IPv4 Inter-RIR Resource Transfers (Comprehensive Scope)

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Summary of the problem

a) AFRINIC is lagging behind in the IPv4 market and this is negative to the region which is leading the region to a situation of discrimination and scarcity of addresses, not only in the RIR itself, but in the region's market.

b) New businesses can't be established in the region, due to the lack of addresses.

c) Additionally, it is important to highlight that the deployment of IPv6, in some cases, may require small blocks of IPv4 addresses for transition mechanisms, or significantly increase the costs thereof, and many AFRINIC entities could, therefore, be in serious disadvantage if they do not have access to a global market, as it is currently the case.

d) Legacy holders in AFRINIC region can't transfer their resources out of the region and remain dormant.

e) Under the table agreements for transfers lead to the loss of the history of the registration.

f) Even if a member qualifies for the transfer of its resources, if the transfer fails due to recipient not meeting stipulated policy conditions, the member can be penalized for stockpiling and the unused resources will be subjected to return to or recovery by AFRINIC.

Addressing the problem

a) The proposal aims at maintaining the current intra-RIR transfers.

b) Enables bidirectional, compatible and reciprocal transfers with all the other RIRs.

c) Facilitate a dynamic in the market and by increasing the offer and making it transparent, reduces prices.

d) Enables both legacy holders and resource members in the AFRINIC region to transfer resources.

e) At the same time, ensures that resources being transferred from an AFRINIC resource member have been used according to the documented justified needs as per the RSA/CPM conditions, and not stock-piled. There is also a grace period for justification of the usage of the resources, in case of a failed transfer due to the recipient failure. Not including that will actually disallow transfers, as it is obvious that a member willing to transfer is no longer justifying the resources and will be subjected to returning them or a recovery

• ***RECIPROCITY is the key*, otherwise the proposal doesn't make sense!**

Proposed Text (1)

5.7 IPv4 Resources transfer within the AFRINIC Region

Like the other Regional Internet Registries, AFRINIC will soon exhaust its IPv4 pool. In order to meet the needs of late resource requestors, a transfer policy for IPv4 resources within the region is needed. The goal of this policy is to define conditions under which transfers must occur. The policy solves the issue of an African organization needing IPv4 number resources after the exhaustion of the AFRINIC IPv4 pool or when AFRINIC can no longer satisfy the needs of such an organization.

5.7.1 Summary of the policy

This policy applies to an organization with justified need for IPv4 resources that cannot be satisfied by AFRINIC.

5.7.2 IPv4 resources to be transferred - must be from an existing AFRINIC member's account or from a Legacy Resource Holder in the AFRINIC service region.

5.7 IPv4 Resources transfers

This policy applies to any entity with a justified need for IPv4 resources (recipients) and entities with IPv4 resources which no longer need (sources).

The resources to be transferred must be from an existing Resource Holder (including Legacy Resource Holders) in the AFRINIC service region/other RIRs.

5.7.1 Recognized transfer types

Two types of transfers are recognized:

a)   Intra-RIR. Both parties are within the AFRINIC service region.

b)   Inter-RIR. One of the parties is within the AFRINIC service region, while the other is in another RIR service region.

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Proposed Text (2)

5.7.3. Conditions on the source of the transfer

5.7.3.1 The source must be the current rightful holder of the IPv4 address resources recognized by AFRINIC, and not be involved in any dispute as to the status of those resources.

5.7.3.2 Source entities will not be eligible to receive any further IPv4 address allocations or assignments from AFRINIC for a period of 12 months after a transfer approval.

5.7.3.3 Source entities must not have received a transfer, allocation, or assignment of IPv4 number resources from AFRINIC for the 12 months prior to the approval of transfer request. This restriction excludes mergers and acquisitions transfers.

5.7.2 Conditions on the source of the transfer

5.7.2.1 A source must be validated by the applicable source RIR according to their policies and procedures. A source within AFRINIC must be in good standing, be the rightful registrant of the resources to be transferred and there must be no disputes as to the status of said resources.

5.7.2.2 Source entities will not be eligible to receive any further IPv4 address allocations or assignments from AFRINIC. Source entities may, if they can show justified need, receive resources via transfer after a period of not less than 16 months (twice the window defined by 5.4.5) has elapsed from their last outbound transfer.

5.7.2.3 An entity which has received IPv4 resources from AFRINIC within preceding 16 months will not be approved as a transfer source.

