

15 April 2025

The President
InternetNZ Board

Via email president@internetnz.net.nz

Dear Stephen

Quarter four Report: 1 January 2025– 31 March 2025.

This report is for the three months **1 January 2025– 31 March 2025** (Q4). It includes the Domain Name Commission Ltd (DNC) quarterly Profit and Loss Statement and a summary of some of the key activities the DNC have focused on.

Financials

At the end of Q4, we recorded a net deficit for the Quarter of (\$122,820) inclusive of investment activities, compared to the budgeted deficit for the Quarter of (\$125,041). This reflects a favourable variance of \$2,221 for the Quarter.

Year ending, DNC is reporting a surplus of \$241.00 inclusive of investment activities, against a budgeted deficit of (\$42,237) resulting in a positive variance of \$42,478.

Summary of DNC’s performance of functions under the Operating Agreement:

Registrar Authorisation Application Summary

	Q1	Q2	Q3	Q4
Enquiries for Authorisation	3	2	2	0
Application Received and under assessment	2	2	0	1
Application Approved (authorised)	1	0	0	1
Application Declined	1	1	0	0
Applications Withdrawn	0	0	1	0

The DNC received and approved one registrar application during Q4. The registrar is now progressing through InternetNZ’s connection process.

Dispute Resolution Service

The table below shows the number of new claims submitted under the Dispute Resolution Service (DRS) in Q4. It also provides a comparison with the number of claims submitted over the previous four quarters, including breakdowns of Mediations, Expert Determination.

	Q1	Q2	Q3	Q4
DRS Claims Submitted	10	10	12	7
Mediations commenced	1	2	0	0
Mediation - Settlement	0	1	0	0
Mediation - No settlement	1	1	0	0
Expert Decisions Issued	0	4	1	6
Total disputes suspended due to court proceedings	5	5	4	0

Note: Mediations are the total number commenced that quarter. Settlement/No settlement relates to mediations that have concluded that quarter (potentially started the month prior). Expert Determinations are reported in the table when the decision is issued to the parties.

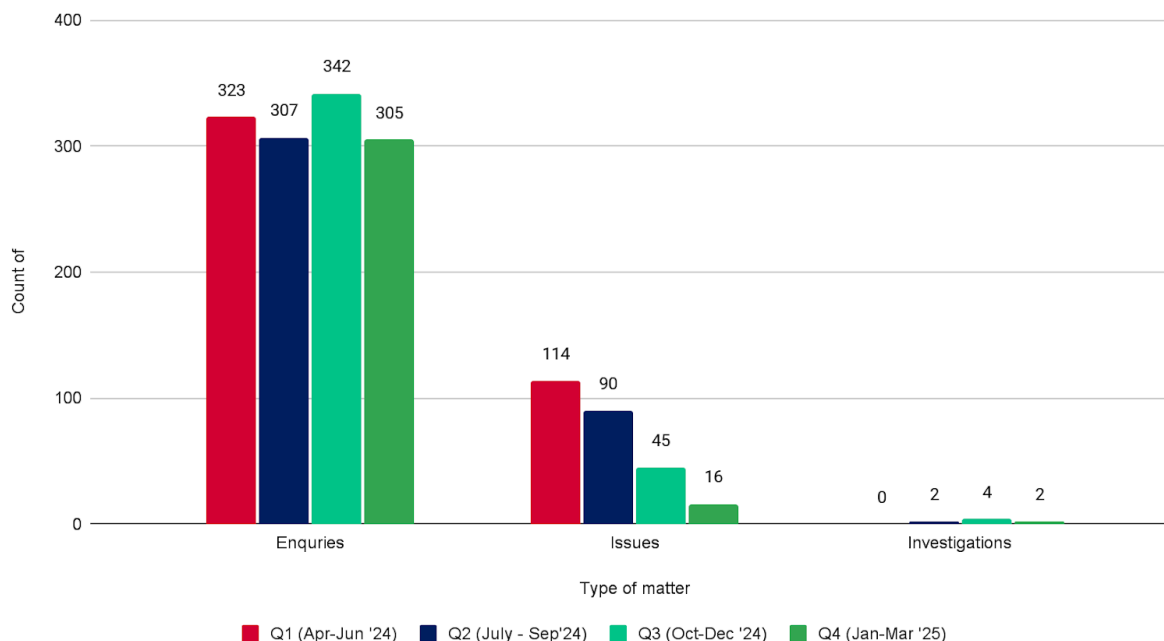
There were no requests for tikanga or other support during Q4. Of the six expert determinations issued, there was no engagement from the respondent during the process. All decisions resulted in a transfer of the .nz domain name(s) to the complainant.

