

NEW gTLD PROGRAM: NEXT ROUND

gTLD

# Support Applicant Review Panel (SARP)

ASP Evaluation Guide

Draft v1.0  
Updated: February 2025



## Introduction

This ASP Evaluation Guide is intended to serve as a resource for the Support Applicant Review Panel (SARP) vendor and its evaluation panelists. An important part of the New gTLD Program: Next Round Applicant Support Program (ASP), the SARP vendor is tasked with applying their expertise and experience to conduct evaluations of ASP applications and to raise questions or concerns with ICANN staff as needed throughout the process. Evaluation determinations and rationales will be documented in the ASP Application System (see the ASP Application System SARP User Guide for more information).

### Evaluation Steps:

PROCESS	APPLICANT SUBMITS	SARP EVALUATES
<b>Due Diligence</b>	Disclosure of activities and affiliations.	<ul style="list-style-type: none"> <li>Applicant passes to Phase 2</li> <li>Verifies that applicant answered “no” to both questions: (1) International law alignment, (2) Affiliation with non-qualifying entity</li> </ul>
<b>Financial Need</b>	How funding support would enable a gTLD application.	<ul style="list-style-type: none"> <li>Applies ratio revenue formula to confirm financial need indicators</li> <li>Reviews narrative statement to confirm alignment with financial statements and indication of financial hardship</li> <li>Asks clarifying questions if needed</li> </ul>
<b>Financial Viability</b>	Funding plan demonstrating plans to cover unsupported gTLD fees and pay deposit.	<ul style="list-style-type: none"> <li>Reviews narrative statement to confirm plan for paying the remaining gTLD application fee through existing funding, financial support, investment financing, or other</li> </ul>
<b>Eligible Entity Determination</b>	Documentation identifying applicant as an ASP eligible entity.	<ul style="list-style-type: none"> <li>Verifies via relevant supporting documentation that applicant qualifies as one of the five eligible entities</li> <li>Reviews governing documents, or equivalent, to confirm that the mission, objectives, and activities support the eligible entity designation</li> </ul>

### Resources:

The [ASP Handbook](#) is the comprehensive resource to inform ASP applicants about the process for applying and qualifying for support and is the authoritative source for the rules, criteria, and indicators for the ASP.

This supplementary ASP Evaluation Guide is intended to support the SARP vendor and panelists on assessing ASP applications against the ASP Handbook criteria and indicators. It is geared toward establishing objective, fair, and consistent evaluations across all ASP applications and among all SARP evaluation panelists.

Drawing from the [ASP Handbook](#), this guide:

- Outlines each ASP criteria category including application questions, criteria, indicators, and instructions for applicants
- Provides guidance to inform the SARP’s evaluation steps (orange tables)
- Provides information and examples that the evaluation panelists may look for in reviewing application responses and documentation

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## Phase 1: Background Screening

Background Screening (BGS) will be conducted by ICANN at both the organizational and individual levels to confirm eligibility and assess risk.

ICANN, in compliance with local laws and regulations, performs background screening to ensure the applicant meets the eligibility criteria. The BGS assesses the applying entity, its leadership, and all shareholders owning 15% or more against the following categories:

- Integrity Risks
- Data and Cyber Risks
- Environment, Social: and Governance Risks
- Identity Risks
- Financial Risks
- Operational and Quality Risks

***ASP applicants must pass this first step in order to continue to Phase 2, the SARP evaluation step for Public Responsibility Due Diligence.***

## Phase 2: Public Responsibility Due Diligence

Once the application has passed the Phase 1 background screening, the application will move to Phase 2: Public Responsibility Due Diligence. The SARP's role is to confirm that the applicant attests "no" to the two PRDD questions.

