Financial and Operational Evaluation

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1. Introduction

The Financial and Operational Evaluation assesses whether an applicant has the financial capacity to fund the registry long-term, thereby ensuring DNS stability, and mitigating financial risks like revenue shortfalls or cost overruns, including for those managing multiple TLDs. This evaluation also mitigates risks to the security and stability of the DNS and overall Internet SSR. The operational component of the evaluation ensures that the applying entity has reasonable safeguards in place to enable robust operations of the business and handling of abuse concerns.

The Financial and Operational Evaluation is based on an applicant's responses to application questions, which are determined based on the applicant profile model. This model considers that different criteria are required for different types of applicants.

The evaluation is conducted during the Applicant/Application Review Phase. Financial and Operational Evaluation is performed at the applying entity level; if the applicant applies for multiple strings, the results of the Financial and Operational Evaluation will apply to each of its strings.

As the term is used below, "Affiliate" is as defined in the template Registry Agreement.

2. Execution of Evaluation

ICANN will assign each applicant a profile based on its unique traits, which are determined by an applicant's responses to the applicant profile selection questions.

The applicant is asked a series of "Yes" or "No" questions to select the profile. Based on the applicant's responses, the TLD Application Management System (TAMS) directs the applicant to the questions specifically assigned to that profile. Below is the list of the questions in the order that they are asked:

1. Is the applying entity a governmental entity or an intergovernmental organization recognized in its jurisdiction? If "Yes," assign the **Government** profile.
2. Is the applying entity a current registry operator or an affiliated entity of a current registry operator with one or more active Registry Agreements (RA)? If "Yes," assign the **Registry Operator** profile.
3. Is the applying entity a publicly traded company listed on any of the Top 25 Public Stock Exchanges or an Affiliated entity of a publicly traded company listed on a the Top 25

Public Stock Exchanges, as defined by the World Federation of Exchanges and specifically included on ICANN's list dated (Month/Day/Year) at https://www.icann.org/some/as/yet/undetermined/link. If "Yes," assign the **Top 25** profile.
4. If the applying entity is none of the above profiles, assign the **Standard** profile.

2.1 Who Performs the Evaluation?

The Financial and Operational Evaluation is performed by a third-party evaluation panel. The evaluation panel assesses if the applicant's responses to the relevant applicant questions satisfy the specific criteria for the applicant's profile.

2.2 Financial and Operational Evaluation Criteria

Based on an applicant's responses to the questions in Section 2 and the profile assigned to an applicant, an applicant must meet different criteria for the evaluation. The three components of the evaluation are Financial Statements, Self-Certification, Operational/Planning.

- **Financial Statements**: The applicant (except for Government profile) must provide audited, reviewed, or compiled financial statements, prepared by a third-party accounting firm, for the applying entity that complies with the accounting standards required by the jurisdiction of the applying entity. Alternatively, the applicant may provide third-party audited, reviewed, or compiled statements from an ICANN approved affiliate, prepared by a third-party accounting firm.
- **Self-Certification**: The applicant must provide a self-certification document, signed by the CEO, President, and/or CFO of the applying entity. If financials are provided by an affiliate, the affiliate must co-sign the certification document. The specific self-certified statements may be different for different applicant profiles.
- **Operational/Planning**: Applicants must submit various operational and planning documents as required by their profile.

Table: Applicant Criteria by Profile

Applicant Profiles		Standard	Registry Operator	Publicly Traded on Top 25 Exchanges	Government
Financial Statements	Entity Statements	Required	Required	Required	
	Affiliate Statements	Alternative	Alternative	Alternative	Alternative
	Third-Party Audited, Reviewed, or Compiled	Required	Required	Required (Audited)	
	Government Commitment				Required
	Accounting Standard for the Jurisdiction of the Applicant	Required	Required	Required	
Self-Certification	Certified by CEO or CFO of Applicant and Affiliate, if Applicable	Required	Required	Required	Required
	Long-Term Funding	Required	Required	Required	Required
	Cash On Hand (per string, capped at $300K)	Required, $50K +25% App Fee			
	Good Standing			Required	
	Bound by Law of Jurisdiction	Required	Required	Required	Required
Operational Planning	List of Applied-For and/or Current TLDs	Required	Required	Required	Required
	Forecast of DUMs for Year 1, 2, and 3	Required	Required	Required	Required
	Three-Year Operating Plan	Required			
	Good Standing for Registry Operators and Registrars covered in contracting				
	EBERO Event disclosure covered in Administrative Check prior to evaluation				
	DNS Abuse Plan / Security Policy and Plan				

2.3 Clarifying Questions

The Evaluation Panel may issue clarifying questions (CQs) to request additional information needed to sufficiently evaluate the application. Applicants are required to respond by the deadline provided by ICANN.