Since DNC amended the .nz DRS scheme rules to enable claimants to choose either mediation (which DNC funds) or expert determination (which the claimant pays for), we have seen a general preference for the expert determination process. This is not a surprise as there is typically little to no engagement from respondents for mediations and an increasing trend of no engagement with the expert process. By using the expert determination process, claimants are able to obtain an enforceable determination even if the respondent does not engage.

Customer Service/ Enquiry Management

The DNC classifies complaints or reports from the public into three categories: enquiries, issues and investigations depending on the priority, level of complexity, resourcing and likely time required to resolve the matter.

Enquiries, Issues and Investigations



Note: The graph above shows how many of each category of case was created during Q1-Q4.

Q4 saw a decrease in the number of enquiries and issues received compared to all previous quarters, which is likely due to the holiday season.

20% of issues received during Q4 related to the .nz domain names in the redemption period. Given that any associated website/ email address will not work whilst the domain name is in redemption period, the DNC prioritises the management of these issues. A general observation contributing to the redemption issues is that the domain name holder contact information is often out of date so the registrar's reminders are not reaching them.

Compliance Activities: Domain Name Registration Data Validation and Identify Verification Processes

DNC takes a risk-based approach to its proactive monitoring which means we identify a sample of domain names based on numerous factors that indicate a higher likelihood of a domain name registration being for malicious purposes. Our aim is to have quality registrations with correct information and to disrupt potential harm to the public from malicious use early in the lifecycle of a domain name.

Having correct information in the registration record also enables the domain name holder to be contactable should issues such as the domain name being compromised.

DNC first attempts to manually contact the domain name holder via phone and/or email to validate the registration information. If the registration information is validated, the DNC then seeks to verify the domain name holder’s identity to ensure they meet the eligibility criteria in the .nz Rules. If the data is not validated or the identity not verified, the DNC will suspend the domain name.

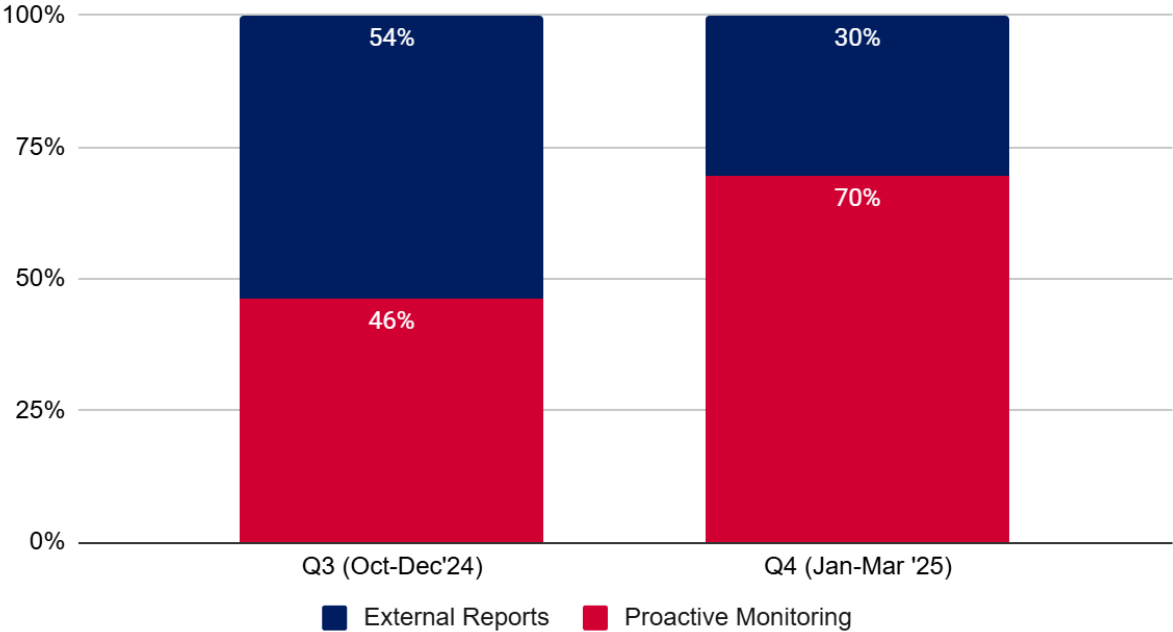
The table below summarises the outcomes for Q4 across our proactive sample and external referrals in.

