

Recommended Draft Policy ARIN-2019-10

Inter-RIR M&A

Status: Last Call

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Current Text (18 July 2020)

AC Assessment of Conformance with the [Principles of Internet Number Resource Policy](#):

This Recommended Draft Policy is technically sound and is fair and impartial number policy. The intent of the draft policy is to clarify handling of mergers and acquisition transfer processing between RIRs who have compatible transfer policies. The proposed change would not be a change from present practice but the policy change would make ARIN implementation of the current policy clearer.

Problem Statement:

Merger, acquisition, or reorganization activity sometimes results in a restructuring where company resources, the management of number resources, or the use of number resources are concentrated outside the ARIN service region. In this case it may be desirable for the current legal entity or a legal entity that is a parent, child or sister to move the servicing of the number resources to a different RIR.

Example:

Imagine a case where a global company has decided to discontinue service in the ARIN service region (shutting ARIN region offices laying off ARIN region employees, and canceling ARIN region customers) and repurpose the network resources and number resources in the rest of its global footprint.

Imagine a case where a global company has decided to divest its service in the ARIN region (selling all ARIN region offices, all ARIN region network assets, all ARIN service region customers, all number resources used in the ARIN (associated with previous noted sale of network and customers), but retaining ARIN issued resources in use outside of the ARIN service region.

Policy Statement:

In section 8.4, under “Conditions on source of the transfer”, replace the third bullet point:

- Source entities within the ARIN region must not have received a transfer, allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request, unless either the source or recipient entity owns or controls the

other, or both are under common ownership or control. This restriction does not include 8.2 transfers.

with

- Source entities within the ARIN region must not have received a transfer, allocation, or assignment of IPv4 number resources from ARIN for the 12 months prior to the approval of a transfer request, unless either the source or recipient entity owns or controls the other, or both are under common ownership or control. Number resources received as the result of an 8.2 transfer are out of scope for the purposes of this restriction.

AND

In section 8.4, under “Conditions on recipient of the transfer”, replace the second bullet point:

- Recipients within the ARIN region must meet the transfer requirements as defined in section 8.5.

with

- Specified Recipients within the ARIN region must meet the transfer requirements as defined in section 8.5.

Timetable for Implementation: Immediate

Staff and Legal Review (6 May 2020)

Summary (Staff Understanding)

Staff understands the intent of the Recommended Draft Policy is to clarify handling of mergers and acquisition transfer processing between RIRs who have compatible transfer policies. The proposed change would not be a change from present practice but the policy change would make our implementation of the current policy clearer.

Comments

ARIN Staff Comments

The updated text in Section 8.4 more accurately clarifies staff interpretation of how M&A transfers are processed in these situations.

Staff suggests changing the second bullet under “Conditions on recipient of the transfer” to read “Specified Recipients within the ARIN region must meet the transfer requirements as defined in section 8.5,” to clarify that M&A recipients are outside the scope of 8.5 policies.

The text is clear and understandable, and can be implemented as written.

ARIN General Counsel – Legal Assessment

While ARIN staff has been handling these situations successfully, the proposed policy change would not materially increase ARIN's legal risk and should be considered if consistent with the community's intent for ARIN's handling of these requests.

Resource Impact

Implementation of this policy would have minimal resource impact. It is estimated that implementation would occur within 3 months after ratification by the ARIN Board of Trustees. The following would be needed in order to implement:

- Staff training
- Updated guidelines and internal procedures
- Standard documentation updates

Proposal/Draft Policy Text Assessed: [21 April 2020 Version](#)

Relevant Straw Polls

ARIN 44 - 107 in attendance, 4 in favor, 11 against

ARIN 45 - 108 in attendance, 44 in favor, 2 against