ACTIVITIES & AFFILIATIONS	
Applicant Requirements	SARP Evaluation Guidance
<p>In answering these questions the applicant attests, to the best of their knowledge, information, and belief, that responses provided are accurate, true, and complete.</p> <p><b>Application Questions:</b></p> <ul style="list-style-type: none"> <li>• Does the Applicant produce, trade in, or promote an industry/string that is contrary to generally accepted legal norms of morality and public order that are recognized under principles of international law?</li> <li>• Is the applicant an affiliate of an existing gTLD Registry Operator and/or another prospective gTLD applicant in the next round that would not meet the ASP criteria?</li> </ul>	<p><b>SARP validates that the applicant answered "no" to both questions on disclosure of activities and affiliations.</b></p> <ul style="list-style-type: none"> <li>• If the applicant answers "yes" to either or both of the two PRDD application questions, the SARP indicates that the applicant fails the PRDD criteria category.</li> <li>• No further PRDD evaluation is required by the SARP.</li> </ul>

## Financial Need

Applicants must submit a narrative statement describing how funding support from ICANN would enable the applicant to apply for a gTLD and why paying the full base gTLD evaluation fee presents a financial hardship. The answers should correspond with their uploaded financial documentation, description of funding, revenue, cash, and cash equivalent sources, including profit and loss, and balance sheet, if applicable.

The SARP confirms that the applicant’s financial documentation and accompanying narrative statement aligns with all Financial Need indicators:

- < \$5 million in revenue, sales, cash or cash equivalents; and
- The base gTLD evaluation fee is greater than or equal to 5 percent (or > 1/20) of the organization’s annual revenue; for non-operating entities, cash and cash equivalents cannot exceed USD 5 million.

NARRATIVE STATEMENT and FINANCIAL DOCUMENTS	
Applicant Requirements	SARP Evaluation Guidance
<p><b>Criterion 1:</b> Paying the full base gTLD evaluation fee presents a financial hardship for the entity applying.</p> <p><b>Application Questions:</b></p> <p>a) How would funding support from ICANN enable the applicant to apply for a new gTLD, and how would paying the full base gTLD evaluation fee present a financial hardship?</p> <p>b) Provide financial documentation in support of (a).</p> <p><b>Documentation:</b> Upload complete, audited financial statements for the two most recent fiscal years for the applying entity. All financial statements must be prepared by a third-party accounting firm based on one of three types: Audit report, review report, or compiled report, and include the following:</p> <ul style="list-style-type: none"> <li>• Signed statement from third-party accounting firm</li> <li>• Balance sheet</li> <li>• Profit and loss statement</li> <li>• Statement of cash flow</li> <li>• Statement of equity</li> <li>• Notes to the financial statements</li> </ul> <p><i>NOTE: If the entity was not in operation for two years, the financials for the most recent years will be considered.</i></p> <p><b>Alternatives:</b> If a complete set of “audited” financial statements are not provided, the applicant must provide:</p>	<p><b>The SARP reviews the narrative statement to confirm that it factually aligns with the applicant’s financial statements and provides an indication as to why the base gTLD application fee poses a financial hardship.</b></p> <p><b>Examples of financial hardship in narrative statement include, but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• High inflation in local currency</li> <li>• Local currency to USD exchange makes the base gTLD application fee inaccessible</li> <li>• Limited access to financing including financial institutions, lack of available investors, funders, or creditors to borrow from to apply for a gTLD</li> <li>• Lack of “unrestricted funding” meaning the applicant is unable to use existing funding sources for the purposes of applying for a gTLD</li> </ul> <p><b>The SARP applies the ratio revenue formula (taking into account currency conversions where applicable) rather than interpreting country-level accounting standards.</b></p> <ul style="list-style-type: none"> <li>• The Financial Need criteria and indicators are built on organizational revenue rather than country-level accounting standards.</li> <li>• ICANN is assuming that the applicant is providing accurate revenue, via the financial statements.</li> </ul> <p><b>The SARP reviews applicant’s complete, audited financial statements for the two most recent fiscal years for the applying entity to verify financial need indicators.</b></p> <ul style="list-style-type: none"> <li>• The base gTLD evaluation fee is estimated to be USD 227,000; the applicant demonstrates that this amount is greater than or equal to 5% its annual revenue.</li> <li>• The applicant’s annual revenue does not exceed US \$5 million.</li> </ul>

