

DotAsia Board Finance Committee (BFC) Meeting Minutes

Date(s) & Time:	May 20, 2022 (Friday) 14:01 – 15:04 HKT
Location:	DotAsia Zoom Meeting Room: http://aji.asia/zoomboardfinance
Attendees:	<p>Santanu ACHARYA ^{*a} Kashif ADEEL Satish BABU ^{*b} Andi BUDIMANSYAH ^{*c} Edmon CHUNG Joel DISINI Murad IBRAGIMOV Leonid TODOROV Rebecca CHAN (DotAsia Team) Freda CHEUNG (DotAsia Team)</p> <p>Apologies: Arthur CHANG</p> <p>^{*a} Joined, left and rejoined meeting during Discussion Item 3.2. ^{*b} Left meeting after Discussion Item 6.7. ^{*c} Joined meeting during Discussion Item 3.2.</p>

No.	Action Items:	Owner	Remarks
F2021.01.A04	Search other bank options for opening new Namesphere bank account.	Rebecca CHAN	In progress.
F2021.08.A01	Propose procedures of conducting random verification on the Reports provided by Afiliats.	Rebecca CHAN	Reports circulated to BFC. Discussion deferred to Jun BFC meeting.
F2022.02.A04	Prepare draft framework of Board Member Reimbursements and Remunerations for further discussion.	Edmon CHUNG	Completed. Refer to Discussion Item 5.
F2022.03.A01	Organize a special meeting with legal representatives for questions and clarifications on the Board matters.	Edmon CHUNG	In progress.
F2022.04.A03	Draft a follow up plan on the Proposal on Cost Optimization Scheme for further discussion at the next BFC meeting.	Edmon CHUNG	Completed. Refer to Discussion Item 6.
F2022.05.A01	Organise a special meeting with Fusion to go through the format and details of monthly financial report.	Rebecca CHAN	

No.	Action Items:	Owner	Remarks
F2022.05.A02	Make recommendation to the Board to provisionally approve the draft budget 2022 – 2024, and review the budget after 6 months for adjustment.	Edmon CHUNG	Completed.
F2022.05.A03	Prepare draft policy document of Board Member Reimbursements for further discussion.	Edmon CHUNG	

Discussions:

1. Roll Call

- 1.1. Mr. Kashif ADEEL chaired the BFC meeting as BFC Chair on May 20, 2022.
- 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 Apr 22, 2022

- 2.1. Draft 1 of BFC meeting minutes 2022.04.22 and action items were discussed.
- 2.2. BFC meeting minutes 2022.04.22 approved unanimously.

3. Monthly Financial Reporting

- 3.1. Financial report of period from Oct 2021 to Feb 2022 were presented and briefed to BFC.
- 3.2. There was suggestion to have a different presentation format of the monthly financial report.
 - 3.2.1. It was suggested to share the working spreadsheet to BFC instead of the final pdf for a better clarity on the figures.
 - 3.2.2. It was noted that financial reports in the past were less formatted, and the current financial reports are more aligned with the accounting standards and prepared by Fusion.
 - 3.2.3. There was question on inclusion of a profit and loss statement. It was clarified that the profit and loss statement is included in the existing monthly financial report.
 - 3.2.4. The suggestion to have a different presentation format was withdrawn.
- 3.3. It was proposed and agreed to schedule a special financial meeting for interested Board members to go through the format and details of the financial document for better understanding. (F2022.05.A01)

4. Budget 2022-2024

- 4.1. Draft budget 2022 – 2024 was presented and briefed to BFC. It was noted that the same has been presented to the BFC and the Board over the last few months.
- 4.2. It was targeted to provisionally accept the budget 2022 – 2024 and follow through the cost optimization scheme on a few highlighted items, and then further adjust the budget in the coming months.
- 4.3. It was highlighted that the draft budget 2022 – 2024 is almost identical to previous years.
- 4.4. It was noted that there is an interest to push for expansion of .Asia and that other ccTLDs in the region are experiencing growth. However, it was highlighted that trends of new gTLDs may be a better comparison when evaluating .ASIA's performance. It was noted that there was a drop in the general new gTLD market in 2021, therefore, it was suggested to be conservative on the budget projections.
- 4.5. It was suggested that target number of domains beside revenue should also be mentioned with a target of minimum 3% growth.
- 4.6. It was explained that a deficit budget is expected for 2022-2023, and that it is anticipated that once the lawsuits are settled, DotAsia will return to a surplus budget in 2023-2024. It was noted that this is supported by the profit and loss statement presented, indicating that removing the legal expenses, DotAsia will retain a surplus and be sustainable.
- 4.7. There was suggestion to reduce budget to support community contribution. It was highlighted that Community Driven is one of the core values of DotAsia (reference: BCC-001: Core Values & Core Competence Framework), and cannot be removed.
- 4.8. Concern was raised for considering a deficit budget. It was proposed to review and revise the budget 2022 – 2023 after 6 months, and aim at having higher target sales, and a target for increased domain registrations apart from cost cutting.
- 4.9. It was also suggested to evaluate the return on investment of rebates over time.
- 4.10. It was also suggested to take other regional ccTLD (e.g. .EU) as a benchmark for .Asia.
- 4.11. BFC discussed and agreed to make recommendation to the Board to provisionally approve the draft budget and review the budget after 6 months for adjustment based on sales expansion plan and cost optimization measures. (F2022.05.A02)

