Implementation and functioning of the .eu top level domain name

2018/0110(COD) - 27/04/2018 - Legislative proposal

PURPOSE: to implement a pan-European Top Level Domain (TLD) in addition to national ccTLDs.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: **the .eu Top Level Domain (.eu TLD)** is the domain name of the European Union and its citizens. The existence of a specific domain name for the Union under a clear and recognisable common label is an important and **valuable building block for a Union online identity**.

The .eu top-level domain (TLD) was set up by Regulation (EC) No 733/2002 of the European Parliament and of the Council. It is further governed by the rules provided in Commission Regulation (EC) No 874 /2004. Since the adoption of the .eu Regulations, the political and legislative context in the Union and the online environment and market have changed considerably.

The review of the.eu TLD regulations under the Regulatory Fitness and Performance Programme (REFIT) has shown that although the.eu TLD continues to function properly, the **legal framework governing it is outdated and rigid**:

- some signs indicate a relative decline in performance of the.eu TLD;
- due to the **degree of complexity and detail of its provisions**, the.eu TLD does not allow the implementation of operational or technical changes as swiftly as the market demands;
- the current framework does not reflect the Union's current priorities, such as the digital single market, and the.eu TLD regulations do not reflect international best practice in multi-stakeholder governance.

In line with the objectives of the Digital Single Market Strategy, the present initiative seeks to ensure that a TLD that has worked relatively well continues to do so in the future in order to ensure that the benefits linked to it can reach as many Union citizens as possible in the near future.

IMPACT ASSESSMENT: the preferred option is the '**separate governance**' option together with lifting strict requirements for direct registration, a citizenship criterion for natural persons and a residency criterion for organisations and companies.

This option would provide the necessary flexibility for the .eu TLD to adapt to rapidly changing technical improvements to the Domain Name System and improve the functioning of the .eu TLD and therefore increase its attractiveness in the Top Level Domain market.

CONTENT: the aim of this proposal to repeal Regulation (EC) No 733/2002 of the European Parliament and of the Council and Commission Regulation (EC) No 874/2004 is to implement the .eu country code Top Level Domain ('ccTLD') and lay down the conditions for its implementation.

The implementation of the .eu Top Level Domain name: the proposal lays out the **general principles of registration** of a .eu Top Level Domain name: it outlines the eligibility criteria, the general conditions

of registration and revocation of domain names, the languages, the applicable law and the jurisdiction, the procedures for the reservation of domain names by the Registry, the Commission and Member States, and the accreditation procedures for Registrar.

Registration of one or more domain names under the .eu TLD can be requested by any of the following:

- **a Union citizen, independently of their place of residence**; or
- a natural person who is not a Union citizen and who is resident of a Member State; or
- **an undertaking established within the Union**; or
- an organisation established within the Union without prejudice to the application of national law.

Registry: the provisions span from its **designation** by the Commission and characteristics to its key obligations. The proposal also lays down a list of principles and procedures on the functioning of the .eu TLD to be included in the contract with the Registry, including the following:

- an alternative dispute resolution policy;
- requirements and procedures for registration requests, policy on verification of registrants data and speculative registration of domain names;
- policy on abusive registration of domain names and on revocation of domain names;
- treatment of intellectual property rights.

The oversight of the Registry operator: the provisions on the **supervisory powers** of the Commission and establishment of a **.eu Multistakeholder Council** provide the basis for this group to advise the Commission on strengthening and widening input into the good governance of the .eu Registry and increase the transparency of its functioning. The .eu Multistakeholder Council shall be composed of representatives drawn from the private sector, the technical community, Member States and international organisations, civil society and academia and appointed by the Commission on the basis of an open and transparent procedure.

In order to limit any risks of disruption of services of the .eu TLD in the shifting between the old and new regulatory framework, a maximum period of three years from the date of entry into force of the Regulation is foreseen for its entry into application.

BUDGETARY IMPACT: the .eu Multistakeholder Council needs to be appropriately resourced. The cost is estimated around **EUR 50 000 per year**. The new body will be financially sustained by the Commission.