<ul style="list-style-type: none"> <li>• A statement clarifying whether the set of financial statements submitted have been “reviewed” or “compiled” and why audited statements were not provided, explicitly stating what accounting standards were used to prepare the financial statements provided.</li> <li>• An explanation of why the financial statements submitted were chosen for submission and are the most appropriate set of financial statements to review.</li> </ul>	<ul style="list-style-type: none"> <li>• The applicant has not, in any of the past two years, reported in excess of USD 5 million revenue per annum from all sources as reported in their annual profit and loss statement.</li> <li>• The applicant has not, in any of the past two years, reported in excess of USD 5 million cash and cash equivalents (CCE) as reported in their financial year end balance sheets.</li> </ul> <p>NOTE: Audited financial statements for two years ended during calendar years 2023 and 2024 (e.g., 31 December 2023 and 31 December 2024 or 31 July 2023 and 31 July 2024, if fiscal year end is not December 31).</p> <ul style="list-style-type: none"> <li>• In the event audited financial statements are not available for one or either of these years, the applicant should provide:             <ul style="list-style-type: none"> <li>○ Internally prepared financial statements or trial balance schedule as of each fiscal year end (23 and 24)</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>○ Bank statements for all organizational accounts for the last 3 months of the fiscal year.</li> </ul> </li> </ul>
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## Financial Viability

Applicants must submit a narrative statement or funding plan demonstrating how the applicant plans to cover the unsupported portion of the base gTLD evaluation fee. The role of SARP is to assess financial viability based on the plan.

NARRATIVE STATEMENT	
Applicant Requirements	SARP Evaluation Guidance
<p><b>Criterion 1:</b> Ability to pay the unsupported portion of the New gTLD Program base evaluation fee and other gTLD evaluation fees.</p> <p><b>Application Question:</b></p> <p>i) How does the applicant plan to pay the unsupported portion of the new gTLD Program base evaluation fee and other gTLD evaluation fees?</p>	<p><b>SARP reviews the applicant’s narrative statement for demonstration of a specific plan for paying the remaining base gTLD application fee in one or more of the following ways:</b></p> <ul style="list-style-type: none"> <li>• With existing funding / budget allocation, demonstrated via financial statement, funding agreement, and/or annual budget</li> <li>• Developing (or sharing an existing) funding proposal to seek financial support. This should include information about which funders the applicant intends to request funding from and rationale as to how their funding proposal aligns with identified funder priorities and grant/funding cycle, if applicable.</li> <li>• Developing (or sharing an existing) business plan to seek investment financing. This should include information about which investors the applicant intends</li> </ul>

	<p>to request funding from and rationale as to how the business plan aligns with investor interests.</p> <p><b>Examples to look for in the financial viability narrative statement include, but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• Having an existing funding source that can be utilized to pay the unsupported portion of the gTLD evaluation fee</li> <li>• Having or developing a funding proposal or business plan</li> <li>• The types of funders or investors that it plans to engage to request support</li> <li>• Specific names of funders/investors with whom they already have or are cultivating a relationship, or whom they plan on approaching</li> <li>• Rationale as to why they think potential funders or investors would be interested in funding their gTLD application including any applicable information about funder/investor priorities/themes</li> </ul>
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## Eligible Entities

Documentation identifying applicant as an ASP eligible entity is submitted by the applicant. The SARP then reviews the information in the supporting documentation, verifies whether the applicant qualifies as one of the five eligible entities and confirms that the mission, objectives, and activities support the eligible entity designation.

