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Clerk to the Panel on Information
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Legislative Council Secretariat
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Dear Madam,

## Review on Administration of Domain Names in Hong Kong

The Federation of Hong Kong Industries would like to submit the following views regarding the review on administration of domain names in Hong Kong.

- 1. The ".hk" domain name is an icon representing Hong Kong in the cyberspace. Its proper administration is important in securing Hong Kong's IT image in this digital age. Hence, it is in the public interest that Hong Kong Internet Registration Corporation (HKIRC) adopts a sound organisation and governance structure to ensure it discharges its missions and functions in the most effective and professional manner. This is especially crucial as commercial and financial dealings carried out on the Internet have become increasingly pervasive.
- 2. Regarding the current reform to HKIRC, we are in support of the new composition of the Board of Directors, where four directors including the chairman are appointed by the Government and other four directors are elected by HKIRC members (two by each of the demand and supply classes). We believe that this structure can enable HKIRC to draw wider expertise and experience from the IT industry and sectors with a strong interest in the ".hk" domain name to enhance its management for the next stage of development. The balanced proportion of appointed and elected directors can also ensure that the interests of stakeholders and those of the community at large will be taken into account in policy formulation.
- 3. We understand that under the reform, HKIRC will establish a Consultative and Advisory Panel (CAP) to advise the Board of Directors on major matters pertaining to the policy and operation of HKIRC, and to facilitate the interaction of the Board with stakeholders and interest groups. We fully endorse this idea and look forward to the early establishment of the CAP.

- 4. In view that the commercial and industrial sector is a major user group of HKIRC's services, it is highly advisable for HKIRC's Board and CAP to have sufficient representation of this sector, with at least one director with a business background. By tapping their advice, HKIRC can better understand the needs of commercial and industrial users for continued improvement in service quality and standards.
- 5. On HKIRC's voting system, we recommend that the existing one-company-one-vote system be changed to one-domain name-one-vote. As we see it, using the number of ".hk" domain names registered by a member company, which is a good proxy for its stake in HKIRC, for allocating votes is fairer than the existing system which the voting right of individual member companies is disproportionate to their actual stake in HKIRC.

We hope the Legco Panel on Information Technology and Broadcasting will find our views useful in the deliberation of the review.

Yours faithfully,

Clement Chen

Chairman