



**Identifiably Irish**

Ireland's Domain Registry

A large decorative graphic on the left side of the page, consisting of three concentric, curved teal lines of varying thicknesses that curve from the top left towards the bottom right. To the right of these lines is a solid teal circle.

## **Growing Ireland's online communities**

## Mission:

Our mission is to provide registry and related services to the Irish local and international internet communities. In cooperation with our Registrars, technical partners and stakeholders we help shape the development of the internet landscape and ecosystem. We are an integral part of the national internet technical infrastructure.

## Vision:

Our vision is that IEDR will be nationally and internationally recognised as an innovative, independent, trusted provider of secure internet services, advocating increased e-commerce adoption and stimulating the growth of Ireland's online communities.

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## IEDR 2016 Key Figures

**€3.6m**  
Members'  
Funds

**89%**  
Renewal  
rate

**.ie**

**219,858**  
Database of  
.ie domains

**34,615**  
New .ie  
registrations

# Performance Highlights 2016

Extract from the audited Financial Statements (financial figures only)

## Profit and Loss

	Year to 31 Dec 2016 €	Year to 31 Dec 2015 €
<b>Registration Revenue</b>	<b>3,030,258</b>	2,859,722
Administration expenses	<b>(1,727,851)</b>	(1,706,923)
Employment costs	<b>(1,344,439)</b>	(1,462,973)
Depreciation	<b>(157,282)</b>	(206,908)
<b>Operating loss</b>	<b>(199,314)</b>	(517,082)
Unrealised gains on financial investment	<b>85,274</b>	80,941
Interest income	<b>10,709</b>	21,444
Taxation	<b>(23,188)</b>	25,386
<b>Loss after taxation</b>	<b>(126,519)</b>	(389,311)

## Balance Sheet

	At 31 Dec 2016 €	At 31 Dec 2015 €
Fixed Assets	<b>164,039</b>	163,762
Investments	<b>3,245,089</b>	3,159,815
Current Assets	<b>3,139,923</b>	2,801,697
Creditors <1 year, excluding Deferred Income	<b>(874,362)</b>	(437,514)
Deferred Income	<b>(2,049,351)</b>	(1,970,724)
Creditors >1 year	<b>(34,821)</b>	0
<b>Members' Funds</b>	<b>3,590,517</b>	3,717,036

## Cash Flow

	Year to 31 Dec 2016 €	Year to 31 Dec 2015 €
Net cash inflow/(outflow) from operating activities	<b>576,343</b>	(316,615)
Increase/(decrease) in cash in the year	<b>429,030</b>	(476,505)

## Number of new .ie registrations – quarterly growth



## Prices of a .ie domain (€)



**Our Strategic Priorities**

To help shape the development of the **internet landscape** and ecosystem.

To advocate for e-commerce enabled website usage and to become a **digital advocate** for the SME community through active involvement and engagement with stakeholders.

To deliver on our customer service, technical and other obligations as the active Registry Operator for the .ie namespace in Ireland.

To achieve company-wide growth by developing the .ie brand in order to achieve annual new **growth rates** greater than our competitors (.com/new TLDs) with retention rates comparable to similar ccTLDs.

To continue our ongoing **customer experience (CX)** innovation and improvement programmes and to develop new customers.

# Chairman's Statement



IE Domain Registry (IEDR) experienced continued growth in 2016. We grew the installed base of .ie domains and introduced new services, while maintaining overall customer service and the integrity of our technical infrastructure. There was a net increase of 5% in the total .ie customer base over the year to 219,858 at year end. IEDR delivered our services within our three nines availability target in 2016 and we maintained our market position in an increasingly competitive environment. Our financial position remains strong with net liquid funds in excess of €6 million at year end.

It goes without saying that our industry stakeholders have been an important contributor to the IEDR's success over the years. Our accredited Registrars, who are central to the marketing and promotion of .ie, deserve particular mention in this context and I am especially pleased to acknowledge the contribution of Registrars to the growth and development of the national domain name in the interests of the internet community. We have always had a close and co-operative relationship with industry stakeholders generally, particularly in the areas of service and technical developments, and I wish to thank them also for their assistance. Our Policy Advisory Committee (PAC), established in 2014 to advise the Board on policy matters, continued its work in 2016. The PAC has quickly become an invaluable aid to the Company in considering new initiatives and in advising the Board on their adoption or otherwise. The PAC is representative of a broad range of stakeholders and is playing a key role in assisting the IEDR to keep our policies abreast of the changing internet environment while also fulfilling its responsibility to balance the rights, responsibilities and obligations of our stakeholders. I wish, on behalf of the Board, to thank the Chairman and members of the Policy Advisory Committee for their participation and for their commitment to the work of the Committee in 2016.

My predecessor referred in his Statement last year to the Strategic Development Fund we established in 2015 to fund a range of projects designed to deepen internet awareness and use in Ireland as well as to promote .ie business growth. This is in line with IEDR's mandate as a not-for-profit company to manage the national resource of .ie so as to maximise the value of the internet to the Irish economy. We continued with the Strategic Development programme in 2016 and I am glad to report that all the indications are that it has been effective in advancing our strategic objectives of raising the profile of the internet in Ireland as an essential business tool and of promoting .ie business growth. There remains significant scope, however, for further development of internet use in Ireland, particularly by the SME community, and promoting this is a priority for the IEDR. Ongoing upgrading of the telecommunications broadband infrastructure is, of course, a prerequisite for facilitating high speed internet services and it is encouraging to note the progress being made in this area.

The IEDR's OPTIMISE Fund, which provides practical assistance to firms in the SME sector to use the internet to e-commerce-enable their businesses, continued into its sixth year in 2016. The programme has been highly successful in assisting Irish business to partake in the exponential growth of online retail business and to compete more effectively with their overseas competitors in this area. Having reviewed the programme, we are planning to continue it in 2017 in a revamped form focussing on business sectors. We also continued in 2016 with the periodic issue of our Domain Profile Reports and Digital Health Index and again organised a National Internet Day, which were aimed at continually assessing where Ireland stands in the internet space and also at providing information to facilitate discussion on progress, developments and shortcomings. Judging from the extensive media attention received, they are certainly achieving their purpose.

Largely resulting from the continued financing of the Strategic Development Fund, we recorded a planned after-tax deficit in 2016. This amounted to €127k in 2016, which compared to €389k in 2015. However, the Company's overall financial position remains fully protected and in line with our financial prerequisite of maintaining a capital base adequate to meet current and prospective business requirements. Our stakeholders may be assured of our continued commitment to this objective into the future. At end 2016, Members' Funds stood at €3.6 million or 118% of annual fee income.

I wish, on behalf of the Board, to thank David Curtin, our Chief Executive, his executive team and all our staff for their work in 2016. Their commitment to the Company, its stakeholders, and its customers is much appreciated. The Board also recognises the assistance of the industry regulator, ComReg, and of the Minister and Department of Communications, Climate Action and Environment.

There have been a number of changes in the membership of the IEDR Board. Professor Seán Scanlan stepped down as Chairman in 2016 and I succeeded him in that role. Sadly, Seán passed away in May last. A commemoration of Seán's career will be found on page nine of this Report – for my part, I would simply say here that, as Chairman since the Company's inception in July 2000, Seán presided over the IEDR's formation and directed its strategic path and its development over 16 years. We will miss him.

At the 2016 AGM, Mr. Mark Dobbyn and Dr. Pat Frain stepped down as Directors. I thank them and their colleagues on the Board sincerely for their contribution to the IEDR.

Finally, I am happy to express my personal confidence that IE Domain Registry is well placed to meet the future challenges that will undoubtedly arise in the fast developing world of digital communications.

**J. Joyce**

*Chairman of the Board*

30 June 2017

# Chief Executive's Report



The registry for the .ie namespace performed exceptionally well in 2016. We launched new services in the second half of 2016, which made fadas on the vowels of domain names available for the first time – very appropriate as a .ie address is an Identifiably Irish online identity. We opened up an aftermarket to allow existing domain holders to sell the right to use their .ie domain – which will unlock the intrinsic value of Ireland's .ie domain names.

With ongoing emphasis in 2016 on strategic execution, the management team was particularly successful in achieving expansion of .ie in terms of net growth; continuous improvement in customer services; and contributing to the development of SME internet usage and uptake in Ireland. IEDR ended the year in a very strong financial position, with €3.6m in Members' Funds and €6.3m in liquid funds and investments.

The operating loss during the year ended 31 December 2016 incorporates expenditure of €273,000 arising from the extension of the 2015 Strategic Development Fund with a dedicated 2016 budget of €322,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace.

The Policy Advisory Committee (PAC) met on three occasions during 2016 and, applying the long-standing 10-step Policy Development Process (PDP) which uses a bottom-up approach to policy changes and consensus building, dealt successfully with a range of policy changes. Seven policy change requests were concluded during the year, which involved two public consultations and a public auction of contested two letter domains. In particular, we are proud to have successfully managed and completed the following release processes:

- ▶ to allow 1 and 2 letter domain names (previously blocked due to historic technical reasons that are no longer valid);
- ▶ to allow domain names with fadas on the vowels (previously restricted because email systems and internet browsers could not cope with non-Latin characters, again no longer an issue);
- ▶ to allow a secondary market in .ie domain names (originally prohibited to deter cyber squatters and large-scale foreign domainers). The latter policy change will help to unlock the intrinsic value of a registrant's .ie domain name, by permitting an aftermarket to allow domain holders to sell the right to use their .ie domain.

## Operational review

New registrations of 34,615 in 2016 decreased by 1.7% when compared to the same period in 2015 (35,225). These registrations were offset by 23,685 non-renewals or deletions which were up 6.2% over 2015 (22,296 domains), giving a net increase of 10,930 which was 15.5% down on the net increase in 2015 (12,929 domains). This growth, generated almost totally by the continuous efforts of IEDR's accredited Registrar community, reflects a domestic economy where micro and small businesses continued to experience challenging trading conditions, despite the improving macro-economic environment. The ongoing recovery

in consumer confidence led to increased use of websites for new online businesses, products or services, although website growth is offset somewhat by the use of social media for small businesses' promotions. The Company continued its work in 2016 to promote excellence in SME's website functionality, design and e-commerce through sponsorships and direct funding.

The growth curve on page 2 illustrates the extent of the improvement in 2016 despite the global retrenchment in the domain sector. The 11.3% level of non-renewals/deletions is in line with 2015 (11.4%) and this level of .ie non-renewals is very low by international standards where non-renewal rates can be over 30% – reflecting the shorter domain life-cycles, as domains are increasingly used for the promotion of one-off events and campaigns.

There was no progress in 2016 on the Company's application to ICANN for the transfer from UCD of 'active registry operator' status to IEDR, which was submitted to ICANN in February 2011, accompanied by letters of support from stakeholders in the local internet community. In order to complete the transfer request ICANN will need a letter of support from the Irish government. The Department of Communications, Climate Action and Environment is still considering the matter.

## Financial review

Turnover, representing the deferred income released in 2016, increased by 6% to €3.03 million (2015 – €2.86 million). While the invoiced value of registration fees increased, reflecting new growth in 2016, an increasing proportion is accounted for by multi-year registrations and renewals. Accordingly, the deferred income on the balance sheet increased by 4% in 2016, to €2.05 million (2015 – €1.97 million).

Administrative expenses decreased by 4.4% from €3.38 million to €3.23 million. Promotion, sponsorship, and advertising costs were again high as the company continued its Strategic Development Fund and continued its sponsorship of industry events, continued its joint promotion with Registrars of the .ie namespace and continued the OPTIMISE Fund, which assists SMEs and micro-businesses to develop and e-commerce enable their .ie websites. Employment costs decreased by 8.5% in 2016 to €1.34 million reflecting staff turnover and maternity cover in 2015, offset by cost of living increases. Depreciation decreased by 26% to €0.16 million despite the Company's ongoing investments in mission critical applications and services for customers.

The Company records the financial investments on a Mark to Market basis of valuation. The financial investments market value at 31 December 2016 is €3,194,989 (2015 – €3,109,715). Accordingly, this uplift in the capital markets yielded a net unrealised gain of €85,274 for the year.

The financial position of the Company at 31 December 2016 is solid. Reflecting the significant investments in 2016 in the Strategic Development Fund, Members' Funds decreased by 3.4% from €3.7 million at December 2015 to €3.6 million by the end of December 2016. Cash and cash equivalents increased to €6.3 million (2015 – €5.75 million) including €3.2 million invested with multiple investment managers.

The quality of the Company's financial transparency and reporting has been independently acknowledged. IEDR was again shortlisted in the Chartered Accountants Ireland Leinster Society, Published Accounts Awards 2016.

## Continuous improvements review

The entire team at IEDR strives for excellence in all aspects of the operation. Every team member is part of the continuous improvement process.

The Company continued to focus on controlling costs for the channel and for our business operations. The web-based console and automated interfaces continue to provide full transparency of all transactions with IEDR. Registrars, as agents appointed by domain holders (registrants), continue to have accountability and responsibility for registrations, renewals and suspensions and have the ability to audit the completeness and accuracy of their .ie portfolios within IEDR's database.

The data escrow function continued to operate, whereby relevant extracts of the .ie database are extracted, encrypted and transmitted to a third party, to be held in safekeeping and only released to the appropriate authorities in the unlikely event of a catastrophic event occurring at the Registry. This added layer of resilience, reliability and protection provides business continuity and peace of mind for registrants of .ie domain names.

The Technical Services Team updated the high availability infrastructure within the two datacentres in line with the Company's regular upgrade investment cycle. The team remains vigilant in protecting the national DNS infrastructure against ongoing and new external threats, in particular in the face of the global onslaught of DDoS and malware attacks, thereby contributing to the safety, security and resilience of the .ie domain.

## Market development and SME internet usage and uptake

Irish SMEs continue to surprise the industry (and their customers), by remaining offline, when their Irish customers are online in their millions and buying online from abroad.

It is not clear why such a large cohort of small businesses in Ireland remain effectively offline. Many SMEs, who are online in a personal capacity, have decided to run their business without any digital assets whatsoever. SMEs with websites and other digital assets such as a Facebook presence, still cannot, or will not, sell online or take sales orders online. IEDR commissioned Ignite Research to conduct independent research into this issue. It is becoming clearer that the problem is not one of awareness. SMEs respond that they appreciate the importance of a website, in generating awareness of the business and in generating sales, yet the majority of SMEs surveyed have not e-commerce enabled their websites. 54% say that the barriers keeping them offline include inadequate skillsets or confusion about the range of digital tools and options available. Perhaps there is also a reluctance to engage with multiple software vendors and an implied absence of obvious business benefits. It is clear that further research is needed to guide policymakers on how to improve internet usage and uptake by the small business community.

In response, IEDR recognises the need to provide supports and shoulder to shoulder assistance to SMEs to enable them to leverage the benefits of having a .ie address and being identifiably Irish online. Accordingly, in addition to the OPTIMISE Fund, the Company continued in 2016 to support its Registrars in promoting their website builder services, recognising that businesses only indirectly need .ie domain names (surveys confirm that the main reason for having a domain name is for website and email purposes).

## Outlook for 2017

On the international front, the Company continues to respond to developments impacting ccTLD registries, in particular the ongoing expansion of the global namespace, by 1,213 new gTLDs (with 27.6 million domains under management) by the end of 2016. While these new competitors offer global consumers and businesses a multiplicity of choice in domain extensions, they appear to be struggling to gain market traction and achieve the expected levels of innovation. The potential interest from cybersquatters is waning, but still represents a challenge for brand managers, trademark and patent holders and the owners of intellectual property rights.

Nationally, new registration growth in 2017 was strong, with the best Q1 since 2011, reflecting market recognition of the .ie domain as 'Identifiably Irish'. In the context of market stagnation in Europe, the outcome in the first half of 2017 is very encouraging at 20,255 .ie domains, an increase of 11% compared to the same period in 2016 (18,179 .ie domains).

The work of the Policy Advisory Committee will continue in 2017. We will implement a new policy framework for the Registration Policy and Naming Policy and combine them into a single policy. Other policy initiatives will be undertaken, with the objective of expanding the .ie namespace and developing this digital national resource.

We are pleased to have Board approval to continue our investments in 2017 in a range of projects designed to assist SMEs in their digital journey and to deepen internet awareness and uptake in Ireland. We will continue to control operating costs in other areas of the business.

In May we witnessed the sad passing of our chairman, Professor Seán Scanlan, on 2 May. During his tenure in IEDR Seán was a wonderful colleague and friend. He led the company for 15 years until illness forced him to reduce his role. It is particularly poignant that he died just three days after the date of his retirement from the Board on completion of his term of office.