### NONPROFITS, CHARITIES, OR EQUIVALENT

**A nonprofit, charity, or equivalent is defined as:**

- An organization that is a registered, recognized nonprofit, nongovernmental, and/or charitable organization with relevant regulatory authority
- Or must have a current, valid Equivalency Determination certificate completed by a qualified tax practitioner
- Or demonstrated through alternative criteria to determine equivalency

<b>Applicant Requirements</b>	<b>SARP Evaluation Guidance</b>
<p><b>Criterion 1:</b> The organization must be a registered, recognized nonprofit, nongovernmental, and/or charitable organization with relevant regulatory authority.</p> <p><b>Application Question:</b></p> <p>i) Is the applicant a registered, recognized nonprofit, nongovernmental, and/or charitable organization with a relevant regulatory authority?</p> <p><b>Documentation:</b></p>	<p><b>The SARP examines the formal document or certificate provided by the applicant.</b> This should be an official document from the relevant regulatory authority (e.g., a government body, charity commission, or equivalent) that officially recognizes the organization as a nonprofit, nongovernmental, and/or charitable entity.</p> <p><b>These documents could include:</b></p> <ul style="list-style-type: none"> <li>• Certificate of Incorporation or Registration Certificate issued by a government agency (e.g., Ministry of Social Development, Charity Commission, or equivalent in the relevant country)</li> <li>• Tax-exempt status confirmation (such as a letter or certificate confirming nonprofit or charitable status from tax authorities)</li> </ul>

<ul style="list-style-type: none"> <li>Formal document or certificate from relevant regulatory authorities, acknowledging the applicant’s charitable status if the applicant answered “Yes” to this question.</li> </ul> <p>NOTE: Some governments recognize charities/nonprofits. See example of <a href="#">Local NGO Definitions</a>.</p>	<ul style="list-style-type: none"> <li>Local NGO registration document or similar official recognition from an appropriate regulatory authority</li> </ul> <p><b>The SARP verifies the status and validity of the qualifying entity by:</b></p> <ul style="list-style-type: none"> <li>Confirming documentation explicitly states that the organization is a nonprofit, a nongovernmental organization, and/or a charitable organization</li> <li>Verifying that documentation is current and comes from a recognized regulatory authority, such as:             <ul style="list-style-type: none"> <li>Government ministries (e.g., Ministry of Finance, Ministry of Social Affairs, etc.)</li> <li>Charity commissions or nongovernmental organization regulatory bodies that oversee and register nonprofit organizations</li> <li>Tax authorities that confer tax-exempt or charitable status</li> </ul> </li> <li>Checking for signs of authenticity, such as official seals, signatures, and the regulatory authority’s name and contact details</li> <li>Contacting the regulatory authority to verify the document, if necessary</li> </ul>
<p><i>Required only if the requested documentation in (a) is not provided.</i></p> <p><b>Criterion 2:</b> The organization must have a current, valid Equivalency Determination certificate completed by a qualified tax practitioner.</p> <p><b>Application Question:</b></p> <p>j) Does the applicant have a current, valid Equivalency Determination certificate completed by a qualified tax practitioner?</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>An equivalency determination is a good faith determination that a non-U.S. organization is the equivalent of a U.S. public charity. See <a href="#">NGOSource</a> resource for more information.</li> <li>A qualified tax practitioner may be an attorney, accountant, or other licensed professional with credentials certifying their expertise in making this type of determination.</li> </ul>	<p><b>The SARP confirms that the applicant has uploaded an Equivalency Determination (ED) certificate as part of their application.</b> This is typically a formal document or report issued by a qualified tax practitioner that assesses whether the organization meets the criteria for equivalency under U.S. tax law (or the equivalent tax law in other jurisdictions).</p> <p><b>The SARP confirms the ED certificate is current and valid by checking that:</b></p> <ul style="list-style-type: none"> <li>The certificate is not expired (e.g., it may need to be renewed after a certain number of years, often five).</li> <li>The certificate covers the appropriate period of operation, confirming that it is valid as of the application date.</li> <li>The ED certificate was completed by a qualified tax practitioner (a tax advisor, accountant, or attorney with experience in nonprofit tax law) and the certificate contains this practitioner’s name, title, credentials, and professional affiliation.</li> </ul> <p><b>The ED certificate typically includes:</b></p> <ul style="list-style-type: none"> <li>a determination that the applicant meets the legal criteria to be considered equivalent to a U.S. 501(c)(3) organization (or similar in the applicable jurisdiction)</li> <li>the tax practitioner’s professional opinion that the organization qualifies as an equivalent entity</li> <li>a certificate issuance date and validity period</li> </ul>
<p><i>Required only if the requested documentation in (a) or (b) is not provided.</i></p>	<p>If the applicant does not meet Nonprofits, Charities, or Equivalents Criterion 1 or Criterion 2 above, the applicant must respond to Criterion 3 (questions c-i) and provide ancillary documentation such as annual reports, program brochures, and the applicant’s website.</p>



