

ICANN Transcription
CCWG New gTLD Auction Proceeds
Thursday 15 June 2017 at 1400 UTC

Note: The following is the output of transcribing from an audio recording of GNSO Standing Selection Committee call on the Wednesday 14 June 2017 at 14:00 UTC. Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record. The audio is available at: <http://audio.icann.org/gnso/gnso-new-gtld-auction-proceeds-15jun17-en.mp3> AND <https://participate.icann.org/p2xa09xplh1/>
Attendance may be found at: <https://community.icann.org/x/gwvfAw>

Michelle DeSmyter: Well good morning, good afternoon, and good evening to all. And welcome to the CCWG New gTLD Auction Proceeds call on the 15th of June 2017. In the interest of time there will be no roll call. But we currently have 13 members online at the moment. Attendance will be taken via the Adobe Connect room. So if you're only on the audio bridge today would you please let yourself be known now? All right, thank you.

Michelle DeSmyter: Hearing no names. I would like to remind all to please state your name before speaking for transcription purposes. And please keep your phones and microphones on mute when you're not speaking to avoid any background noise. With this I'll turn it back over to you, Erika Mann.

Erika Mann: Erika. I'm on the call. Thank you so much. Let's get started. Let me thank you first of all for joining this extraordinary meeting and the exchange about the current audit procedures and about future possibilities and scenarios.

I'm very thankful to have Xavier with us. It's (unintelligible) of work to Xavier. But I am grateful Xavier that you can join us. And with this back to you. And I hand it over to you just introduce the topic. And if you can share slides with us that would make it easier for everybody who is on the screen to follow you.

And we would appreciate it if we have slides that they will be sent to us by email as well so that -- for those who can't access and see them today -- they have the opportunity to follow the debate a bit later. Thank you so much, and Xavier, please.

Xavier Calvez: Thank you Erika. Hello everyone. Can everyone hear me correctly?

Man: Yes, we hear well.

Xavier Calvez: Thank you. Thank you very much. Yes, I think (Marika) also indicated in the chat that the slides have been circulated by email I think early yesterday to the group. So if you cannot have access the Adobe Connect you can find them in your emails. And I will call the slide numbers as I got through them.

Thank you Erika for the introduction. Thank you everyone for the invitation and the opportunity to speak to you and offer thoughts and of course answer any questions you may have. This is a great opportunity for me -- and for us as at ICANN -- to be able to share information and requirements that will be useful for this group to understand and know.

We have - this session has been called Audit Requirements. As I go through this presentation I will redefine a little bit the word of "Audit" in the context of ICANN. And you will see that we will speak of other things than audit as well. Can I have the next slide please? I'm a...

Marika Konings: Xavier -- this is (Marika) -- you are presenter...

Xavier Calvez: ...presenter?

Marika Konings: ...yes. Okay, great.

Xavier Calvez: Yes. Here we go. Thank you. So -- oops, sorry, I don't know if this slide is moving on its own for every one of you but it is for me -- so we will go three - through three main sections. First an overview of the governance requirements that ICANN needs to follow, of which "Audit" as we will define it.

Then we will have an overview of ICANN's operational requirements -- which are basically ideas and thoughts and suggestions of and anticipations of -- what we will need to put in place at the right time when the process starts. For the disbursement in the organization - of the process of disbursement.

And the third section will be to discuss an overview of expenses. I know this group has debated the topic of what are the expenses that will need to be incurred? And how much of them for the purpose of proceeding with the disbursements? And we'll - so we'll talk a little bit about that.

My suggestion is that I go through each one of the sections and then at the end of that section we open up for questions. And if you have them in the - you can type them in the chat as we go along and we will make sure we cover those questions at the end of each section for efficiency. And -- if we would not for any reason -- be able to address all the questions during the call I will make sure to capture them and answer them later on by email.

With that -- unless there's any question or concern at this stage -- I will start with the first section. So let's start with the audit. So ICANN is subject to conduct an audit. This is not because it's ICANN. It's because ICANN is a non-profit organization that is based in the US. And non-profit organizations

based in the US have to conduct what is called an Annual Independence Audit.

What is that audit? That is performed by auditors who are firms that are external to the companies that they audit. They are - they have very strong professional independence requirements. They have very strong professional competence requirements. Their profession is regulated by a body that defines those competence requirements, those independence requirements. And their organizations are structured in order to be able to meet those requirements of both independence and competence.

What is the audit that they perform? First of all, it's an annual exercise. It uses financial statements produced by the company that is being audited under the responsibility of the company that is audited. And the auditors -- the external independent auditors -- perform an audit of the financial statements.

Those financial statements, you can find an example of them on ICANN's website. They're published every year including the report of the auditors. They consist of mainly statements that include statement of operation -- or in other words profit and loss statement -- the statement of position -- also called balance sheet -- the statement of cash flows, and notes. These are the financial statements and this is what the auditors focus on.

Why do I insist on that? The auditors have the obligation to express an opinion on whether the financial statements present fairly the financial position of an organization. They don't make the report and a statement and don't certify the books of ICANN at the very detailed level. They only provide an opinion on the financial statements.

So the books that we keep on the daily basis -- the bank statements and so -- are not documents that the auditors certify. The auditors only certify the

document that contains -- maybe about 20 pages -- that contains the financial statements that I describe, and that's the opinion they provide.

What is - what does the audit not do? They - the auditors do not verify every transaction. You may have noticed -- in the third bullet here on the slide -- that the opinion of the auditors is expressed on all material respects. So they only look at the financial statements as aggregates and in order to express an opinion on that. They do not need to verify every single transaction.

So they do not certify every disbursement, every income, every expense. They only look at the overall total picture of the financial statements. The audit also does not have the purpose of identifying fraud. About 5 to 6% of fraud cases are uncovered during the annual independent audit. It's very little actually.

And of course if the auditors would come across a case of fraud in any organization they have the obligation of course to raise it. But it's not the purpose of their job. So this is -- overall, at the very high level -- what I will continue to call "Audit".

I want then to emphasize that of course -- in the case of the auctions proceeds -- the auditors -- in order to achieve the purpose that we just described -- will need to do something. They -- first of all -- the auction proceeds process for the auditors will be a new activity of ICANN. So they will assess -- at the beginning of their audit -- they will assess what this activity is about.

