

The Hong Kong Information Technology Federation (HKITF) has the following areas of concern for the direction, operation and development of the Hong Kong Internet Registration Corporation Limited (HKIRC), which regulates the .hk country code top-level domain names (ccTLD), part of the critical infrastructure of Hong Kong's Internet and information system.

Transparency

We would like to see further transparency on board appointment and board governance. Wide participation opportunity for public including various industrial body would help HKIRC to develop toward the best interests for the public at large. We like to see goals and object set forth by HKIRC, how and its progress on driving the company towards its goals.

CAP appointment

We are also concerned about the upcoming appointment of the Consultative and Advisory Panel (CAP), which again lacks the participation and nomination opportunities for the public and the Internet community, including the service providers, members, and users at large. Again, as in the case for the directors, we are concerned that experts with local, regional and international knowledge of the domain name business and international trends are not included. The responsibilities and accountabilities of the CAP is also unclear.

Confidentiality Undertaking

Because of the fact that directors are required by HKIRC to sign a confidentiality undertaking, they are prevented to consult their constituency no matter what the matter is. This is unusual among public bodies and indeed against public interest, which should be placed at the top priority, rather than a narrow consideration of company interests.

Information Disclosure

Currently, the level of information disclosure by HKIRC is insufficient and the public rights to know is not sufficiently addressed. For example, the company's financial reports are only sent to its members. Meeting minutes are not disclosed. We believe that as a body in charge of the management of a public resources, HKIRC should place the public right to know in the top priority.

Accountability

Financial Accountability

HKIRC is a not-for-profit organization but it has been rolling up a sizable reserve over the year. This is a poor use of public resource, and calls for an urgent review of its financial priorities, for instance, whether prices should be waived or reduced, and part of the reserves should be used for community and Internet development purpose. It is unacceptable to continue the present practice and continue to add to this escalating problem. Moreover, the public and the industry should be involved in any consultation to deal with this reserve and the development of HKIRC's future

financial priorities.

Business Plan

HKIRC does not reveal sufficient information to the industry and the public about its short to medium business plan, not to mention anything of a longer-term nature. This should be made open to the public in future.

Registry-Registrar Model

The Registry-Registrar separation model has been the mainstream practice around the world. This matter has been discussed for more than ten years since the initial consultation leading to the establishment of HKIRC. In the meantime, we have lost a series of global opportunities to make Hong Kong a center of domain name business activities, and we have one of the lowest number of ICANN-accredited registrars in Hong Kong compared to other parts of Asia and the world, while HKIRC accumulates an astronomical financial reserve which is put to no use. This is a waste of opportunities for Hong Kong's information technology industry and our economy. This matter must be put at a high priority by HKIRC to handle, and to streamline its future operation to encourage more registrars to be set up in Hong Kong.

Hong Kong Information Technology Federation

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Established in 1980, the Hong Kong Information Technology Federation is a nonprofit, non-political trade association that acts as a forum in which the IT-related businesses in Hong Kong can work together for the benefit of the industry and to maintain a high level of business practice amongst the members.

Web: <http://www.hkitf.org>