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Proposed Text (3)

5.7.4. Conditions on the recipient of the transfer

5.7.4.1 AFRINIC must approve the recipient's need for the IPv4 number resources. In order for an organization to qualify for receiving a transfer, it must first go through the process of justifying its IPv4 resource needs before AFRINIC. That is to say, the organization must justify and demonstrate before AFRINIC its initial/additional allocation/assignment usage, as applicable, according to the policies in force.

5.7.4.2 The recipient must be an AFRINIC member, subject to current AFRINIC policies and must sign the Registration Services Agreement for resources being received.

5.7.3 Conditions on the recipient of the transfer

5.7.3.1 Recipient entities within the AFRINIC service region (i.e. inbound transfers) must be approved with the same policies and procedures as if the request were being satisfied from the AFRINIC pool. If the recipient is not yet an AFRINIC member, it will need to sign the RSA and fulfil all the relevant processes to become a member, and consequently the resources being the subject matter of the transfer will then be covered by the RSA and CPM terms.

5.7.3.2 Recipients in other RIRs (i.e. outbound transfers from AFRINIC) must be approved according to that RIR's policies and procedures.

Proposed Text (4)

5.7.4.3 Transferred IPv4 legacy resources will no longer be regarded as legacy resources.

5.7.3.3 IPv4 legacy resources will no longer be regarded as legacy resources:

- In the case of intra-RIR transfers.

- In the case of incoming inter-RIR.

In the case of outgoing inter-RIR, the resulting status will depend on the policies in the receiving RIR.

Proposed Text (5)

5.7.4 Required Disclosure for Transfers

Each time a transfer is completed, AFRINIC will publish all related information permitted by the source or recipient, including at least:

- Date of the transfer.

- Transferred resources.

- Source RIR and entity.

- Recipient RIR and entity.

This doesn't exclude the publication of the same or other information as a result of the operational agreement among the RIRs.

5.7.5 Transfers pre-check

All the transfers where the source is an AFRINIC resource member will be required to pass a pre-check in order to verify that the resources being transferred were allocated/assigned and used in accordance with the requirements in section 5.7.2.1.

A pre-check failure will be subjected to the relevant RSA/CPM terms.

It can happen that a transfer fails due to the recipient failing to be compliant because the lack of proper documentation or non-compliance of the relevant rules, while the source passed the transfer pre-check. This proposal allows the successful transfer pre-check to be valid for up to 12 months after the failed transfer; i.e AFRINIC will not initiate a recovery/reclamation process in this period. The validity of the pre-check doesn't limit the RSA/CPM terms in case of further policy violations during the 12 months period (i.e., new CPM or RSA violations).

5.7.6 Due diligence

Both the source holder and recipient will be responsible of conducting adequate due diligence with respect to the concerned IPv4 number resources. AFRINIC's role is limited to act as a facilitator only, without bearing any legal responsibility whatsoever in that process. 8

References

- There are Inter-RIR policies in APNIC, ARIN, LACNIC and RIPE, which have widely demonstrated their effectiveness and have not presented problems to the respective communities, quite the contrary.

- According to **evidence**, ARIN is the origin of the transfer of the **largest** number of addresses to the other regions.
  - https://www.nro.net/wp-content/uploads/NRO-Statistics-2021-Q3-FINAL.pdf
  - https://www.lacnic.net/innovaportal/file/3277/1/2-john-sweeting-arin.pdf

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IA Inputs

- This policy states that after a successful transfer pre-check AFRINIC can't perform any reviews and audits on this member for a period of 12 months. The author is requested to clarify the reasoning behind 'validity of pre-checks is 12 months.
  - "in order to verify that the resources being transferred were allocated/assigned and used in accordance with the requirements in section 5.7.2.1." – we need to define a time that ensures that if the transfer fail, the resource holder can find another recipient.
- In case of pre-check failure, can the author clarify if AFRINIC can take the resources back as the member is not compliant.
  - "AFRINIC will not initiate a recovery/reclamation process in this period"
- Legal assessment seems to be copied from the previous version, so it is outdated.
- "The financial impact is forecasted to be high and negative as" – incorrect because it is positive and negative and is not considering *real data from the other RIRs*, where most of the transfers come from ARIN.
- Reciprocity status was confirmed by all the RIRs (since v1) and the proposed changes don't modify that.