They will assess the risks associated with this activity from their perspective. They will say "Well, it's a lot of money that you're dealing with". They will also say it's a new activity for you that you don't have experience in. So they will want to understand what processes we have put in place -- what controls we'll have put in place -- in order to ensure that we adequately account for

the money. That we adequately use this money in accordance with the mission. And under lawful activities.

So that's what audit is. I want to emphasize the fact that in different languages and in different countries audit is often used as a word that describes much more than simply the specific regulatory requirements that I just described. In many other countries audit is a more generic word that describes any activity that consists of verifying the company or an activity or transactions or documents to verify if they are correct. I'm - I haven't been using audit in this very generic sense.

And I simply wanted to be able - to provide you the visibility as to what audit means for ICANN. And we will talk about activities in the next slides that will probably be described by some of you as audit types of activities. But they - I will simply make the difference between audit in those activities -- those processes and procedures -- in the sense that these procedures do not only support the purpose of the audit that ICANN is obligated to conduct but also for other purposes of governance. Which we're now going to look at in the next slides.

So we'll move on to the next slide. And of course if there are questions on this I will come back to them in the chat. What are the other governance requirements that apply to ICANN in addition to the Annual Independence Audit? Of course ICANN is a corporation. It has a Board. It has officers like any other corporation, whether it's non-profit or for-profit type of corporation. And its directors, the Board, and the officers have fiduciary requirements.

These - what are fiduciary requirements? At a very high level -- and Sam Eisner who's on the phone with us will requalify anything that I would say imprecisely -- at the very basic level fiduciary requirements are legally defined obligations that directors and officers have in their roles in the organization.

So when you are director of an organization you have obligations that are called fiduciary obligations. And when you are an employee of the organization and are appointed an officer you have also specific obligations. And you have -- as a result of those obligations -- you have responsibilities. To make it very simple directors and officers -- if they're individual responsibility can be demonstrated that they have done for example something unlawful -- they can go to prison.

It's as simple as that. No one else -- on that basis as part of the - their responsibilities for the organization -- would be under that same obligation. So fiduciary requirements are governance requirements that are imposed on ICANN. That will mean that the directors and the officers will want that - a number of processes and procedures and controls are put in place to ensure that the organization does what it's supposed to, remains within its mission, and only carries out lawful activities.

What are the other requirements that are imposed on ICANN? If I move further down the (unintelligible) this slide of course ICANN -- because of its mission of the nature of its mission -- needs to be able to demonstrate transparently its accountability to the public. As opposed to an organization or a non-profit organization that would have much narrower mission, for example of charity within the neighborhood.

The transparency requirements that are imposed on ICANN -- because of its mission and because of the multi-stakeholder model that it operates under -- requires it to be able to be open and transparent. So that - so as to be able to demonstrate its accountability to the public. I'm not going to explain that further to you, you would explain it better to me. You're experts.

But that creates of course a requirement on ICANN -- or set of requirements on ICANN -- to be able to demonstrate -- document of course in order to demonstrate -- and explain and publish information so as to ensure the public has full visibility and understanding of what ICANN does. And therefore

ICANN is accountable to the public. So that's another requirement that creates -- for ICANN -- a governance requirement. Simply because there's a number of by-law requirements that are embedded into ICANN's by-laws that pertain to demonstrating accountability and transparency.

I will move on to the next slide. So let me actually stop here. We're at the end of the section on governance requirements. We've talked about -- I'll go back in the slides -- we've talked about independent audit. And we've talked about fiduciary requirements and we've talked about the accountability and transparency requirements on ICANN.

Let me stop there, see if there's any questions or comments on that section. I see Kavouss in the queue and...

Erika Mann: Kavouss - you have Kavouss and Nadira.

Xavier Calvez: ...and Nadira. So Kavouss speak.

Erika Mann: Because Kavouss has a - yes, Kavouss has a general one concerning -- and he can speak for himself -- if the money is separated. The auction proceeds are in a separate fund? And Nadira was asking if it shall be a single audit in the future or separated audit. But Kavouss you want to go first?

Kavouss Arasteh: No, thank you. Just to - I want to have answer to my question. I have no comment at this (present) stage. Thank you.

Erika Mann: Perfect. Xavier please.

Xavier Calvez: Thank you. So yes, the auction proceeds funds are separate - segregated in separate accounts. I say "accounts" because -- considering the amount that we have now to hold of auction proceeds, which is \$233 million -- we have separated in three different accounts.

So that we don't put all the eggs in the same basket -- as per commonly used expression -- in order to mitigate the risk of having all the money held by the same institution - financial institution. So we have the auction proceeds funds -- the \$233 million -- distributed across three investment managers. And those are dedicated account just to the auction proceeds.

They are separated from other accounts that exist for the New GTLD program application fees that are remain unspent. And they are of course also completely segregated from the operating and reserve funds that ICANN manages for its ongoing operations. Does that answer your question? Or...

Erika Mann: Xavier? Maybe -- yes, Erika Mann -- Xavier maybe you could as well explain a bit how conservative the fund is invested. I think some kind of flavor how cautious you and the board is with regard to this fund.

Xavier Calvez: Thank you Erika for the opportunity to provide that visibility. So at a high level -- and I can go into more specifics -- and I do intend later on -- not in this call but later one have another one for a broader audience of the community - - to present more information about how the investments are managed at ICANN.

So I'll start -- and you pointed out Erika -- to the conservative approach has in investing. So ICANN has a reserve fund as an example that's invested. It's invested in a fairly conservative manner but for the very long-term. Because it's funded in perpetuity in quotes. So it's invested conservatively but wants to ensure that returns follow the market trends of returns. So it's conservative.

Then you have the New GTLD Program investment policy that is dedicated - it's basically the policy as per which the funds are invested. That policy is approved by the board. And is even more so conservative than the policy for the reserve fund. The reason being is that one, the funds for the New GTLD Program have a very specific purpose. It's to support the performance of the

New GTLD Program. The evaluations, all the costs that are incurred in order to evaluate the applications.

And two, it's also a fairly short-term investment from the perspective that the New GTLD Program has a finite life. It's a project that has a finite life. Then the auction proceeds follow the same investment policy than the New GTLD Program (sees). But within that policy there's enough flexibility to apply even more conservative requirements for the auctions proceeds funds.

Also because we are investing those funds until it is decided to - on how to disburse them. So it's also a fairly short-term oriented types of investment that these funds are under. And both for the New GTLD Program unspent application fees and the auctions proceeds the objectives of the investment policy approved by the board are as follows.

