



RIPE NCC

RIPE NETWORK COORDINATION CENTRE

Due Diligence at the RIPE NCC



Why This Presentation?



We've Improved our Due Diligence

- **Responding to an increase in fraud**
 - People trying to take control of resources
 - Trying to become members or receive End User assignments under false pretences
- **Trying to protect the resource holders**



Questions and Comments on the Mailing Lists



The RIPE NCC is asking for far too many documents!

I'm allowed to do an activity under my national legislation; why is this not enough for the RIPE NCC?

Is the RIPE NCC recognising areas in dispute?

The RIPE NCC is closing members down because of a simple mistake!



Our Responsibilities and Due Diligence Checks



We Are Responsible For

- **Maintaining an accurate registry**
 - Accurate records of who is the holder of the resources at all times
 - Accurate chain of custody of resources holdership
- **Implementing/enforcing RIPE policies**
 - Agreements with anyone that wants to hold resources
 - Clear rights and liabilities



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- **We must have valid contracts**
- **Due diligence checks very important**



Due Diligence Checks

- **Before the signing of contracts**
 - Who signs the contract (clear rights and liabilities)
 - Who has the authority to represent the resource holder (especially important when resource holder is a legal person)
- **Registry updates only when adequately proven**
 - Who is the legitimate successor of the resource holder
 - Agreements must be valid at all times



Due Diligence

- **Before the signing of contracts**

- Who signs the contract (clear rights and liabilities)
- Who has the authority to represent the resource holder (especially important when resource holder is a legal person)

- **Registry updates only when adequately proven**

- Who is the legitimate successor
 - Agreements must be valid and enforceable
- **Resources always registered to the legitimate holder**
 - **Liabilities and responsibilities enforceable**



Not As Simple As It Sounds

- **Wide service region (beyond Europe)**
 - Different legal frameworks, different customs
- **We must be neutral towards our members**
 - We cannot apply different rules to different members



More Specifically...



Before the Signing of the Contract

- **Proof to establish the existence of the resource holder**
 - Registration documents if *legal* person
 - Identification documents if *natural* person



Before the Signing of the Contract

- **Proof to establish the existence of the resource holder**

- Registration documents if *legal* person
- Identification

Challenges

- **Some countries have online registries, some don't**
- **Some online registries are authoritative, some are not**
- **Organisations located in areas under dispute**



Before the Signing of the Contract

- **Proof to establish the existence of the resource holder**
 - Registration documents if *legal* person
 - Identification documents if *natural* person

Challenges

- **Some countries don't follow international standards on their ID documents (difficult to spot fake documents)**
- **Different means of identification in different countries**



Before the Signing of the Contract

- **Proof to establish the existence of the resource holder**
 - Registration documents if *legal* person
 - Identification documents if *natural* person

▶ **Partnerships/non-legal persons?**

- **No standard rules on liability
(unlike natural and legal persons)**



Before the Signing of the Contract

- **Proof to establish lawful representation**

- The person that signs, communicates, requests on behalf of the resource holder must be authorised

Challenges

- **Not always clear chain of authorisation**
- **Some registries don't give information about it**



Registry Updates

- **Establish the legitimate successor of the resource holder**

Challenges

- **Understand national legislation regarding mergers and acquisitions, liquidation, bankruptcy, etc**
- **Disputes between former partners, colleagues, transaction parties**
- **When changes in business, we are the last to be informed**
- **Increased fraud attempts**



**How do we Handle Such
Challenges?**



Principles (1)

- **We are a legitimate and accountable authority**
 - Responsibility to perform due diligence checks
- **We deliver services to everyone, but we must comply with our legal obligations**
 - We do not deny services for political reasons
 - We will only deny services due to imposed sanctions we have to comply with



Principles (2)

- **We apply one set of rules**

- Respect for members' national law obligations, but we have no obligation to comply with every single national legislation

- **Balance between due diligence / bureaucracy / neutrality**

- Ask everyone for the same minimum set of documents for the same request
- When in doubt, ask for further proof, ask third parties (incl. experts)

- **Limit our liability**

- When no proof, it's too risky to accept requests



Principles (3)

- **We don't take sides**
 - Disputes must be solved between the relevant parties
 - If dispute in court, no updates until final ruling or settlement
 - Any court ruling part of our evaluation (as any national authority document)
- **Ultimate responsibility to maintain an accurate registry and implement RIPE policies**
 - Members must comply with their contractual obligations



What About Closures?

