

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	August 24, 2021 (Tuesday) 14:03 – 14:58 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Santanu ACHARYA Kashif ADEEL Satish BABU Edmon CHUNG Joel DISINI * Maureen HILYARD Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)</p> <p>Apologies: Nicole CHAN</p> <p>Absent: Andi BUDIMANSYAH</p> <p>* Joined meeting during Discussion Item 3.7.3, and left meeting during Discussion Item 5.1.</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	On going.
F2021.07.A03	Bring the discussion of renewal of Directors' (D&O) Insurance to Board Exco and the Board for budget approval.	Edmon CHUNG	Completed.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afilias.	Rebecca CHAN	
F2021.08.A02	Conduct a comparison of the existing registry agreement with Afilias with other potential providers.	Edmon CHUNG	

Discussions:

1. Roll Call

- 1.1. Mr. Santanu ACHARYA chaired the BFC meeting as BFC Chair on Aug 24, 2021.
- 1.2. Roll call. Those present for all or part of the meeting are included in the Attendees section.

2. Adoption of Minutes of Last BFC Meeting on Jul 14, 2021

- 2.1. BFC meeting minutes 2021.07.14 and action items were discussed.
- 2.2. BFC meeting minutes 2021.07.14 approved unanimously.

3. .Asia Registry Financial Operations

- 3.1. Based on the discussion at Jul Board meeting, the financial operations and processes of .Asia Registry were presented and briefed to BFC for reference.
- 3.2. It was reported that Afilias provided billing reports through its Reports Library platform, which is available to all registries and registrars under Afilias. Available billing reports from Afilias was briefed to the BFC, including:

Monthly Registry Reports for ICANN, Monthly Registrar Invoice and Statement, Registrar Billing Summary and Detail Report, Invoice for Back-end Service, Registrant Country Reports (for SCP allocation, of which report of SCP funds was sent to ccTLD Members annually), Deferred Revenue System (DRS) Reports, and Annual DRS Reports for audit purpose.
- 3.3. There was suggestion on conducting random verification on reports provided by Afilias. It was suggested and agreed to explore how random checking, for example on the numbers of particular registrar could be put in place. Further suggestions on the actual procedures to be proposed to BFC for discussion at Sep BFC meeting. (2021.08.A01)
- 3.4. It was explained that DotAsia utilizes a Web Admin Tool (WAT) to process top-up payments from registrars, check each registrar's current balance, and set low balance notification threshold. It was clarified that top-up payments from registrars go directly to DotAsia's bank account, where DotAsia will update the registrar's account using WAT upon receiving a payment.
- 3.5. It was reported that .Asia adopts a prepayment model that registrar needs to keep funds in their registrar account for registration. A registrar can make wire payments to DotAsia to top-up their account in any amounts and as frequent as they wish. Once payment is received, DotAsia would use WAT to credit the payment into the registrar's account. It was further reported that Registrars maintaining a minimum Domain Under Management of 25,000 can apply to use the post-pay model to pay in arrears without keeping deposit balance.
- 3.6. It was reported that a detailed monthly cash flow report showing expenses and incoming moneys, is shared to the Board for reference along with the cash flow summary which is highlighted at the monthly Board meeting. The cash flow report, includes financial information of DotAsia Organisation, DotAsia Foundation, and Namesphere.
- 3.7. There was discussion on the domain registry fee to Afilias and the services their offered.
 - 3.7.1. It was suggested to conduct a structured investigation on the services and discounts that Afilias offered and DotAsia's needs.
 - 3.7.2. It was explained that Afilias supported .Asia as a very close partner since 2004, who also gave DotAsia a loan to get .Asia started. Information on

this has been provided publicly during the ICANN application process for .Asia.

- 3.7.3. A brief background was provided to BFC for reference. DotAsia's first agreement (Letter of Intent: LOI) with Afilias dated July 2004, which was executed by then interim CEO Che-Hoo CHENG, was briefed to BFC. It was highlighted that the agreement includes the provision confirming that Afilias and DotAsia will work together as long as DotAsia (and its successors and assigns) has the agreement with ICANN, therefore, Afilias is more than a back-end supplier.
- 3.7.4. It was explained that DotAsia completed the existing registry agreement after Edmon was appointed as the CEO in 2007, the provision in the LOI was brought forward to the Registry Services Agreement, with an additional consideration for reviewing the fees based on market conditions in 5-year and 10-year cycles.
- 3.7.5. It was discussed and agreed to first conduct a comparison on the existing agreement with other potential providers, before bringing the discussion of review with Afilias to the Board. (2021.08.A02)

4. Review of BFC-001

- 4.1. Referring to the discussion at Jul BFC meeting, it was suggested to update Expenditure Limit of unbudgeted expenditure in BFC-001.
- 4.2. Proposed amendment was presented and briefed to BFC for discussion.
 - 4.2.1. It was proposed that the unbudgeted expenditure should be supported by the CEO and Treasurer, and approved by the BFC.
 - 4.2.2. It was also proposed that all unbudgeted expenditure should be informed to the Board on monthly basis.
- 4.3. It was suggested to retain a bracket for normal operations.
- 4.4. It was discussed and agreed that expenditure up to US\$10,000 could be approved by CEO only, but unbudgeted expenditures be included in the monthly report from Fusion to BFC.
- 4.5. There is no further comment from BFC, revised draft BFC:001 will be shared to BFC for further consideration.

5. Rotation of Professional Services

- 5.1. It was reported that BGC studied the guidelines for rotation of appointment of professional services in Hong Kong, that there is no legal requirement nor a general practice in Hong Kong for the rotation of legal and audit firms.
- 5.2. Although there is no legal requirement nor is it a general practice in Hong Kong for the rotation of audit firms, BGC discussed and agreed to ask BFC to consider the matter as a governance practice for DotAsia.
- 5.3. Further discussion deferred to Sep BFC meeting.

6. Updates on Accounting Software Upgrade & Fusion

- 6.1. It was reported that the migration of historical data has been completed, and Tectura and DotAsia team are working on the final checks on the data. Meanwhile, Fusion has already started with bookkeeping on the new system.
- 6.2. The target as previously planned, is to produce the first set of monthly financials up to June by the Sep BFC meeting, which will include the confirmation and compliance note as discussed.
- 6.3. It was suggested to aim to provide the report before the BFC meeting.