First and foremost, the security of the funds. That's the primary objective. The second objective is the liquidity of the funds. Liquidity meaning that we can retrieve the funds if needed on a fairly short term and with ease as needed. And then third only comes the performance of the investments from the perspective of their return. So those are the three objectives -- in that order -- of the investments of the New GTLD Program fees. And the auctions proceeds.

And between the two the auctions proceeds follow an even more conservative portfolio investment than the New GTLD Program do. Even though the New GTLD Program fees are also invested very conservatively.

Erika Mann: Thank you Xavier. We have a follow up question from Kavouss which is a quick one. Investment in dollar? Are these the current investment -- the ICANN investment -- made in dollar?

Xavier Calvez: They are made in...

Erika Mann: Xavier?

Xavier Calvez: ...they are made in dollars. And they are - but they are also made in a number of international funds or bonds. But to a relatively limited extent. And this is...

Erika Mann: Okay. And, yes, that's fine. And then we have - I just want to check quickly. I see (Ellen) and (Lars). Are you still raising your hand?

Xavier Calvez: I don't see...

Erika Mann: I can't see the...

((Crosstalk))

Xavier Calvez: Yes, there's no hand in Adobe Connect...

Erika Mann: Yes. Saw that.

Xavier Calvez: So let me - Erika let me finish answer Kavouss's question. Because he is also asking whether the interest - the revenue from the auction proceed -- and I'm assuming Kavouss you mean the interest produced by the investment -- they segregate in a separate account?

They are part of the same account than the capital. Basically than the funds themselves. So when there is an interest produced -- when there is a dividend produced -- by the investment of the funds that money goes back into the fund itself. And...

Erika Mann: Yes.

Xavier Calvez: Next there is Nadira's question, which I have now...

Erika Mann: Nadira, yes.

Xavier Calvez: ...lost what it was. So Nadira would you be able...

Erika Mann: I can't see her in the moment. Oh there she is. Nadira you want to frame it or shall I do it for you? Can you speak right now? Nadira might not be able to speak so let me get the question to you. The question was whether we - what the current thinking is about should we have - when the current audit auction proceed as well? And then I added or shall it be separate audit?

Xavier Calvez: Okay. Thank you. So there's no need for thinking about it. It's very clear. The audit is performed on the financial statements of ICANN. The financial statements of ICANN contain the audit - the auction proceeds. By the way our auditors have been auditing those auctions proceeds for the past two and - or three years. Since we first proceed - collected auctions proceeds.

So there's only one audit, the one that applies to the entirety of ICANN as a corporation. We -- completely separately but it maybe will illustrate further the answer to the question from Nadira -- we have also now to perform an audit of PTI. Because it's a separate legal entity. And it has its own financial statements. Even though it's an affiliate of ICANN -- or in other words a wholly owned subsidiary of ICANN -- it is a separate legal entity. It's also a non-profit organization. Therefore it also needs to be audited.

So we're going to be performing two audits. One of ICANN inclusive of PTI. And one separate of audit just on PTI. So the auctions proceeds is not a legal entity. It doesn't have separate financial statements. We of course segregate within ICANN's financial statements the accounting of the auctions proceeds. In separate accounts, in separate bank accounts, in separate investment accounts. But they are part of the financial statements of ICANN.

You can see them today in ICANN's financial statements over the past two or three years. You will see very clearly where the auction proceeds are. So

the audit of ICANN will continue to happen as one audit for ICANN. And will continue to look at all the transactions within ICANN's financial statement including the auctions proceeds, the funds, the disbursements of auction proceeds when it occurs, et cetera.

But it always will be just one audit of ICANN's financial statements, because there's just one set of financial statements. Does that answer the question?

Erika Mann: Xavier we have two follow up questions. I don't know - I don't see a (wait hand). So Daniel Dardailler is asking -- regarding the fiduciary requirements for disbursement (sic) -- we make in accordance with ICANN mission. Oh says ICANN mission. Are the same auditors in charge of judging the level of accordance?

Which I think is - you might want to come back again and maybe explain that the - how this will be done in the future. Because currently the auditors are not judging really the of the framing of the mission. So maybe you have to explain this.

And then we have a follow up question from Nadira which I don't understand fully. Maybe Nadira you can - maybe you can frame this question again. So back to Daniel Dardailler first Xavier.

Xavier Calvez: Okay. So let me make sure I understand correctly. So -- and Daniel Dardailler will correct me if I'm not adequately answering his question...

((Crosstalk))

Xavier Calvez: There's someone who's not muted.

Erika Mann: Somebody needs to mute. Somebody needs to mute please.

Xavier Calvez: And, so...

Erika Mann: Somebody is talking. Somebody needs to mute. Please.

Xavier Calvez: So the auditors -- for the purpose that I described earlier -- have the obligation in performing their audit to ensure that the activities of the organization are consistent with their mission. It is not a very specific set of procedures that they carry out because it usually fairly straightforward for the purpose of the financial audit to evaluate that the activities carried out and that are included in the financial statements are consistent with its mission. And so the auditors have that obligation but it's a fairly straightforward high-level presumption that is then verified once a year to ensure that there's nothing - new activities that are not under the mission. So that's something that the auditors do - the same team then -- the team that performs the financial audit -- is that they look at it it's just one assignment from their perspective. And the partner and the manager on the assignment will look to see what other new activities carried out by the organization since last year? And will look at those activities and understand how they fit with the mission usually this is not an issue or a problem and it's not a thing that exercise (unintelligible) audit.

((Crosstalk))

Xavier Calvez: The - of course what they will rely on as well is what of the processes that the organization itself has in place to ensure that the activities that it carries out are consistent with its mission? The auditors will care more about that and then themselves defining whether or not the activities or the organization are consistent with the mission. They will look at what the organization does to ensure that that's the case. I think there's another question from Kavouss until we can get the follow-up question from (Madeira).

Man: Can I explain it to you?

Erika Mann: I have the question from (Madeira) it is now the last one in - on my screen on blue. I'm following about your audited theme because the auction proceeds account it's expected to be handled on its own. Implies an expensive of managing it has to be kept separately and not (unintelligible) by ICANN. You got it Xavier?

Xavier Calvez: I think I do if - it's a bit a very more complicated and sir let me stop for a second I think (Danielle) wanted to clarify his question or answer another question on the basis of what I said. Is that right (Danielle)?

((Crosstalk))

Woman: (Unintelligible).