I would like to express my gratitude to our Company Secretary for his ongoing support and counsel and to the Board of Directors for its support. I thank our dedicated staff for their outstanding contribution to the continued growth of the .ie namespace and the development of our policies and services to ensure that .ie remains Identifiably Irish in an ever-expanding global internet ecosystem.

**David Curtin**

*Chief Executive*

30 June 2017

# In memoriam Professor Seán Scanlan

Professor Seán Scanlan, RIP, was Chairman of the IE Domain Registry from July 2000 and will be remembered for his determination, from the outset, to build a financially strong and independent organisation capable of developing the .ie domain as a digital national resource. By developing and implementing the highest standards of corporate governance, Seán fostered and facilitated the self-regulating philosophy which underpins the operations of many organisations responsible for components of a country's critical internet infrastructure. He will be remembered in particular for his focus on balancing the respective roles and responsibilities of stakeholders and channel partners, with the rights of citizens and registrants, who are the end-users of .ie domains.

We are very grateful indeed to Professor Orla Feely, for her reflections on the life and career of our late, esteemed Chairman. Orla is Vice-President for Research, Innovation & Impact at University College Dublin.



John O. (Seán) Scanlan was one of the most distinguished Irish engineering researchers, a leader in national and international scientific organisations, and an educator who delivered lasting impact.

He studied Electrical Engineering in UCD, graduating in 1959, and received his PhD from the University of Leeds in 1966. Two years later, at the age of just 31, he was appointed Professor of Electronic Engineering in Leeds.

The field of electronics was then in its infancy. Without the powerful computers used in circuit design today, synthesising circuits to meet the most exacting of applications was a very substantial intellectual endeavour. Seán Scanlan rapidly gained a reputation, which persists to this day, as one of the outstanding international figures in the field of circuit synthesis. He solved a number of the most challenging problems within the discipline, and his pioneering and influential work was recognised by many awards and honours.

Seán was also a leader in the international organisation of scientific research. He was founder of the European Conference on Circuit Theory and Design and the International Journal of Circuit Theory and Applications, serving as editor of the latter for more than thirty years.

In 1973 Seán returned to Ireland as UCD's first Professor of Electronic Engineering, bringing with him an ambition in research and a rigour in education that were to have lasting impact. Through his own research and that of the colleagues inspired by him, UCD developed a particular reputation for research excellence within the discipline. Seán had an often fearsome reputation among students, but he commanded their absolute respect and instilled in them a great pride in their achievements under his tutelage. The resulting pool of well-educated graduates was an essential factor in the transformation of the technology sector, and indeed the economy, in Ireland from the 1980s onwards. Seán provided crucial policy guidance to the Irish government about the development of this sector.

Seán was a man of strong beliefs, and even stronger arguments to back them up. His bywords were excellence and rigour. Anything that deviated from these, and he found many examples in academia past and present, he denounced as – a favoured word – flim-flam. Seán took no prisoners, but even among those who habitually disagreed with him he commanded great respect, and he was repeatedly elected to the UCD Governing Body until his retirement from the university in 2002.

Seán was a long-standing member of the Royal Irish Academy, serving as its President from 1993 to 1996, and he received the RIA Gold Medal for Engineering Sciences in 2011. From 1979 to 1996 he served on the Board of Telecom Éireann, including a period as Acting Chairman. In latter years he served as chairman of the IE Domain Registry, a position from which he formally retired just days before his death. To all of these, Seán applied his razor-sharp intellect, his wise judgement, his toughness, and his absolute integrity.

Outside work, Seán had a great love of golf and classical music. He and his late wife Ann loved to travel, and had strong friendships among Seán's research collaborators around the world. To his broader circle, Seán was a warm friend and a great raconteur, ever generous with his support and advice.

His legacy will remain in his research findings, in the scientific organisations he led, in the national sector he helped to shape, and above all in the generations of graduates around the world whose success was enabled by his vision and dedication.

He was predeceased by his wife Ann, and is survived by his sister Sheila Carroll.

Seán Scanlan:  
20 September 1937 - 2 May 2017.

# Board of Directors and Management



## Jim Joyce ▲●■

Jim Joyce was appointed Secretary of the Company in 2004. He succeeded Professor Seán Scanlan in the role of Chairman of the Company in 2016. He was Chairman of the Health Insurance Authority from 2005 to 2015 and is a former Company Secretary to the National Digital Research Centre (NDRC). Jim has been an actuarial consultant to the Department of Enterprise, Trade, and Employment and the Irish Financial Services Regulatory Authority (1992 to 2005). He was previously Executive Director of Telecom Éireann (1984 to 1992). Jim is a Fellow of the Society of Actuaries in Ireland and served as President of the Society for 1999/2000.



## Dr. Pat Frain ●

Pat Frain was the Director of NovaUCD, the innovation and technology transfer centre at University College Dublin (UCD), until he retired in 2011. He was responsible for the planning and development of the Centre, which was established in 2003 with the support of a public-private partnership. Pat was also an Adjunct Professor at the UCD Michael Smurfit Graduate School of Business. He is involved in a range of national and international organisations and initiatives aimed at promoting innovation and technology transfer. He is a founding member, a director and President of Honour of the European Knowledge Transfer Society. He was Chair of the Boards of ProTon Europe and AURIL (UK and Ireland) and a fellow and Board member of the Institute for Knowledge Transfer. He is a member of the International Advisory Board for Industry and Higher Education and of the Board of SciFest. He is a physicist by qualification and an alumnus of the EU-Japan Centre for Industrial Cooperation.



## Dr. Canice Lambe

Canice Lambe is currently Chief Technology Officer with Altify, an Irish software company that helps sales professionals sell smarter and manage better, using DealMaker intelligent software and proven sales methodology. He was a founder and CTO of Cunav Technologies (later New World Commerce) which merged with US CRM company IQ to become New World IQ. Canice has also been Chief Product Officer at Rockall Technologies and Chief Technology Officer at PixAlert. He has consulted to early-stage technology companies in the area of product development and positioning. Canice received his degree and PhD in Computer Science from Trinity College Dublin.



## Frances Buggy ▲

Frances Buggy specialises in Research Management, New Product/Service Development and Intellectual Property/Technology Transfer. Frances has held a variety of product marketing and technology development roles across internationally traded service sectors including database specialists Kompass Ireland (Reid Elsevier), Irish Life Finance, and was on the launch team for large scale technology start ups such as Ocean – the British Telecom Plc./ESB International JV – now BT Ireland. Frances is a founder member of the Irish Internet Association in 1997 and in the millennium year was the first female Chairperson to be elected by the IIA. Her public sector achievements include programme management of Information Society/Broadband initiatives for the South East Regional Authority and management of a €5 million 11 partner EUP6 European eGovernment/smarter cities technology project for co-ordinating academic partner DIT. Frances was subsequently invited by the European Commission to be an external expert reviewing European ICT consortia/projects funded by the EU Framework programme. She is a published writer of expert content and media contributor with a commitment to advancing STEM initiatives, Change Management, and CSR. Frances has served on the boards of several professional bodies including the MBA Association of Ireland; with almost 16 years' experience as a Non-Executive Director, and has been a member of the initial IEDR Audit Committee for six years.



### Kevin McCarthy

Kevin McCarthy retired from IDA Ireland in December 2009 as Area Director for the Border, Midlands and West regions. Kevin served in IDA from 1970 and was the longest serving staff member on retirement. During his time in IDA Kevin was seconded to the post of Chief Executive to the Tallaght Task Force and also as Enterprise Advisor to the Polish Agency for Regional Development. Kevin's educational qualifications include a Diploma in Business Strategy from the IMI and an MA in International Relations from DCU.



### Mark Dobbyn ▲●■

Mark Dobbyn is a former partner in the accountancy and advisory firm, KPMG, where he had client responsibility for assurance services and a number of management roles. Prior to this he was a director in the management consultancy division of the precursor firm to KPMG, specialising in financial management assignments. He is a director of a number of commercial organisations. Mark is a business and history graduate of Trinity College Dublin, and a Fellow of the Institute of Chartered Accountants in Ireland.



### Fergal O'Byrne ▲

Fergal O'Byrne is currently a Non-Executive Director of Sonru, an online video interviewing company and Sipario, a global music platform. He is an experienced internet industry entrepreneur who founded Interactive Return in 1998. Previous positions include a four year term as CEO of the Irish Internet Association. He has published four business books including; 'OnLine Marketing and Search Engine Essentials' and '10 Technologies Every Executive Should Know'. Fergal holds an Honours Degree in Electronic Engineering from DIT. He is, or has been, a member of the Board of Directors of 4giftsdirect.com, IGOpeople.com, WINC, CottonTreeProject and CCD Limited. In 2015 he was delighted to become an Inductee into the IIA Internet Hall of Fame "for inspiring and supporting the internet community in Ireland".



### Chief Executive

#### David Curtin ■

David Curtin joined the Company in November 2002, and was appointed interim Chief Executive in October 2003 and Chief Executive in January 2004. David worked for eight years in Dublin and Paris with the Jefferson Smurfit Group plc. He was Chief Executive of Smurfit Software Services, project manager for the Smurfit Group's Hyperion systems implementation, and internal auditor of Smurfit Ireland. Prior to this he worked for KPMG in Dublin and Philadelphia, USA. David is a B.Comm graduate of UCD, a Fellow of the Institute of Chartered Accountants and holds a first class honours MBA from UCD Michael Smurfit Graduate Business School.

- ▲ Audit committee member in 2016.
- Banking committee member in 2016.
- Nomination committee member 2016.

# Corporate Governance

Corporate governance is a key focus of the Board of Directors and Management at IEDR as it directs the philosophy, practices, culture and overall success of the Company.

IE Domain Registry CLG (IEDR) is an independent, not-for-profit organisation, limited by guarantee and is therefore not required to comply with the provisions of Corporate Governance Codes. However, the IEDR Board of Directors is committed to ensuring that best practice Corporate Governance operates throughout the Company. Accordingly, the Board has adopted and applied certain provisions of the codes beyond what would normally be regarded as practical, relevant and appropriate for a company of IEDR's size and nature.

The Company's unitary Board of Directors is comprised of eight independent Non-Executive Directors, supported by three sub-committees: the Audit Committee, the Nominations Committee and the Banking Committee. Directors are appointed initially to the Board for a three year term: thereafter Directors can seek re-election for a further three year term. At the end of a continuous term of six years, Directors are required to retire and re-election can only be sought after a break in service of three years.

The Board of Directors meets six times per annum to consider a range of Company matters, including reviewing the management accounts, monitoring registration and non-renewal rates, discussing strategy and agreeing on the future direction of the Company. The Board also receives regular updates, between meetings if necessary, on a range of matters including business, financial, legal, regulatory and corporate affairs.

The IEDR Chairman ensures that the Non-Executive Directors are appointed to the Board from a range of different professional backgrounds. This ensures diversity of the Board which in turn means that members can effectively reach out to a broad range of stakeholder groups. Diversity of the Board also ensures a better understanding of the different requirements of various stakeholders.

The IEDR Chairman is responsible for ensuring that all Non-Executive Directors have the necessary knowledge and experience required to discharge their responsibilities. Appraisal of the Board's performance is an important control, aimed at improving effectiveness, maximising strengths and tackling weaknesses.

ComReg commissioned an independent third-party due diligence review of the Company's Corporate Governance, as an input into the process of developing a Regulatory Framework for .ie. The conclusions, published in its formal Response to the Consultation Paper 08/48, were very complimentary of the high standards of Corporate Governance at IEDR.

## Directors' responsibilities

The Board of Directors is the custodian of the Company's values and its long term vision. The Board also provides strategic direction and guidance for the Company.

The Directors of the Company carry out their fiduciary responsibilities in accordance with the best practice Corporate Governance codes and principles. All of the Directors are independent and Non-Executive. In accordance with the Memorandum and Articles of Association of the Company, the Directors do not have a beneficial interest in the members' funds, reserves or the annual profits of the Company.

The Directors are responsible for ensuring that the financial statements have been prepared in accordance with the Companies Act 2014 and Financial Reporting Standard 102 "The financial reporting standard applicable in the UK and Republic of Ireland", known as the "relevant financial reporting framework". The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Other material financial decisions reserved for Board approval include investments, capital projects and any bank borrowing facilities.

The Directors are also responsible for other tasks including monitoring the Chief Executive Officer, overseeing strategy, monitoring risks, control systems and governance, monitoring the human capital aspect of the Company (specifically, succession planning, training and remuneration) managing potential conflicts of interest and ensuring that there is effective communication throughout the Company.

# The Audit Committee

The Company's Audit Committee is responsible to the Board of Directors for the co-ordination and oversight of the financial reporting process, the external audit function, the system of internal financial controls, regulatory compliance and all matters in relation to the legal integrity of the Company.

The Audit Committee operates under written terms of reference agreed by the Board which are reviewed on a regular basis. The Audit Committee is appointed by the Board from the Non-Executive Directors of the Company and consists of not less than three members, at least one of whom has the "relevant financial experience". The Chairman of the Committee is Mr Mark Dobbyn who is a Fellow of the Institute of Chartered Accountants in Ireland.

The Committee is authorised by the Board to investigate any activity within its terms of reference. It may also seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee has the authority to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.



## Statement from the Audit Committee Chairman

The financial reporting framework that has been applied in the preparation of the financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable

in the UK and Republic of Ireland" (FRS102) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The role of the Audit Committee is important in reviewing the effectiveness of the Company's internal controls to provide assurance on the Company's financial reporting process and compliance with all legal and regulatory requirements. The Committee will continue to keep the risk management and internal control framework under review to ensure the integrity of the financial reporting process in a changing environment.

The duties and key responsibilities of the Committee are:

- ▶ to consider the appointment of the external auditors, to make recommendations to the Board about the audit fee and any questions of resignation or dismissal.
- ▶ to discuss with the external auditors before the statutory audit commences the nature and scope of the audit and to review the audit plan.
- ▶ to review the annual financial statements before submission to the Board and focus on:
  - ▼ critical accounting policies and decisions requiring a significant element of judgement and any changes in accounting policies and practices.
  - ▼ compliance with accounting standards, legal requirements and regulations.
  - ▼ major judgemental areas and major or unusual transactions and how they are disclosed.
  - ▼ company policy and practice with regard to insurance and investment risk mitigation and controls.
  - ▼ significant adjustments to the financial statements as a result of the external audit.
  - ▼ any problems and reservations arising from the audit and any matters the auditor may wish to discuss (in the absence of management where appropriate).
- ▶ to review the external auditor's management letter and management's response.
- ▶ to keep under review the effectiveness of internal control systems and of procedures for staff raising matters in confidence.
- ▶ to report to the Board of Directors on how it has discharged its responsibilities.

It is the Committee's view that during the year it has discharged its duties and key responsibilities.

**Mark Dobbyn**

*Chairman of the Audit Committee*

28 April 2017

## **Fair, equitable, transparent**

We manage the .ie namespace to the highest standards of corporate governance and pride ourselves on honesty and objectivity in our interactions with Registrars, stakeholders and civic society.

# Corporate Social Responsibility (CSR)

One of the core mandates of the IEDR is to support and serve the needs of the local internet community. The Directors and management of IEDR strive to be transparent, accountable and to balance the rights and responsibilities of all stakeholders. IEDR understands the importance of active communication and engagement with our internal and external stakeholders.

The Company prioritises the values of fairness, equity and transparency in all dealings with our key stakeholders, including customers (Registrars), domain holders (registrants), employees of the Company and the local internet community.

## Registrars, registrants and the local internet community

Through its memberships and sponsorship of industry awards and industry events, the Company provides a modest level of financial support to the local internet community. In 2016 the Company sponsored the BT Young Scientist and Technology Exhibition, the Digital Media Awards (DMA), the Small Firms Association (SFA) Awards, Digital DNA, the Web Awards, the SME Awards, the Start-up Awards and was the headline sponsor of the Irish Internet Association (IIA) Dot IE Net Visionary Awards for the sixth consecutive year.

The Company established OPTIMISE in 2011, as IEDR's e-Commerce and Website Development Fund aimed at micro, small and medium indigenous enterprises. The Fund was offered again in 2016 to a further fifteen .ie website owners who benefited from practical consultation and implementation of e-commerce functions on their websites. The Fund also provided the winners with dedicated masterclasses, designed to inform and educate the SME business owner in specific areas of online marketing such as analytics, social media and advertising.

The Company established a Co-Funded Marketing Fund aimed at providing financial assistance to our customers (Registrars) to support their efforts to promote the .ie namespace. The IEDR provides financial assistance of up to 50% of the marketing costs incurred by Registrars.

IEDR has provided free .ie domain name registrations to 5,710 registered charities, in co-operation with a number of our accredited Registrars. Domain names are provided free of charge to those organisations which are registered as charities and have a valid CHY number issued by the Revenue Commissioners.