2.4 Extended Evaluation

An Extended Evaluation (EE) is a secondary review process available to applicants who do not pass Financial and Operational Evaluation. Applicants may request EE to provide clarifying information that addresses deficiencies in their initial application. To qualify, the applicant must formally elect to undergo EE after receiving their Financial and Operational Evaluation results.

2.5 Comments

If ICANN determines that a comment submitted before the close of the comment window is applicable to a Financial and Operational Evaluation, ICANN will provide the comment to the evaluation panel.

2.6 Evaluation Results

After the Financial and Operational Evaluation is completed, applicants are informed of the results. Timing is dependent upon ICANN's Results Publication process.

2.7 What Is Public and What Is Private?

Most financial information submitted by the applicant remains confidential; the application questions are individually marked as to whether the responses are published or remain confidential.

3. Instructions for Financial and Operational Evaluation

- The applicant must answer all questions.
- Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
- If, for any reason, the applicant believes a question does not apply to their profile, the applicant must respond to the question explaining why it does not apply.
- Unless requested by ICANN, the applicant cannot provide any additional information after the application has been submitted. ICANN is not obligated to request any additional information or clarification of the submitted information.
- When asked "why," "describe," "explain," or "provide detail," the applicant must respond with content that demonstrates due diligence appropriate for the request. Most responses should be several paragraphs but no more than two (2) pages. Exceptions to this guidance are all types of financial statements, contracts, reference material, or any documentation that may require some additional content.
- For applicants who submit multiple applications, financial responses apply to all applications the applicant plans to submit for the particular round. Applicants will complete Financial and Operational Evaluation (including templates) only once for its first application to submit and must include information aggregate for all applied-for strings in the response.
- Financial and operational evaluation is performed once per applying entity. One Financial and Operational Evaluation will consider all applied for strings and their variants (if any) for a single applying entity.
- When completing the Financial and Operational Evaluation templates (MLS, WCS, etc) consolidate all Domains Under Management (DUMs) across all applied-for TLDs including variants. When providing expenses, including RSP expenses, applicants must consolidate all expected expenses across all applied-for gTLDs and variants.

Financial and Operational Evaluation has four (4) profiles. Each profile has evaluation criteria specifically selected to determine if it has and is expected to have the financial resources to fund the registry's start-up and long-term operation. All applicants will answer "Security Policy and Planning" and "DNS Abuse" questions in addition to profile-specific questions. Based on defined criteria and applicant's responses to the questions below, ICANN org will assign each applicant one of the four profiles.

1. **Government**: Is the applying entity a governmental entity or an intergovernmental organization that is in the recognized government's jurisdiction? If "Yes," assign the Government profile.

2. **Registry Operator**: Is the applying entity a current registry operator with one or more active Registry Agreements (RA), or an affiliated entity to an existing Registry Operator? If "Yes," assign the Registry Operator profile.
3. **Top 25 Public Stock Exchange**: Is the applying entity a publicly traded company on the Top 25 Public Stock Exchanges, as defined by the World Federation of Exchanges and specifically included on ICANN's list dated (Month/Day/Year) at https://focus.world-exchanges.org/issue/october-2024/market-statistics (as of MMM YYYY), or an affiliated entity to the company listed on a on the Top 25 Public Stock Exchanges. If "Yes," assign the Top 25 Public Stock Exchange profile.
4. **Standard**: If the applicant is not selected as one of the above profiles, assign the Standard profile.

3.1 Government Profile

3.1.1 Self-Certification

Self-Certification Instructions:

1. Provide a single document for Self-Certification question Q1.1-1.
2. The document must include only the SC1.1-1.1 and SC1.1-1.2 statements.
3. Do not modify any of the Self-Certification statements.
4. If the applicant cannot Self-Certify the SC1.1-1.1 and SC1.1.1-2 statements, provide a document that explains why the applicant cannot Self-Certify the SC1.1-1.1 and SC1.1.1-2 statements.

Q1.1-1: Provide the applicant's self-certification document that commits government support on official letterhead from a proper authority that the application for the gTLD(s) and its operation by the applicant is proper and permitted and that represents and warrants: SC1.1-1.1: That the applicant is the recognized government of its jurisdiction and that the government has authorized the application(s) for applied-for gTLD(s) or is a recognized intergovernmental organization with relevant authorization for its application(s) for applied-for gTLD(s). SC1.1-1.2: That the applicant and/or an affiliate commits to the long-term funding required to operate all of the applicant's existing gTLDs (if applicable) and newly applied-for gTLD(s).