Erika Mann: (Danielle) might not be able to speak (Danielle) can you speak? I'll come back to (Danielle) as well maybe in the chat room.

Man: Hello Michelle I'd like to...

((Crosstalk))

Man: Michelle.

Erika Mann: Okay.

Xavier Calvez: Thank you (Shane) so...

Erika Mann: Xavier go to (Madeira) if you can read it or we can come back to it and we have Kavouss and (Ching) on the line.

Xavier Calvez: Yes Erika I got it thank you I will go to (Madeira's) question so as I said before the auction proceeds in the activity to disperse the auction proceeds -- let me back up a second -- currently the auction proceeds are funds that are

within ICANN - ICANN owns those funds legally. That's - there's no - hopefully there's no debate there this is a - funds that are owned by ICANN so that's why they are in ICANNs financial statements and ICANN performs an audit on its financial statements and ICANN performs an audit on its financial statements not just on the auction's proceeds on everything that ICANN does. So the audit fees are for the entire audit of ICANNs financial statements not just for a portion of it are specific to any portion of it so there's no specific audit fees for the auction proceeds because there's one audit for the entirety of the financial statements of ICANN.

What we don't do is try to allocate the cost of the audit because there's buckets we would need to define what those buckets are if we want to do it we just don't do it. We don't need to there's no logic to do it now let me back up a second audits but many other activities that ICANN may have to carry out in the future to view and manage the auction's proceeds will inevitably generate costs and audit costs included. These costs will need -- in various ways -- to be allocated to the auction's proceeds if we want to keep a separate accounting of these auction proceeds so there may be within the financial statements the allocation of costs but not simply of audit but may be of any other type of activities that ICANN carries out generally that would also apply on the auction proceeds. That's not yet determined but in principle this is obviously something that could happen.

((Crosstalk))

Xavier Calvez: We still have someone who's not on mute I think.

Erika Mann: Yes we still have issues I would recommend if I see we have - I will do a quick test if it's working otherwise I recommend we move forward because I'm pretty sure some of the points you want to make in the future might answer some of the questions we see here. I just want to check quickly because I see (Noh) was raising a hand but I'm not sure if he can talk. (Donya) do you want to make a comment?

Woman: Can you hear me?

Xavier Calvez: Yes.

Erika Mann: Yes we do.

Woman: I typed my question which is stated I am attended up to the auction it was not so much an issue to evaluate if ICANN spending were in mission but with the auction it may be a different issue because my - potentially there are going to be two level of indirection between ICANN money and the spending. You know, may be another organization doing the distribution and it's going to be another, you know, entity receiving the fund and spending it. And if there are not contract allowed in this funding in which case the party receiving the funding may also give it to someone else. So I think a system of evaluation in this talk of the mission is going to be more challenging in the future.

Xavier Calvez: Thank you (Danyo) (unintelligible) I completely agree absolutely it will be the evaluation of the consistency of these activities relative to the auction's proceeds with a mission will be something very important to carry out but it won't be carried out by the auditors. It will be - it will be (unintelligible) by the organization we will need to make sure that we are very clear on evaluating that specific aspect all the way through the processes disbursement and we'll talk more about that down in the presentation. But it will have to be done by us ICANN not by the auditors and the auditors will simply look at how do you ensure? You ICANN management how do you ensure that these activities are within mission? They will less themselves form an opinion independently, they will look at how we look at it because we are better knowledgeable about our mission then they are.

So they will look on how we do it but you are absolutely right it will be a more complex exercise relative to auction proceeds than it usually is of the known activities of ICANN that it has carried out over the past years. I would suggest

we move on I see Kavouss' hand in the chat I don't know if Kavouss you can type your question in the chat and we can come back to it later?

Erika Mann: I'm just checking with Kavouss...

Kavouss Arasteh: If you wish I can (unintelligible)...

Erika Mann: Kavouss please or I can...

Seun Ojedeji: Yes I'm still on the queue this is Seun Ojedeji.

Erika Mann: Let's come back...

Woman: This is (Shanat).

Erika Mann: Let's come back to it later maybe the point is covered already then by Xavier if you don't mind Kavouss.

Xavier Calvez: Thank you Kavouss and Ching Chiao you are still in the queue can you please provide your question and I'll try to answer it quickly?

Ching Chiao: Yes my question is that the auction account keeping, auction account management, and auction account auditing is paid by itself or is paid through the ICANN budget? That is the simple question thank you.

Xavier Calvez: I think that's very simply the same question as what (Madeira) was asking earlier there's one audit, there's one audit fee that we paid to the auditors that applies to everything that ICANN does including the auction proceeds.

Ching Chiao: And your time?

Xavier Calvez: It's paid by ICANN.

Ching Chiao: And your time because you spent time for the management of the council, the account keeping for any admmissive works, you also paid by the - to the ICANN budgets and all its - to its own budget?

Xavier Calvez: There's zero dollars of expenses supplied against the auctions proceeds zero. My time, audit fees...

Erika Mann: (Unintelligible) yes...

Xavier Calvez: Anyone's (unintelligible) currently there's no cost allocated to the auctions proceeds.

Erika Mann: And Kavouss if you want to change it in the future we will have to come back to this point...

Ching Chiao: Okay thank you.

Erika Mann: ...if procedure shall change in the future.

Ching Chiao: Okay.

Erika Mann: Xavier I would recommend we move forward now we have Jonathan Robinson Jonathan Robinson go ahead.

Jonathan Robinson: Sorry Erika there's in the queue for a little while now so I think we shouldn't let Seun Ojedeji be able to...

Erika Mann: You are not - she's not on the queue on my end but okay you see something else then I see but please...

Seun Ojedeji: Hello this is Seun Ojedeji I am actually (unintelligible)...

Erika Mann: ...whoever is first.

Seun Ojedeji: ...only and I have been on the queue.

Woman: Yes.

Xavier Calvez: Go ahead Seun Ojedeji.

Seun Ojedeji: Okay yes thank you all for (unintelligible) you mentioned in there about the (unintelligible) of the boarding keeping the auction and (unintelligible) and I'm glad to hear that for clarity of the funds is the - is one of the most important. I just want to ask so far there - historically has there been - the change of investment is it based on guaranteed choices in terms of where (unintelligible) historical loss on investments at any points? And the increase in the profits that comes from the investments is it being tracked and reported in the ICANN financial statement? And the third thing I want to ask is will it be wise also for this group to consider and this is part of the OSHA procedure (unintelligible) spending the interest so that this program to have and continue for a long while thank you.

