



24th JANUARY 2018

STATEMENT ON HOW THE SECOND LEVEL DOMAINS AUCTION PROCESS WAS CONDUCTED

Back ground

KeNIC rolled out second level domains on 23rd July 2017. The roll out had four phases as explained below:

SLD roll out commenced on 23rd July 2017 as per the SLD policy approved by the board. The roll out was categorized into phases as explained below:

1. The Sunrise phase where trademark holders submitted applications for their names. Applications were via mail (sunrise@kenic.or.ke). Applications had to be accompanied by certified copies of trademarks.
2. The Grand fathering phase where third level domain holders submitted applications to secure their respective second level domains. The applications had to be accompanied by business/company registration certificates and were sent to grand@kenic.or.ke
3. The Land rush phase where premium domains were auctioned and the public were allowed to submit bids for the names of their choice. KeNIC sourced a subscription-based online auction platform from Ilance Inc. (auction.kenic.or.ke).
4. The General Availability phase where the registry was opened to the public for normal registrations.

Auction

Whereas the Land rush phase commenced on 22nd November 2017, prior to this date, KeNIC had made detailed arrangements and put in place procedures and systems that were to be used during auction. A list of the premium domains to be auctioned was accordingly uploaded on the auction platform.

KeNIC opted for an online auction platform provided by Ilance Inc. - a platform that's subscription-based. The platform went live on November 2017 hosted on KeNIC's sub-domain auction.kenic.or.ke and a manual was prepared and shared with clients (registrars).

On November 22nd, the first batch of domains were uploaded onto the system and started attracting bids immediately with an auction window of 30 days.

The following facts are notable from the auction process:

1. The system was not hosted by KeNIC and accordingly KeNIC staff couldn't manipulate data on the server database. This was a paramount requirement to ensure transparency, gain public confidence and make the process devoid of any personal interests by the KeNIC staff.
2. The auction process, as with other SLD (Second Level Domain) processes, was conducted by the SLD committee (where membership drawn from each department in KeNIC) as this was a process too important to be left to a single individual. This ensured that the decisions being made were solely focused on clients' needs and as much as possible be free of personal interests.
3. KeNIC technical staff had credentials that only allowed them to do interalia basic administration tasks like uploading domains, downloading domains list, seeing bids and customer details.

Several domains attracted higher amounts with NI.KE attracting up to KES 1,000,0000,038.

When the auction came to a close, KeNIC retrieved details of the respective domain winners from the system and the committee sent each individual an email communication informing them of the procedure to be followed thereafter. In the event that there is any winner who did not receive the said communication from KeNIC and had included a valid email address, **please let us know immediately.**

Out of the 1,118 domains that were listed for auction, only 12 domains have been paid for and registered by the winners as listed below:

1. 10.ke
2. beach.ke
3. club.ke
4. dj.ke
5. industry.ke
6. kai.ke
7. laptop.ke
8. photographer.ke
9. photography.ke
10. accounting.ke
11. payroll.ke
12. bai.ke

The remaining premium domains **HAVE NOT BEEN PAID FOR** and are **RESERVED**. The form for reservation used is approval based, meaning one can still try to register the domain but KeNIC will either approve or reject. This method is used so as to allow immediate registration once the owner/winner pays for the domain.

Allegations posted on KICTANET

Whereas most of the allegations raised about the auction undertaken on 24th January 2018 have been addressed above, herewith below are the main allegations accompanied by KeNIC response thereto:

(1) KeNIC used non-secure platform for the auction

The domain which was visible to the public is the sub-domain, auction.keNIC.or.ke. The parent domain was secured and was not breached at any point.

(2) Winners of the bids were not awarded the domains they won

All the winners in the bid were contacted after the closer of the auction. Only 12 of the winners have paid for the domains they won (the list is shown above)

(3) Prime domains set on “reserved” after general availability

This setting is on “reserved” because the winner of the bid needs to pay for the domains before KeNIC activates it. It cannot be put on “restricted” mode because, that will make the domain unavailable when being searched for.

(4) Server set on “hold, pending create”

This setting is done so because of the point explained in point 4 above

(5) The 19th January 2018 down time of the registry was caused by KeNIC staff

This is not the case. The downtime was because of a bug in the sunrise module of the COCCA registry system. The identification of the bug was assisted by the developer of COCCA.

(6) Fake users on the system by KeNIC staff

KeNIC staff did not have access to the data base. The data base was secured by the platform provider, Ilance inc. KeNIC has asked Ilance Inc. to furnish the IP addresses of the dubious bidders so that the origins may be known.

If anyone has any further queries or wishes to have any clarity on the matters addressed, please get in touch and it will be addressed substantively.