

Rules of Operation for Auctions of Priority Right to Register Domain Names

Effective as of 28 August 2024

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2. INTRODUCTORY PROVISIONS

- 2.1. This document sets out the conditions of the Auction system.
- 2.2. Terms used in the Rules of Operation will have the meanings set out in the Auction Rules; rules not defined in the Auction Rules will have the meanings set out in the Registration Rules.

3. LIST OF DOMAIN NAMES TO BE AUCTIONED

- 3.1. The list of domain names to which the Priority Right can be auctioned is published 15 days before the start of the Auction.

4. AUCTION TIME

- 4.1. The Auction of the Priority Right will open daily at 12:00:00 and close at 21:00:00.
- 4.2. If a bid is made during the last 5 minutes, the Auction is extended for a further 5 minutes from the most recent bid. The Auction may be extended maximally to 9:00:00 on the day following the start of the Auction.
- 4.3. Opening and closing of the Auction is the time currently valid in the time zone of CZ.NIC.

5. BIDDING

- 5.1. The starting price of the Priority Right to register a Domain Name is CZK 100 including VAT at the legal rate. The minimum bid of the Participant depends on the current price offered in the Auction. The Participant’s minimum bid increase is set as follows:

Current offered price in CZK		Minimum bid increase in CZK
From	To	
100	9 999	100
10 000	999 999	1 000
1 000 000	9 999 999	10 000
10 000 000	and more	100 000

- 5.2. The Participant may also bid by setting a limit of the maximum price for the Priority Right to a particular Domain Name that he is willing to pay, even before the start of the Auction, and the Auction system will during the ongoing Auction bid up to that amount automatically.
- 5.2.1. The system will always outbid other Participants by the minimum amount of the bidding value according to Article 5.1. only until the Participant's set limit for the maximum price is met, or by an amount lower than the amount specified in Article 5.1., if it is still possible to increase or level the price to the level of the maximum amount of the Participant who led the Auction.
- 5.2.2. The Participant may in any way adjust or entirely remove the limit for the maximum price for the auctioned Priority Right to a specific Domain Name before the start of the Auction.
- 5.2.3. After the start of the Auction, the removal of the limit for the maximum price for the auctioned Priority Right to a specific Domain Name is no longer possible and the reduction of this limit is limited in such a way that it must respect the minimum bid values and the bids of other Participants – thus the limit cannot be lowered below the value that is still the highest in the relevant Auction.
- 5.2.4. Limits according to Article 5.2. set before the start of the Auction are assessed at the time of the start of the Auction and the highest of them is displayed (where there is a match between the set values, it is the one which was set earlier).
- 5.3. The Participant may also set the bidding value to a specific amount within the ongoing Auction (the Auction system does not make automatic bids in this case). The bidding value already set according to this Article may only be increased.
- 5.4. In the case of that the set bidding value or the value of the maximum price limit according to Article 5.2. of another Participant is equal, the Participant whose bidding value or the maximum price limit according to Article 5.2. was set earlier shall have priority.

6. RELISTING OF DOMAIN NAME IN THE LIST OF DOMAIN NAMES TO WHICH THE PRIORITY RIGHT WILL BE AUCTIONED

- 6.1. If
- 6.1.1. the price of the Priority Right to Domain Name is not paid in accordance with the Auction Rules; or
- 6.1.2. the Priority Right according to the Auction Rules is not exercised,
- the relevant Domain Name may be relisted in the list of Domain Names to which the Priority Right of registration will be auctioned a maximum of four more times.

7. LIMITS FOR TRACKING AND FOR PARTICIPATION IN AUCTIONS

- 7.1. The Participant may track (follow) a maximum of 100 Auctions.
- 7.2. The number of Auctions in which a Participant actively participates is limited to a maximum of 50 Auctions. This limit includes:
 - 7.2.1. Auctions in which the Participant has already successfully auctioned the Priority Right but has not yet paid for it
 - 7.2.2. ongoing Auctions in which the Participant bids and his bid is the highest and
 - 7.2.3. Auctions that will be launched in the future and for which the Participant has already set a maximum price limit according to Article 5.2.
- 7.3. The limitation under Articles 7.1. and 7.2. will not apply to a Participant who deposits a security of CZK 100,000. The security is not intended for paying for auctioned Priority Rights (i.e. the Participant must pay for the auctioned Priority Right as instructed). The security may be used to pay contractual penalties as per the Auction Rules. The security will be returned to the Participant upon request, less any outstanding contractual penalties under the Auction Rules. The security will not affect any restrictions on participation in the Auction resulting from provisions of the Auction Rules other than Articles 7.1. and 7.2. of the Rules of Operation.