	Total Reports	Data Not Validated	ID not Verified
Proactive Monitoring	172	151	11/21
External Reports	97	70	7/27
Total	269	221	18/48

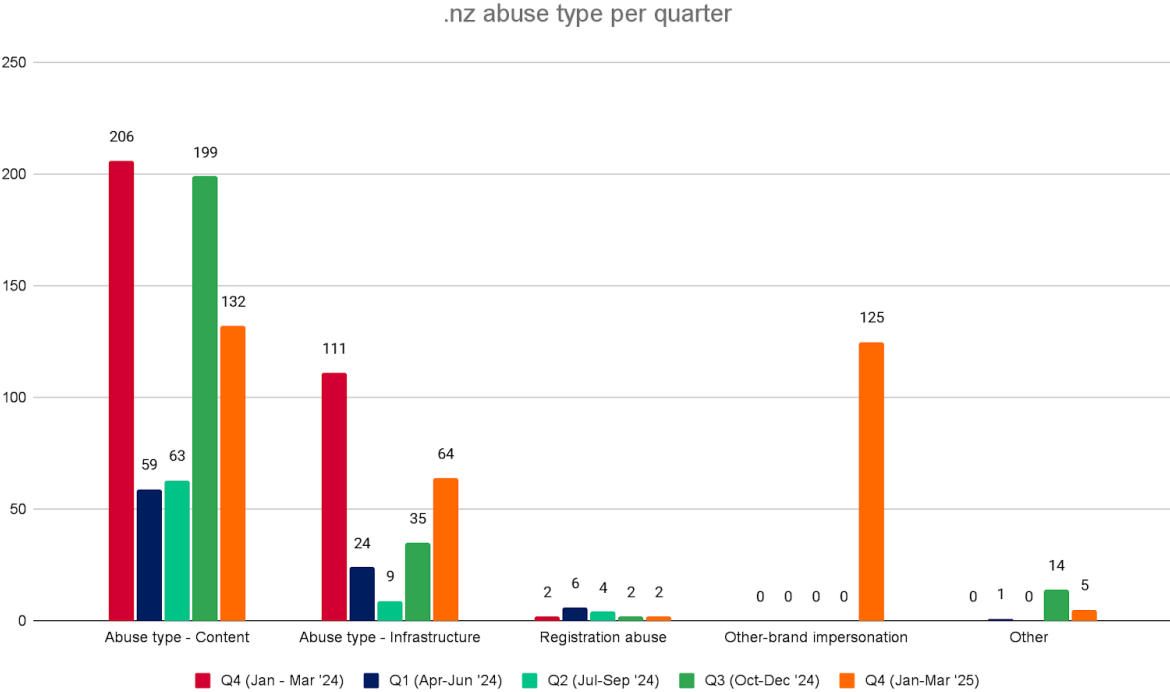
In Q4, from the total number of checks undertaken 82% of domain name holders did not validate their registration information and the domain name was suspended. In addition, 38% of domain name holders did not verify their identity and the domain names were suspended.

