn. Such a domain name (if not encumbered by trademark considerations) shall become open to bidding during a new auction process.

11. Financial Pre-Qualification Requirement

All bidders must have, and support an electronic payment system in the form of debit or credit card. Bidders are to know that for a bid offer to be successful the electronic payment instrument would have to be debited as deposits. The deposits would be paid into the NIRA Auction Escrow Account.

The NIRA Auction Escrow account shall be opened with its bankers and shall be dedicated solely for monies deposited by bidders.

ALL unsuccessful bids shall have the debits FULLY refunded.

12. Auction Partners

NIRA shall engage specified partners to achieve a seamless and efficient auction process in the execution of the auction. These partners shall include but not limited to Registrar, Legal, Auction event, and Financial partners. Such partners shall be declared for each bid in order to avoid the issue of conflict of interests. Fees for such partners would be as approved by the Executive Board of NIRA.

13. Payment on successful Bid

A successful bidder is expected to make full payment less the Escrow deposit within the stipulated time into the Escrow account.

Failure to make payment within the stipulated time shall result in the forfeiture of accumulated deposit and loss of ALL right to the domain by the successful bidder. Thereupon, the domain shall be made available to the next highest bidder provided that the bid was above the reserve price. Where the next highest bid was below the reserve price, the name shall be returned to the available pool and be auctioned at the next auction.

14. Site Operation Condition

Site Operation Condition

It is not permissible to register names for either vanity or parking purposes. Names must be registered with the clear intent to putting it to immediate use. NIRA's purpose of increasing Nigeria's presence on the Internet may be defeated if such a potentially powerful advertising tool as a Second Level domain name is otherwise left un-used.

Therefore, Winners of the Premium domain would be given a time period, not exceeding three (3) months to have a functional site. Failure to have the site online at the expiration of this period would lead to a revocation of the domain right. The revoked domains may be re-introduced into the auction market.

15. Tentative Date of Auction

With the successful take off of the Platinum and Gold domain auction in July, 2010, it is expected that the Diamond premium domain auction would take off about three months after the first Platinum domain auction. This gives a tentative period of October 7, 2010.