Self-Certification Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant and, if applicable, by the affiliate.
4. The two Self-Certification statements confirm that the applicant:
    a. is the recognized government of its jurisdiction
    b. has the authorization from the government to submit one or more applications.
    c. or an affiliate commits to the long-term funding required to operate all the applicant's existing gTLDs (if applicable) and newly applied-for gTLD(s)

3.1.2 Operational Planning

Operational Planning Instructions:

1. The document for Q1.2-1 may be a PDF of a Word (.docx), Excel (.xlsx), or equivalent file type.
2. The document for Q1.2-2 must be an Excel (.xlsx) file.

Q1.2-1: Provide a document with a list of the applicant's current gTLDs (if applicable) and a list of all gTLDs for entities affiliated with the applicant (if applicable). If the applicant and affiliates have no current gTLDs, submit a document that confirms this.

Q1.2-2: *[Confidential]* Provide a document containing a list of the applicant's applied-for strings plus a forecast for each string of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

Operational Planning Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. A document with a list of all of the applicant's current gTLDs (if applicable) and a list of all gTLDs for entities affiliated with the applicant (if applicable).
3. A document containing a list of all of the applicant's applied-for strings plus, for each string, a forecast of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

3.2 Registry Operator Profile

3.2.1 Financial Statements

Financial Statements Notes:

1. A Qualified Parent Entity (QPE) is a legal entity that has at least 51% ownership in the applicant, directly or indirectly.
2. Qualified Parent Statements (QPS) are Audited financial statements from a QPE.

Financial Statements Instructions:

1. Provide all documents prepared by the third-party accounting firm providing financial statements for this Financial and Operational Evaluation.
2. Annual Reports are not acceptable.

Q2.1-1: *[Confidential]* All financial statements must be prepared by a third-party accounting firm. Provide the applicant's complete audited financial statements for the most recently closed fiscal year and, if available, financial statements for the most recently ended interim financial period for the applying entity or a QFE entity of the applicant. Where audited statements cannot be provided, provide either the applicant's reviewed or compiled financial statements for the most recently closed fiscal year or interim period.

Q2.1-2: *[Confidential]* If a complete set of financial statements is provided by a QFE entity of the applicant, the applicant must provide a statement that clarifies how the QFE entity meets the definition in the Financial Statements Instructions.

Q2.1-3: *[Confidential]* Provide a statement clarifying why the applicant's financial statements submitted as part of *Q2.1-1* were chosen for submission and are the most appropriate set of financial statements to review with respect to the proposed gTLDs.

Q2.1-4: *[Confidential]* Provide a statement stating what accounting standards were used to prepare the applicant's financial statements provided as part of *Q2.1-1* (for example, U.S. GAAP, IFRS, or any nationally recognized accounting standard for the jurisdiction where the entity resides).

Financial and Operational Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses
2. Provide applicant's audited, reviewed, or compiled financial statements prepared by a third-party accounting firm or QFE entity's audited financial statements.
    a. Acceptable accounting standards are: Nationally recognized accounting standards for the jurisdiction of the applicant or QFE entity, International Financial Statements Reporting Standards (IFRS), Generally Accepted Accounting Principles (GAAP).
    b. Audited financial statements report: Opinion of the auditor is a "going concern" - no "emphasis of matter" paragraph, "qualified opinion", or "adverse opinion."
    c. Reviewed financial statements report: Accounting firm states that no material modifications are needed to comply with the financial accounting standard for the applicable reporting jurisdiction.
    d. Compiled financial statements report: Accounting firm states that the financial statements have been compiled based on information provided by management using the accounting standard of the applicable jurisdiction of the submitted financial statements:
3. Provides one or more documents that:
    a. clarify how the QFE entity meets the definition for providing financial statements as defined in the Financial Statements Instructions,
    b. explain why the submitted financial statements were chosen for submission, referring to "the most favorable cash flow" - indicating a strong liquidity position and ability to meet its financial obligations.
    c. state what accounting standards were used to prepare the applicant's financial statements.

3.2.2 Self-Certification

Self-Certification Instructions:

1. Provide a single document for Self-Certification question Q2.2-1.
2. The document must include only the SC2.2-1.1 through SC2.2-1.3 statements.
3. Do not modify any of the Self-Certification statements.
4. If the applicant cannot Self-Certify the SC2.2-1.1 through SC2.2-1.3 statements, provide a document that explains why the applicant cannot Self-Certify the SC2.2-1.1 through SC2.2-1.3 statements.

Q2.2-1: Provide the applicant's self-certification document, signed by the CEO, President, CFO, and/or equivalent officer of the applicant. If financial statements are provided by a QFE entity of the applicant, the CEO, President, CFO, and/or equivalent officer of the QFE entity must co-sign the certification document. The self-certification document must represent and warrant:

SC2.2-1.1: As of the submission date of the application, the applying entity is a current registry operator or an affiliated entity of a current registry operator with one or more active Registry Agreements (RA).