8. TIME LIMITS

- 8.1. The price for the Priority Right is due 7 days from the date of the Auction end. The amount includes VAT at the statutory rate.
- 8.2. Contractual penalty in case of non-payment for the Priority Right is due 10 days from the date of delivery of the notice from CZ.NIC.
- 8.3. Time limit for exercising the Priority Right: 7 days from the date of receipt of payment of the price for the Priority Right.

9. INTERRUPTION OF SERVICE

- 9.1. CZ.NIC may interrupt or limit the operation of the Auction system for maintenance (temporary shutdown).
 - 9.1.1. Temporary shutdowns with a scheduled interruption/limitation of service for less than 5 minutes and during a period of time that is not relevant to the evaluation of the Auction need not be announced in advance.
 - 9.1.2. Other temporary shutdowns, including their duration, shall be announced at <https://aukce.nic.cz> at least 24 hours in advance.
- 9.2. Any limitation or unavailability of the Auction system that is not a temporary shutdown is an outage.
- 9.3. If a temporary shutdown or outage may affect the start/duration of the Auction or is relevant to the evaluation of the Auction (e.g., unavailability during the Auction for 2 or more hours or unavailability 30 minutes or less before the end of the Auction), CZ.NIC is entitled to change the start/duration of the Auction. The information about any such change is provided at <https://aukce.nic.cz> and in case of an ongoing Auction, Users who have placed a bid in the Auction or track the Auction are informed.

10. DOCUMENT CHANGES

10.1. Any changes to the Rules of Operation shall be approved by the Executive Director of CZ.NIC.

INFORMATION ON CHANGES TO THE RULES OF OPERATION

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Current offered price in CZK		Minimum bid <u>increase</u> in CZK
From	To	
100	9 999	100
10 000	999 999	1 000
1 000 000	9 999 999	10 000
10 000 000	and more	100 000

5.2. The Participant ~~can set~~ may also bid by setting a limit of the maximum price for the Priority Right to a particular Domain Name that he is willing to pay, even before the start of the Auction, and the Auction system will during the ongoing Auction bid up to that amount automatically.

~~5.1.1.5.2.1.~~ The system will always outbid other Participants by the minimum amount of the bidding value according to Article 5.1, only until the Participant's set limit for the maximum price is met, or by an amount lower than the amount specified in Article 5.1, if it is still possible to increase or level the price to the level of the maximum amount of the Participant who led the ~~auction. The Participant is entitled to adjust the limit for the maximum price for the auctioned Priority Right to a specific Domain Name during the Auction. Auction.~~

5.2.2. The Participant may in any way adjust or entirely remove the limit for the maximum price for the auctioned Priority Right to a specific Domain Name before the start of the Auction.

5.2.3. After the start of the Auction, the removal of the limit for the maximum price for the auctioned Priority Right to a specific Domain Name is no longer possible and the reduction of this limit is limited in such a way that it must respect the minimum bid values and the bids of other Participants – thus the limit cannot be lowered below the value that is still the highest in the relevant Auction.

5.2.4. Limits according to Article 5.2 set before the start of the Auction are assessed at the time of the start of the Auction and the highest of them is displayed (where there is a match between the set values, it is the one which was set earlier).

5.3. The Participant may also set the bidding value to a specific amount within the ongoing Auction (the Auction system does not make automatic bids in this case). The bidding value already set according to this Article may only be increased.

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~~7.2.~~ The number of Auctions in which a Participant actively participates (~~i.e. bids~~) is limited to a maximum of 50 Auctions. This limit includes:

~~7.1.1, 7.2.1.~~ Auctions in which the Participant has already successfully auctioned the Priority Right but has not yet paid for it;

~~7.2.2.~~ ongoing Auctions in which the Participant bids and his bid is the highest and

~~7.2.3.~~ Auctions that will be launched in the future and for which the Participant has already set a maximum price limit according to Article 5.2.

~~7.2.7.3.~~ The limitation under Articles 7.1 and 7.2 will not apply to a Participant who deposits a security of CZK 100,000. The security is not intended for paying for auctioned Priority Rights (i.e. the Participant must pay for the auctioned Priority Right as instructed). The security may be used to pay contractual penalties as per the Auction Rules. The security will be returned to the Participant upon request, less any outstanding contractual penalties under the Auction Rules. The security will not affect any restrictions on participation in the Auction resulting from provisions of the Auction Rules other than Articles 7.1 and 7.2 of the Rules of Operation.

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9.1.2. Other temporary shutdowns, including their duration, shall be announced at <https://aukce.nic.cz> at least 24 hours in advance.

9.2. Any limitation or unavailability of the Auction system that is not a temporary shutdown is an outage.

9.3. If a temporary shutdown or outage may affect the start/duration of the Auction or is relevant to the evaluation of the Auction (e.g., unavailability during the Auction for 2 or more hours or unavailability 30 minutes or less before the end of the Auction), CZ.NIC is entitled to change the start/duration of the Auction. The information about any such change is provided

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