

The Board of Directors
.au Domain Administration Ltd (auDA)

Re: Recommendation 2 of the .au Licensing Rules Review

Dear Members of the Board,

We, the undersigned accredited .au registrars, write about the auDA Board's acceptance in principle of Recommendation 2, which would remove the ability for domain owners to meet the .com.au and .net.au allocation rules by reference to a service, good, event, activity, or premises by deleting subparagraph (f) from clause 2.4.4(2) of the .au Licensing Rules. **We urge the Board to reverse this decision and retain the important domain eligibility rules found in subparagraph (f).**

The expected impact of this change is widespread. Independent analyses by registrars testing real registrations and existing domains against the Match/Acronym requirements have found that a large share of .com.au and .net.au domains would not comply with the policy: estimates of the failure rate range from 50% to 80%. Against nearly 3.5 million names under management in these two namespaces, that is between 1.7 and 2.8 million domains that were fully compliant when registered.

The modified rules also do not reflect how businesses use domain names. Businesses register domains to launch campaigns, direct investors or customers to specific products or documentation, run a platform apart from their main website, and offer a short, memorable email address. They use fictitious names never registered as a trademark that they are nonetheless widely known by. They also register misspellings and synonyms of their brand so customers are not sent to the wrong website. **None of these uses depends on a literal match to a legal name and all of these valid use cases help Australian businesses reach customers and grow online.**

If these rules take effect, registrants will face two costly options. The first is moving to a new domain, abandoning years of investment in marketing campaigns, search visibility, signage and printed materials. **They may abandon the .au zone entirely.** The second is registering a new business name or trademark for each domain that does not fit, then updating the registration, with new costs and administration every time. This would cost Australian businesses hundreds of millions of dollars up front and more every year to maintain. Most small businesses have no in-house legal counsel, marketing team, or large budget and generic descriptive terms often cannot be registered as trademarks at all. Applying the new eligibility test at renewal would penalise registrants for a change in policy, rather than for their own conduct, and would expose long-established domains to mass eligibility complaints. The Panel has already recognised, in Recommendation 9, that registrants who lose eligibility through no fault of their own deserve a managed transition.

Added complexity drives registrants away from .au. Registrars' experience with recent NIS2-driven verification requirements in other ccTLDs is clear: when registration, update, and

renewal become more complex, customers are far less likely to choose a ccTLD. They opt for a gTLD instead, where policy is stable and the process is simple and predictable. Recommendation 2 risks the same outcome for .com.au and .net.au.

We therefore ask the Board to **reverse Recommendation 2** and retain subparagraph (f) of clause 2.4.4(2) for .com.au and .net.au. Retaining subparagraph (f) is in the interests of the very registrants and businesses auDA serves. The signatories welcome the opportunity to share data and methodology with auDA and with the Panel.

Yours sincerely,

The undersigned registrars (see attached signatory page)

Contact for this letter: Ashley La Bolle, VP Domains, Tucows Inc