## Employees

The Company aims to be a good employer in all respects. The Company's Staff Handbook sets out the HR policies and procedures, and is provided to all new employees as part of their induction. The Staff Handbook also includes whistle-blower provisions and procedures for staff raising matters in confidence, including providing direct lines of communication to Board members. IEDR operates a pension scheme for the benefit of all full-time employees. The Company also has a Safety Statement in accordance with the relevant legislation.

## Environmental awareness

IEDR continuously works to reduce its carbon footprint by adopting some of the principles of Green IT. This is apparent from the high availability initiatives in our data centre where we have invested in energy efficient hardware and software (VMware), which has reduced our energy consumption through rationalisation of our services and servers.

Furthermore, our back-office recycling programme ensures that all technical hardware is recycled in an environmentally responsible manner. As part of IEDR's awareness of the need to sustain natural resources, employees implement the Company's recycling policy in the appropriate manner.

# Internet Governance

No one person, company, organisation or government runs the internet.

The internet is a globally distributed computer network comprised of many voluntarily interconnected autonomous networks. As such, internet governance involves many different stakeholders.

## Who runs the internet?

*"Internet governance is conducted by a decentralized and international multi-stakeholder network of interconnected autonomous groups drawing from civil society, the private sector, governments, the academic and research communities, and national and international organizations. They work cooperatively from their respective roles to create shared policies and standards that maintain the internet's global interoperability for the public good."*

### Internet Corporation for Assigned Names and Numbers (ICANN)

The infographic on the opposite page illustrates the complexity of the internet ecosystem.

## ICANN

ICANN was formed in 1998. Headquartered in Los Angeles, California, it is a not-for-profit partnership of people from all over the world dedicated to keeping the internet secure, stable and interoperable. It promotes competition and develops policy on the internet's unique identifiers. ICANN does not control content on the internet. It cannot stop spam and it doesn't deal with access to the internet. But through its coordination role of the internet's naming system, it does have an important impact on the expansion and evolution of the internet. ICANN's role is to oversee the huge and complex interconnected network of unique identifiers that allow computers on the internet to find one another.

ICANN has external as well as internal accountabilities. Externally, ICANN is an organisation incorporated under the law of the State of California in the United States, so it can be sued in Court. ICANN is also a non-profit public benefit corporation and its directors are legally responsible for upholding their duties under corporate law. Internally, ICANN is accountable to the community through its Bylaws, and the representative composition of the ICANN Board from across the globe.

Governments can participate via the Government Advisory Committee (GAC). At the ICANN 52 meeting in Singapore in February 2015, the GAC welcomed Ireland, Kazakhstan and Mauritania as new GAC Members. Membership of this influential committee was a major milestone for Ireland Inc in 2015, given Ireland's importance as an e-commerce hub for Europe.

IEDR welcomes the important change in the governance of the DNS with the completion of the transition of IANA to ICANN. The 2009 Affirmation of Commitments between ICANN and the US Department of Commerce NTIA was terminated by mutual agreement on 6 January 2017. This means that the global stewardship of certain key technical internet functions effectively transitions from the US government to the global multi-stakeholder community.

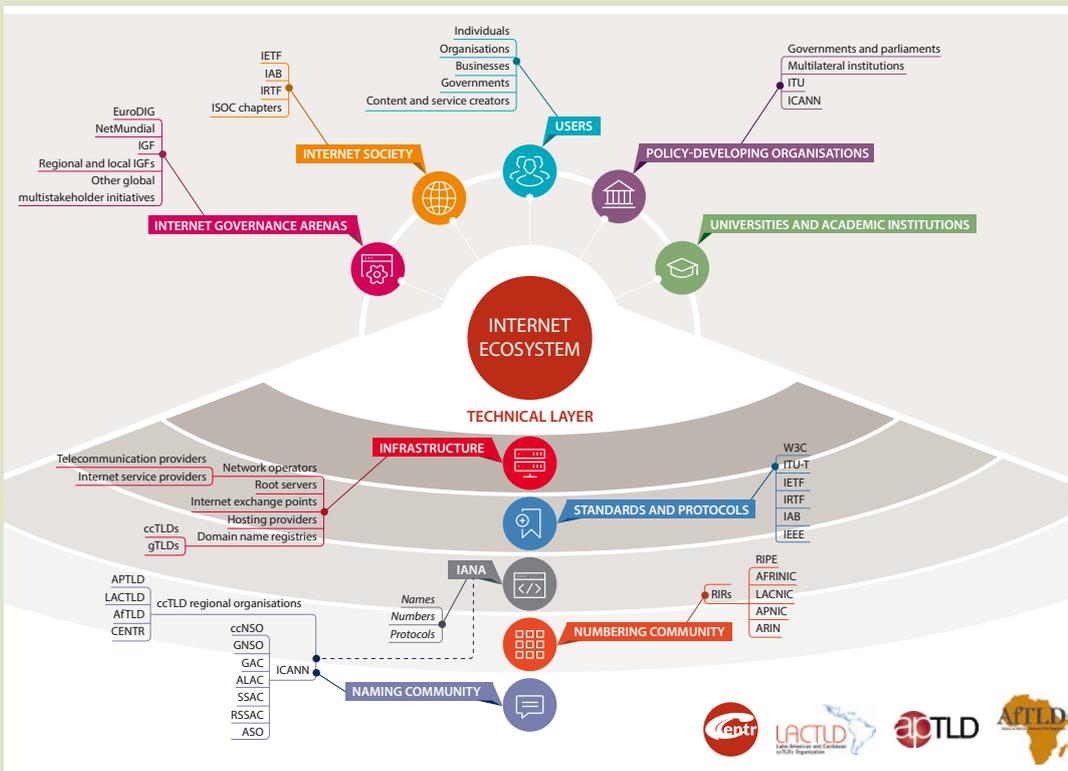
## Internet stakeholders and policy development for .ie

IEDR mirrors the international multi-stakeholder philosophy and principles within its structures and has adopted a bottom-up, consensus driven, and consultative approach to all .ie namespace policy matters. The 10-step Policy Development Process (PDP) was published in May 2012 and provides for the active participation and involvement of a Policy Advisory Committee (PAC). The mandate of the PAC is to advise the Board of the IEDR on matters of policy and its implementation, as set out in the PAC Terms of Reference.

## The legislative framework in Ireland

The legislative framework in Ireland is well developed. The Communications Regulation (Amendment) Act, 2007 came into force in 2007. This Act essentially transfers the powers previously available to the Minister for Communications under the Electronic Commerce Act, 2000 (but never exercised by him) to ComReg, with some limited but important amendments and additions.

As an input into the process of developing a regulatory framework for .ie, ComReg launched a public consultation process on the .ie namespace and published its formal Response to the Consultation Paper 08/48. ComReg's release stated that:



## Acronyms

- AFRINIC** Internet Numbers Registry for Africa
- AFTLD** African Top Level Domain Association
- ALAC** At-Large Advisory Committee
- APNIC** Asia Pacific Internet Address Registry
- APTLD** Asia Pacific Top Level Domain Name Association
- ARIN** American Registry for Internet Numbers
- ASO** Address Supporting Organization
- ccNSO** Country Code Names Supporting Organization
- ccTLD** country code top-level domain
- CENTR** Association of European ccTLD Registries
- EuroDIG** European Dialogue on Internet Governance
- GNSO** Generic Names Supporting Organization
- gTLD** generic top-level domain
- IAB** Internet Architecture Board
- IANA** Internet Assigned Numbers Authority
- IEEE** Institute of Electrical and Electronics Engineers
- IETF** Internet Engineering Task Force
- IGF** Internet Governance Forum
- IRTF** Internet Research Task Force
- ISOC** The Internet Society
- ITU** International Telecommunication Union
- ITU-T** ITU's Telecommunication Standardization Sector
- LACNIC** Latin American and Caribbean Internet Addresses Registry
- LACTLD** Latin American and Caribbean Association of ccTLDs
- NTIA** National Telecommunications and Information Administration, US Department of Commerce
- RIPE** Réseau IP Européens
- RIRs** Regional internet registries
- RSSAC** Root Server System Advisory Committee
- SSAC** Security and Stability Advisory Committee
- W3C** World Wide Web Consortium

- ▶ ComReg will, by way of regulation, appoint IEDR as the authority authorised to register .ie domain names in accordance with Section 32(4) (a) of the Act of 2007.
- ▶ IEDR will set up and maintain a Policy Advisory Committee representative of all stakeholders with a focus on more transparent policy development.
- ▶ IEDR will continue to adopt the “managed approach” to .ie registrations to ensure continued protection for .ie domain name holders and consumers.

In this context, IEDR looks forward to a continuing effective working relationship with ComReg.

## Internet Governance Forum (IGF)

The Internet Governance Forum (IGF) was established by the United Nations following the World Summit on the Information Society (WSIS) in 2006. Since then, it has become the leading global multi-stakeholder forum on public policy issues related to internet governance. Its mandate initially revolved around **1. Critical internet resources, 2. Access, 3. Diversity, 4. Openness and 5. Security.** It functions as an open, multi-stakeholder, consultative body with an interactive and participatory structure. It serves to bring people together from various stakeholder groups as equals, in discussions on public policy issues relating to the internet. While there is no negotiated outcome, the IGF informs and inspires those with policy-making power in both the public and private sectors.

The UN’s ten-year review of World Summit on Information Society (WSIS) concluded successfully with the adoption of the WSIS+10 Resolution on 16 December 2015. While WSIS+10 reached rough consensus on development, security, and human rights issues, there was no consensus on the topic of internet governance – as happened ten years ago at the WSIS Summit in Tunis. The main division between the inter-governmental and the multi-stakeholder approaches to internet governance remains alive. To address this division, WSIS+10 reaffirmed three core elements of the ‘Tunis compromise’:

First, it extended the IGF mandate for 10 years and reaffirmed its underlying architecture, meaning that internet governance is addressed under the UN umbrella, but in a multi-stakeholder manner. Second, it retained the roles and responsibilities of the stakeholders as outlined in the Tunis Agenda. Third, it maintained the element of ambiguity around an enhanced cooperation arrangement, which allows for different interpretations. A new element is the request for the strengthening of the IGF.

At the annual IGF meeting delegates discuss, exchange information and share good practices with each other. The IGF facilitates a common understanding of how to maximise internet opportunities and address risks and challenges that arise. The main theme of the 11th annual IGF meeting in Jalisco, Mexico in December 2016 was: ‘Enabling inclusive and sustainable growth’.

# Policy Development

Policy development for the .ie namespace follows a bottom-up, consensus driven and consultative approach, set out in IEDR's 10-step Policy Development Process (PDP).

In July 2014, IEDR established a Policy Advisory Committee (PAC) to consider and provide advice to the IEDR Board of Directors on policy change requests. The PAC operates under specific Terms of Reference and follows the PDP. The PAC considers all proposed policy change requests submitted for review, and where consensus exists, advises on the implementation of such policy change requests.

The members of the PAC are stakeholders with an interest in the .ie namespace and its policies. The membership includes representatives from eligible organisations, including the .ie accredited Registrars, the Department of Communications, Enterprise Ireland, the Irish Internet Association, the Small Firms Association, the Law Society, the Internet Service Providers Association of Ireland, the Department of Enterprise, the Irish Computer Society and the Association of Patent and Trademark Attorneys.

## PAC Operation and modus operandi

Throughout 2016, the PAC has maintained its cohesive working nature and has continued to experience strong levels of engagement since its inaugural meeting in 2015. The Committee met on three occasions during the year, continuing its engagement online through email mailing lists in the interim periods between meetings, to ensure that the review of the proposed policy changes maintained their momentum throughout the year. The PAC follows the principles of the PDP at all times and the multi-stakeholder membership of the committee takes a consensus-driven approach to issue resolution.

## Policy Change Requests

The following policy change requests were processed by the PAC in 2016:

- ▶ Introduction of Internationalised Domain Names (IDNs).
- ▶ Removal of the restriction on the re-sale of the right to use a .ie domain (Secondary Market).
- ▶ Permitting the registration of .ie domains that reflect geographical place names within the island of Ireland (Geographic Place Names).

- ▶ Permitting the registration of .ie domains that correspond to TLDs.
- ▶ Modifying the "Personal Name" Registration Policy with regard to applicants applying for .ie domains that include abbreviated forms of their first name.
- ▶ Removal of the restriction on the term "university" in .ie domain registrations.

The PAC worked diligently throughout 2016 to introduce a number of new enhancements to the .ie namespace. Notably, the PAC oversaw the policy change request to introduce one and two letter .ie domains, culminating with the General Availability phase in May of 2016. The PAC provided its formal recommendations for the implementation of the following policy change requests to the IEDR Board of Directors in 2016:

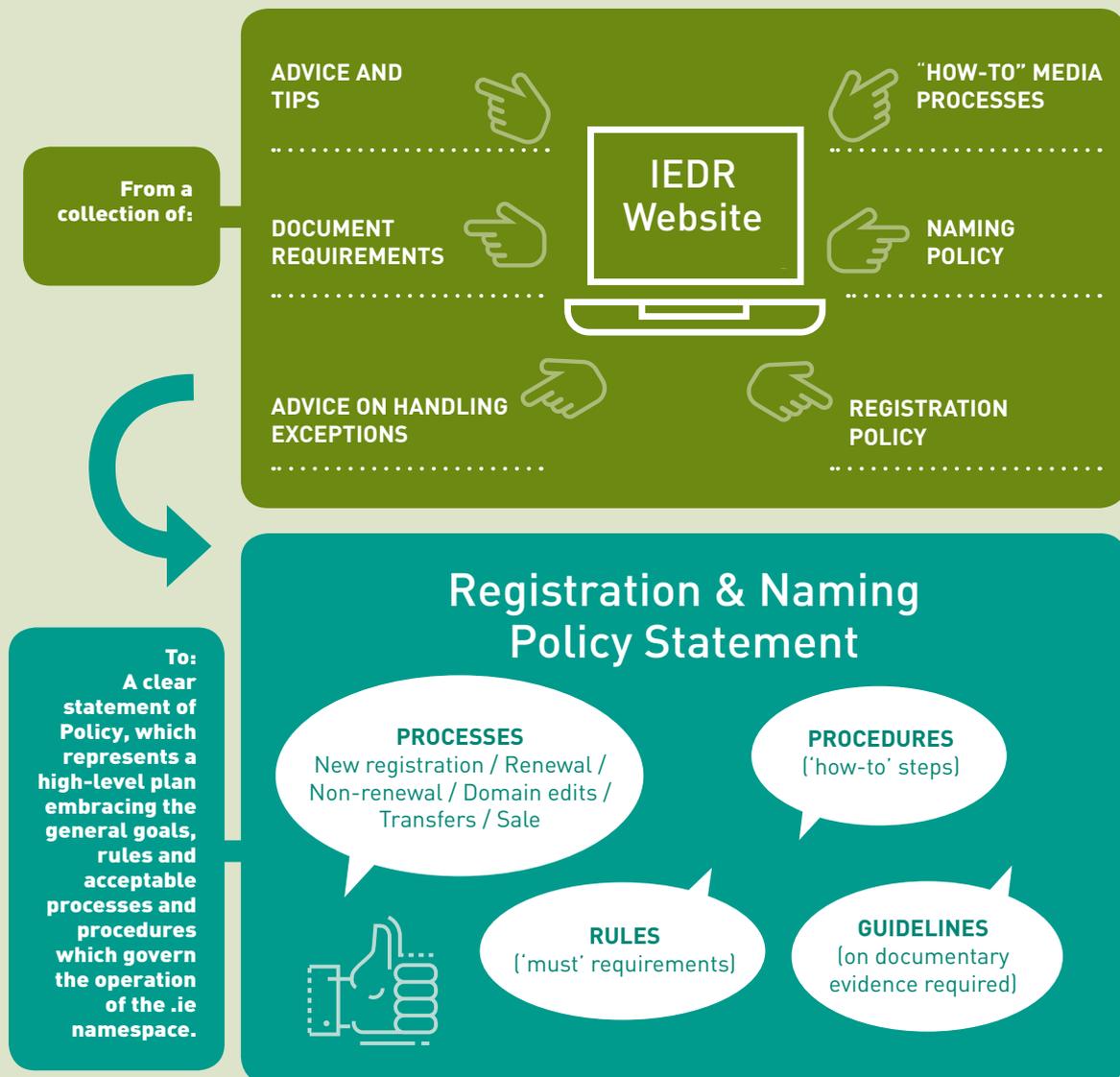
- ▶ **IDNs** – applicants can now apply for .ie domains that include the fada character (acute accent) on all vowels.
- ▶ **Secondary Market** – existing .ie registrants are now permitted to sell the right to use their .ie domain to another (eligible) party, allowing them to benefit from the intrinsic value of a .ie domain.
- ▶ **Geographic place names** – historically, the registration of .ie domains which corresponded to geographical place names in the island of Ireland has been reserved for Local Authorities and Government Bodies. This policy change removed this restriction, allowing all interested parties who meet the IEDR's registration criteria to hold such domains.
- ▶ **Fast track policy change requests to:**
  - Update section 8.1 of the Naming Policy to formally update the provisions to show that supporting information is accepted through electronic means and that this is the preferred means of receipt.*
  - Update section 8.2 of the Naming Policy to permit the submission of required supporting claim information in the remarks field of the electronic application ticket, or in the body of emails sent to the registry.*

- iii. *Updates to the IEDR Privacy Policy* to update terminology within the policy, and consider new provisions to address the upcoming new EU General Data Protection Regulation.
- iv. *Updates to the IEDR WHOIS Policy & Acceptable Use Policy* to permit the inclusion of Billing Contact information on the WHOIS search facility.

