



**MINISTRY FOR  
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AND GENDER EQUALITY**  
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## **TERMS OF SALE**

### **1 Introduction**

The National Agency for It and Learning in Denmark (hereafter “STIL”) is selling its right as a resource holder of 131,072 IPv4 addresses.

In order to submit bids, interested buyers must register as a participant in the auction, and comply with the requirements in these terms of sale. Interested buyers, whether registered or not, are named ‘participants’ in these terms of sale.

### **2 Short description of the sales process**

#### **2.1 Registration in order to participate**

In order to submit bids in the sealed-bid auction, participants must register on <https://ipv4.stil.dk/>. In order to be registered, participants must provide the required information, accept the auction terms as stated in section 3 and accept the arbitration clause stated in the registration form.

#### **2.2 Bidding**

When having registered, participants can submit bids on the auction website as described in section 4.

#### **2.3 Evaluation of bids, notification and requested information**

When the sealed-bid auction ends, the bids will be evaluated in accordance with section 4.

#### **2.4 Award of contracts**

Upon evaluating the bids, STIL will send the winners an invoice, a contract and a transfer agreement which are to be signed and returned to STIL, cf. section 5.

## **2.5 Approval and allocation**

Having received payment and the signed documents (cf. section 8) STIL will request RIPE NCC to approve the transfers of the relevant blocks of IPv4 addresses and to re-allocate the relevant blocks to the winners.

## **3 Requirements for participation in auction**

### **3.1 Generally**

To qualify for participation, the participant must comply with all of the following:

- I. Be a member of the RIPE NCC and comply with the regulation from RIPE, cf. section 3.1.1
- II. Not be excluded from participation, cf. section 3.1.2
- III. Not be subject to trade restrictions imposed by the European Union, cf. section 3.1.3,
- IV. Respond to all requirements in this document (“terms of sale”), cf. section 3.1.4
- V. Register for participation in the auction, cf. section 2.1.

When registering for participation, each participant must fill out a form whereby the participant declares to qualify for participation by fulfilling the above stated requirements.

#### **3.1.1 *Be a member***

As a resource holder of IPv4 addresses, STIL is obliged to follow RIPE NCC’s policies and rules. Accordingly, in order for STIL to be able to transfer the relevant block of IPv4 addresses to a winner of the auction, the winner must be a member of RIPE NCC. For these reasons, participation in the sealed bidding auction requires membership of RIPE NCC.

Relevant information and terms for membership of RIPE NCC is currently located on; <https://www.ripe.net/participate/member-support>.

#### **3.1.2 *Excluded from participation***

Any part wishing to participate in the auction, no matter the parts legal entity, who has been the subject of a conviction by final judgment of which the contracting authority is aware for one or more of the reasons listed below shall be excluded from participation in this auction:

- Participation in a criminal organization, as defined in Article 2(1) of Council Joint Action 98/733/JHA.
- Corruption, as defined in Article 3 of the Council Act of 26 May 1997 (2) and Article 3(1) of Council Joint Action 98/742/JHA (3) respectively.

- Fraud within the meaning of Article 1 of the Convention relating to the protection of the financial interests of the European Communities.
- Money laundering, as defined in Article 1 of Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering.

### **3.1.3 Trade restrictions imposed by the European Union**

Any part wishing to participate in the auction, no matter the part's legal entity, who is subject to trade restrictions imposed by the European Union shall be excluded from participation in this auction.

Sanctions are restrictive measures on trade adopted by the EU against countries and/or individual persons, groups, legal entities, bodies, etc. See <https://danishbusinessauthority.dk/sanctions> for further information.

### **3.1.4 Compliance with all requirements in this document (terms of sale)**

Participation in the auction requires that the participant comply with all the requirements in this document.

The participant's failure to comply with the requirements in this document causes the biddings submitted by the participant to be invalid, and therefore excluded from the auction and the evaluation. Also, a participant's noncompliance with these Terms of Sale might result in the exclusion of bids from the participant from future auctions.

## **4 The auction**

### **4.1 Bidding format**

#### **4.1.1 Sealed bids**

All bids will be 'sealed', meaning that the identity of the bidder and the size of each bid will not be disclosed to other bidders during the auction. Participants are bound by their offers until the participants have been informed of the result of the auction.

Bidders may only submit bids in euros (EUR) excluding VAT.

#### **4.1.2 Calculation**

Participants will be able to submit bids for IPv4-address blocks of sizes 256, 512, 1024, 2048, 4096, 8192, 16384, 32768 and 65536 corresponding to complete and contiguous /24 to /16 address block spaces.

Each participant shall express their bid for a given block size by submitting one price per IPv4-address, which will be multiplied by the number of IPv4-addresses in the block to form the total bid for a block of that size. For example, if a participant chooses to bid €13 per

address for a /23 block, which consists of 512 IPv4-adresses, the total bid for that block will be  $512 \times \text{€}13 = \text{€}6,656$ .

#### 4.2 More than one IPv4-address block

A participant may submit alternative bids on each of the eight different IPv4-address block sizes available; however, it is only possible to submit one bid per block and each participant will at most win one of their bids.