SC2.2-1.2: The applicant and/or a QFE entity will fund the startup and long-term operation of all of the applicant's current gTLDs and applied-for gTLDs.

SC2.2-1.3: The applicant and/or its officers are bound by law in its jurisdiction to represent financial statements accurately and the applicant is in good standing in that jurisdiction.

Self-Certification Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant and, if applicable, by a QFE entity.
4. The three Self-Certification statements in the question confirm the applicant:
    a. is a current registry operator or an affiliated entity of a current registry operator,
    b. commits to long-term funding for all current and applied-for gTLDs,
    c. bound by law in its jurisdiction to represent financial statements accurately,
    d. is in "good standing in that jurisdiction": filing annual reports, business licenses, and other required documents on time; paying required fees, taxes, and other financial obligations; maintaining proper registrations with local, state, and national authorities are current and accurate.

3.2.3 Operational Planning

Operation Planning Instructions:

1. The document for Q2.3-1 may be a PDF of a Word (.docx), Excel (.xlsx), or equivalent file type.
2. The document for Q2.3-2 must be an Excel (.xlsx).

Q2-3.1: Provide a document with a list of all of the applicant's current gTLDs and a list of all gTLDs for entities affiliated with the applicant (if applicable).

Q2-3.2: *[Confidential]* Provide a document containing a list of all of the applicant's applied-for strings plus a forecast for each string of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

Operational Planning Criteria:

1. A document with a list of all of the applicant's current gTLDs and a list of all gTLDs for entities affiliated with the applicant [if applicable].
2. A document containing a list of all of the applicant's applied-for strings plus, for each string, a forecast of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

3.3 Top 25 Public Stock Exchange Profile

3.3.1 Financial Statements

Financial Statements Notes:

1. A Qualified Parent Entity (QPE) is a legal entity that has at least 51% ownership in the applicant, directly or indirectly.
2. Qualified Parent Statements (QPS) are Audited financial statements from a QPE.

Financial Instructions:

1. Provide all documents prepared by the third-party accounting firm providing financial statements for this Financial and Operational Evaluation.
2. Annual Reports are not acceptable.

Q3.1-1: *[Confidential]* Provide a complete set of the applicant's audited financial statements for the most recently closed fiscal year and, if available, financial statements for the most recently ended interim financial period for the applying entity or a QFE entity as defined in the Financial Instructions.

Q3.1-2: *[Confidential]* If a complete set of the applicant's financial statements is provided by a QFE entity, the applicant must provide a statement that clarifies how the QFE entity meets the definition in the Financial Instructions.

Q3.1-3: *[Confidential]* Provide a statement clarifying why the financial statements submitted as part of *Q3.1-1* were chosen for submission and are the most appropriate set of financial statements to review with respect to the proposed gTLD.

Q3.1-4: *Confidential]* Provide a statement stating what accounting standards were used to prepare the applicant's financial statements provided as part of *Q3.1-1* (for example, U.S. GAAP, IFRS, or any nationally recognized accounting standard for the jurisdiction where the entity resides).

Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Provide applicant's audited financial statements prepared by a third-party accounting firm or a QFE entity's audited financial statements.
    a. Acceptable accounting standards are: Nationally recognized accounting standards for the jurisdiction of the applicant or QFE entity, International Financial Statements Reporting Standards (IFRS), Generally Accepted Accounting Principles (GAAP).
    b. Audited financial statements report: Opinion of the auditor is a "going concern" - no "emphasis of matter" paragraph, "qualified opinion", or "adverse opinion."
3. Provides one or more documents that:
    a. clarify how the QFE entity meets the definition for providing financial statements as defined in the Financial Statements Instructions,
    b. explain why the submitted financial statements were chosen for submission, referring to "the most favorable cash flow" - indicating a strong liquidity position and ability to meet its financial obligations.
    c. state what accounting standards were used to prepare the applicant's financial statements.

3.3.2 Self-Certification

Self-Certification Instructions:

1. Provide a single document for Self-Certification question Q3.2-1.
2. The document must include only the SC3.2-1.1 through SC3.2-1.4 statements.
3. Do not modify any of the Self-Certification statements.

4. If the applicant cannot Self-Certify the SC3.2-1.1 through SC3.2-1.4 statements, provide a document that explains why the applicant cannot Self-Certify the SC3.2-1.1 through SC3.2-1.4 statements.