The Policy Advisory Committee reviewed a proposal to implement a revised framework for the Registration and Naming Policies. This framework was designed and developed during 2016 by the IEDR in response to a request from the PAC for the IEDR to formally

document and distinguish between policy, processes and procedures. In particular, the PAC indicated that it would be helpful to distinguish between authoritative policy, Plain-English versions, and perceived offline, common sense practices implemented by the IEDR Registration Services team. The proposal, referred to as the "PPPRG" project, was formally approved by the PAC at its first meeting of the year in January 2017. This is a transition to a clear statement of Policy, which represents a high-level plan embracing the general goals, rules and acceptable processes and procedures which govern the operation of the .ie namespace. Following a consultation period with channel partners, the new policy framework was formally adopted in March 2017.

The transition to a clear statement of policy can be represented as follows:



The Committee expects further achievements and milestones in 2017, as the PAC works to build on the particularly successful year of 2016.

## Valuing our customer

We put the needs of our customers first in everything we do.

Continuous improvement of customer service is a vital step in making .ie a domain that our customers value, appreciate and use.



# Internal Operations



**Identifiably Irish**  
Ireland's Domain Registry



**Front row, L-R:** Alan Finneran, Oonagh McCutcheon, Mick Begley, David Curtin, Patrick Bates. **Middle row, L-R:** Andrew Connolly, Sandra Santo, Paul Shortt, Robin Spiteri, Damian Byrne, Sarah Keegan, Melissa Nangle. **Back row, L-R:** Mario Kral, Mick Geraghty, Donal O Nuallain, Brian Taite, Jan Widel, Paul Duffy. Not pictured: Killian Byrne.

Based in Dun Laoghaire, Co. Dublin, IEDR has a total of twenty employees. This includes the CEO, David Curtin, who is supported by a management team of two: Customer Operations Manager, Oonagh McCutcheon and Technical Services Manager, Mick Begley.

## Customer Services Teams

While we are organised for functional excellence, IEDR operates a matrix organisation structure to ensure that all teams within IEDR are focussed in the direction of the customer. IEDR believes that this approach can deliver significant benefits to the Registry and its customers, including improved customer experience, consistent engagement with customers over time, and increased end-customer loyalty.

### Accounting and Finance

Three staff members make up the Finance Team (Patrick Bates – Financial Controller, Brian Taite – Customer Service Administrator and Melissa Nangle – Office Administrator). The Finance Team provides accounting services and financial support to the Company and its customers.

### Registration Services

The Registration Services Team has four staff members (Paul Shortt – RS Supervisor, Sarah Keegan, Sandra Santo and Damian Byrne – RS Administrators). The RS Team is responsible for ensuring that all .ie applications from potential registrants are authenticated with a real

and substantive connection with the island of Ireland and a valid claim to the name.

### Outreach and Promotion

Donal O Nuallain looks after the Company's outreach initiatives and works with our accredited Registrars on marketing and promotion of the .ie namespace.

### Business Development

Andrew Connolly works with our existing accredited Registrars on business development and growth opportunities. Alan Finneran looks after future business development, working on outreach and expanding the Registrar base.

### Technical Services Application Support and Development (ASD)

ASD has three staff members (Robin Spiteri, Mario Kral and Killian Byrne). ASD is responsible for the ongoing customer support of applications and tools and developing and implementing new or upgraded solutions for internal and external customers.

### Network Operations Centre (NOC)

The NOC Team has three staff members (Paul Duffy, Jan Widel and Mick Geraghty). NOC manages, controls and monitors IEDR's networks and infrastructure. The overall function is to maintain optimal network operations across a variety of platforms and communications channels.

# Frontline Customer Services

The Customer Services Team is responsible for authenticating the claim to the name and connection with the island of Ireland for all new .ie domain registrations. It also assists customers in managing their .ie domain portfolios by authorising domain modifications and ensuring the efficiency of IEDR's automated self-service systems. The team handled over 34,000 new registration requests during 2016.

IEDR operates a managed registry model whereby all new registrants must prove a claim to their desired domain name and a connection to Ireland. This model means that the Registry knows the details of who is behind each .ie domain registration and by extension each .ie website. This provides the .ie namespace with its integrity and makes .ie an identifiably Irish domain name. These policies contrast with other gTLD registry models like .com or .eu where no claim to the domain name is required or verified during registration.

These verification checks at the point of registration mean that the .ie namespace has fewer intellectual property disputes, less cybercrime or cybersquatting and minimal incidences of credit card fraud. There is also little evidence of illegal, explicit or immoral content appearing on .ie websites. IEDR co-operates fully with law enforcement agencies, regulatory bodies and the relevant authorities in these matters, in the public interest. The Company's managed registry model ensures that such interventions are minimal.

At the end of 2016 there were 221,871 .ie domains registered in total. The published database is 219,858 when unpublished suspended domains are excluded. This was a 5% increase compared to the total number of registered domains at the end of 2015, and a 43.2% increase since 2010.

34,615 new .ie domain were registered during 2016 – a 1.7% year on year decrease compared to 2015. Net additions (new .ie domain registrations less non-renewed .ie domain registrations) to the .ie database were also down, with 10,930 in 2016 compared to 12,929 in 2015, a year on year decrease of 15.5%.

## Who is registering .ie domains?

IEDR identifies the classification of all .ie registrants at the time of registration, which provides valuable information on who is registering .ie domains. At the end of 2016, 78% all .ie domains were registered by corporate bodies (e.g. public or private companies) or sole traders.

The .ie database records information on the different domain names being registered. All registrations are broken down into eight different registrant classes and eleven different categories of domain names. Chart 1 represents the class of registrant and indicates that the business sector continues to be the largest class of registrant with body corporates at 54.46% (2015 – 54.34%) and sole traders at 23.47% (2015 – 24.09%).

## Geographical analysis of the .ie database

The total number of registered .ie domains to addresses on the island of Ireland at the end of 2016 stood at 201,358 – a 5.11% increase from the total at the end of 2015, and accounting for just under 91% of all registered .ie domains.

Of those domains registered to addresses on the island of Ireland, 98.4% are to addresses in Ireland, with 1.6% registered to addresses in Northern Ireland. This is despite the fact that Northern Ireland accounts for over 28% of the island's population and could be attributed to the fact that the .co.uk extension is the dominant extension in this jurisdiction.

The total number of registered .ie domains to addresses outside of the island of Ireland at the end of 2016 stood at 20,513 – a 6.5% increase from the total at the end of 2015, and accounting for 9.25% of all registered .ie domains.

New registrations from addresses outside of Ireland numbered 2,390, a 4% increase in 2015's figures, and accounting for just under 7% of all new registrations.

Chart 3 provides a breakdown of the locations from which .ie domains are registered. Unsurprisingly, 90.75% of .ie domains are registered to the island of Ireland.

Chart 4 analyses the .ie database on a county by county basis showing the total number of domains per county, the percentage split of the total .ie database and the number of domains per 1,000 population. The Domain Profile Report published by IEDR in January 2017 provides additional analysis.

Dublin has the highest number of .ie domain registrations at 94,224, representing 47% of the .ie database, despite only accounting for 28% of the population of the island of Ireland. Cork is the second highest with 17,192 or 8.5%, which is more in line with its population, which accounts for 11% of the island's population. In terms of domains per 1,000 population, Dublin leads the way with 70, followed by Carlow with 55, Wicklow with 49 and Kildare with 39.

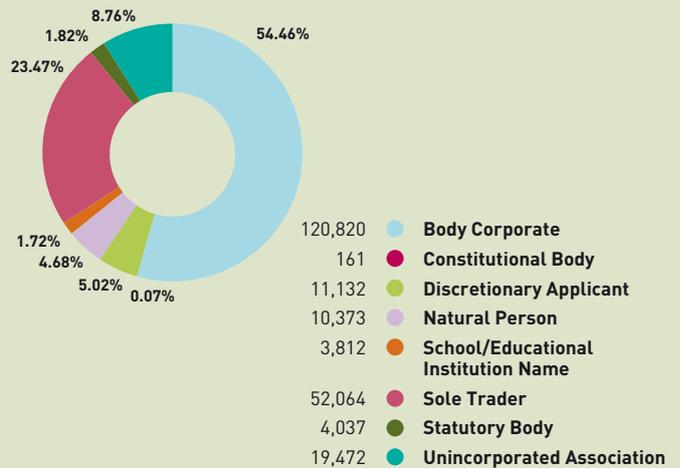
### .ie accredited Registrar community

An accredited .ie Registrar is a company authorised by IEDR to act as an agent on behalf of registrants (customers) who need a .ie website and/or email address. They are usually hosting providers who operate across a number of different business sectors, offering a wide range of services to their target markets. Most accredited Registrars will offer .ie domains as part of a bundle of services (hosting, email, storage, website builder etc.) usually for an ongoing monthly fee. Links to many of our accredited .ie Registrars' websites can be found on the IEDR website at <https://www.iedr.ie/register-a-domain/accredited-registrar-list/>.

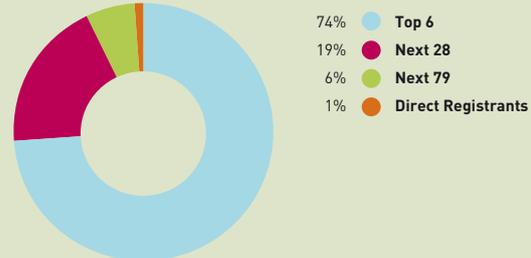
At the end of 2016, IEDR had 113 accredited Registrars, who account for 98.9% of all domain names registered in the database (Chart 2). The top 6 accredited Registrars (those with a portfolio of more than 10,000 domains) and the top 34 (those with more than 500 domains) account for 74% and 93% respectively of the entire .ie database.

Direct registrants (those customers who do not register via an accredited Registrar) account for only 1.1% of the database. 34,615 new .ie domains were registered in 2016 and the Registrar community generated over 99% of these registrations with the top 5 Registrars accounting for 28,037 (81%).

**Chart 1: Total .ie domains registered at 31 December 2016 by class of registrant**



**Chart 2: Accredited Registrars – concentration of market share December 2016**



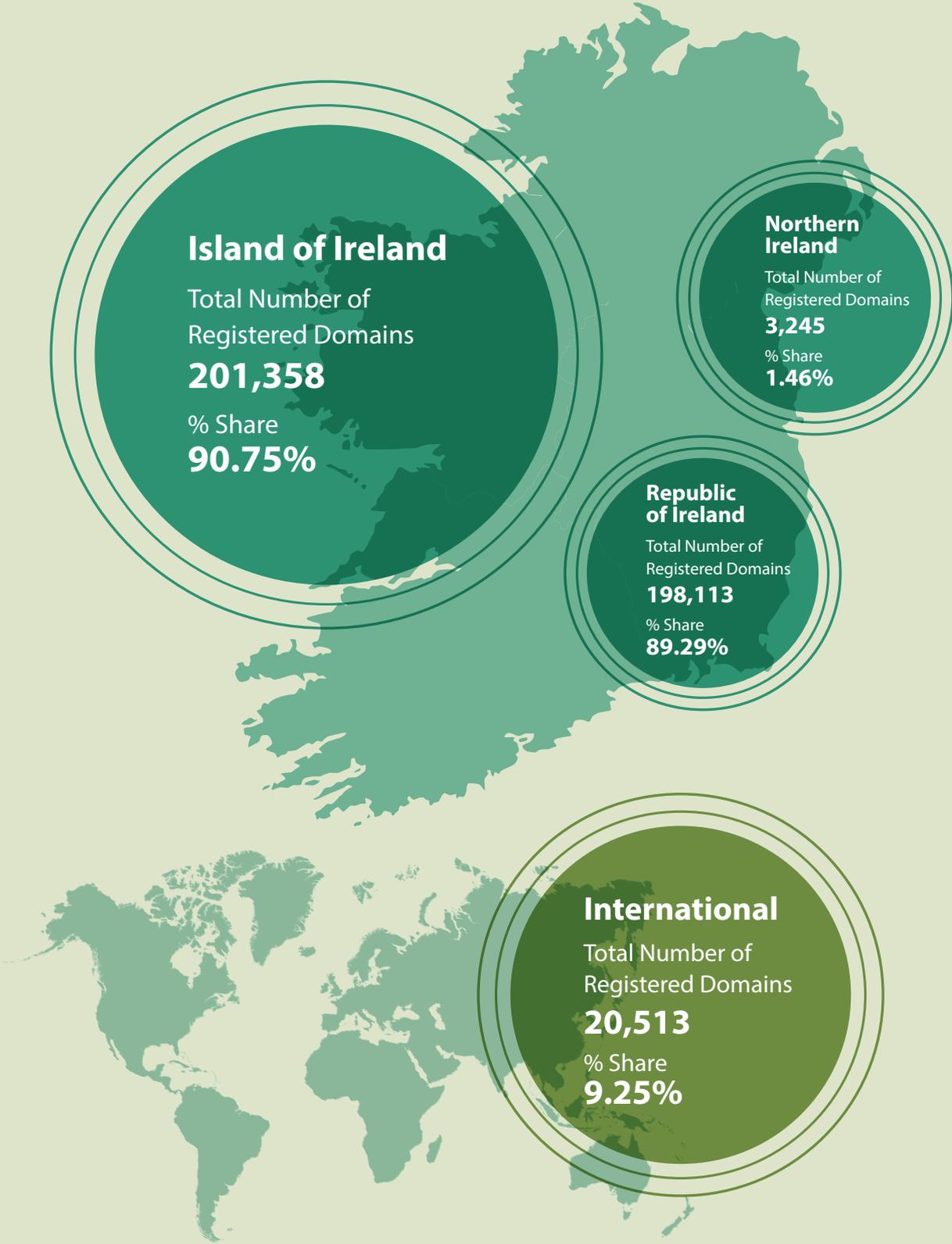
### International Market Review

There are more than 240 country code top-level domain extensions (ccTLDs) worldwide, including .ie. Compared to 22 other European countries, Ireland ranks joint 18th with France for the number of country code domains per 1,000 people, with 47.