Our proactive monitoring commenced part way through Q3 and significantly increased over Q4 compared to external referrals.

Proactive Monitoring and External Reports



With the introduction of the Domain Registration Check Tool, the DNC has added the additional classification of “Other—Brand Impersonation”. Registrations that include a well-known brand name, coupled with either a generic term (e.g newzealand, nz, outlet, sale) are often a key indicator that the registration information may have incorrect registration information.

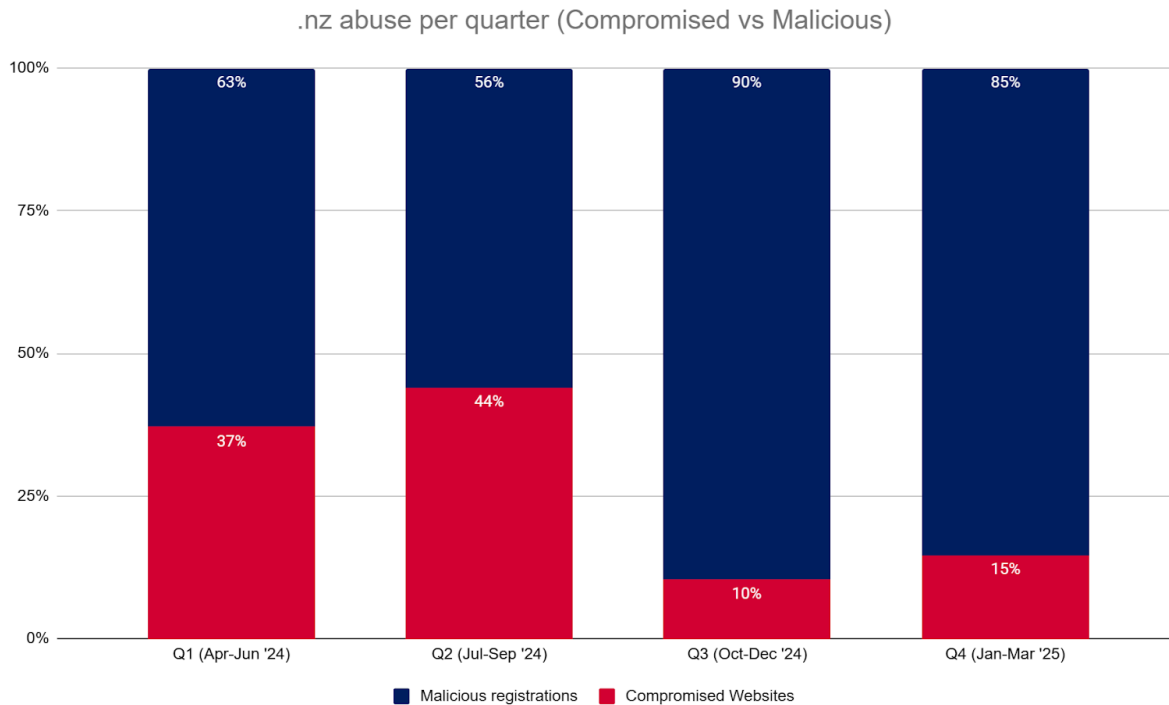


In Q4, DNC processed 61 urgent validations (an increase from 30 in Q3). DNC will process validations as urgent if there is an elevated risk that the domain names may be used for malicious purposes (eg: financial services, government impersonations or phishing indicators). 87% of the urgent validations that were processed resulted in suspension during Q4.

Compromised vs Malicious Registrations:

The DNC classifies the alleged ‘abuse’ reports of domain names into either “Malicious registrations” or “Compromised Websites”. We base this on the date the domain name was registered, which is one of the attributes listed as per guidance published by the NetBeacon Institute.¹

¹ <https://netbeacon.org/best-practices-identification-mitigation-of-dns-abuse/>



The number of compromised websites has remained relatively consistent with Q3 and the majority of issues we see are related to malicious domains. As DNC is unable to assist domain name holders where there has been a compromise, we refer them to CERTNZ and their registrars as they may be able to assist.

