Local Presence Requirements
- Pros and Cons -

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Agenda

- Pros
- Cons
- Situation for ‘.hk’ domain?
- Recommendations

Pros

- Distinct Identity for Domain Holder – "*no need to say, everybody knows where my company is based by looking at my website address.*"
- Image of Reliance – *registrant information is verified (registration certificate proves the local existence of the company. Vetting of eligibility can be executed).*
- Less Fraud cases – *with vetting of eligibility*

Cons

- Limited Market Size – *Market size limited by local population.*
- Longer time for registration – *vetting of eligibility takes time.*
- Higher Cost – *resource is required to conduct vetting.*
- Less competitive price - *price cannot be too competitive without economy of scale.*

Situation for '.hk' Domain?

- 2 out of 14 '.hk' domain categories do not require local presence *i.e. we accept overseas applications for 2nd level English domain and 2nd level Chinese domain.*
- Growth of these 2 categories outperforms others that require local presence *(61% vs 12% per yr growth)*
- Reported malicious use of domain: *(18% vs ~ 0%)*
- Many of the overseas registrants are International brand name holders – *it reflects that overseas market does exist.*

Recommendations

- Review the positioning and identify the competitive advantage of different domain categories.
- Provide more options with different domain categories if possible *e.g. some require local presence and some not.*
- Response procedure and preventive measures for domain phishing/spamming – *include procedure to verify malicious use of domain, rapid suspension mechanism in place, acceptance of VBV / secured code authenticated credit cards etc.*

Q & A

Thank you!