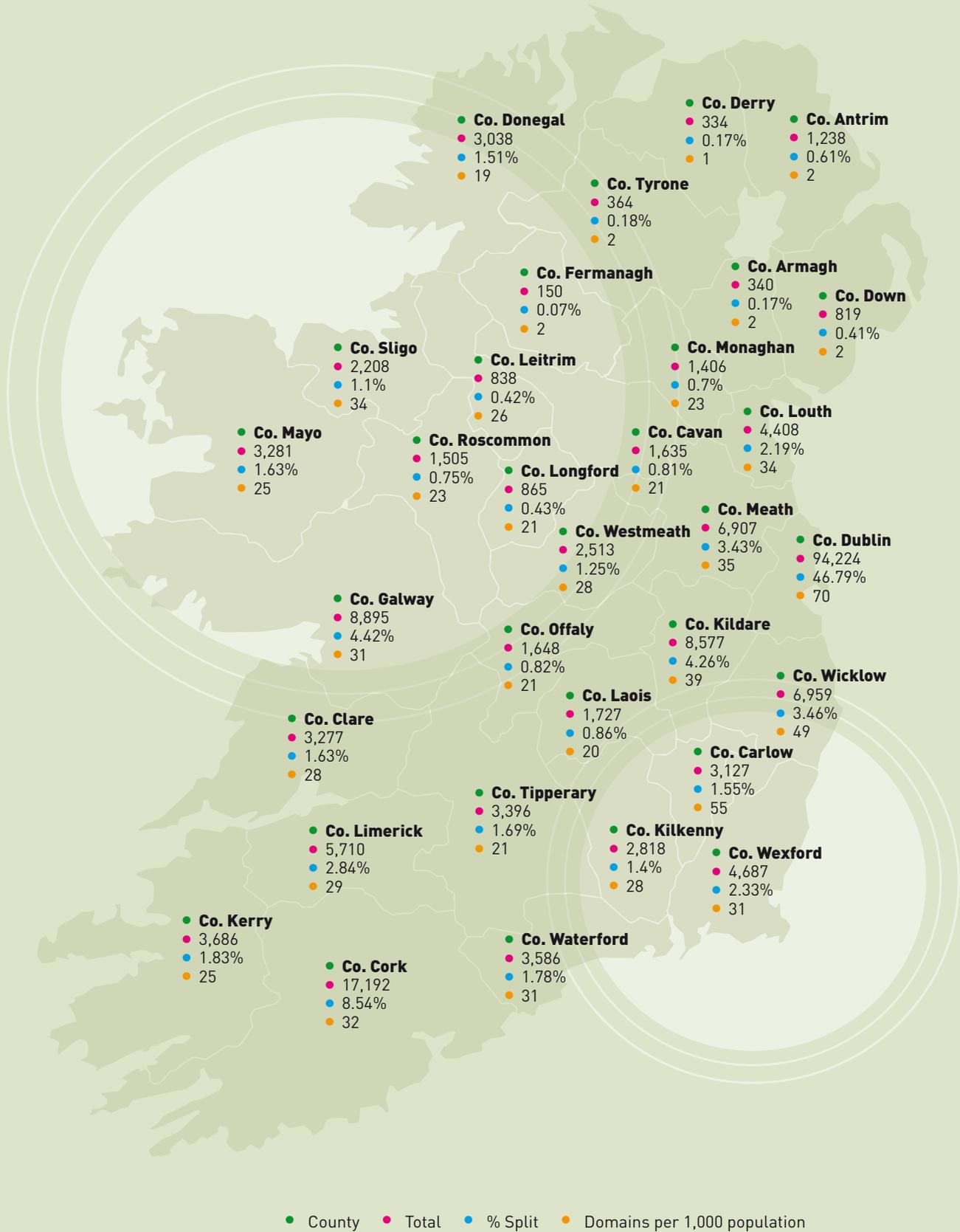
Using this metric, Ireland ranks ahead of, or is comparable to, European countries with larger populations, including Spain (40 .es domains per 1,000 people), Russia (38 .ru domains) and Greece (35 .gr domains).

However, Ireland also ranks behind several European countries with smaller or similar populations, including Denmark (233 .dk domains), Norway (136 .no domains) and Lithuania (63 .lt domains). Our nearest neighbours in the UK have 163 .uk domains per 1,000 people.

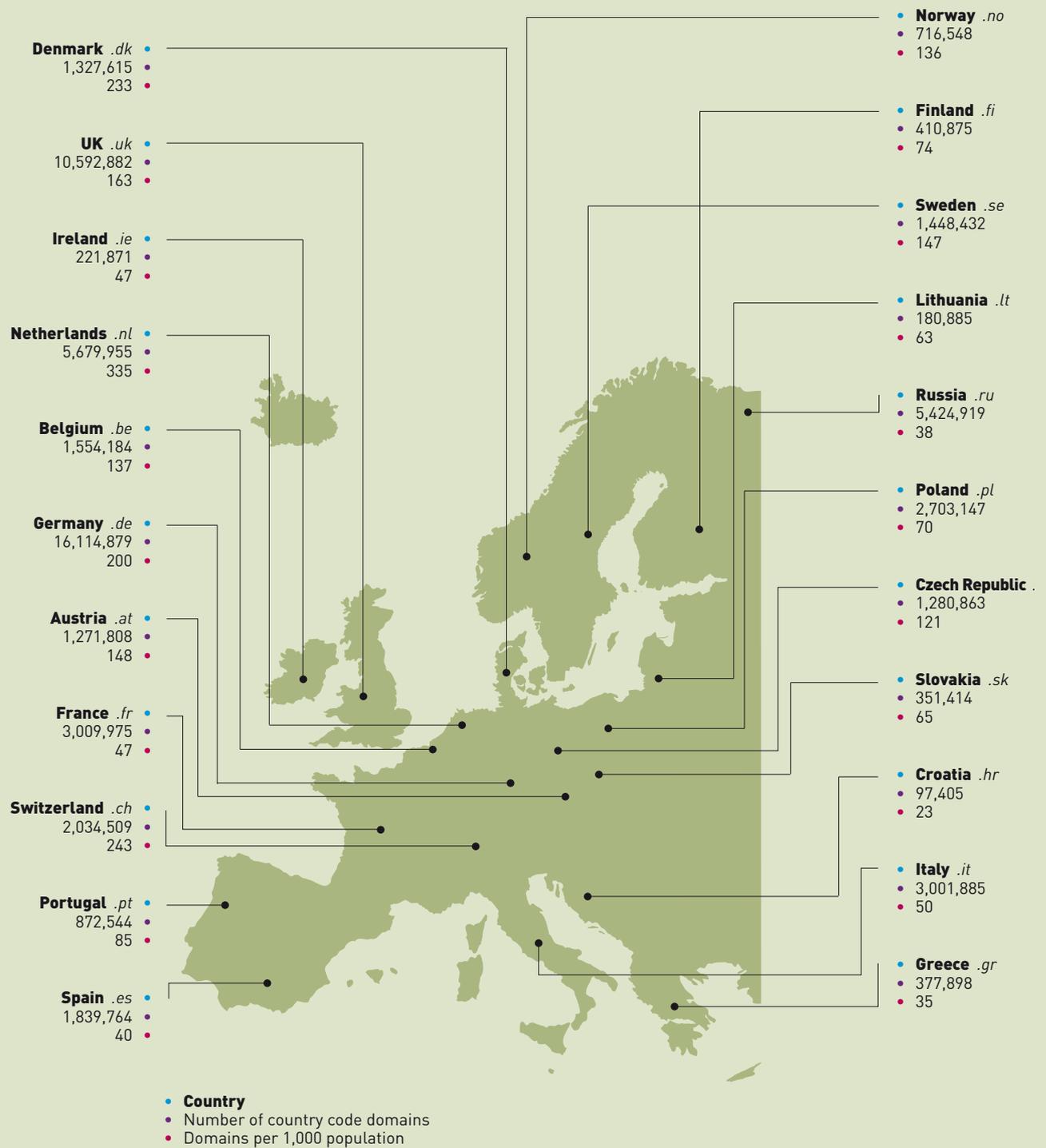
**Chart 3: Location breakdown of the .ie database**



**Chart 4: County profile of .ie registrations**



**Chart 5: International ccTLD – registrations by country and domains per 1,000 population**



Source: Council of European National Top Level Domain Registries ([www.centr.org](http://www.centr.org))

# Accredited Registrars

Accredited Registrars are a key part of the service delivery process.

Irish consumers and businesses can choose from over 100 accredited Registrars, many of whom are listed on the IEDR website:



## Supporting Irish SMEs

SMEs are the backbone  
of the Irish economy.

We provide them with a stable and  
secure domain name which acts as  
the identifiably Irish springboard  
for their digital business.



# Partners in Keeping Ireland Online

*IEDR works closely with key stakeholders and partners in keeping Ireland online*



## HEAnet

HEAnet is Ireland's National Education and Research Network, providing high quality internet services to Irish Universities, Institutes of Technology and the research and educational community. HEAnet provides a high-speed national network with direct connectivity for its community to other networks in Ireland, Europe, the USA and the rest of the world. Established in 1984 to promote the interchange of information electronically within third level education, HEAnet plays a critical role in establishing Ireland as a global centre of excellence in internet activity.

## INEX

Founded in 1996, INEX is a neutral, industry-owned association that provides IP peering facilities for its members. INEX's objective is to provide high-speed, reliable and resilient IP traffic exchange facilities for both Irish and international organisations, allowing them to route IP traffic efficiently thereby providing faster, more reliable and lower-latency internet access for their customers. The INEX switching centres are located in five secure data centres in Dublin. The switches are connected by dedicated resilient fibre links.

## IIA

The Irish Internet Association is the professional body for those conducting business via the internet from Ireland. It has been, and remains, one of the driving forces behind the adoption of the medium. Established in 1997, the IIA provides leadership to enterprises conducting business in Ireland. The IIA is a strong voice for its company members which includes those using the medium for communication, marketing and commerce. The aim of the IIA is "to connect, inform and promote". At their AGM in late 2016 IIA members voted to conduct a business analysis of the Association's mission, vision and strategic objectives.

## DNS-OARC

The DNS Operations, Analysis, and Research Center (DNS-OARC) brings together key operators, implementers, and researchers on a trusted platform so they can coordinate responses to attacks and other concerns, share information and learn together. DNS-OARC has five key functions: information sharing, operational characterisation, holding workshops, analysis, and providing tools and DNS services. DNS-OARC members include TLD operators, implementers such as ISC (BIND), NL NetLabs, researchers and security organisations.

## ComReg

ComReg is the statutory body responsible for the regulation of the electronic communications sector and the postal sector. It is the national regulatory authority for these sectors in accordance with EU law which is subsequently transposed into Irish legislation. ComReg is responsible for promoting competition, protecting consumers and encouraging innovation. It was given regulatory responsibility for the .ie namespace in 2007 when the Oireachtas transferred powers which the Minister for Communications had previously obtained under the E-Commerce Act in 2000.

# Technical Services Review

The main focus for the Technical Services Team in 2016 was to ensure the resilience of networks and infrastructure in the face of global DDoS attacks and hacking exploits and to prevent unauthorised access to business applications. Major projects included database normalisation and facilitating the introduction of a secondary market for .ie domain names.

## Facing up to security and stability challenges in 2016

One of the key objectives for the Company's Technical Services Team is to align our systems, controls and procedures with those of the ISO27001 standard. This alignment ensures that the Company adopts best practice methodologies and provides an effective management system that will enhance stakeholder confidence when assessing the Company's ability to adequately protect its information assets. We continued with this work through 2016.

IEDR's two factor authentication system (2FA) controls access to our web-based console to ensure better protection for customers. A two-factor system requires a PIN as well as a login password, similar to that used by many online banking systems. While the 2FA service is enabled by default, not all customers choose to use this, and many opt-out, believing that the security benefits do not outweigh the perceived inconvenience.

IEDR works with fellow ccTLDs and security professionals in our network to ensure that we are maintaining best practice tools to protect our network of .ie websites from external attacks. We also work to keep our customers informed of any new attack vectors that we encounter. Because IEDR has strict verification procedures in place to register domains, the risk of abuse of domain technology is reduced. We also work closely with our CENTR partners who monitor for bots that are part of ransomware or DDoS attack vectors.

There was an increase in global DDoS attacks and an escalation in reported hacking incidents worldwide during 2016. The threat for a registrar, or a registry such as IEDR, is that hackers may attempt to use it as a conduit to repoint the DNS of an established brand's website at a hacked site, to cause malicious,

financial or reputational damage to the brand. Our responses included the rollout of a new mesh network and the installation of tools to redirect DDoS traffic.

Ransomware increased exponentially in 2016. Ransomware is a type of malicious software that is typically sent hidden in an email. When opened, the user's system will be encrypted preventing access to information on the computer. The only way to retrieve information is to pay a fee to have the system decrypted.

## Future challenges for the international internet technical community

The Safe Harbor agreement, a transatlantic data agreement which allowed European citizen's data to be transferred to the US, was declared invalid by the European Court of Justice. This continues to have a knock-on effect on cloud services and/or social networks which currently send customer data back to servers in the US. The Privacy Shield was an agreed interim measure and discussions between the EU and the US continued through 2016 to monitor its efficacy and potentially identify alternative solutions. IEDR, together with channel partners, continues to monitor developments.

## High availability .ie systems and services

The Technical Services Team manages and maintains the Company's high availability systems and infrastructure, spread across four sites; two data centres (Interxion and Equinix), a business continuity recovery site and the Company's headquarters in Dublin. We continue to optimise our network across our datacentres to ensure its resilience.

We are continually improving our systems and through 2016 we completed two major releases to deliver new features/products and bug fixes. These releases facilitated secondary market operations and database normalisation. Each release was planned with our customers and each was executed within agreed downtime parameters. We also completed our quarterly software patching routines with no downtime.

Our API customer base grew consistently through 2016 to 24 Registrars; this automated solution allows our Registrars to provide a faster customer experience to their customers.

## Products and services

Recent policy changes in the .ie namespace have extended the range of products and services offered by the registry. Technical systems have been upgraded to provide and support these new services. IDNs or Internationalised Domain Names – allow Irish fadas within the domain name – for example, www.éire.ie, which is depicted in the database as xn--ire-9la.ie.

To combat DNS Poisoning (whereby a hacker re-points a website at a fraudulent site) we offer a Registry Lock product. This allows a website owner to lock-down changes to their domain. Registry Lock prevents unauthorised or unintended DNS updates, account information updates or transfers. A user-specific passphrase, from an authorised user, must be provided by phone, in order to give effect to intended changes.

We also are continuing to support DNSSEC across our customer base. This is an extra level of DNS security that creates a “chain of trust” between zones to ensure that a customer is actually going to the website they want. DNSSEC therefore prevents “man in the middle” attacks. IEDR is committed to the development and adoption of DNSSEC. We offer a test environment for partners to test DNSSEC enabled zone files before publishing them. We use the opportunity at seminars to increase the awareness and adoption of DNSSEC and remain available to help users to digitally sign their domains.

During 2016, we completed work on a new tool called “iEncrypt”. This tool allows a technician to setup a new website with automated inclusion of ssl certification and DNSSEC, thereby reducing complexity and speeding up the secure registration. In collaboration with a team at Trinity College Dublin, we designed the tool and presented a working demo at the ICANN event in Dublin in 2015.

IEDR continued its collaboration efforts with various internet stakeholders through the membership of organisations such as the DNS-OARC (DNS Operations, Analysis and Research Centre) group. This group brings together members from the major internet DNS operators, including ICANN and Verisign, implementers and researchers in order to coordinate responses to attacks, share critical information and engage in discussion and analysis. Staff are also actively engaged with the Irish Reporting and Information Security Service (IRISS), the Irish Neutral Internet Exchange (INEX), RIPE, CENTR and others. The team actively participated in international industry events such as CENTR meetings (Technical, Security and R&D), RIPE and ICANN during the year.

## The .ie DNS infrastructure

The IEDR Domain Name System (DNS) infrastructure consists of a network of nameserver locations around the globe, illustrated in Diagram 1. The lookup or resolution service for .ie domain queries is performed at all nameserver locations. A critical component of this nameserver infrastructure is the use of ‘Anycast’ load balancing technology provided to IEDR by the secondary nameserver service providers. This ‘Anycast’ facility (illustrated in red/blue text, in Diagram 1) protects against a Denial of Service attack (DDoS attack) by allowing the geographical distribution of .ie domain lookup requests to any available DNS resolver for redundancy. This effectively distributes requests to a given location locally. For the .ie namespace, this means increased system efficiency, faster response times, reduced potential for outages, and increased resilience against deliberate or malicious attacks.

It is important to note that even if IEDR’s physical locations, staff and primary nameserver were wiped out (an unlikely scenario) and no action was taken to invoke emergency plans (an even more unlikely scenario), then service to .ie domains would continue for a minimum of 30 days without any intervention. Obviously, new registrations, changes and deletions would not take place but crucially, existing domain holders’ websites and email would continue to function normally during this time, using the secondary nameserver locations around the world.

## Diagram 1: Security and stability

Nameserver network





**DYN'S NETWORK**

*e.ns.ie*

*f.ns.ie*

**Canada**

Toronto: Canada

**South America**

Sao Paulo: Brazil

**United States**

El Paso: TX

Los Angeles: CA

Nogales: AZ

North Bergen: NJ

Dallas: TX

Miami: FL

Sunnyvale: CA

Washington DC: VA

**Europe**

Amsterdam: Netherlands

Dublin: Ireland

Frankfurt: Germany

London: United Kingdom

Warsaw: Poland

**Africa**

Cape Town: South Africa

Durban: South Africa

Johannesburg: South Africa

**Middle East/Asia**

Hong Kong: China

Singapore: Malaysia

# Outreach and Promotion Review

IEDR's Outreach and Promotions programme continued to support its stakeholders and the internet community in Ireland throughout 2016. A range of initiatives and sponsorships were specifically designed to promote the benefits of the .ie namespace and encourage internet usage and uptake.

