ICANN | ccNSO

To: Tripti Sinha, Chair of the ICANN Board of Directors
Kurtis Lindqvist, President and CEO ICANN

cc: Patricio Poblete and Byron Holland, ccNSO appointed Board Members.
Russ Weinstein, SVP, Policy Development Support

Review of ccTLD Voluntary Financial Contributions Final Report

2 September 2025

Dear Tripti and Kurtis,

I am writing to formally apprise you of the outcome of the review of the 2013 ccNSO Guideline on voluntary ccTLD Financial Contributions to ICANN and the ccNSO Council deliberations.

On 21 August, the ccNSO council voted unanimously to approve the attached Guideline on Voluntary Financial Contributions of ccTLDs to ICANN that was included in the Final Report of the 2nd ccNSO Finance Working Group. This updated Guideline replaces the one from 2013, and it serves as the basis for the calculation of ICANN's costs which are attributable to ICANN's activities for ccTLDs. The principles and banded model have been developed to account for the diversity of ccTLDs' operating environments, as tools that offer flexibility to determine their voluntary financial contribution to ICANN. This builds on the practice to date and that was agreed upon in 2013[1], with the ICANN CEO at the time.

For your information I have attached the full text of the resolution, the new Guideline[2], and the Final Report[3] of the working group.

In its resolution the ccNSO Council also agreed with the proposals to review the calculation of ICANN's costs which are attributable to ICANN's activities for ccTLDs on an annual basis and to review the Guideline again in 5 years. In addition the Council agreed with the advice from the 2nd Finance WG that going forward ICANN is suggested to engage with individual ccTLDs and use a segmented and personalized conversation that includes the voluntary financial contribution. Under the premise of the voluntary nature of the financial contribution, it is the view of the working group that such an approach offers a way that has not been used to date to address the discrepancy between the expected and total amount that

[1] Letter Fadi Chehade, ICANN CEO & President to Byron Holland, Chair of ccNSO:
https://ccnso.icann.org/sites/default/files/filefield_42697/chehade-to-holland-15nov13-en.pdf
Letter Byron Holland, Chair ccNSO to Fadi Chehade, ICANN CEO & President:
https://ccnso.icann.org/about/holland-to-chehade-09dec13-en.pdf
[2] Parameters for ccTLD Voluntary Financial Contributions to ICANN
https://ccnso.icann.org/en/about/guidelines-cctld-contributions-21aug25-en.pdf
[3] ccNSO 2nd Financial WG Final Report
https://icann-community.atlassian.net/wiki/spaces/ccnsowkspc/pages/370212970/ccTLD+Comments+on+Second+Finance+WG+Draft+Final+Report

ccTLDs contribute, based on the Cost Model. Suggestions for such a segmented and personalized approach are contemplated in the Final Report.

The ccNSO Council resolution went on to congratulate everyone involved in the process leading to this successful outcome, including Xavier Calvez and Shani Quidwai. Addressing and resolving this important and difficult issue required new approaches, new thinking and new attitudes which I believe all parties to the process exhibited. It also represents what I feel is a strengthened sense of partnership between the ccNSO and ICANN management. I would like to add my personal thanks to you and your staff for your contribution to resolve this, sometimes contentious, issue positively.

Best regards,

Alejandra Reynoso
ccNSO Chair

ccNSO Council Resolution 220-01[4]

Background

In December 2024, the ccNSO Council established a second Finance Working Group and tasked it with the following responsibilities:

- Review the 2013 value exchange model and related monetary model underpinning the current (2013) expected financial contribution to ICANN;
- Explore the discrepancy between the total contribution and expected contribution over time since 2013.
- Explore and suggest ways to address the discrepancy between total contributed amount and expected amount.

The working group reviewed the value exchange model and financial underpinning (cost model). Based on the review, the cost model (formerly the “monetary model”) has been updated and the total expected contribution amount is USD $ 3.6 million (under the 2013 Guideline and first review it was: USD $ 3.5 million)

The WG also reviewed both the principles and the band model of the current (2013) contribution guideline. The WG does not see a need for substantive changes, however a refinement of both the principles and the contribution model is proposed.

To address the discrepancy between the total contributed amount and the expected contributions the WG suggests that, under the main principle of the voluntary nature of the financial contributions, a change in models will not make a substantial difference in closing the discrepancy in the levels of contribution. However, based on the consultations and survey results, the WG believes that a more segmented and personalized approach by ICANN to the ccTLDs could make a difference. In the view of the WG this approach should be based on the diverse characteristics of ccTLDs (such as size, operating environment, governance model, and budgeting cycles) and should emphasize both the value exchange between each ccTLD and ICANN and the core values, such as the IANA Naming Function services, that are important to ccTLDs.

The WG submitted its final report to Council on 15 August 2025.

[4] ccNSO Council Resolutions: https://ccnso.icann.org/en/about/council/decisions-resolutions/2025

Decision

The ccNSO Council accepts the Final Report of the 2nd Finance Working Group and adopts the Principles and Banded Model contained in Annex A of the report. For avoidance of any misinterpretation the principles and banded model are a tool to assist individual ccTLDs in determining their voluntary financial contribution to ICANN.

The chair of the ccNSO Council is requested to share the report with ICANN's CEO and President, specifically the Principles and Banded Model in Annex A. The chair of the Council is also requested to suggest to ICANN to use a segmented and personalized conversation regarding the voluntary financial contribution by ccTLDs as contemplated in the Final Report.

The secretariat is requested to replace the 2013 Guideline with the 2025 Principles and Banded Model, when this decision becomes effective.

The Council expresses its deep-felt appreciation for the work of the working group members and ICANN staff in bringing this project to close in such a relatively short time frame and exemplary work.

This resolution becomes effective seven (7) days after publication of the resolution. The Working group is formally closed when this resolution becomes effective.