5. Board Member Reimbursements

- 5.1. It was noted that, as a not-for-profit organization with charitable purposes and in alignment with the M&A, DotAsia does not provide remuneration to Board Members. However, given the Board's role as ambassadors of DotAsia, the discussion is on how additional support to Board Members could be appropriately provided to attend Internet Governance and .Asia Registry related events and conferences to represent and advance DotAsia's presence at such events.
- 5.2. Proposed framework and scope & criteria were presented and briefed to BFC for discussion. Propose framework includes (a) travel support for F2F Board Meetings, (b) additional travel support, and (c) repurposing of travel support.
- 5.3. It was commented that having a clear policy is important for both the Board and the transparency for the community.

- 5.4. It was commented that Board Directors should clearly report whether their contribution to that particular event is meaningful, for example, joining the event as a panelist or moderator with their DotAsia Directorship, and a report should be submitted after the event.
- 5.5. Regarding the scope & criteria, it was commented that active participation in Board activities should be better defined to include activities of the Board and other Board activities, such as participation in Board Committees, apart from regular Board Meetings.
- 5.6. It was discussed and agreed to prepare a draft policy document within two-three weeks and to be circulated in editable format for feedback for a week followed by finalization and presenting to board. (F2022.05.A03)
- 5.7. It was clarified that the Board Treasurer is properly seated by BFC Chair as stated in BGC-001: DotAsia Board Governance Framework.
- 5.8. Question was raised on whether the tentative F2F Board Meeting in Sep 2022 in Singapore is included in the draft budget. It was clarified that the expenses for F2F meeting was included in the proposed budget, and the plan for F2F meeting in Sep 2022 in Singapore will be further discussed at the upcoming Board Meeting.

6. Proposal on Cost Optimization Scheme

- 6.1. Proposed aspects in consideration were shared to BFC via email, and presented and briefed to BFC for discussion. Proposed aspects include (a) headcount hold and rehiring internationally, (b) travel related and other expenses, (c) marketing budget allocation, and (d) Afilias contract.
- 6.2. It is planned to invite the marketing team to join the next BFC meeting to share a more detailed marketing plan on the expansion of sales.
- 6.3. Proposed measures in terms of (a) headcount hold and rehiring internationally were briefed to BFC for discussion.
 - 6.3.1. Placing headcount on hold until DotAsia emerges from lawsuits and return to surplus position.
 - 6.3.2. Exploring outsourcing and hiring from developing regions to achieve diversified international team and optimizing costs.
- 6.4. It was highlighted that DotAsia has successfully outsourced part of the internal technical work over a few phases from 2018 to 2021, resulting in reduced headcount and cost, while increasing diversity and resilience. The experience provides good reference for similar strategy to be implemented for other parts of DotAsia.
- 6.5. It was commented that hiring strategy should be followed by a sound HR policy, and all positions should be subjected to periodical reviews.
- 6.6. It was commented that layoffs would not be appropriate at this time. It was also commented that layoffs should be considered based on the situation and requirements.
- 6.7. Further discussion to be continued at the next BFC meeting.

7. Preparations of Meeting Minutes

- 7.1. Question was raised on the circulation of Board Committees meeting minutes. It was noted that usually minutes of Board Committee Meetings are attempted to be circulated before the full Board Meeting so that Committee Chairs could refer to it during Board Committee Updates, however, it would not be possible when Committee Meetings are too close to the full Board Meeting.

8. Afilias Reports and Services

- 8.1. Discussion deferred to next BFC meeting.