## **.ie Awareness integrated media campaign**

In order to achieve our key objective of raising brand awareness of .ie domain names amongst small and micro Irish businesses, IEDR ran print and radio advertising campaigns in the first and third quarters of 2016. The campaigns had three main objectives:

- ▶ To create awareness of the .ie brand amongst SMEs and micro businesses and position .ie as the domain of choice for Irish business and consumers.
- ▶ To articulate the value of .ie domains to influencers in the domain decision process.
- ▶ To demonstrate the value of .ie domains to Registrars of .ie domains and their resellers.

## **IEDR Co-Funded Marketing Programme**

In 2012, IEDR established a Co-Funded Marketing Programme (CFMP) for our .ie accredited Registrars. The purpose of the Programme is to promote awareness, stimulate registration growth and encourage renewals of .ie domain names. The CFMP, in partnership with our Registrars, supports one of IEDR's key objectives of raising awareness about the importance of having an identifiably Irish online presence.

IEDR continued to offer the CFMP throughout 2016. The programme supported a wide range of Registrar marketing initiatives including radio commercials, printed advertisements, direct mail campaigns, social media advertising and industry events. Registrars who participated in the 2016 Programme reported positive results with increased traffic directed to their websites and an increase in their .ie registrations and renewal rates.

## **Supporting the internet community in Ireland**

Throughout 2016, IEDR continued to support the internet community in Ireland with a range of initiatives and sponsorships designed to promote the .ie domain name and to encourage internet usage.

IEDR was the headline sponsor of the Irish internet Association's 2016 dot ie Net Visionary Awards and contributed to other industry events, including the BT Young Scientist and Technology Exhibition, Digital Media Awards, Small Firms Association (SFA) Awards, Web Awards, SME Awards, Start-up Awards and Digital DNA.

Additionally, IEDR continued to build and strengthen relationships with key SME and micro-enterprise representative bodies such as the Local Enterprise Offices, Chambers Ireland, the SFA and Startup Ireland. By working with these groups, IEDR can engage with their networks to promote the usage and uptake of .ie domains amongst their members.

## **OPTIMISE – the IEDR e-Commerce Website Development Fund**

Research undertaken by IEDR into Irish Small and Medium Enterprises (SMEs) and micro-enterprises' online presence and e-commerce capabilities found that the vast majority of companies are not fully utilising the internet or online sales opportunities. Some of the key issues facing Irish SMEs and micro enterprises are a lack of resources and a lack of knowledge about using online methods to help grow their business.

In response, IEDR set up OPTIMISE – the IEDR e-Commerce Website Development Fund in 2011. The Fund was created to provide Irish SMEs and micro enterprises with professional consultation, practical training and e-commerce tool development services. To date, OPTIMISE has worked shoulder-to-shoulder

**Tell the world you're Irish.**

**Register your business as .ie**  
Ireland's official web address.

Tell the world your business is Irish, and tell Irish people your business is local.

- Guaranteed Irish - Proves true connection to Ireland
- Safety - One of the world's safest web addresses

visit [www.iedr.ie](http://www.iedr.ie)

**Identifiably Irish**  
Ireland's Domain Registry

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**Identifiably Irish**  
Ireland's Domain Registry

with 90 companies to enable them to make greater use of existing web technologies and e-commerce enabled websites to grow their existing business via the internet.

In 2016, the Fund was awarded to 15 Irish SMEs and micro enterprises. The independent judging panel selected a shortlist of 30 companies and from this 10 winners were chosen by a public vote with the remaining five winners being selected by the judges. The 15 winners each received a tailored programme of consultancy, training and web development services which provided them with the e-tools and know-how to 'optimise' their online presence, hence positioning them for future growth via online sales. The winners were also provided with a series of masterclasses focussed on areas such as mobile marketing, online advertising, online purchasing behaviour and email marketing.

IEDR worked closely with its selected partners (Matrix Internet, a leading online strategy development and implementation company, and Software Design, a company dedicated to the provision of professional software and development services) who administer and implement the service requirements of the OPTIMISE Fund on behalf of IEDR. For more information on the OPTIMISE Fund please visit [www.iedr.ie/optimize/](http://www.iedr.ie/optimize/).

## The dot ie Digital Health Index and Domain Profile Report

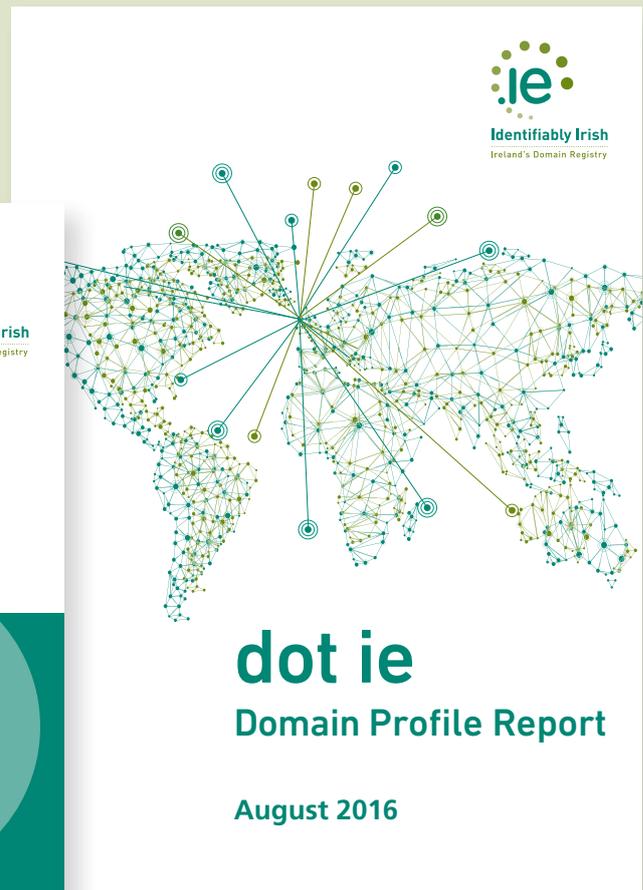
2016 also saw the publication of two key reports by the IEDR – the dot ie Digital Health Index and the Domain Profile Report. The Domain Profile Report illustrates the key trends and statistics in .ie domain registrations over time and examines the entire database of .ie domains while also measuring the growth in registrations at regional and county levels over time.

The Digital Health Index is calculated from research data collected from multiple surveys of Irish SMEs and micro enterprises and investigates and analyses the digital assets owned and used by Irish businesses.

The research also investigates digital health in key areas, such as the capability of SME websites; SMEs' use of social media; SMEs' attitudes to web development and professional web developers; SMEs' perception of their competitors and their use of digital assets; and, the ongoing issue of offline SMEs. The October 2016 Index found that while SMEs have improved their digital offerings in some areas, like social media, there is still plenty of work to be done to encourage SMEs to make the easy leap online and e-commerce enable their websites.



The dot ie Digital Health Index investigates and analyses the digital assets owned and used by Irish businesses.



The dot ie Domain Profile Report illustrates the key trends and statistics in .ie domain registrations and the entire .ie database over time.



AJ Noonan, Chairman, SFA, and winners of the Emerging New Business Category Bernie Kinsella from WorldBox.ie, Robert Kelly from VideoDoc, Claire Kelly from THEYA, Wayne O'Sullivan from DentPro, Cariosa Sullivan from Able Table with David Curtin, IEDR at the SFA National Small Business Awards, March 2016.



Shane Curran winner of the BT Young Scientist IEDR Special Award, and winner of the overall BT Young Scientist 2016 for his project 'qCrypt: The quantum secure, encrypted, data storage solution with multi-jurisdictional quorum sharding technology' with David Curtin, IEDR at the BT Young Scientist & Technology Exhibition, January 2016.

# dot ie Digital Health Index



Identifiably Irish  
Ireland's Domain Registry

The dot ie Digital Health Index has decreased to:



The number of SMEs without an online presence is increasing.

1 in 5 Irish SMEs (22%) are now offline, up from 1 in 6 (17%)

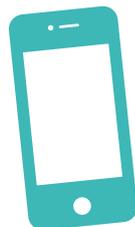


49% of Irish SMEs say that they proactively post to social media



The average SME spends 25 minutes each day on its social media pages

SMEs recognise their customers desire to use mobile with 53% currently having mobile responsive websites



4 in 5 Irish consumers intend to shop online this Christmas.

Just 1 in 5 Irish SMEs have web sales ability, despite Irish consumers spending €9 billion online<sup>1</sup>



<sup>1</sup> Source: Retail Excellence Ireland Budget 2017 Submission.



62% of Irish SMEs have used a paid web developer with 84% rating their web developers' professionalism as "good" or "excellent"

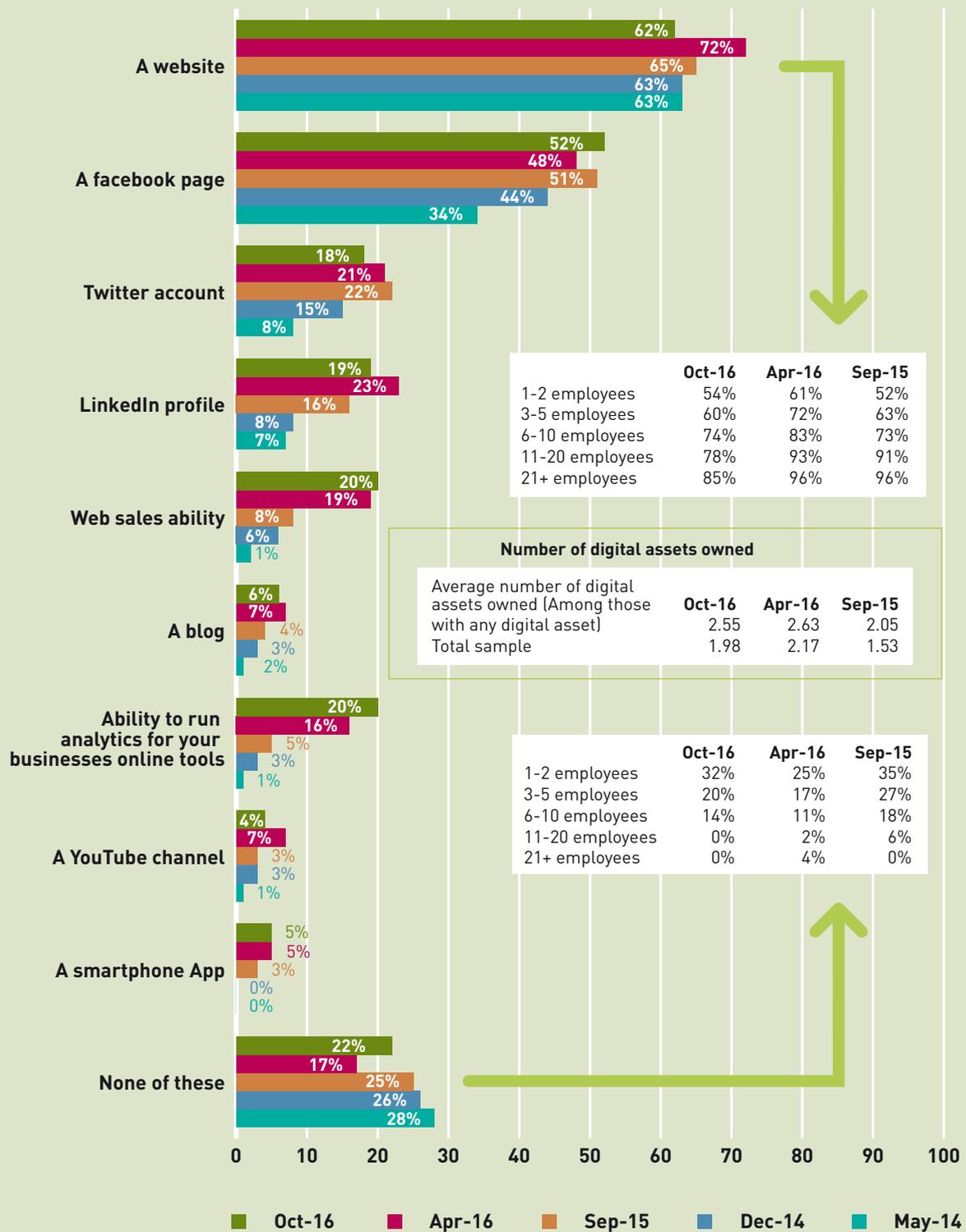
Irish consumers spend over €9 billion<sup>1</sup> online but only 32% of SME websites can take sales orders online and only 28% can process payments online.



<sup>1</sup> Source: Visa Europe Irish Consumer Spending Index, Feb 2016.

### Chart 6: Breakdown of the digital assets owned by Irish SMEs

500 SMEs were asked 'which of the following does your business have?'



Base: 500; All companies [October 2016]

Some of the key findings of the dot.ie Digital Health Index research are contained in the preceding infographic and in Chart 6 above, which provides a breakdown of the digital assets owned by Irish SMEs across five waves of research conducted in May 2014, December 2014, September 2015, April 2016 and October 2016.



## Our flagship research

Our dot.ie Digital Health Index helps decision and policy makers to better understand how Irish businesses use the internet.

# Five Year Summary

Extract from the audited Financial Statements (financial figures only)

<b>Profit and Loss</b>	<b>Year to 31 Dec 2016 €</b>	<b>Year to 31 Dec 2015 €</b>	<b>Year to 31 Dec 2014 €</b>	<b>Year to 31 Dec 2013 €</b>	<b>Year to 31 Dec 2012 €</b>
<b>Registration Revenue</b>	<b>3,030,258</b>	2,859,722	2,723,983	2,587,526	2,603,799
Administration expenses	<b>(1,727,851)</b>	(1,706,923)	(1,204,141)	(991,860)	(1,243,677)
Employment costs	<b>(1,344,439)</b>	(1,462,973)	(1,334,870)	(1,274,261)	(1,199,101)
Depreciation	<b>(157,282)</b>	(206,908)	(175,108)	(190,406)	(89,683)
Regulatory costs	<b>0</b>	0	0	0	0
<b>Operating (loss)/profit</b>	<b>(199,314)</b>	(517,082)	9,864	130,999	71,338
Financial investment uplift/impairment	<b>85,274</b>	80,941	83,078	144,504	142,984
Profit on sale of financial investment	<b>0</b>	0	132,358	-	-
Interest income	<b>10,709</b>	21,444	30,741	59,674	106,384
Interest payable	<b>0</b>	0	0	0	0
Taxation	<b>(23,188)</b>	25,386	(60,000)	(36,000)	(38,000)
<b>(Loss)/profit after taxation</b>	<b>(126,519)</b>	(389,311)	196,041	299,177	282,706

<b>Balance Sheet</b>	<b>At 31 Dec 2016 €</b>	<b>At 31 Dec 2015 €</b>	<b>At 31 Dec 2014 €</b>	<b>At 31 Dec 2013 €</b>	<b>At 31 Dec 2012 €</b>
Fixed Assets	<b>164,039</b>	163,762	181,141	199,451	148,043
Investments	<b>3,245,089</b>	3,159,815	3,078,874	1,940,089	1,795,585
Current Assets	<b>3,139,923</b>	2,801,697	3,272,788	4,077,512	3,689,614
Creditors <1 year, excluding Deferred Income	<b>(874,362)</b>	(437,514)	(592,383)	(645,586)	(629,491)
Deferred Income	<b>(2,049,351)</b>	(1,970,724)	(1,834,073)	(1,661,160)	(1,392,622)
Creditors >1 year	<b>(34,821)</b>	0	0	0	0
<b>Members' Funds</b>	<b>3,590,517</b>	3,717,036	4,106,347	3,910,306	3,611,129

<b>5 Year Summary – Registration Growth</b>	<b>Year to 31 Dec 2016</b>	<b>Year to 31 Dec 2015</b>	<b>Year to 31 Dec 2014</b>	<b>Year to 31 Dec 2013</b>	<b>Year to 31 Dec 2012</b>
<b>At 1 January</b>	<b>208,928</b>	195,999	187,269	182,284	173,145
New Registrations	<b>34,615</b>	35,225	31,072	32,154	33,484
Less: Deletions/Non-renewals	<b>(23,685)</b>	(22,296)	(22,342)	(27,169)	(24,345)
<b>Net Additions</b>	<b>10,930</b>	12,929	8,730	4,985	9,139
<b>At 31 December</b>	<b>219,858</b>	208,928	195,999	187,269	182,284
Net Growth in year	<b>5.2%</b>	6.6%	4.7%	2.7%	5.3%
New Reg Growth	<b>16.6%</b>	18.0%	16.6%	17.6%	19.3%
Deletion rate	<b>(11.3%)</b>	(11.4%)	(11.9%)	(14.9%)	(14.1%)

# Financial Statements

*for the financial year ended 31 December 2016*

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# Company Information

## Directors

Professor J.O. Scanlan (Chairman)  
Ms. Frances M. Buggy  
Mr. Eamonn Ceannt  
(appointed 10 February 2017)  
Mr. Mark Dobbyn  
(resigned 10 February 2017)  
Dr. Patrick Frain  
Mr. Jim Joyce (appointed 1 January 2016)  
Dr. Canice Lambe  
Mr. Kevin McCarthy  
Mr. Fergal O'Byrne

## Secretary

Mr. Jim Joyce

## Company Number

315315

## Registered Office

4th Floor, Harbour Square  
Dun Laoghaire, Co. Dublin

## Auditors

### BDO

Beaux Lane House  
Mercer Street Lower, Dublin 2

## Bankers

### Bank of Ireland

Montrose, Dublin 4

### KBC Bank

Sandwith Street, Dublin 2

### Rabodirect

2 George's Dock, Dublin 1

## Solicitors

### Arthur Cox

Earlsfort Centre  
Earlsfort Terrace, Dublin 2

### McKeever Solicitors

5 Harbourmaster Place  
IFSC, Dublin 1

# Directors' Report

*for the financial year ended 31 December 2016*

The directors present their report and the financial statements for the financial year ended 31 December 2016.

