



DATA SHEET



VERISIGN CAN HELP

It is no simple task to acquire and operate a top-level domain name extension. As the world's largest registry, VeriSign has an extensive history in operating the world's best known extensions, including .com and .net, and can help you throughout the entire process.

VeriSign provides premium end-to-end services to acquire, manage, and monetize your top-level domain names, including consulting and technical services. VeriSign can work directly with your organisation or through your corporate domain name service provider as desired or practical.

VeriSign also offers many custom applications, including full SSL compliance, automated registration capabilities, directory services, personal identity management solutions, and end user authentication services. Visit us at www.Verisign.com for more information.

New Top Level Domains

+ Overview

The Internet is changing. Whilst today we are used to websites ending in .com, .co.uk or .org, very soon consumers will be seeing many new endings, known as top level domains (TLDs). As examples, a major city might have their own TLD, such as .nyc for New York City, or a major brand name might adopt .brandx.

Perhaps most compelling is the opportunity for whole sectors (public and private) to form consortiums and create their own top level domain. A consortium could control which websites are allowed within its domain, creating a secure environment that consumers will grow to trust, as they learn that only legitimate organisations operate within that domain.

This document briefly outlines how the Charitable and Non Governmental Organisation sector could benefit from its own TLD, such as .ngo, and presents an initial business case (with assumptions that need verification) to demonstrate that the benefits for adopting the TLD are tangible and attractive.

+ The Changing Internet

Today website addresses end in a relatively small number of generic Top Level Domain Names (gTLDs) such as .com, .net and .org, or alternatively one of the country code Top Level Domain Names (ccTLDs) such as .de, .fr, .nl, .co.uk, and .cn. In total there are approximately 240 TLD extensions.

The Internet Corporation for Assigned Names and Numbers (ICANN), which co-ordinates the development of policy for the Internet's naming and numbering system, has recently announced a timeline for the introduction of new extensions beyond those familiar to everyone online today. This means that many new extensions, which could in theory be any word or acronym, will start to appear. For example, a TLD for the car industry (.car) could be created which would enable major car companies to purchase sites such as www.manufacturername.car or car showrooms to purchase sites like www.sellyour.car.

ICANN expects the application period to begin in the first quarter of 2010 and new TLDs to be online later that year.



+ Implications for Charities and other Non-Governmental Organisations (NGOs)

New TLDs, such as .car in the example above, would most likely be implemented as open TLDs like .com or .co.uk, where anyone can register a site. However, restrictions on who is able to register for a site in a domain could be put in place, meaning that only organisations that meet the criteria set by the TLD owner would be allowed to register a site in that domain.

This has profound implications for the charitable and NGO sector. A TLD (such as .ngo) could be restricted to organisations that have proven and maintained Charitable or NGO status. A website could even be “removed” if it were proved that the organisation acted malevolently or stopped fulfilling the criteria under which they were given the right to use a website in that domain. The criteria would be decided by the organisation or consortium of organisations that had successfully applied for the right to own the TLD through ICANN.

Over time, consumers would realize that legitimate charities and NGOs websites predominantly end in .ngo. This change in public perception would not happen overnight but could be accelerated with an appropriate consumer education campaign.

+ Charitable Organisations and Fraud

One of the largest challenges faced by charitable organisations today is fraud. Fraud can be perpetrated either internally, by employees or volunteers helping the organisation or externally, by fraudsters such as street collection impersonators, bogus websites and phishing scams.

The level of fraud perpetrated against charitable organisations globally is astounding. A recent report suggested that fraud in the UK alone could be as high as £680 million per year¹. Whilst this figure seems unbelievably high, fraud at any level is unacceptable as this has a direct effect on the ability of a charity or NGO to fulfill its aims.

A .ngo TLD operated by a coalition of charities and other NGOs could exclude fraudsters, thus creating an area of the Internet where consumers could safely make donations to the legitimate sites (and therefore, the organisations) located therein.

+ Constructing a Business Case for .ngo

The following initial business case (based on UK only data and assumptions which need further verification) has been provided to give an understanding of the potential financial benefits for implementing .ngo.

ASSUMPTIONS	VALUE	SOURCE
Size of the problem		
Charitable fraud in the UK	£680 million	Fraud Advisory Panel ¹
Percentage of which is online	10% (£68 million)	VeriSign estimate ²
Implementation costs		
Cost to implement .ngo	£115,000	ICANN Application Fee ³
Annual running costs of .ngo	£15,500	ICANN Annual Fee ⁴
Potential Fraud Reduction		
Potential reduction in fraud in year 1	10% (£6.8 million)	VeriSign estimate ⁵
Potential reduction in fraud in year 2	15% (£10.2 million)	VeriSign estimate ⁶
Potential reduction in fraud in year 2	20% (£13.4 million)	VeriSign estimate ⁷

1 Fraud Advisory Panel - Charity Fraud Occasional Paper January 2008

2 Conservative estimate based on 2004 South Asian Tsunami Relief online donation proportion of 33% recognised as a high proportion (Source: "Network for Good: Impulse on the Internet: How Crisis Compels Donors to Give Online")

3 ICANN application costs stated only, does not include registry and administration costs, £ value is representative of ICANNs stated \$185,000 application fee

4 ICANN annual fees stated only, does not include registry and administration costs, £ value is representative of ICANNs stated \$25,000 annual fee for domains with less than 50,000 registrations

5 Based on an estimated adoption rate for .ngo amongst Charities and NGOs of 40% in year one combined with a consumer awareness of 25% from appropriate PR activities

6 Based on an estimated adoption rate for .ngo amongst Charities and NGOs of 50% in year one combined with a consumer awareness of 30% from appropriate PR activities

7 Based on an estimated adoption rate for .ngo amongst Charities and NGOs of 60% in year one combined with a consumer awareness of 33.5% from appropriate PR activities



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ABOUT VERISIGN

VeriSign, Inc. (Nasdaq: VRSN) is the trusted provider of Internet infrastructure services for the networked world. Billions of times each day, VeriSign helps companies and consumers all over the world engage in communications and commerce with confidence. Additional news and information about the company is available at www.Verisign.com.

The implementation costs above do not include the costs of administering a registry, nor the costs associated with verification of NGO eligibility and compliance monitoring; however even with those expenses added, the total cost of a .ngo domain would be a small fraction of expected fraud savings.

If the same business case were constructed on a global basis, it would become significantly more compelling, given the size of global charitable fraud losses, and the sharing of implementation costs.

+ The Domain Application Process

The rules published by ICANN to govern applications for a new TLD suggest that a preferred bidder would be one that represents the global community for an industry.

This implies that whilst an application from a single country's sector association or a number of organisations in that sector could be successful, an application from a broader coalition representing the global community would be more likely to succeed. VeriSign is already working with coalitions within other industry segments who are likely to apply for new TLDs.

If no coalition applies, it is possible that a single organisation within the sector or a commercial organisation could successfully apply and control a .ngo domain. Whilst it is unlikely that anyone would apply with the intention to create a domain where fraudsters could flourish, without control over the creation of websites within that domain, charitable or non governmental organisations may find that the legitimacy implied by a .ngo domain creates opportunities for fraudsters.

ICANN intends to open the application period for new TLDs in early 2010; if the charitable sector decides to act to implement their own domain, all preparations for the application need to be completed by then.

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Visit us at www.Verisign.com for more information.