InfoTech: Hong Kong's plans to nationalise domain registration

Hong Kong is renowned for being one of the world's free wheeling economies and societies. But things are changing under the skin and a proposal to nationalise the management of the territory's domain registration and management may be the thin end of the wedge, implies a seasoned campaigner for shareholder rights.

The Webb-Site.Com is kind of subversive in a good way. It looks out the story behind the story and presents it in a very logical and clear way.

David Webb is either a champion or a trouble-maker depending on your point of view. Until recently, Webb sat on the Hong Kong Exchanges and Clearing board, leaving it alleging favouritism for the well connected. He is an insider with outsider's views - when being the outsider is the right thing to do.

He has debunked myths, presented clear explanations of conflicts of interest and argued strenuously in favour of the interests of minority shareholders in Hong Kong's often Patrician-run public companies. He has been instrumental in the resignation of politicians where a conflict of interest with commercial interests and he does it all via a newsletter, a web site and through his own rights to attend general meetings as a shareholder in the companies that concern him. Webb's campaigns attract attention from global media outlets in the business world. But in the wider world, he's unknown.

But that should change in the next few days, if he can get his latest message across through a local media that is generally pro-government.

Webb, as a shareholder in Hong Kong Internet Registration Corporation Limited, has received a notice of general meeting to be held on 23rd August. The company is limited by guarantee, its members are the government, service providers, the IT industry, other commerce and industry, a university - and Hong Kong residents and HK registered companies that hold .hk domain names.

Even though approx 167,000 .hk domains are registered, only some 1200 have taken up membership of the company even though to do so costs nothing (save the risk that, in the case of default, the members would have to stump up the money, pro rata to their shareholding, to meet its debts.

In a long and carefully crafted explanation of the situation, Webb explains that a secret report, of which parts have been published but with all the important information redacted, says that the management of .hk domains needs major overhaul, and that means the effective transfer of control to the government.

In its proposals, the government includes a provision that gives it effective power of veto over any future changes, regardless of the structure of the company or its board.

Webb points out that putting the registration into the hands of the government will, indirectly, put it into the hands of China and that will, he warns, run the risk of heavy-handed censorship.

Webb's article, and plea for shareholders to attend the meeting and vote against the proposals is at www.webb-site.com

He points out that only votes in person count, one vote per person present, and no proxies are allowed. Put simply, .hk domain holders have no choice but to act now, if they want to protect their position.

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David Webb replies:

In fact, the liability of members is limited to HK$1 each, and in practice, even that token amount would never be collected because the costs of collection would be greater than the amount collected. So there is no risk in membership.
HK$1 is normal for a company limited by guarantee. Other examples include NGOs, political parties and clubs such as the Jockey Club, FCC etc.