## Principal Activity

The company was incorporated on 16 November 1999 and commenced to trade on 1 July 2000. The principal activity of the company is the registry for .ie internet domain names.

## Results and Dividends

The loss for the year, after providing for depreciation, taxation and the unrealised gains on financial investment amounted to €126,519 (2015 loss – €389,311).

## Fair Review

From an operational perspective, 2016 was a satisfactory year of development and growth. In 2016, the company extended its 2015 Strategic Development Fund with a dedicated 2016 budget of €322,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. This fund financed an integrated radio and digital awareness campaign, an extension of the successful SME ecommerce fund OPTIMISE program, publications backed by robust independent research, and Ireland's Internet Day. The fund has facilitated the design, development and rollout of new services for customers, including secondary market, IDN's and domain locking.

Turnover, representing the deferred income release in 2016, increased by 6% to €3.03 million (2015 – €2.86 million). While the invoiced value of registration fees increased, reflecting new growth in 2016, an increasing proportion is accounted for by multiyear registrations and renewals. Accordingly, the deferred revenue on the balance sheet increased by 4% in 2016, to €2.05 million (2015 – €1.97 million). Volume growth in domains was again strong in 2016, but year on year new registration growth decreased by 1.7%. When non-renewals are considered, the net decrease in the .ie namespace was 15.5%, which is satisfactory, in the context of the global retrenchment within the domain industry. In the domestic market, micro and small businesses continued to experience difficult trading conditions, despite strong GNP growth. The volume growth is generated by the registrar sales channel, which accounts for over 99% of all new registrations.

Administrative expenses decreased by 4.4% from €3.38 million to €3.23 million. Employment costs decreased by 8.5% in 2016 to €1.34 million reflecting staff turnover and maternity cover in 2015. Depreciation decreased by 26.0% to €0.16 million despite the company's investments in mission critical applications and services for customers. Promotion, sponsorship, and advertising costs were again high as the company continued its Strategic Development Fund and sponsorship of industry events, continued its joint promotion with registrars of the .ie namespace and continued the OPTIMISE Fund, which assists SMEs and micro-businesses to develop and e-commerce enable their .ie websites.

The financial position of the company at 31 December 2016 is solid with adequate net cash funds of €3.0 million and Members' Funds of €3.6 million. The company changed its accounting policy in relation to financial assets in 2015 to record the financial investments at a mark to market basis of valuation. The financial investments market value at 31 December 2016 is €3,194,989 (2015 – €3,109,715).

### Principal Risks and Uncertainties

In common with other small and medium-sized enterprises, the company's performance is impacted by the emerging recovery in the macro-economic environment in Ireland. There is some exposure to residual macro-economic risks posed by the after-effects of the recession, weak SME balance sheets, and the uncertainty arising from the Brexit referendum in the UK – the largest market for Irish SME exporters. These risks continue to be managed prudently by the company. In line with internet industry norms, the company faces a number of risks in relation to product and services disruption and innovation and in relation to reliance on key computer systems and key staff. The company's business continuity plans and disaster recovery procedures address the risks associated with reliance on key computer systems. Staff training, cross-skilling and key process documentation mitigate the potential exposure arising from the loss of key staff members.

### Future Developments

The company continues to monitor international developments impacting ccTLD registries, in particular the international expansion in, and the number of, top-level domains. These developments will result in some disruption in the global domain name market,

and will represent a challenge for trademark and patents holders, brand managers and the owners of intellectual property rights.

The company's operational plans and budgets incorporate a continuation of the 2017 Strategic Development Fund to finance the strategic objectives and priorities for 2017.

In technical terms, the company remains ready to implement technologies and products when the policy changes are approved, and has taken a leadership role in providing registry lock, secondary market, IDN's, geographic rule relaxation and secure DNS – with the launch of DNSSEC in 2014 and the provision of a DNSSEC test infrastructure for interested stakeholders to test new customer services.

### Directors

At an EGM in 2013, the Board of Directors approved an amendment to the company's Articles of Association in respect of directors' terms of service. Directors may serve a maximum of two Terms, whereby a Term is a three-year period. All of the directors, having served a Term, retired at the AGM in 2016, and, being eligible, were re-elected in accordance with the Articles of Association. Mr Jim Joyce was appointed as a director on 1 January 2016. Mr Mark Dobbyn retired and Mr Eamonn Ceannt was appointed as a director post year end on 10 February 2017.

### Post Balance Sheet Events

There are no material post balance sheet events.

### Directors and their Interests

In accordance with the Articles of Association, the directors have no financial interest in the Members' Funds of the company.

The company is limited by guarantee and does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while remaining a member, or within one year afterwards, for payment of debts and liabilities of the company contracted before ceasing to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding €1.27 cash.

# Directors' Report *continued*

On 29 November 2016, the company name was changed to IE Domain Registry CLG from IE Domain Registry Limited, in accordance with the Companies Act 2014.

## Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and accounting estimates that are reasonable and prudent;
- ▶ state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also

responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of proper accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 4th Floor, Harbour Square, Dun Laoghaire, Co. Dublin.

## Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of Companies Act 2014:

- (a) So far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

## Auditors

In accordance with section 383(2) of the Companies Act 2014, the auditors, BDO, will continue in office.

On behalf of the Board

*Director*

**Mr. Jim Joyce**

*Director*

**Dr. Patrick Frain**

*Date*

28 April 2017

# Independent Auditors' Report

*to the Members of IE Domain Registry CLG*

We have audited the financial statements of IE Domain Registry CLG for the year ended 31 December 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 44, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we

read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its loss for the year then ended; and
- ▶ have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

## Matters on which we are required to report by the Companies Act 2014

- ▶ We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- ▶ In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- ▶ The financial statements are in agreement with the accounting records.
- ▶ In our opinion the information given in the Directors' Report is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

### **Teresa Morahan**

*For and on behalf of BDO, Dublin  
Statutory Audit Firm, AI223876*

*Date*

28 April 2017

# Statement of Income and Retained Earnings

for the financial year ended 31 December 2016

		Continuing Operations	
	Notes	2016 €	2015 €
<b>Turnover</b>	3	<b>3,030,258</b>	2,859,722
Administrative expenses		<b>(3,229,572)</b>	(3,376,804)
<b>Operating loss</b>	4	<b>(199,314)</b>	(517,082)
Unrealised gains on financial investment		<b>85,274</b>	80,941
Interest income		<b>10,709</b>	21,444
<b>Loss on ordinary activities before taxation</b>		<b>(103,331)</b>	(414,697)
Tax on (loss)/profit on ordinary activities	7	<b>(23,188)</b>	25,386
<b>Loss retained for the year</b>		<b>(126,519)</b>	(389,311)
<b>Statement of income and retained earnings</b>			
Accumulated profit brought forward		<b>3,717,036</b>	4,106,347
Total recognised losses relating to the year		<b>(126,519)</b>	(389,311)
Accumulated profit carried forward		<b>3,590,517</b>	3,717,036

The financial statements were approved by the Board on 28 April 2017 and signed on its behalf by:

Director  
**Mr. Jim Joyce**

Director  
**Dr. Patrick Frain**

# Balance Sheet

as at 31 December 2016

	Notes	2016 €	2015 €
<b>Fixed Assets</b>			
Tangible assets	8	<b>164,039</b>	163,762
Financial assets	9	<b>3,245,089</b>	3,159,815
<b>Current Assets</b>			
Debtors	10	<b>113,302</b>	204,106
Cash at bank and in hand		<b>3,026,621</b>	2,597,591
		<b>3,139,923</b>	2,801,697
<b>Creditors: amounts falling due within one year</b>	11	<b>(2,923,713)</b>	(2,408,238)
<b>Net Current Assets</b>		<b>216,210</b>	393,459
<b>Creditors: amounts falling due after more than one year</b>	12	<b>(34,821)</b>	–
<b>Total Assets less Current Liabilities</b>		<b>3,590,517</b>	3,717,036
<b>Capital and Reserves</b>			
Profit and loss account		<b>3,590,517</b>	3,717,036
<b>Members' Funds</b>		<b>3,590,517</b>	3,717,036

The financial statements were approved by the Board on 28 April 2017 and signed on its behalf by:

Director  
**Mr. Jim Joyce**

Director  
**Dr. Patrick Frain**

# Statement of Cash Flows

for the financial year ended 31 December 2016

	Notes	2016 €	2015 €
<b>Cash flows from operating activities</b>			
(Loss) for the financial year		<b>(126,519)</b>	(389,311)
Adjustments for:			
Depreciation		<b>157,282</b>	206,908
Unrealised gains on financial investment		<b>(85,274)</b>	(80,941)
Interest income		<b>(10,709)</b>	(21,444)
Tax on loss on operating activities		<b>23,188</b>	(25,386)
Decrease/(Increase) in debtors		<b>56,219</b>	31,504
Increase/(Decrease) in creditors		<b>521,381</b>	(25,683)
Corporation tax received/(paid)		<b>40,775</b>	(12,262)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>576,343</b>	(316,615)
<b>Cash flows from investing activities</b>			
Asset disposal		-	596
Purchase of tangible fixed assets		<b>(157,559)</b>	(190,125)
<b>Net cash from investing activities</b>		<b>(157,559)</b>	(189,529)
<b>Cash flows from financing activities</b>			
Interest income received		<b>10,246</b>	29,639
<b>Net cash used in financing activities</b>		<b>10,246</b>	29,639
Net increase/(decrease) in cash and cash equivalents	15	<b>429,030</b>	(476,505)
Cash at beginning of year		<b>2,597,591</b>	3,074,096
Cash at end of year		<b>3,026,621</b>	2,597,591
<b>Cash at bank</b>	15	<b>3,026,621</b>	2,597,591

# Notes to the Financial Statements

for the financial year ended 31 December 2016

## 1. General Information

These financial statements comprising the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 22 constitute the individual financial statements of IE Domain Registry CLG for the financial year ended 31 December 2016.

On 29 November 2016, the company name was changed to IE Domain Registry CLG from IE Domain Registry Limited, in accordance with the Companies Act 2014. IE Domain Registry CLG is a company limited by guarantee and does not have a share capital (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is 4th Floor, Harbour Square, Dun Laoghaire, Co. Dublin, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report on pages 42 to 44.

### 1.1 Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

### 1.2 Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the company.

## 2. Accounting Policies

### 2.1 Accounting convention

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

### 2.2 Consolidation

The company and its subsidiary combined meet the exemption criteria for a group and the company is therefore exempt from the requirement to prepare consolidated financial statements by virtue of Section 297 of the Companies Act 2014. Consequently, these financial statements deal with the results of the company as a single entity.

### 2.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales for the financial year ended 31 December 2016. The company's policy of deferring revenue results in income being recorded in the period to which the fee invoice relates, rather than the period in which the fee invoice was raised. This policy has been maintained during the year ended 31 December 2016. All turnover derives from activities in the Republic of Ireland.

# Notes to the Financial Statements *continued*

## 2. Accounting Policies *continued*

### 2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The charge for depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life from date of acquisition as follows:

Leasehold Improvements	–	over the life of the underlying lease
Fixtures and Fittings	–	25% Straight Line
Computer Equipment	–	33% Straight Line

The carrying values of tangible fixed assets are reviewed annually for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

### 2.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year to a defined contribution pension scheme for the benefit of all eligible employees.

### 2.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

### 2.7 Taxation

The charge for taxation is based on the profit or loss for the year. Full provision for deferred tax is provided at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation.

### 2.8 Financial Instruments

#### Unlisted Investments

The company holds investments in unlisted non-puttable equity shares of a number of entities. It is considered by the directors that the fair value of these shares can be measured reliably. The accounting policy changed during 2015 to record investments at mark to market.

#### Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

#### Other financial assets

Other financial assets including trade debtors for goods sold to customers on short-term credit, are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

## 2. Accounting Policies *continued*

### Loans and borrowings

All loans and borrowings, both assets and liabilities are initially recorded at the present value of cash payable to the lender in settlement of the liability discounted at the market interest rate. Subsequently loans and borrowings are stated at amortised cost using the effective interest rate method. The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

### Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including unlisted investments, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Statement of Income and Retained Earnings in that financial year.

## 2.9 Judgments and key sources of estimation uncertainty

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

### Going Concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

### Useful Lives of Tangible and Intangible Fixed Assets

Long-lived assets comprising primarily of property, plant and machinery and intangible assets do not represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of tangible Fixed Assets subject to depreciation at the financial year end date was €164,039 (2015 – €163,762).

# Notes to the Financial Statements *continued*

## 3. Turnover

	<b>2016</b> €	<b>2015</b> €
Turnover	<b>3,030,258</b>	2,859,722
Analysis of turnover by country of destination:		
Republic of Ireland	<b>2,622,347</b>	2,453,916
Europe	<b>193,995</b>	196,117
North America	<b>99,009</b>	109,571
United Kingdom	<b>102,360</b>	85,344
Rest of the World	<b>12,547</b>	14,774
	<b>3,030,258</b>	2,859,722

## 4. Operating loss

	<b>2016</b> €	<b>2015</b> €
The operating loss is arrived at after charging:		
Depreciation and write-off of tangible assets	<b>157,282</b>	206,908
Auditors' remuneration – Audit	<b>12,705</b>	13,230
– Tax advisory services	<b>2,362</b>	2,362
Directors' remuneration	<b>85,000</b>	75,000
Secretarial fees	<b>39,000</b>	39,000

The operating loss reflects expenditure of €273,000 during the year ended 31 December 2016, reflecting the extension of the 2015 Strategic Development Fund with a dedicated 2016 budget of €322,000 to finance a set of promotion, marketing and customer service initiatives to meet the strategic objectives and priorities of expansion and protection of the .ie namespace. This fund financed an integrated radio and digital awareness campaign, an extension of the successful OPTIMISE program, publications backed by robust independent research, new services for customers and Ireland's Internet Day.

## 5. Directors' remuneration and transactions

### 5(a). Directors' remuneration

Included in employment costs are the following in respect of directors and key management personnel of the company:

	2016 €	2015 €
Emoluments in respect of qualifying services	527,532	598,596
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution benefit retirement scheme	32,035	32,484
	<b>559,567</b>	631,080

The number of directors and management to whom retirement benefits are accruing under Pension Scheme Fund in respect of qualifying services is 3 (2015 – 3).

Other than as shown above any further required disclosures in sections 305 and 306 of the Companies Act 2014 are €NIL for both financial years.

### 5(b). Transactions with directors and officers

#### Loans to directors

There were no loans made to directors during the financial year.

### 5(c). Material interests of directors in contracts with the company

In 2016, related party transactions included company secretarial services supplied by a Director of IE Domain Registry CLG to the company to the value of €39,000 (2015 – €39,000). The maximum amount outstanding at any time during the financial year was €7,995 (creditor balance) (2015: €7,995 creditor balance). Nothing was outstanding at the financial year end date or the previous financial year end date.

All transactions were made at arms-length and on this company's normal commercial terms, which include a requirement to settle debts within 30 days.

### 5(d). Employees

#### Number of employees

The average monthly numbers of employees during the year were:

	2016 Number	2015 Number
Administration	18	19

# Notes to the Financial Statements *continued*

## 5. Directors' remuneration and transactions *continued*

### Employment costs

	<b>2016</b> €	<b>2015</b> €
Wages and salaries	<b>1,190,133</b>	1,305,449
Social security costs	<b>113,491</b>	116,865
Other pension costs	<b>40,815</b>	40,659
	<b>1,344,439</b>	1,462,973

Capitalised employee costs during the financial year amounted to €Nil (2015 – €Nil).