Xavier Calvez: So if I understood correctly and I'll try to respond fast because while we have a leper still we - I'm not aware of losses on the investments that -- whether auction proceeds are new to TLE program -- that - over the past years. It's a complicated answer when it comes to very detailed portfolio investments simply because the - some of the investments vary in value up and down with the stock markets. Of course that is little the case for us because we have such a conservative policy of investment but it may have occurred on a single portfolio but there's not been any losses in total incurred by the investments because exactly of the objectives of that - of the policy that we have to be very conservative and share the return of the capital. The - you also mentioned I think interests the interest are put back into the same account where the capital is and increase that capital there's nothing that's been done with those interests so far. I'm assuming that answers your question...

Erika Mann: Xavier maybe we can - maybe we can review the question in written we have it partly taken down and then we can reply as well and you can reply in...

Xavier Calvez: Yes.

Erika Mann: ...and give a response to it it's probably easier to follow up like this. We have to still take Jonathan Robinson and then I would recommend we move forward...

Seun Ojedeji: Thank you.

Erika Mann: Jonathan Robinson please.

Jonathan Robinson: Thanks Erika hi everybody just a very quick follow up question -- Jonathan Robinson -- for the record. You said that you hadn't taken any costs out against the auction funds I just want to make sure I understood that because it's potentially ambiguous. What I understood you to be saying is that you haven't accrued any other words there is nothing booked against those funds and know nothing potentially booked against those funds they remain intact and whole until so fine if something changes. Thanks Xavier if you can just confirm that that would be great.

Xavier Calvez: Yes that's right and you described it in different words but the bottom line is we collected 233 million and there is 233 million on the accounts today plus the minimal interest that's been collected so there's no cost that's been paid for by the auctions proceeds funds. Of course there has been cost incurred my time there's other, you know, there's been - and certain amount of cost incurred Erika's time on the supporting the group for example but there has not been any money taken away from the auctions proceeds funds to pay for any of the costs that ICANN has incurred so far hopefully that clarifies further.

Jonathan Robinson: So Xavier then that's where - that's -- excuse me coming back to you -- but that's where the ambiguity lies because you're saying there's cost being

incurred do you propose to book those costs against the auction funds or is ICANN simply going to absorb those costs? That's the question.

Xavier Calvez: I don't believe there's been any specific decision made on the topic so far but that's also part of what the community needs to provide some input on. The costs that are - that had been incurred so far are basically supporting the process first of the drafting team and of this cross community working group so those costs are I would say in quote relatively minimal but we will get in a few slides to the section on expense and at that time we'll need to consider a different approach of course.

Erika Mann: Xavier I would recommend you continue with the slides and your presentation and give us again a sign when you would like to have the break please.

Xavier Calvez: Yes thank you so moving down I'm back - so in order to support the governance requirements that we've talked about audit fiduciary in (unintelligible) transparency ICANN will need to do a number of things. ICANN will need to put in place policies and procedures to manage the funds first the applications we will need to receive the applications, we will need to evaluate them, we will need to organize the control of those applications and when I say control I also mean audit in that general sense of the term. Having some quality control, and some verifications done, (unintelligible) applications evaluations there may be this - so there will be decisions made on those applications to either grant them or not grant them. So there will probably be considerations of procedures for reconsiderations of the decisions that ICANN has made but if an applicant is not happy with a decision -- which I'm sure they will be. So some - these procedures will need to be defined, implemented and operated.

They will take time -- time is money -- it's people, it's may be infrastructure, it's maybe external resources but it doesn't matter whether it internal or external it will simply be work. And that will need to be defined, organized, implemented. ICANN will -- by the way -- also need to address what I would

call the risks generally speaking which is possible legal defense on decisions that will have been made relative to the auction's proceeds. We are -- as you know -- it should take the example of the new GTLD program we -- ICANN -- is constantly enabling and the possibility of reconsiderations of its decisions and you know because you're part of seeing this happening that we can be sometimes challenged by one party for doing one thing and challenged by another party for not doing that thing. So the risk will also be something that ICANN will need to manage as part of the auction's proceeds and I definitely expect -- but that's a personal opinion -- that there will be an ongoing volume of activity relative to possible challenges of the decisions made by the organization relative to those parts.

Moving down ICANN will also need to put in place verification procedures to ensure that the funds that have been disbursed are used in compliance with the intended purpose. Put in other words once the disbursement has happened it's not the end of the process it's the beginning once the disbursement has happened to the applicant -- who has been granted the funds -- now we need to start the process of verifying how those funds are being used. What that will represent will very much depend of course of how the disbursements are organized and who they will have gone to and for what purpose. But we will need to ensure that the funds are used with the intended purpose that was evaluated as part of the application and that's a fiduciary requirement as well. Because what of the funds are used for something completely different -- possibly something unlawful? ICANN will be - will have the responsibility to ensure that the funds are adequately used we will talk more about this on the next slide.

ICANN will then need to put in place mechanisms and processes to ensure that the transparency of the evaluation process, its results, and the usage of the fund is full and permanent on its activities to be able to explain, to report on, publish any information that helps understanding the valuations of the applications, the results of these evaluations and how the funds are monitored, and how the funds are used. Of course this community should

want to have on an ongoing basis an understanding of how the funds have been used by the applicants that something that ICANN will need to ensure happens. Let me stop there and see if there's any questions before - well actually I'm changing my mind let me go to the next slide. It's unfortunate that there's some parts of it that don't show that I have a separate version in front of me and I will comment on it. So this graph is trying to provide a visual representation of what I would call ICANNs school of accountability requirements.

ICANN -- on the left of this graph -- is where currently the funds are whether it - if it is decided that the foundation for example is created to handle the disbursement of those funds then there would be the foundation or another (unintelligible) could be another organization that exist already. The separate third-party that is being used for that purpose or it could be ICANNs remaining (unintelligible) organization that performs (unintelligible). Does not really matter whatever this entity is could be - will be part of the process of the disbursement of the funds. Whether it's directly from ICANN to the recipient which is then the third box from the left and brown or orange on your screen that's the recipient -- that's the applicant -- it's whoever applies for the funds and said this is what I want to do with the funds and ICANN please evaluate my request. That's the recipients of the funds, the recipients of the funds may have a purpose for those funds that entails supporting end users to - that are downstream from that recipient.

