

## Press Releases

繁體版 | 簡體版 | Email this article | news.gov.hk

LCQ20: Administration of Internet domain names  
\*\*\*\*\*

Following is a question by the Hon James To Kun-sun and a written reply by the Secretary for Commerce and Economic Development, Mrs Rita Lau, in the Legislative Council today (December 3):

Question:

The Government commissioned a consultancy review on the administration of Internet domain names in Hong Kong in 2006, and conducted a public consultation exercise on the review results and reform proposals in 2007. At its extraordinary general meeting held in August 2008, the Hong Kong Internet Registration Corporation Limited (HKIRC) adopted the Government's reform proposals, including restructuring the Board of HKIRC by changing its composition of 13 non-executive, part-time directors (including 12 directors elected by members of the company and one government-appointed director) to four Government-appointed directors and four directors elected by members of the company, and introducing a Nominations Committee with participation from the industry to oversee the appointment process for directors. In this connection, will the Government inform this Council:

(a) why the Government has not reported again to this Council after mentioning the progress of the above work in reply to a question raised by a Member of this Council on June 25, 2008;

(b) given that the Government Chief Information Officer wrote a newspaper article on November 22, 2008 saying that "Internet domain names are public resources and the top level domains of various regions are administered or supervised by the governments concerned. Hong Kong is of no exception", but the report of the above consultancy review and government papers have indicated that Internet domain names in most countries in the world are presently administered by non-profit-making organisations composed of members from the industry with limited participation of the governments concerned, how the situation in Hong Kong differs from that in those countries which causes the Government to consider it necessary to introduce more Government-appointed representatives to the Board of HKIRC;

(c) given that I have learnt that over 90% of the current members of HKIRC are service users, but the percentage of directors representing such members on its Board has dropped from 46% (six in 13 directors) to 16% (two in eight directors), whether the Government has assessed if this situation will give rise to any problem;

(d) of the details of the above Nominations Committee, and whether the Government has assessed if the operation of the mechanism is transparent;

(e) whether the Government attended in the past three years any meeting of the Governmental Advisory Committee of the Internet Corporation for Assigned Names and Numbers, which is the global

organisation for the administration of domain names; if not, why it is necessary to increase the number of directors appointed by the Government on the Board of HKIRC so as to increase the Government's participation, and whether the Government will take the initiative to liaise with relevant international organisations to explain the reform; and

(f) given that there have been comments claiming that the restructuring of the Board of HKIRC will have an impact on the freedom of speech (e.g. the Government may restrict the registration of politically sensitive domain names through the directors appointed by it), what measures the Government has put in place to dispel the doubts of the public in this regard?

Reply:

President,

In 2006, the Government commissioned a consultancy study into the administration of the ".hk" Internet domain names. The consultants made a number of recommendations regarding the structure of the Hong Kong Internet Registration Corporation Limited (HKIRC). The purpose of these recommendations was to improve corporate governance in HKIRC and to ensure that the ".hk" country code top level domain (ccTLD) is administered in the interests of the community as a whole. During the past few months, the Government has been working closely with HKIRC to take forward the proposed institutional changes. These include amendments to the Memorandum and Articles of Association (M&A) of HKIRC to reflect changes in its membership and board structures, transition of membership classes of existing members, and preparations for the nomination, election and appointment of directors on the new Board of HKIRC. The new Board will comprise four directors elected by the members of HKIRC (two directors by the Demand Class and two directors by the Supply Class) and four directors appointed by the Government. There will no longer be any Government official sitting on the new Board. Upon establishment of the new Board, HKIRC will also set up a Consultative and Advisory Panel (CAP) and finalise a new agreement with the Government to bring greater openness and transparency to the way HKIRC operates.

Regarding the questions raised by the Hon James To, my replies are as follows:

(a) It is our intention to keep Members informed of the major progress of the review on the administration of ".hk" Internet domain names and of the implementation of its recommendations. We briefed the Panel on Information Technology and Broadcasting (ITB Panel) in June 2007 on the recommendations set out in the public consultation paper. On June 25, 2008, we updated Members in the context of an oral question in the Legislative Council after the Board of HKIRC had come to a resolution on the way forward on restructuring the Board and the governance arrangements.