<p><b>Criterion 3:</b> If the applicant does not meet a) or b) requirements, then it needs to respond to the following questions (c through i) to determine nonprofit / charitable status.</p>	<p><b>The SARP is responsible for reviewing the applicant's governing documents (e.g., articles of incorporation, bylaws, or trust deeds) as well as ancillary documentation</b> that the applicant has uploaded as part of their application to verify eligibility.</p>
<p><b>Application Questions:</b> c) Does the applicant certify that it is organized for charitable purposes by showing that it has recognized legal status in its respective country?</p>	<p><b>The SARP will confirm that the governing documents explicitly state that the organization is established for charitable purposes.</b> This may include:</p> <ul style="list-style-type: none"> <li>● A specific mention of a charitable mission or objective</li> <li>● Clear language that the organization is not for profit (e.g., nonprofit status, prohibitions against distribution of profits to members or directors)</li> <li>● References to activities that are recognized as charitable by local or international legal standards (e.g., education, health, poverty alleviation, the arts, etc.)</li> </ul> <p><b>The SARP confirms charitable purpose, status, and compliance such that:</b></p> <ul style="list-style-type: none"> <li>● The wording and intent in the governing documents reflect a purpose aligned with charitable activities, as opposed to commercial or for-profit motives.</li> <li>● The organization holds recognized legal status in its respective country, typically through incorporation as a nonprofit or charity, or through other legal frameworks that grant tax-exempt status.</li> <li>● The applicant's governing documents show compliance with local regulations for charitable organizations (e.g., registration with relevant government authorities, tax-exempt status, etc.).</li> </ul>
<p>d) If applicable, does the applicant certify that it is primarily engaged in activities that are charitable, defined as at least 85% of its overall operational resources, are dedicated to accomplishing one or more charitable objectives?</p>	<p><b>The SARP specifically looks for language that supports the organization's commitment to charitable activities, and whether it mentions or prioritizes the allocation of resources to social welfare or community benefit.</b></p> <p><b>The SARP would confirm the applicant's commitment to charitable activities by:</b></p> <ul style="list-style-type: none"> <li>● Looking for a description of the applicant's core activities and the extent to which they are focused on charitable purposes (such as education, health, poverty relief, etc.)</li> <li>● Assessing whether these activities clearly align with the organization's stated charitable mission</li> <li>● Reviewing resource allocation in the applicant's financial statements, annual reports, or any other documentation to determine whether these activities are "substantial", and not marginal or incidental, by: <ul style="list-style-type: none"> <li>○ Assessing the organization's resource allocation to identify evidence of community benefit/charitable purpose</li> <li>○ Confirming that at least 85% of these resources are dedicated to the organization's charitable objectives</li> </ul> </li> <li>● Review of resource allocation may include:</li> </ul>