## 6. Pension costs

The company operates a defined contribution pension scheme for the benefit of all eligible employees. The assets of the scheme are vested in independent trustees for the sole benefit of those eligible employees. The other pension costs charge represents contributions payable by the company to the fund and amounted to €40,815 (2015 – €40,659).

## 7. Taxation

### 7(a). Current year taxation

	<b>2016</b> €	<b>2015</b> €
<b>Current year taxation</b>		
Corporation tax on the (loss)/profit for the year on Ordinary activities	<b>953</b>	–
Adjustment in respect of previous financial year	<b>(12,586)</b>	(25,386)
<b>Deferred taxation</b>		
Origination and reversal of timing differences	<b>34,821</b>	–
	<b>23,188</b>	(25,386)

## 7. Taxation *continued*

### 7(b). Factors affecting tax charge for year

	2016 €	2015 €
(Loss)/profit on ordinary activities before tax	<b>(103,331)</b>	(414,697)
(Loss)/profit on ordinary activities multiplied by Standard rate of Corporation Tax in Ireland of 12.5%	<b>(12,916)</b>	(51,837)
Effects of:		
Capital allowances for period (greater than)/less than depreciation	<b>2,786</b>	7,793
Deposit interest at higher rates of taxation	<b>1,281</b>	4,649
Other timing differences	<b>(335)</b>	274
Movement in financial investment valuation unrealised – so not chargeable for tax purposes	<b>(10,659)</b>	(10,118)
Losses used against current year and preceding year profits plus losses available for future use	<b>20,796</b>	49,239
Deferred taxation	<b>34,821</b>	–
Adjustments in respect of previous financial year	<b>(12,586)</b>	(25,386)
Current tax charge for year (Note 7(a))	<b>23,188</b>	(25,386)

# Notes to the Financial Statements *continued*

## 8. Tangible assets

<b>Current Financial Year</b>	<b>Leasehold Improvements</b>	<b>Computer Equipment</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
	€	€	€	€
<b>Cost:</b>				
At 1 January 2016	53,354	1,275,341	20,353	1,349,048
Additions	–	156,623	936	157,559
Write-out of retired assets	–	(32,139)	–	(32,139)
At 31 December 2016	53,354	1,399,825	21,289	1,474,468
<b>Depreciation:</b>				
At 1 January 2016	53,354	1,114,804	17,128	1,185,286
Charge for the year	–	154,834	2,448	157,282
Write-out of retired assets	–	(32,139)	–	(32,139)
At 31 December 2016	53,354	1,237,499	19,576	1,310,429
<b>Net book values</b>				
At 31 December 2016	–	162,326	1,713	164,039
At 1 January 2016	–	160,537	3,225	163,762
<b>Prior Financial Year</b>				
	€	€	€	€
<b>Cost:</b>				
At 1 January 2015	53,354	1,090,672	18,329	1,162,355
Additions	–	188,101	2,024	190,125
Write-out of retired assets	–	(3,432)	–	(3,432)
At 31 December 2015	53,354	1,275,341	20,353	1,349,048
<b>Depreciation:</b>				
At 1 January 2015	42,684	922,663	15,867	981,214
Charge for the year	10,670	194,977	1,261	206,908
Write-out of retired assets	–	(2,836)	–	(2,836)
At 31 December 2015	53,354	1,114,804	17,128	1,185,286
<b>Net book values</b>				
At 31 December 2015	–	160,537	3,225	163,762
At 1 January 2015	10,670	168,009	2,462	181,141

The accounting policy for the depreciation of tangible assets is outlined in Note 2.4. There are no assets held under finance leases or hire purchase contracts at 31 December 2016 (2015 – €Nil).

## 9. Financial assets

### Financial assets

	Note	2016 €	2015 €
Financial Investments at Fair Value through Profit or Loss	(a)	3,194,989	3,109,715
Shares in subsidiary undertakings	(b)	50,100	50,100
		<b>3,245,089</b>	3,159,815

### 9(a). Financial investments

	Unlisted 2016 €
At 1 January 2016	
Cost	3,109,715
Unrealised gains arising in 2016	85,274
At 31 December 2016	<b>3,194,989</b>
<b>Mark to Market Value:</b>	
At 31 December 2016	<b>3,194,989</b>
At 31 December 2015	<b>3,109,715</b>
	<b>Unlisted 2015 €</b>
As previously reported:	
At 1 January 2014	
Cost	3,055,707
Impairment Provision	(29,512)
	3,026,195
Prior Year Adjustment	2,579
As Restated at Mark to Market 31 December 2014	3,028,774
Unrealised gains arising in 2015	80,941
At 31 December 2015	3,109,715
<b>Mark to Market Value:</b>	
At 31 December 2015	3,109,715

# Notes to the Financial Statements *continued*

## 9. Financial assets *continued*

Other financial investments represent the investment for the long term in conservative managed funds, diversified across three Irish investment managers. In 2015, the accounting policy for other financial investments changed to a mark to market valuation basis as outlined in Note 2.8.

The market value of the financial investments at 31 December 2016 was €3,194,989 (2015 – €3,109,715). In accordance with the change in accounting policy for other financial investments outlined in Note 2.8 the value of other financial investments is recorded at the market value.

### 9(b). Shares in subsidiary undertakings

The company holds 100% of the share capital of the following company:

Name of subsidiary	Country of Registration or incorporation	Shares held class	Principal Activity
IENUM Limited	Ireland	Ordinary and Preference	IENUM Registry

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2016 were as follows:

	Capital and Reserves €	Profit for the year €
IENUM Limited	50,100	Nil

## 10. Debtors: amounts falling due within one year

	2016 €	2015 €
Corporation tax recoverable	-	29,094
Prepayments and accrued income	<b>113,302</b>	175,012
	<b>113,302</b>	204,106

## 11. Creditors: amounts falling due within one year

	Note	2016 €	2015 €
Trade creditors	(a)	189,299	90,717
Other creditors		354,662	217,340
Corporation tax payable		48	–
Other taxes and social security costs		15,966	1,881
Accruals	(b)	314,387	127,576
Deferred income	(c)	2,049,351	1,970,724
		<b>2,923,713</b>	2,408,238

Other taxes and social security costs include:

	€	€
VAT	16,366	1,881
Employment Taxes	(400)	–
	<b>15,966</b>	1,881

**11(a).** The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors. Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment at the rate of 0.0322% for each day or part of a day for which payment is overdue. No interest was due at the financial year end date.

**11(b).** The terms of the accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

**11(c).** The accounting policy for deferred income is outlined in Note 2.3.

## 12. Creditors: amounts falling due after more than one year

	2016 €	2015 €
Deferred taxation	34,821	–
	<b>34,821</b>	–

# Notes to the Financial Statements *continued*

## 13. Guarantee

### Parent Company Guarantee

On 18 December 2006, the company's subsidiary IENUM Limited signed an agreement with the Commission for Communications Regulation (ComReg) to provide the national ENUM registry service for Ireland. At 31 December 2016, the company is the sole Guarantor of the obligations of its subsidiary IENUM Limited.

## 14. Commitments

### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are calculated at €302,497 based on pre-existing contractual operating lease commitments, which were under re-negotiation at year end.

	<b>Premises 2016</b>	<b>Premises 2015</b>
	€	€
Expiring:		
Within one year	-	41,823
Between two and five years	<b>302,497</b>	-
More than five years	-	-
	<b>302,497</b>	41,823

### Capital commitments

The company has no capital commitments at 31 December 2016 (2015 – €Nil).

## 15. Analysis of changes in cash at bank

	<b>Opening balance</b>	<b>Cash flow</b>	<b>Closing balance</b>
	€	€	€
Cash at bank and in hand	180,810	(164,022)	16,788
Deposit accounts	2,416,781	593,052	3,009,833
Net funds	2,597,591	429,030	3,026,621

## 16. Post balance sheet events

There are no material post balance sheet events.

## 17. Contingent liabilities

There are no contingent liabilities at 31 December 2016.

## 18. Company structure

The company is limited by guarantee and does not have a share capital.

## 19. Controlling parties

The company is controlled by its members. At 31 December 2016 the eight directors and the Company Secretary are the members.

## 20. Comparative figures

Certain comparative figures have been restated for consistent presentation with current year figures.

## 21. Financial instruments

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	<b>2016</b> €	<b>2015</b> €
<b>Financial assets at fair value through profit or loss</b>		
Financial investments	<b>3,245,089</b>	3,159,815
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Cash at bank and in hand	<b>3,026,621</b>	2,597,591
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	<b>189,299</b>	90,717

## 22. Approval of financial statements

The financial statements were approved by the Board on 28 April 2017 and signed on its behalf by:

*Director*

**Mr. Jim Joyce**

*Date*

28 April 2017

*Director*

**Dr. Patrick Frain**

# Glossary of Terms

## **.ie accredited Registrar**

An .ie accredited Registrar is a company authorised by the IEDR to act as agent for registrants who require a .ie web address. .ie accredited Registrars include HSPs, ISPs and web development companies. The full list of .ie accredited Registrars can be found at <https://www.iedr.ie/register-a-domain/accredited-registrar-list/>.

## **Anycast**

Anycast is a methodology for addressing multiple servers with the same IP address. Data is transmitted to the closest or best receiver in line with predetermined criteria. One benefit is that a denial of service attack can be “localised” and therefore contained.

## **ccTLD**

National top-level domains, country code top-level domains (ccTLD), are based on the International Organisation for Standardisation’s (ISO) country codes. National top-level domains comprise two letters, for example .ie for Ireland or .de for Germany.

## **CENTR**

CENTR (Association of European National Top-Level Registries). CENTR is a not-for-profit organisation dedicated to supporting the interests of country code TLD managers. The objectives of CENTR are to promote and participate in the development of high standards and best practices among ccTLD Registries. [www.centri.org](http://www.centri.org).

## **Class and category**

For internal information purposes, the .ie database records information on the class of registrant and the different categories of domain names being registered. This is represented by eight different classes of registrant and eleven different categories of domain name being registered.

## **ComReg**

The Commission for Communications Regulation (ComReg) is the general communications regulator for Ireland, with responsibility for mobile, fixed line and postal services.

## **CRS**

IEDR’s automated Core Registry System, which deals with all registrations, transfers, modifications, billing and non-renewal of .ie domain names.

## **DNS**

The Domain Name System (DNS) is an international hierarchical distributed database used to translate domain names, such as iedr.ie to IP addresses (77.72.74.147) to locate information about resources on the internet.

## **DNSSEC**

DNSSEC (DNS Security Extension) is a supplementary service to domain names that makes it possible to check that the DNS information stems from the correct sender and has not been altered during its transmission. When DNSSEC is in use, the computer submitting a query (e.g. an internet browser) is able to determine whether the reply provided for an internet address in the DNS actually comes from the server that is registered with IEDR as being the authoritative server.

## **Domain name**

A domain name is a unique name, which is often linked to a website or e-mail. The domain name is translated in the DNS to an IP address before any internet communication can occur. A registered domain name is a domain name held by a specific registrant following an application process.

## **GAC**

ICANN receives input from governments through the Governmental Advisory Committee (GAC). The GAC’s key role is to provide advice to ICANN on issues of public policy and especially where there may be an interaction between ICANN’s activities or policies and national laws or international agreements.

## **gTLD**

Generic top-level domains (gTLDs), such as .com, .net and .org are top-level domains that are not tied to a country or geographic territory.

## IANA

IANA (Internet Assigned Numbers Authority) is responsible for the global coordination of the DNS Root, IP addressing, and other internet protocol resources.

## ICANN

ICANN (Internet Corporation for Assigned Names and Numbers). An international not-for-profit, private sector organisation created to co-ordinate four key functions of the internet: managing the domain names system, allocating IP addresses, assigning protocol parameters and managing the root server system.

## IDN

Internationalised Domain Names (IDN). Until recently, the Root Zone was limited to a set of characters conforming to US-ASCII (American Standard Code for Information Interchange) or "Latin" alphabets. This changed with the introduction of Internationalised Domain Names (IDNs), which introduced top-level domains (TLDs) in different scripts and enabled internet users to access domain names in their own language.

## IGF

The Internet Governance Forum (IGF) was established in 2006 by the United Nations to create a forum for internet governance policy issues. Stakeholders represent countries, commerce and society in general.

## IPv4

Internet Protocol version 4 (IPv4) is the fourth version in the development of the Internet Protocol (IP) and routes most traffic on the internet. However, a successor protocol, IPv6, has been defined and is at an advanced stage of production deployment.

## IPv6

Internet Protocol version 6 (IPv6) is the latest version of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the internet.

## Nameserver

Nameservers are computers with software that stores and/or distributes domains (zones) and which accept and answer domain name questions. When a user wishes to surf to [www.iedr.ie](http://www.iedr.ie) for example, the user's computer sends a question to a nameserver on which information regarding [iedr.ie](http://iedr.ie) is located.

## PAC

The Board of the IEDR established a Policy Advisory Committee (PAC) in 2014 to consider and provide advice on policy issues concerning Ireland's internet top-level domain, .ie. The Policy Advisory Committee operates in line with the Policy Development Process (PDP).

## PDP

IEDR's 10 Step Policy Development Process (PDP) for the .ie namespace. The PDP is a formal process which is consensus driven, transparent and allows for bottom-up proposals from the wider internet community.

<https://www.iedr.ie/p30/policy-development/>

## Registrant

The individual or legal entity registered with the right to use the .ie domain name.

## Registry

A registry is a company or organisation responsible for the administration and operation of a top-level domain. IEDR is the active registry operator responsible for administration and technical operation of the .ie domain and ensures that all registered .ie domains are accessible via the internet.

## VMware

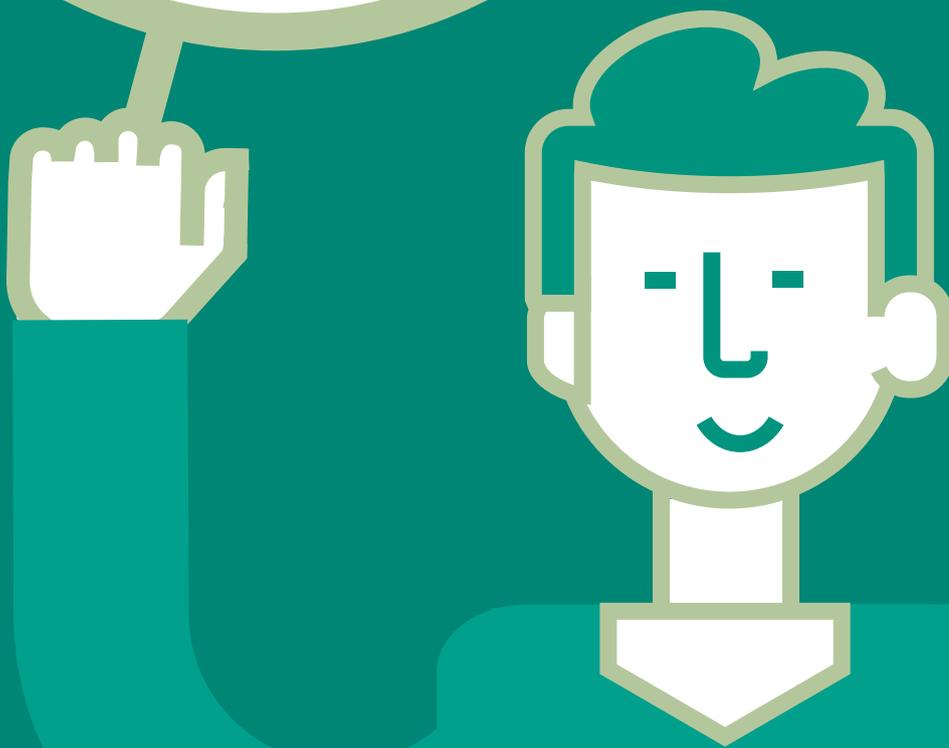
VMware is a provider of virtualisation software. It is a US based company which is majority owned by EMC. VMware software provides a completely virtualised set of hardware. One large server can replace dozens of smaller specific-purpose servers.

## Zone and zone file

A zone is the delimitation of the administrative responsibility for a domain tree. A zone file is a data file comprising the necessary zone information to enable the use of DNS addressing. The zone files are stored on authoritative nameservers that are distributed throughout the internet.

# IEDR works on behalf of the Irish community

to promote the internet as a  
strategic national resource.



## Recognised globally as identifiably Irish

A .ie domain name makes you or your company instantly recognisable as Irish. It tells the global community you are Irish and tells the Irish community you are local.





## **Identifiably Irish**

Ireland's Domain Registry

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Fax 00 353 (0)1 230 0365

Email [accounts@iedr.ie](mailto:accounts@iedr.ie)

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