Reasons to Terminate the SSA



9.4 The RIPE NCC shall be entitled to terminate the RIPE NCC Standard Service Agreement with immediate effect in accordance with the procedure set forth in the RIPE NCC document "[Closure of LIR and Deregistration of Internet Number Resources](#)", without being liable to pay damages to the Member and without prejudice to the RIPE NCC's right to claim (additional) damages from the Member:

- a. if an application has been or is filed for the Member's bankruptcy or for a suspension of payments (moratorium).
- b. if the Member goes into liquidation or becomes insolvent.
- c. if the Member in any way acts or neglects to act such as to cause damage to the name, trademarks or intellectual property rights of the RIPE NCC.
- d. if the Member fails to submit to the RIPE NCC a recent extract from the Commercial Trade Register or equivalent document proving the registration of the Member with the national authorities when this is asked for by the RIPE NCC.
- e. if the Member fails to observe any rule of applicable law, which should be adhered to by the Member. The RIPE NCC shall only terminate the RIPE NCC Standard Service Agreement for this reason if this is required by law or upon receipt of a court order forcing the RIPE NCC to do so.
- f. if the Member is in default of payment as defined in Article 5.3.
- g. on the day on which the Member's membership of the RIPE NCC association terminates according to Article 6 of the [Articles of Association](#).
- h. if the Member provides the RIPE NCC with falsified or misleading data or provides the RIPE NCC repeatedly with incorrect data.
- i. if the Member repeatedly refuses to assist the RIPE NCC with audits as specified in the procedural document "[RIPE NCC Audit Activity](#)".
- j. if the RIPE NCC cannot reasonably be required to continue the RIPE NCC Standard Service Agreement for reasons that cannot be attributed to the RIPE NCC and for which the RIPE NCC cannot be held accountable by virtue of law, a juridical act or generally accepted principles.

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- c. if the Member in any way acts or neglects to act such as to cause damage to the name, trademarks or intellectual property of the RIPE NCC.
- d. if the Member fails to submit to the RIPE NCC a valid and up-to-date Commercial Trade Register extract or fails to provide the RIPE NCC with the national identification number of the Member.
- e. if the Member fails to comply with the obligations set forth in the Standard Service Agreement or fails to adhere to the rules of conduct established and adhered to by the Member.
- f. if the Member is in default of payment as defined in Article 5.3.
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Provision of Fraudulent/misleading Data



- **Two main categories**
 1. Relating to the member
 2. On behalf of a third-party



Provision of Fraudulent/misleading Data

- **Two main categories**

1. Relating to the member

2. On behalf of a third party

Member's own data: IDs, invoices, registration papers etc

- They should know it is fake
- This will result in closure



Provision of Fraudulent/misleading Data

- **Two main categories**

1. Relating to the member
2. On behalf of a third-party

For example: on behalf of an End User

This is more complicated

Fraudulent/misleading Data on Behalf of a Third Party



- **Members must provide the RIPE NCC with true and correct data**
 - They should perform appropriate due diligence and vet information before sending it to us
 - They should know who they are dealing with

Fraudulent/misleading Data on Behalf of a Third Party



- **Members must provide the RIPE NCC with true and correct data**
 - They should send information before sending it to RIPE NCC
 - They should verify information before sending it to RIPE NCC

On the other hand, mistakes can happen and some fraud may be sophisticated

Fraudulent/misleading Data on Behalf of a Third Party



- **Members must provide the RIPE NCC with true and correct data**
 - They should perform appropriate due diligence and vet information before sending it to us
 - They should know who they are dealing with
- **If we receive fake data on behalf of a third party**
 - We flag this and remind the member of their obligation to perform due diligence
 - But if this becomes a pattern, then the member is not complying with their obligation to submit correct information



Fraudulent/misleading Data on Behalf of a Third Party

- **Members must provide the RIPE NCC with true and correct data**
 - They should perform appropriate due diligence and vet information before sending it to us
 - They should know who they are dealing with
- **If we receive fake data on behalf of a third party**
 - We flag this and remind the member of their obligation to perform due diligence
 - But if this becomes a violation of their obligation to send accurate data to us

We don't look at the intent; either deliberate fraud or gross negligence is a violation

This undermines the accuracy of the registry



Closing remarks

- **The RIPE NCC is here to serve members, not to punish them for mistakes**
- **Due diligence checks for the benefit of legitimate resource holders**
- **We must ensure correct implementation of RIPE policies**
- **We want to remain accountable as a legitimate authority**



Questions



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