For example, a participant may choose to bid both €12 per IPv4-address for a /22-block (totalling  $1,024 \times \text{€}12 = \text{€}12,288$ ) and 14€ per address for a /24-block (totalling  $256 \times \text{€}14 = \text{€}3,584$ ). The total financial exposure will not exceed €12,288 plus a transaction fee of € 300. In this way, the participant will be able to bid on the block sizes that are most beneficial to them whilst maintaining complete control over their financial exposure.

#### 4.3 Reserve price

A reserve price of € 7.00 per IPv4-address applies for bids on all block sizes. The marginal difference on bids also needs to exceed €7.00

For example, if a participant submits a bid of €13.25 per address for a /24-block, their total bid will be  $256 \times \text{€}13.25 = \text{€}3,392$ . If the participant also submits a bid on a /22-block (1,024 addresses), their bid per address on this block needs to exceed €8.57 in order for it to be considered. The reason is that the number of addresses in a /24-block and a /22-block differs by  $1024 - 256 = 768$ . The participant's bid on the /22-block thus needs to be at least  $768 \times \text{€}7.00 = \text{€}5,376$  larger than their bid on the /24-block, i.e. they will need to bid  $\text{€}3,392 + \text{€}5,376 = \text{€}8,768$  for the /22-block. As the /22-block consists of 1,024 addresses, their bid per IPv4-address would need to be at least  $\text{€}8,768 / 1,024 = \text{€}8.57$ .

#### 4.4 Determination of winners

Winners are determined by the combination of bids that yields the highest revenue. The result depends on whether all or only some of the addresses will be sold.

*As an example, consider an auction where only the following bids are submitted:*

- Bidder A bids on both a /16-block (65,536 addresses) at €11 per address and a /17-block (32,768 addresses) at €14 per address
- Bidder B bids on /16-block (65,536 addresses) at €8 per address.
- In this case bidder A wins a /16-block even though A's bid for the /17-block is higher per address. This is because the combined revenue of bidder A's and bidder B's bids is highest if they both win their bid on a /16-block.

*Now, consider the case where there is one more bidder as follows:*

*Bidder C bids on a /18-block (16,384 addresses) at €21 per address*

*In this case the combination of bids that yields the highest revenue is that bidder A wins a /17-block, bidder B wins a /16-block, and bidder C wins a /18-block. Although a /18-block consisting of 16,384 addresses will remain unsold, the combination of winning bids is still the one that will yield the highest combined revenue.*

## **5 Award of contracts**

Participants who comply with the requirements set out in section 3 and who have submitted the combination of bids that yields the highest revenue, will be the winners of the auction and will each be awarded a contract on the transfer of the block they have individually won. At the same time the participants who are not among the winners will be notified that STIL has found the winners of the auction, with whom STIL intends to sign contracts.

Contract (signed and filled out by STIL) and transfer agreement (not signed by STIL) template will be forwarded to the winners for signature.

## **6 Payment**

Participants are required to pay any bid they may have submitted if the bid is evaluated as a winning bid as outlined in section 4. In addition to any amount bid, winners are required to pay a fixed transaction fee of 300 euros (EUR) excluding VAT.

The winners shall effect payment within the deadline specified in the contract. Timely payment is a precondition for completion of the transfer.

## **7 Contract signing**

The winner must return the signed contract and the signed transfer agreement template along with a copy of recent registration papers issued by the relevant national authorities no later than 2 years ago (if the registration papers are older than 2 years they need to be accompanied by a valid certificate of good standing), within the deadline specified in the contract. STIL will sign the transfer agreement when these conditions are met.

## **8 RIPE NCC's approval and registration of the transfer**

Having received the signed contract, the transfer agreement template, recent registration papers and payment from a winner STIL will, without undue delay, initiate that the transfer is registered by

RIPE NCC and that the IPv4 addresses will be transferred to the winners.

RIPE NCC's approval and registration of the transfer is a condition for the completion of this sale.

RIPE NCC's requirements for approval and registration of this transfer appear, non-exhaustive, in RIPE NCC document 654 of September 2015, and RIPE NCC document of 649 of July 2015.

## **9 Revocation**

In the event that 1) the winner fails to sign and return the documents (contract, transfer agreement and registration papers) or 2) the winner fails to pay the invoice in time or 3) RIPE NCC does not approve or complete the registration of the transfer, the sale and the contract will be revoked.

In this case a re-evaluation of the auction will not be made, and STIL are not obliged to sell the blocks concerned. Despite of not being obliged, STIL is in this case entitled to offer the specific block, that are not transferred, to the participant who complies with the requirements and has submitted the highest bid on that specific block provided that the conditions stated in the terms of sale are met.

## **10 Public announcement**

STIL reserves the right to publicly announce the winners of the auction and announce the selling prices achieved.

## **11 Help**

If in need of support, you can ask question regarding the auction, these terms of sale, the attached appendixes or the like on <https://ipv4.stil.dk/>. Only inquiries in English will be addressed.

Received questions and the answers to these, which are considered to be of relevance to all participants, will continuously be made public on the website in anonymous form.