An Extraordinary General Meeting (EGM) was held by HKIRC on August 23, 2008, which approved the detailed changes to the M&A. HKIRC then held part of its 2008 Annual General Meeting (AGM) on September 25, which was adjourned to December 15. Subject to the conclusion of the business of the AGM later this month, the new membership and board structure of HKIRC will take effect.

Our plan is to brief the ITB Panel again when the new institutional arrangements of HKIRC are wholly in place. We have already tentatively scheduled with Legislative Council Secretariat to report on this item at the ITB Panel meeting to be held in April 2009.

(b) The arrangements for delegation and administration of ".hk" ccTLD are based on international practices, including the "Principles and Guidelines for the Delegation and Administration of Country Code Top Level Domains" that set out the framework and tripartite relationships among government, ccTLD registry (in the case of Hong Kong, this means HKIRC) and the Internet Corporation for Assigned Names and Numbers (ICANN), the international organisation that runs the global system of administration of Internet domain names. These principles include that -

- The Internet naming system (including ccTLD) is a public resource;
- Ultimate public policy authority over a particular ccTLD rests with the relevant government or public authority;
- The relevant government or public authority is strongly encouraged to ensure that the ccTLD is being administered in the public interest, within the framework of its public policy and relevant laws and regulations;
- The ccTLD registry is a trustee for the delegated ccTLD, and has a duty to serve the local and global Internet communities.

Under the new institutional framework, HKIRC will remain an independent, non-profit making, membership-based organisation governed by a Board of non-executive directors. In respect of the Government-appointed directors, the Government's intention is to appoint independent, non-official directors who will give HKIRC access to professional knowledge and corporate governance expertise.

(c) Under the new arrangements, the CAP will be the forum for stakeholder representation, instead of the Board. The CAP will engage a broad set of stakeholders to advise the Board on major issues on administration of ".hk" domain names. With the strategic engagement of key stakeholders being undertaken via the CAP, all Board members are expected to act in the best interests of HKIRC and the whole community, rather than to pursue the interests of particular stakeholder groups. The views of all relevant stakeholder groups, including service users, will be canvassed via the CAP and will be duly considered by the Board.

(d) In the public consultation paper, the Government did not propose to introduce a nomination committee to oversee the appointment process for directors, nor did we receive any comments or suggestions regarding a nomination committee during the consultation process. In appointing independent directors to the Board of HKIRC, the Government will adopt the prevailing principles and mechanisms similar to those used in making appointments to the Government's various advisory and statutory bodies.

(e) As with all international conferences and forums, the Government considers the need for attendance based on the topics of discussion and their relevance to Hong Kong. The objective of the Governmental Advisory Committee (GAC) is to advise on the activities of ICANN as they relate to concerns of governments. The HKSAR Government has attended a number of the


GAC meetings in the past, most recently in March 2006. Apart from attending meetings, the Government has frequent and up-to-date access to all the relevant papers, discussions and outcomes to keep abreast of the latest developments in ICANN activities.

I should like to stress that the proposed changes are in line with the relevant ICANN principles and guidelines.

(f) In carrying out its duties under the designation by the Government to administer ".hk" domain names, HKIRC has to comply with the relevant international practices in domain name registration, including the requirement to maintain an open and effective domain name dispute resolution mechanism. Furthermore, one of the major recommendations of the review was to enhance HKIRC's public accountability. As such, HKIRC needs to manage domain name registration in an open, transparent and secure manner in accordance with the law, and to uphold the rights of individuals and organisations, including their rights to freedom of speech. These issues will be addressed in the new agreement to be signed between HKIRC and the Government, through the establishment of the CAP, and by the adoption of a more open and rigorous reporting mechanism by HKIRC.

Ends/Wednesday, December 3, 2008  
Issued at HKT 15:36

NNNN

 [Print this page](#)