

RIPE NCC Clearing House Procedure

RIPE NCC

Document ID: ripe-539

Date: 7 May 2004

Obsoletes: ripe-322

Table of Contents

1. [Introduction](#)
2. [Clearing House – General Information](#)
3. [Clearing House Procedure](#)
 - 3.1 [Redistribution from Clearing House](#)
 - 3.2 [Timeline of Clearing House Procedure](#)
4. [Changes in Member Status](#)
 - 4.1 [Closing and/or Default of a Member](#)
 - 4.2 [Merging of Two Members](#)
 - 4.3 [Changes in Billing Size](#)

1. Introduction

This document provides additional information on the RIPE NCC Clearing House and should be read in conjunction with the RIPE NCC Standard Service Agreement. The RIPE NCC Standard Service Agreement will be authoritative over this document.

The RIPE NCC is a not-for-profit organisation. Nevertheless, a positive or negative result can be achieved in a particular year. In principle, this would be subject to Corporate Income tax. However, the RIPE NCC has set up special arrangements with the Dutch tax authorities to move any surplus or deficit to accumulate in a “special” reserve. This “special” reserve, known as the Clearing House, gives the RIPE NCC a stable financial position to operate soundly and continuously.

The Dutch tax authorities have set a maximum to this reserve. To avoid any taxation or payout from the Clearing House, the RIPE NCC Board and the RIPE NCC Management aim to stay within this set boundary.

The Clearing House procedure was approved by the Dutch tax authorities in 1998 and has been amended in 2003 and updated in 2011. The Clearing House procedure started with the 1998 financial year.

The RIPE NCC Executive Board reserve the right to make changes, in accordance with Dutch tax law, to this procedure as necessary.

2. Clearing House – General Information

The Clearing House procedure has been developed to comply with the Dutch tax ruling describing how to redistribute an excess amount to the RIPE NCC Members. A RIPE NCC Member is defined as a natural person or legal entity that receives services from the RIPE NCC and has been invoiced a service fee for the year at issue. The Clearing House may equal a maximum of three times the total amount of RIPE NCC service fees in the relevant financial year as stated in the audited financial report. This income excludes the sign-up fee and any other Service fees or payments made to the RIPE NCC that are not stipulated by the RIPE NCC Standard Service Agreement.

Only Members that have fulfilled their financial obligations towards the RIPE NCC in the relevant financial year can participate in the Clearing House procedure. If during the year the RIPE NCC Standard Service Agreement has been terminated by either party no participation in the Clearing House procedure will take place.

3. Clearing House Procedure

The surplus or deficit that results from the audited financial statements of the financial year will be transferred to the Clearing House. The accumulated amounts will be reserved in the Clearing House. In case this total amount exceeds a total of three times the income from the Members Service fees of the financial year at issue, the RIPE NCC will redistribute the excess amount from the Clearing House to the Members.

3.1 Redistribution from the Clearing House

The Member's share of the excess amount will be equal to the percentage of its fee contribution to the service fees paid to the RIPE NCC over the past 3 years, including the relevant financial year in which the Clearing House exceeded the maximum.

A Member's percent share of the total paid fees is calculated by dividing that Member's paid fee by the total of all other Members' paid fees for the past 3 years.

This excess amount will not actually be paid out but will be credited to the Member's account and will be deducted from the Service fee for the year after the Clearing House procedure has taken place. In case of termination of the RIPE NCC Standard Service Agreement the excess amount payable will not be redistributed.

3.2 Timeline of Clearing House Procedure

The Clearing House procedure will take place within 90 days of receipt of the audited financial statements. The settlement for the excess amount will be done with the invoices for the year following the year in which the Clearing House procedure has taken place.

4 Changes in Member Status

4.1 Closing and/or Default of a Member

If during the year the RIPE NCC Standard Service Agreement has been terminated by either party, any excess amounts payable to the Member will remain in the Clearing House.

4.2 Merging of Two Members

In case of a merger between two Members, the fee will be the total amount paid by the two registries for the year at issue. In case of Clearing House redistribution they will then receive a percentage reflecting the total amount paid.

4.3 Changes in Billing Size

Changes in billing size during the year at issue have no impact on the Clearing House redistribution of the excess amount as the fee paid by the Member determines the amount that will be settled.