> **Q3.2-1:** Provide the applicant's self-certification document, signed by the CEO, President, CFO and/or equivalent officer of the applying entity. If the applicant's financial statements are provided by a QFE entity, the CEO, President, CFO, and/or equivalent officer of the QFE entity must co-sign the certification document. The self-certification document must represent and warrant:
>
> SC3.2-1.1: As of the submission date of the application, the applicant is currently a listed member in one or more of the public stock exchanges identified at https://focus.world-exchanges.org/issue/october-2024/market-statistics (as of MMM YYYY), including information on both the relevant exchange and the current registration ticker symbol.
>
> SC3.2-1.2: The applicant is in good standing with the public stock exchange in which they are a listed member.
>
> SC3.2-1.3: The applicant commits to the long-term funding of all applied-for gTLDs.
>
> SC3.2-1.4: The applicant and/or its officers are bound by law in its jurisdiction to represent financial statements accurately and the applicant is in good standing in that jurisdiction.

Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant and, if applicable, by a QFE entity.
4. The four Self-Certification statements in the question confirm the applicant:
    a. is a currently listed member in one of the public stock exchanges identified at https://focus.world-exchanges.org/issue/october-2024/market-statistics (as of MMM YYYY),
    b. is in good standing – in compliance with all rules and regulations for ongoing listing – with the public stock exchange of which the applicant is a listed member.
    c. commits to long-term funding for all applied-for gTLDs,
    d. is bound by law in its jurisdiction to represent financial statements accurately,
    e. is in "good standing in that jurisdiction": filing annual reports, business licenses, and other required documents on time; paying required fees, taxes, and other financial obligations; maintaining proper registrations with local, state, and national authorities are current and accurate.

3.3.3 Operational Planning

Operational Planning Instructions:

1. The document for Q3.3-1 must be an Excel (.xlsx).

Q3.3-1: *[Confidential]* Provide a document containing a list of all of the applicant's applied-for strings plus a forecast for each string of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

Operational Planning Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. A document containing a list of all of the applicant's applied-for strings plus, for each string, a forecast of the number of DUMs for Year 1, Year 2, and Year 3 beginning after delegation.

3.4 Standard

3.4.1 Financial Statements

Financial Statements Notes:

1. A Qualified Parent Entity (QPE) is a legal entity that has at least 51% ownership in the applicant, directly or indirectly.
2. Qualified Parent Statements (QPS) are Audited financial statements from a QPE.

Financial Statements Instructions:

1. Provide all documents prepared by the third-party accounting firm providing financial statements for this Financial and Operational Evaluation.
2. Annual Reports are not acceptable.

Q4.1-1: *[Confidential]* All financial statements must be prepared by a third-party accounting firm. Provide the applicant's complete audited financial statements for the most recently closed fiscal year and, if available, financial statements for the most recently ended interim financial period for the applying entity or a QFE entity. Where audited statements cannot be

provided, provide either the applicant’s reviewed or compiled financial statements for the most recently closed fiscal year or interim period.

Q4.1-2: *[Confidential]* If a complete set of financial statements are provided by a QFE entity of the applicant, the applicant must provide a statement that clarifies how the QFE meets the definition of a QFE entity as defined in the Financial Instructions.

Q4.1-3: *[Confidential]* Provide a statement clarifying why the applicant’s financial statements submitted as part of *Q4.1-1* were chosen for submission and are the most appropriate set of financial statements to review with respect to the proposed gTLDs.

Q4.1-4: *[Confidential]* Provide a statement stating what accounting standards were used to prepare the applicant’s financial statements provided as part of *Q4.1-1* (for example, U.S. GAAP, IFRS, or any nationally recognized accounting standard for the jurisdiction where the entity resides).

Financial and Operational Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Provide applicant’s audited, reviewed, or compiled financial statements prepared by a third-party accounting firm or QFE entity audited financial statements.
    a. Acceptable accounting standards are: Nationally recognized accounting standards for the jurisdiction of the applicant or QFE entity, International Financial Statements Reporting Standards (IFRS), Generally Accepted Accounting Principles (GAAP).
    b. Audited financial statements report: Opinion of the auditor is a “going concern” - no “emphasis of matter” paragraph, “qualified opinion”, or “adverse opinion.”
    c. Reviewed financial statements report: Accounting firm states that no material modifications are needed to comply with the financial accounting standard for the applicable reporting jurisdiction.
    d. Compiled financial statements report: Accounting firm states that the financial statements have been compiled based on information provided by management using the accounting standard of the applicable jurisdiction of the submitted financial statements.
3. Provides one or more documents that:
    a. clarify how the QFE entity meets the definition for providing financial statements as defined in the Financial Statements Instructions.
    b. explain why the submitted financial statements were chosen for submission, referring to “the most favorable cash flow” - indicating a strong liquidity position and ability to meet its financial obligations.

   c. state what accounting standards were used to prepare the applicant’s financial statements.