Maybe we'll have an organization that says I want to help registrars in Africa set up their business okay so the recipient is that organization that wants to help registrars and the end users are the registrars. So this graph is showing you that there is a process of -- in of the funds -- all the way to the end users. ICANNs accountability requirements do not stop at the first step between ICANN and that foundation whether there's a foundation used or not ICANN will have the exact same requirements of ensuring that evaluations are done correctly and, the funds are dispersed correctly and to who they were supposed to, the funds are used as per the intended purpose irrespective of

whether there is a foundation or it's a third-party doing it. Of course the form of that accountability requirements and how ICANN is going to ensure that the funds are used with the intended purpose will be different if there is a foundation for example or there is not. If the recipients is the ultimate user of the funds or if they are end users of the funds but you can see the orange bar at the top of the graphs and it's not yet on your screen but it will come back I'm sure thank you.

One next -- one more -- thank you we now see what's at the bottom of the box. So ICANNs accountability requirements exist all the way through to the end user this is how we are going to be able to look at whether the funds have been used according to what the applicants said at the time of application. And therefore the mechanisms and the obligation that ICANN will perform through those mechanisms and procedures will need to cover the entirety of that space between ICANN and the end-user irrespective of what's in the middle. Let me stop there and see if there's any questions I see Erika in the queue Erika do you want to start?

Erika Mann: Yes we have a chatroom and my question is probably similar to what (Kalissa) debating so I think the main question is -- and this is not just to (Vikan) but from any other funding environments -- is the - if you were - if you have a third-party operating the auction proceeds on behalf of ICANN would then the command chain be executed by this entity or would you want you -- the management team inside of ICANN? Or would you want to manage all the command chains as well even if there would be a third-party operation or would you just - so would you base internal -- practically internal audits -- or would you let this entity execute and then only do (unintelligible) controls?

Xavier Calvez: It's a bit of a complex question but let me try to answer in either cases -- as I said -- ICANN has the same obligation ultimately so in the case where ICANN does the job itself it has the same obligation as if ICANN has another entity do the job of evaluation and disbursement. So we will need to put in place different mechanisms but ultimately we will want to have the same assurance

therefore we will need to put in place mechanisms to be able to oversee, or verify, or audit, or participate to the decisions that the third-party will make in order to disperse the funds. We may want to audit their procedures before they start, we may want to have some insight along the process of evaluation. We may want to put in place reoccurring checks for example with that entity on let's say a monthly basis, or on a phase by phase basis, or for every disbursement for example.

We may want to have the profits where we agree with this entity we're going to come in and check how you have evaluated, how the evaluation is documented, and we can also put in place controls after the disbursement has happened on what the funds are being used for and whether the funds are used in accordance with the application. And (unintelligible) an auditor on ICANN if ICANN asks another entity to disperse those funds ICANN will need to perform its own audit of this entity, and its processes, and ultimately of the user of the funds as well. I cannot yet tell you how but I can absolutely tell you that we will need to do it. There's no question. The form of it (unintelligible).

Erika Mann: Yes there are different options and scenarios how to do it. We will probably have to come back to you once we have more understanding about how do this group wants to approach the topic. Do we have some more questions or we have covered with regard to this?

Xavier Calvez: There's Daniel Dardailler who has a question in the chat.

Erika Mann: When I - I think it's a confirmation, it's not a question. When I signed the contract with ICANN for the plenary in 2006, I received money for the event and if I had spent it on something else, ICANN would have sued me. But I suppose they would have been protected against by one doing as a subcontract. Daniel Dardailler, I see now you raised your hand. Why don't you say it yourself?

Daniel Dardailler: Well thanks, Erika. I'm trying to - I'm just trying to understand the difference between the spending that ICANN is going to have to do for the auction and any other spending, whether it is a subcontract and ICANN is coping the subcontract in its mission but let's say the subcontractor does something different, then I would imagine that the subcontract between ICANN and the subcontractor protects them against the responsibility and the future audit by the money is going to be spent on something bad but at the same time ICANN is suing the person, the contractor. So I'm trying to understand the legal responsibility when there is a subcontract with a legal responsibility in it already.

Xavier Calvez: Thank you, Daniel Dardailler. So in principle, it's the same obligation. Whenever any organization, for ICANN or for anybody else, we - whenever we subcontract or basically we ask a third party to perform something for whatever reason, because we don't have the time or we don't have the expertise, we don't have the knowledge, whatever, when ICANN subcontracts an activity or a task, which is usually going to be defined in a contract, we basically therefore ask this entity to perform a specific task under specific conditions with a specific deliverable.

This is captured in the contract between ICANN and that entity and described as precisely as possible. So the - and of course we verify that we have received the services that were described in the contract whether the third party performs the activities that were described in the contract at the time that we paid that third party.

When we pay that third party, we first before paying we look at what was the contract saying about what this party needed to do, what has been done effectively, and, third, what has been invoiced to ICANN. And we reconcile these three elements, what was requested, what's been done, what's been invoiced. That's called a three-way match, and that's how we verify that someone has done the job and therefore we can pay that vendor.

Now hiring a consultant for \$20,000 to do one report that takes a week and spending 233 million is a different scale but in principle it's the same thing. In principle you need to be clear as to what you're asking for, you need to verify that what you've asked for has been done, and you need to verify that it's costing what it was supposed to cost. So that's the still the three-may match. Yes in principle it's the same but of course the magnitude, the sensitivity, the public exposure will also influence how we do that, Daniel Dardailler.

Erika Mann: We have a question so we might have to come back to it at a later stage. Xavier, we know how much you want to present to us, so you either decide if there are no further questions, so I would recommend you just move forward.

Xavier Calvez: Yes, I'll just move forward and we continue addressing questions down the road. So next - so I'll - I wanted to make sure it's very clear to everyone that ICANN's obligations do not stop at the time of disbursement. There's a whole set of obligations that are of course before we disburse for that application and verification of applications and evaluation, but there's a whole set of obligations that start at the disbursement, and those they take as long to be carried out as the disbursement - or as the fund themselves are used.

(Elliott) during the last call was talking about a one-time exercise and (Alan) was qualifying that this one-time exercise could take years. I concur. It depends on how the funds are used. If the funds are used over time up to the end user over several years, ICANN's procedures will require that it can verify that usage over several years as well. That will obviously influence the processes, the resources involved and so.