	<ul style="list-style-type: none"> <li>o Direct program expenditures: The portion of the organization’s budget allocated to its charitable programs or services</li> <li>o Time and effort: The time spent by staff, volunteers, and board members on charitable activities</li> <li>o Overhead and administrative costs: These are the costs associated with running the organization (such as administrative salaries, office expenses, etc.), which should also be evaluated to ensure that they don’t consume too large a proportion of resources</li> <li>o That the applicant’s governing documents are consistent with its financial documentation, to support the applicant’s claim that it is primarily engaged in charitable activities and objectives</li> </ul> <p><b>The SARP will look for evidence of community benefit/charitable purpose demonstrated through:</b></p> <ul style="list-style-type: none"> <li>• Impact reports or evaluations of the organization’s programs</li> <li>• Testimonials or case studies that show how the activities directly benefit the community or specific groups in need</li> <li>• Documentation that links the operational resources (money, time, effort) to the charitable objectives outlined in the mission and governing documents</li> <li>• The SARP’s focus should be on the scale of the charitable work, ensuring that the organization is primarily engaged in charitable activity rather than in secondary or non-charitable endeavors</li> </ul>
<p>e) If applicable, does the applicant certify that on dissolution, its assets will be transferred for charitable purposes?</p>	<p><b>The SARP is responsible for reviewing the applicant’s governing documents (e.g., articles of incorporation, bylaws, or trust deeds) to look for:</b></p> <p><b>A clear dissolution clause or similar language that articulates what happens to assets upon dissolution:</b></p> <ul style="list-style-type: none"> <li>• The governing documents should explicitly state that upon dissolution, the organization’s assets will be transferred to another charitable organization or for a charitable purpose.</li> <li>• This is a standard requirement for nonprofit and charitable organizations.</li> <li>• The SARP checks for clear language such as:             <ul style="list-style-type: none"> <li>o “Upon dissolution of the organization, any remaining assets will be distributed to a nonprofit or charitable organization.”</li> <li>o “In the event of dissolution, the assets will be transferred to organizations with similar charitable purposes.”</li> <li>o “On dissolution, the assets will be distributed to a public charity or another organization that benefits the public good.”</li> </ul> </li> </ul> <p><b>That the documents indicate that any remaining assets will be transferred to other charitable organizations and purposes:</b></p>

	<ul style="list-style-type: none"> <li>• The applicant’s documents should specify that the assets are not to be distributed to members, founders, or directors for personal gain</li> <li>• Instead, they should clearly be designated for charitable purposes, as defined by law</li> <li>• The SARP confirms that the assets are being directed towards purposes that are consistent with the organization’s stated mission and charitable objectives.             <ul style="list-style-type: none"> <li>◦ For example, if the organization’s mission is to promote education, health, or welfare, the evaluator would verify that the dissolution clause reflects that the assets are to be transferred to another organization with a similar charitable purpose.</li> </ul> </li> <li>• The SARP confirms that the governing documents contain no provision that would allow assets to be distributed to individuals, founders, members, or directors for personal benefit upon dissolution.             <ul style="list-style-type: none"> <li>◦ Any language that suggests the assets could be used for personal gain would be a red flag and would not meet the requirements for charitable status.</li> </ul> </li> </ul> <p><b>That the documents prohibit distribution of assets to individuals or private parties in the case of dissolution:</b></p> <ul style="list-style-type: none"> <li>• The SARP will check if the applicant’s governing documents comply with local legal requirements regarding asset distribution upon dissolution</li> <li>• In many jurisdictions, laws governing charitable organizations (such as nonprofit corporation laws) mandate that assets be transferred to other charitable organizations or used for public benefit in the event of dissolution</li> <li>• If the applicant’s country has specific laws or regulations governing nonprofit organizations the SARP will verify that the governing documents comply with these rules.             <ul style="list-style-type: none"> <li>◦ For example, in many jurisdictions, charitable organizations are required to explicitly include a dissolution clause that mandates that any remaining assets must go to a recognized charity or for charitable purposes.</li> </ul> </li> </ul>
<p>f) If applicable, does the applicant certify that it does not engage in political activities or political campaigns for public office, including supporting political campaigns, raising funds for political candidates, making campaign contributions, publicly supporting or opposing political candidates, posting partisan messaging online, comparing the applicant’s stance on an issue to a political candidate’s views?</p> <ul style="list-style-type: none"> <li>• This does not include general advocacy activities such as sharing best practices, success stories, model legislation</li> </ul>	<p><b>The SARP is responsible for reviewing the applicant’s governing documents, mission statement, purpose, stated activities, relevant financial documentation, and, if applicable, to verify governing document information by examining the applicant’s online presence (website, annual reports, news coverage, social media activity).</b></p> <p><b>The applicant’s governing documents should:</b></p> <ul style="list-style-type: none"> <li>• Clearly state that the organization does not engage in partisan political activities</li> <li>• Describe the organization’s purpose as non-partisan, emphasizing that its mission is not related to advancing political agendas</li> <li>• Specify that fundraising for political candidates is not allowed</li> </ul>