3.4.2 Self-Certification

Self-Certification Instructions:

1. Provide a single document for Self-Certification question Q4.2-1.
2. The document must include only the SC4.2-1.1 through SC4.2-1.3 statements.
3. Do not modify any of the Self-Certification statements.
4. If the applicant cannot Self-Certify the SC4.2-1.1 through SC4.2-1.3 statements, provide a document that explains why the applicant cannot Self-Certify the SC4.2-1.1 through SC4.2-1.3 statements.

Q4.2-1: Provide the applicant’s self-certification document, signed by the CEO, President, CFO and/or equivalent officer of the applying entity. If financial statements are provided by a QFE entity, the CEO, President, CFO, and/or equivalent officer of the QFE entity must co-sign the certification document. The self-certification document must represent and warrant:

SC4.2-1.1: The applicant and/or a QFE entity will fund the startup and long-term operation of all applied-for gTLDs and (if applicable) currently operated gTLDs of a QFE entity.

SC4.2-1.2: The applicant or QFE entity has at a minimum of US$50,000 plus 25% of the application base fee for each applied-for gTLD in Cash and Cash Equivalents on the balance sheet of the provided financial statements, up to a maximum of US$300,000, designated to support the startup and operation of all of the applicant’s applied-for gTLDs.

SC4.2-1.3: The applicant and/or its officers are bound by law in its jurisdiction to represent financial statements accurately and the applicant is in good standing in that jurisdiction.

Self-Certification Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant and, if applicable, by the QFE entity..
4. The three Self-Certification statements in the question confirm the applicant:
   a. commits to long-term funding for all current and applied for gTLDs,
   b. has at a minimum of US$50,000 plus 25% of the application fee for each applied-for gTLD in Cash and Cash Equivalents on the balance sheet of the applicant provided financial statements , up to a maximum of US$300,000,

designated to support the startup and operation of all of the applicant's applied-for gTLDs.

c. is bound by law in its jurisdiction to represent financial statements accurately,
d. is in "good standing in that jurisdiction": filing annual reports, business licenses, and other required documents on time; paying required fees, taxes, and other financial obligations; maintaining proper registrations with local, state, and national authorities are current and accurate.

3.4.3 Operational Planning

3.4.3.1 Three-Year Operating Plan

The Standard profile requires the applicant to complete a Three-Year Operating Plan. The plan has the following five (5) sections:

- Most Likely Scenario (MLS) Financial Projection (Q4.3.1-1)
- Operating Costs (Q4.3.2-1)
- Funding and Revenue (Q4.3.3-1)
- Contingency Planning (Q4.3.4-1)
- Worst Case Scenario (WCS) Financial Projection (Q4.3.5-1)

For the following five (5) sections, the applicant must use the ICANN provided "Financial and Operational Evaluations Template.xlxs" to populate and submit all aggregated information for questions listed in sections 4.3.1-4.3.5. The applicant must submit only one copy of the Financial and Operational Evaluations Template.

3.4.3.2 Most Likely Scenario

Most Likely Scenario (MLS) Instructions:

1. The Instructions for the MLS are in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

Q4.3.1-1: *[Confidential]* Populate and provide the Financial and Operational Evaluation Templates – MLS. The Most Likely Scenario (MLS) Financial Projection will quantify the applicant's plans to build, fund, and operate the applied-for gTLDs on an ongoing basis. The MLS projection focuses on funding and positive cash flow needed for the expected operating plan. Detailed instructions for populating the spreadsheet are in the Financial and Operational Evaluation Templates Instructions.

Most Likely Scenario Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. The MLS Projections Template has not been modified.
3. All required cells have data input.
4. Cash on Hand at Time of Application calculation is correct.
5. Cash and Cash Equivalents from the provided financial statement's balance sheet exceed the Cash on Hand at Time of Application.
6. All rows with data have sufficient relevant Comments content.
7. Projected Total Cash Flow is positive in Year 3.

3.4.3.3 Operating Costs

The Financial and Operational Evaluation requires that the combined operating costs for all of the applicant's applied-for gTLDs are included in the *Most Likely Scenario (MLS) Financial Projection.*

Operating Costs Instructions:

1. The Instructions for the MLS are in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

Q4.3.2-1: *[Confidential]:* Populate the Financial and Operational Evaluation Templates – MLS with the estimated startup and the first three years combined operating costs for all of the applicant's applied-for gTLDs. This cost should include RSP Services, administration, labor, facilities, marketing, etc. Any major variances (20% or greater) between years in anticipated ranges for expected costs must be briefly explained in the MLS Comments column of the Template.

Q4.3.2-2: *[Confidential]:* Provide all material outsourced Contracts, Letters of Intent (LOIs), and Proposals for the applicant's operating costs.