Other Activities

Media Article

[Auckland Transport warns about ‘pretend’ parking site – registered with InternetNZ using fake details](#)

ICANN82 Seattle Community Forum (8 - 13 March 2025)

The Commissioner attended ICANN82 and, as a member of the ccNSO DNS Abuse Standing Committee participated in a panel session on whether incorrect registration data is a useful indicator of DNS Abuse. In addition to attending conference sessions, the Commissioner met with a number of our .nz Registrars, with two organisations interested in becoming authorised and with a number of peer ccTLDs to share knowledge and initiatives of mutual benefit.

Bulk Transfer

DNC assisted in the bulk transfer of 326 domain names between two Registrars. Under the .nz Rules, the DNC is able to offer this service and approves the provision of it where it is in the interest of the domain name holders.

Cyber Security Summit 2025 (24 – 25 Mar, 2025)

The DNC Head of Technical and Relationships attended the Cyber Security Summit to engage with, and learn from our peers in the New Zealand Cyber Security ecosystem.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Vivien Maidaborn', written in a cursive style.

Vivien Maidaborn
Chair, Domain Name Commission

Schedule 1

Profit and Loss

Domain Name Commission Limited
For the 3 months ended 31 March 2025

Account	Q4 Actuals 2025	Q4 Budget 2025	Q4 Var \$	YE Actuals 2024-2025	YE Budget 2024-2025	YE Var 2024-2025	Budget 2024-2025	Remaining Budget
Trading Income								
Authorisation Fees	0	0	0	12,000	15,000	(3,000)	15,000	3,000
Income - DRS Complaint Fees	0	0	0	16,000	16,000	0	16,000	0
Management Fees	412,500	412,500	0	1,650,000	1,650,000	0	1,650,000	0
Total Trading Income	412,500	412,500	0	1,678,000	1,681,000	(3,000)	1,681,000	3,000
Other Income								
Sundry Income	0	0	0	800	103	697	103	(697)
Total Other Income	0	0	0	800	103	697	103	(697)
Total Other Income								
Total Income	412,500	412,500	0	1,678,800	1,681,103	(2,303)	1,681,103	2,303
Expenses								
Employment	191,006	202,823	(11,817)	790,885	815,018	(24,133)	815,018	24,133
Operating	189,061	187,331	1,730	487,587	502,934	(15,347)	502,934	15,347
Governance	11,665	13,566	(1,901)	44,968	46,975	(2,007)	46,975	2,007
International	24,273	23,500	773	61,763	62,000	(237)	62,000	237
Communications	13,771	14,366	(595)	56,916	57,057	(141)	57,057	141
Dispute Resolution Service	25,131	24,883	248	71,775	73,527	(1,752)	73,527	1,752
Compliance	56,430	51,469	4,961	108,306	109,120	(814)	109,120	814
Moderators	15,772	15,761	11	15,861	15,861	0	15,861	(0)
Projects	9,900	5,400	4,500	15,400	15,400	0	15,400	0
Depreciation	16,166	16,212	(46)	65,077	65,448	(371)	65,448	371
Total Expenses	553,175	555,311	(2,136)	1,718,537	1,763,340	(44,803)	1,763,340	44,803
Net Profit	(140,675)	(142,811)	2,136	(39,737)	(82,237)	42,500	(82,237)	(42,500)
Investment Activities								
Interest Income	17,810	17,770	40	39,830	40,000	(170)	40,000	170
Foreign Currency Gains (Losses) - Realised	44	0	44	44	0	44	0	(44)
Loss/Gain on Foreign Exchange	0	0	0	103	0	103	0	(103)
Total Investment Activities	17,855	17,770	85	39,978	40,000	(22)	40,000	22
Total Surplus/Deficit	(122,820)	(125,041)	2,221	241	(42,237)	42,478	(42,237)	(42,478)