Next slide. You have talked a lot about expenses, you have talked a lot about overheads, and so let me try to give some input into that discussion. I've heard a lot in this group the term of overheads used and of course what would need overhead.

So overhead is a term often used to describe the costs that are associated with supporting an operation, not necessarily directly the cost of that operation itself. So if I take a very simple example, when you manufacture a pair of shoes, you have the cost of the materials, the rubber, the material, the laces, that's the cost of your shoes.

But then because you may have paid because you have workers, because you have people who help acquiring those materials, you have overhead. You have maybe a procurement function. You have maybe a human resource function. You probably need some billing, et cetera, et cetera. These are the overheads, the costs that are not directly contributing to either the service or the product that you sell, that you provide but that are necessary to allow for the production or performance activities to occur.

So as it comes to auctions proceeds, at a very high level -- and this is not -- this is just me putting words into the slide, there's no specific definition or legal definition of what costs are and I prefer to use the word expenses so that is more generic -- but we'll have a certain amount of design and implementation of costs or expenses to be put in place in order to put in place the infrastructure that will help us do what we need, the application, verification, the controls, the monitoring of the funds, et cetera, et cetera. All that will need to be designed and then implemented.

And then it will need to be carried out. We'll need to evaluate the cost. Sorry, we'll need to evaluate the applications and that will take costs. Whether it is done internally or externally, it will be costs. There will be some governance costs to control the process to verify the disbursement of the funds and so on.

There will be what I would call strictly overheads cost. So if it takes ten people to evaluate the applications, these people are possibly employees at ICANN. If they are employees of ICANN, they are employees among others that are supported by our resource - Human Resource department. They are

paid. Payroll is a function that does cost a certain amount of money, overseen by me. That's a cost.

These people they have desks in an office. An office has a cost. So these will be the overheads of the activities associated with the auctions proceeds evaluation and disbursement and governance processes. And there will be as well possibly, hopefully as little as possible, but likely some risks type of costs or risk mitigation type of cost, or defense and so on.

So - and of course I've not listed here the actual disbursement of the funds, meaning what do we grant it to an applicant that was successful in its application in terms of the funds that they are the recipient of. So that's expenses that can happen. Of course here this is broad categories. Until we have more clarity as to how we will perform this, this is a relatively high level description.

Expenses. So what are the factors that impact these expenses? There's some oddities here in the slide. I'll try towards the end of it. Not a big deal. What are the factors that affect the level of expenses? For the type of structure that we will need to retain, whether it's ICANN or a foundation or something else, will possibly affect the amount of costs that are incurred to set up this structure.

You have talked a few times about how many grants there will be. Is it a few large ones, is it a lot of small ones, is it a combination? This will impact the costs as well. I can honestly tell you that a few large grants would be less costly than a lot of small ones. It depends what procedures we put in place. It could be that we need, because of the complexity of the grant, we may need processes to be put in place for a small number of large grants that are very demanding possibly.

The disbursement pattern of the funds against the grants may be also affecting the level of expenses incurred to support it. If it's one payment or if

it's a hundred payments over five years, it makes a difference. The diversity of the applicants and of the incumbents, meaning those who are granted the funds, and of course the applicants being those who apply, whether they're granted the funds or not, that diversity will create the requirements to be able to evaluate different types of applicants, maybe different types of usage of funds and therefore will increase the complexity of that evaluation and therefore will increase the cost to evaluate those applications.

If we have one type of application, whatever that type is, if all the applications fall under that type, then it's fairly straightforward. We will resource and put in place (unintelligible) to evaluate that type of application. If we have a hundred different types of applications, it will be much more complex to evaluate all those applications, maybe not one by one but all of them together.

So diversity is definitely going to be a factor of complexity and a factor of increasing expenses as well. And the projects themselves, how are they going to be organized those projects that are being applied for. It depends on how many end users there are that will benefit from the grant, of the nature of the activity that is being funded. It will be more or less difficult to evaluate the process to disburse and to monitor how the project's funds are being used.

The two arrows here are supposed to be right in front of these last two sentences in black. So all these factors will have an implication on the size and the scale of the staff support. Whether it's internal or external doesn't even matter, the scale and the size of the - when I say the size, I don't mean the height, I mean the number of staff support will be impacted and of course also the level of overhead and costs.

If I need to ensure that I support disbursements over five years 100 times, it will be a different support from my team than if it's one payment, one time. So the - you have talked a lot about the percentage of overheads and in that sense presuming, as (Alan) was pointing out in the question last time of – that

the percentage of overhead is the amount of expenses divided by the total amount of funds, the \$233 million.

That percentage is not set or defined. It's the result of all the factors that are above. It's the result of the framework of policies and procedures and activities that need to be carried out in order to verify the applications, control these applications, monitor the disbursements and so on.

So all those procedures will be the ones that ultimately define the amount of costs that are involved. Then you can calculate what that amount of cost represents as a percentage of the funds, but saying it should be this or it should be that is simply a discussion.

What the costs will be will be the result of that framework of operational processes and policies that will need to be put in place to do what needs to be done as per the governance requirements.

With that I'll stop here and see if there's any questions on everything that you – we've discussed.

Woman: Xavier I can't – oh yes, Alan please.

Alan Greenberg: Thank you. Xavier I – I'm going to disagree with you a little bit on your last statement that you said the discussion of what the overhead should be is just a discussion until we settle on the details.

But it's really a circular discussion. If we come to a belief that the overhead should not be higher than 10% of the size of the grant or 5%, whatever the number is, we may set the policies based on that.

So as an example if we decide we're going to give out a lot of small grants, we may choose to do careful auditing and review of each of those grants to

make sure the money has been used properly, and we may end up spending more on the review than we would spend on the actual grant.

So we might choose as a matter of policy to take some risk and say, "For small grants that was under \$1000 or whatever we only do random checks. We don't – do not do a post-project check on each one to make sure the money was spent legitimately in order to keep the percentage down to what we feel is reasonable."

So it – to some extent it is a circular discussion but we will have to come to a level of comfort in what we think the level should be in deciding what the policies are in terms of how do we follow up on projects, how – what's the smallest project we give out?

If we give out \$100 we're going to end up spending far more on the process than we do on the project. So it – it's a circular argument and we can't ignore the number and just see what it comes out as.

We have to at one – some point start saying what is going to be reasonable and then making sure our policies can be set to match that, or find out that our policies can never be set because we set an unreasonable number to begin with. Thank you.