Operating Costs Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. The MLS Projections Template has not been modified.
3. All required cells for Operating Costs have data input.
4. All rows with input data have sufficient relevant Comments content as specified in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

5. Variances for 20% or more are Explained in Comments,
6. Provided Pre-evaluated RSP and all other outsourced contracts, LOIs, or proposals
7. Contracts, LOIs, and proposals costs are accounted for in the MLS Projections Template.

3.4.3.4 Funding and Revenue

Funding and Revenue Notes:

1. Funding can be derived from several sources such as existing capital or proceeds/revenue from operation of a registry.
2. Funding resources must be adequately provided to produce positive cash flow by the end of the third year of operations.

Funding and Revenue Instructions:

1. The Instructions for the Funding and Revenue are in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

Q4.3.3-1: *[Confidential]* For projected revenue, describe the applicant's strategy for using various pricing models for projected registration revenue, if applicable, such as auctions, premium naming, multi-year versus single-year registrations, etc. across all applied-for gTLDs in MLS Comments.

Q4.3.3-2: *[Confidential]* Identify and document in MLS Comments any sources of capital funding required to sustain registry operations for the short-term and long-term, ongoing basis.

Funding and Revenue Criteria:

1. Applicant provided a strategy registration revenue that included all applied-for gTLDs collectively, launch plans, market size and planned penetration goals, unique registry services, etc.
2. Applicant clearly identified any other funding sources, amounts, and timing of use for each source.

3.4.3.5 Contingency Planning

Contingency Planning Instructions:

1. Instructions for the Risk Assessment are provided in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

Q4.3.4-1: *[Confidential]* Using the Financial and Operational Evaluation Templates – Risk Assessment spreadsheet, document and provide the applicant's assessment of the predefined and specific gTLD material risks to the successful operation of a combined set of all applied-for gTLDs.

Contingency Planning Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. All required Risk Assessments were completed – Risk Scenario, Probably, Impact, Mitigation.
3. Any applicant identified risks were assessed and documented in the Risk Assessment Template.

3.4.3.6 Worst-Case Scenario (WCS) Financial Projection

Worst-Case Scenario (WCS) Notes:

1. The Worst-Case Scenario (WCS) Financial Projection will quantify the plans to operate the gTLD(s) registry when events occur that negatively impact the ability to fund the applicant's applied-for gTLD(s).

Worst-Case Scenario (WCS) Instructions:

1. The Instructions for the WCS are in the Instructions - Financial and Operational Evaluation Template - 10-22-2024.docx document.

Q4.3.5-1: *[Confidential]* Populate and provide the WCS projections as defined in the Financial and Operational Evaluation Templates – WCS. The projections must demonstrate that the applicant's funding is adequate to produce positive cashflow for the startup period and the first three years of operations. Detailed instructions for populating the spreadsheet are in the Financial and Operational Evaluation Templates Instructions.

Worst-Case Scenario (WCS) Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. The WCS Projections Template has not been modified.
3. All required cells have data input.
4. Cash on Hand at Time of Application calculation is correct.
5. Cash and Cash Equivalents from the provided financial statement's balance sheet exceed the Cash on Hand at Time of Application.
6. All rows with data have sufficient relevant Comments content.
7. Projected Total Cash Flow is positive in Year 3.

3.5 Questions for All Profile Types

3.5.1 Security Policy and Planning

Security Policy and Planning Instructions:

1. Provide a single document for Self-Certification question Q5.1-1.
2. The document must include only the SC5.1-1.1 through SC5.1-1.3 statements.
3. Do not modify any of the Self-Certification statements.
4. If the applicant cannot Self-Certify the SC5.1-1.1 through SC5.1-1.3 statements, provide a document that explains why the applicant cannot Self-Certify the SC5.1-1.1 through SC5.1.1-3 statements.

Q5.1-1: Provide the applicant's signed self-certification document that commits government support on official letterhead from a proper authority that the application for the gTLD(s) and its operation by the applicant is proper and permitted and that represents and warrants:

SC5.1-1.1: The applicant will appropriately protect confidentiality of data and prevent unauthorized access to data and services.

SC5.1-1.2: The applicant has and will maintain for at least the effective period of the registry agreement a mature, appropriately funded and staffed security program, following a recognized, modern security framework based on risk management (such as the ISO27000 series, COBIT, HITRUST CSF, legally required security frameworks, or equivalent).

SC5.1-1.3: The applicant is aware of and has designed its systems and business to comply with the relevant privacy and security regulations for all countries in which a registrant is a resident or citizen or in which the company has assets or operations.

Security Policy and Planning Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant.
4. The three Self-Certification Statements confirm that the applicant:
    a. commits to its role in the protection of confidentiality of data in the applicant's care, and prevention of unauthorized access to applicant's services.
    b. has planned for and will budget to support the operation of the necessary security capabilities.
    c. has or plans to implement a recognized, modern security framework based on risk management such as the ISO27000 series, COBIT, HITRUST CSF, legally required security frameworks, or equivalent.
    d. has a plan to ensure appropriate staffing for its security capabilities.
    e. has designed operational practices and technical infrastructure to meet the security and privacy requirements it is subject to.

3.5.2 DNS Abuse

DNS Abuse Instructions:

1. Provide a single document for Self-Certification question Q5.2-1.
2. The document must include only the SC5.2-1.1 through SC5.2-1.7 statements.
3. Do not modify any of the Self-Certification statements.
4. If the applicant cannot Self-Certify the SC5.2-1.1 through SC5.2-1.7 statements, provide a document that explains why the applicant cannot Self-Certify the SC5.2-1.1 through SC5.2.1-7 statements.

Q5.2-1: Provide the applicant's signed self-certification document that commits government support on official letterhead from a proper authority that the application for the gTLD(s) and its operation by the applicant is proper and permitted and that represents and warrants:

SC5.2-1.1: The applicant will, no later than delegation of the gTLD(s), establish a dedicated abuse point of contact responsible for addressing matters requiring expedited attention and providing a timely response to abuse complaints concerning any name registered in the TLD.

SC5.2-1.2: The applicant will, no later than delegation of the gTLD(s), establish, publish, and provide to ICANN the location of a mechanism for members of the public to submit reports of abuse in accordance with the current obligations of the Registry Agreement and any Consensus Policies.

SC5.2-1.3: The applicant has developed proposed measures for removal of orphan glue records for names removed from the zone when provided with evidence in written form that the glue is present in connection with malicious conduct (see Specification 6).

SC5.2-1.4: The applicant has or will have at time of delegation, established policies for handling complaints regarding abuse. Such policies are to be maintained and posted publicly so that anyone can review the policies via the Internet and any other means deemed appropriate by the applicant. The applicant's policies at a minimum should contain appropriate confirmation of the receipt of the abuse report, the process of review of the report, and actions will be taken if the applicant confirms the report is legitimate.

SC5.2-1.5: The applicant understands that DNS Abuse is Phishing, Malware, Botnets, Pharming and Spam (when used to deliver other forms of DNS Abuse). The Applicant understands and is prepared to contribute to the mitigation or disruption of DNS Abuse in domains in the TLD zone.

SC5.2-1.6: The applicant's abuse response capabilities are resourced appropriately to ensure a timely and adequate investigation and response to reports of DNS Abuse. This includes the capabilities to receive and evaluate evidence of DNS Abuse in reports, and to take action to stop or disrupt the DNS Abuse.

SC5.2-1.7: The applicant is prepared to conduct periodic scans of its zone to identify if domains are being used to perpetrate DNS Abuse, and to maintain statistical reports of the scans, the findings, and actions taken.

DNS Abuse Evaluation Criteria:

1. Applicant follows the Instructions without exception and provides complete, commercially reasonable, and good-faith responses.
2. Applicant provides the Self-Certification document.
3. The document is signed by the applicant.
4. The seven Self-Certification Statements confirm that the applicant:
    a. will, no later than delegation of the Top-Level Domain (TLD), establish a dedicated abuse point of contact and provide a timely response to abuse complaints
    b. will, no later than delegation of the TLD, establish, publish, and provide to ICANN the location of a mechanism for members of the public to submit reports of abuse in accordance with the current obligations of the Registry Agreement and any Consensus Policies
    c. has developed proposed measures for removal of orphan glue records for names removed from the zone when provided with evidence in written form that the glue is present in connection with malicious conduct (see Specification 6)

d. has established and maintains policies on handling complaints regarding abuse. Such policies are posted publicly so that anyone can review the policies via the Internet and any other means deemed appropriate by the applicant. The applicant's policies at a minimum should contain appropriate confirmation of the receipt of the abuse report, the process of review of the report, and actions will be taken if the applicant confirms the report is legitimate.
e. confirms that DNS Abuse is Phishing, Malware, Botnets, Pharming and Spam (when used to deliver other forms of DNS Abuse). The Applicant is prepared to contribute to the mitigation or disruption of DNS Abuse in domains in the TLD zone.
f. will resource abuse response capabilities appropriately to ensure a timely investigation and response to reports of DNS Abuse, receive and evaluate evidence of DNS Abuse in reports, and to take action to stop or disrupt the DNS Abuse.
g. is prepared to conduct periodic scans of its zone to identify if domains are being used to perpetrate DNS Abuse, and to maintain statistical reports of the scans, the findings, and actions taken.