Xavier Calvez: Thank you Alan for that comment. You're absolutely right, absolutely clear and thank you for correcting or elaborating on my comment. What I meant to say is that the procedures that we put in place will define the level of costs.

And what you're pointing out to is of course we may want to decide that we want to not exceed a certain amount of costs as an example, and therefore define the procedures accordingly so that we don't exceed that amount of costs.

What I want to make sure is clear to everyone is that the amount of procedures that we put in place is not just the result of deciding what level of costs we want or we want to not exceed, and this is where we come back to the governance requirements.

I can tell you that before I sign your check if I'm the one doing it – before I sign the check on any auction proceeds to disburse to an applicant who's been granted a grant I have a responsibility.

I'm an officer of the company. I'm the one who signs the checks – most of them. I will want to verify that we've done our work and I will not care one bit whether anyone said at some point the costs should not exceed 5% or 10% or whatever.

So we will need to design the procedures exactly as Alan said to ensure that ultimately the costs do not exceed what we will have decided it should not exceed.

But the procedures that are required to do the verification – we'll need it to be designed in a fashion that meets the requirements from a governance standpoint, from a fiduciary standpoint and possibly from an added standpoint.

And I want to make sure that's very clear because these requirements are imposed on us irrespective of the policies that we decide, but I think it's completely right if we want to say, "We don't want to spend more than this."

Then this is what we need to – where we need to design the processes and policies, and maybe how we look at the grant and maybe how we disburse the grants in a fashion that allows that limit of expenses to not be exceeded.

But I want to be careful. That's not the only parameter in effecting the level of expenses. How do we meet the fiduciary requirements will also be something that's very important.

So as you said Alan later down the road when we get to designing more precisely the processes and so on, we will need to try to quantify what we think the costs are that need to be incurred in order to satisfy the requirements that we have to meet and therefore be able to iterate on, "Well if we want to do this this is how much it would cost and is that an acceptable level of cost?" and then we can iterate and redefine – refine the procedures and policies.

But I want – I heard people say \$1 million is a lot of money. I wouldn't be surprised we've already spent that \$1 million just by the last few months where we've been talking about in designing this.

The - \$1 million is very quickly spent in several months or several years of activities.

Woman: Xavier?

Xavier Calvez: So – yes.

Woman: So just - can I disrupt you? We have five more minutes.

Xavier Calvez: Yes.

Woman: So can we do the following because you're the only one who knows how much time you will need to spend on the additional slide? I think we need to continue to debate.

Marika rightly pointed out that we will review all of these questions. We present them in the summary, which is always done anyhow for each call. So

I would recommend that any additional question, which you may have based on the presentation today - please send them to Marika so that we have a complete overview.

And then Xavier I would recommend it - if you join the debate in Johannesburg you also could see that and find some time to continue the discussion in Johannesburg but back to you now.

So just tell us how much time you need. Now we have four minutes left and just maybe you do a quick presentation of the outstanding topic, and then we continue the discussion if possible in Johannesburg.

Xavier Calvez: Sounds good. Thank you. The last slide is now on the screen. It was simply trying to discuss further some of the points that were discussed I think last week in the call about the contribution of external resources of ICANN.

It's not a lot to say there. I think a lot has already been said but – and I already discussed this earlier during this presentation. ICANN's fiduciary responsibility will simply apply to any resources whether they're external or internal.

In the same fashion conflict of interest need to be evaluated. Competence need to be evaluated and the availability of the resources to be able to perform the services and this is true for any type of resources.

The staff – you need to evaluate competency when you hire the people. You need to make sure that they're available to do their job and you need to make sure that they don't have conflict of interest.

We have conflict of interest checks on an ongoing basis on the staff but you – we do that also with vendors. We do that with subcontractors. We do that with consultants.

So irrespective of the nature of the resource we will need to be able to verify this – these requirements. And the – I wanted to make sure it's clear that whether you outsource, meaning that you ask someone that's not in your employees to do something for you or you do that internally, it changes absolutely nothing to the responsibility that you have to ensure that this is done correctly.

You can use whatever type of resources you think is best. Your responsibility stays the same on ensuring that the outcome - the desired outcome is achieved.

So whether we outsource or not changes nothing to the responsibility, which means that this responsibility needs to be exercised in verifying that the desired outcome has happened.

When it's an employee of yours you do it in a certain way. When it's a subcontractor you do it in a different way. The contract would be one – a place where you define what you want, you define how it's supposed to be done and you define the timing and so on and so forth.

But the responsibility of the organization does not change ultimately whether the resources are external or internal with the organization. There was a question on one-off versus recurring.

Alan had very well described last time the fact that this one-off program if we're dealing with \$233 million and no more could be several years. And Alan was asking also the question last time as to when we talk about a percentage of overhead are we talking about often a program basis, on total amount of funds and so on?

I would suggest to taking the approach, which is simply to look at it on the total amount of funds because there could be fixed costs year-on-year irrespective of the number of grants that are made in one period of time, and

those costs could look like they are very high if you look – you would look at it only on the basis of the grants that have been made during a very specific period of time, and I think those costs should be looked at on the total basis.

I'll stop here, see if there's any other questions. And I don't see anyone in the queue for now but there may be questions in the chat.

Woman: No. And Xavier I think we have to come to an end here. I really would like to thank you for this immense work which you have done and put into presenting your thoughts about this, and the seven processes and processes which will have to be put in place and how you see the different options and possibilities.

I would like – and Marika maybe you can have a chat with Xavier how we can do this and then make a recommendation how we can continue this discussion in Johannesburg, and questions which you still think you would like to reply to Xavier because I know how precise you are.

You might still have question on your plate. Just, you know, feel free to send them to us and everybody will appreciate this very much – your reply. Otherwise everybody please feel free to send more questions and to Marika based on the discussion today.

Thanks a million. I'd like to thank Asha. I see Asha. She carries responsibility as Finance Chair and Becky, both board members. You will have internal discussions in the board and I'm pretty sure we will see you in our session in Johannesburg, which gives more opportunity to have a more in depth debate about this topic.

Finally, Marika was reminding us that only two members of our – have responded to the survey so please, please have a look at the survey and respond to it.

And then the last point is the next meeting if I'm not mistaken is on the – is in Johannesburg on the 27th of June at 1:30. With this we conclude the session today and I give back to – I'll give back to the – to you. Thank you so much.

Xavier Calvez: Thank you. Bye-bye.

END