<p>examples, providing objective analysis and research, coalition building, hosting events, signing petitions, recruiting volunteers, among other activities.</p> <ul style="list-style-type: none"> <li>• The applicant's governing documents will be reviewed to confirm this statement.</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify the distinction between advocacy (such as promoting policy changes, supporting causes, or educational activities) and political activities (such as endorsing or opposing candidates).</li> </ul> <p><b>The SARP may conduct desktop research to cross-check that the applicant's activities align with the commitments described in its governing documents to not engage in political activities.</b></p>
<p>g) If applicable, does the applicant certify that its net assets do not benefit any private persons or non-charitable organizations and is not an affiliate for a for-profit entity?</p> <ul style="list-style-type: none"> <li>• For the avoidance of doubt this is not intended to refer to the provision of support to third parties, for example grants, goods or services, made in the ordinary course of the performance of the applicant's charitable or public benefit mission.</li> <li>• Applicant's governing documents will be reviewed to confirm this statement.</li> </ul>	<p><b>The SARP is responsible for verifying that the applicant's governing documents (e.g., Articles of Incorporation, Bylaws, or Charter Documents) explicitly state that the organization's net assets are not intended to benefit private persons or non-charitable organizations.</b></p> <ul style="list-style-type: none"> <li>• The organization should be structured such that any surplus revenue or assets (i.e., net assets) are used to further the organization's charitable or public benefit mission, not to benefit individual shareholders, members, or third parties who are not aligned with the organization's social purpose.</li> <li>• The applicant's governing documents should also indicate that the organization is independent from for-profit entities and does not operate to serve for-profit interests.</li> </ul> <p><b>The SARP confirms that non-charitable organizations or individuals are not unintentionally benefiting from the organization's activities, but routine activities like grantmaking or donations to qualified charitable purposes should not be considered as inconsistent with the indicators.</b></p>
<p>h) Provide governing documents that describe the applicant's purpose and powers, that demonstrate the applicant is prohibited from engaging in non-charitable activities, except as an insubstantial part of its activities. Governing documents (and actual activities) must:</p> <ul style="list-style-type: none"> <li>• Describe purposes and powers.</li> <li>• Prohibit the organization from engaging in non-charitable activities, except as an insubstantial part of its activities.</li> <li>• Support the statements made in this application</li> </ul>	<p><b>The SARP is responsible for verifying that the applicant governing documents (such as articles of incorporation, bylaws, or charter documents) clearly state the organization's charitable purpose and its authorized powers to carry out that purpose.</b></p> <ul style="list-style-type: none"> <li>• The documents should contain language that limits the organization's activities, specifying that it is prohibited from engaging in non-charitable activities, except in an insubstantial part of its overall operations.</li> <li>• Governing documents must align with the information provided in the application, reinforcing the applicant's charitable mission and commitment to limit non-charitable activities.</li> </ul>
<p>i) If applicable, provide any relevant ancillary documents such as annual reports or program brochures.</p>	<p><b>The SARP is responsible for reviewing the applicant's ancillary documents to verify any of the questions in the application and inform the evaluation process.</b></p>

## INTERGOVERNMENTAL ORGANIZATIONS (IGOS)

### An IGO is defined as:

- An 'Intergovernmental organization' having received a standing invitation, which remains in effect, to participate as an observer in the sessions and the work of the United Nations General Assembly
- A Specialized Agency or distinct entity, organ or program of the United Nations

### Applicant Requirements

**Criterion 1:** Entity applying is an Intergovernmental Organization (IGO).

#### Application Question:

- a) Can the applicant confirm it is an IGO? If yes, provide the required documentation.

#### Required documentation:

- A visual depiction of the United Nations system is available here, including its Specialized Agencies and various programs: [https://www.un.org/en/pdfs/un\\_system\\_chart.pdf](https://www.un.org/en/pdfs/un_system_chart.pdf)
- See also: Final Report of the Expedited Policy Development Process on Specific Curative Rights Protections for International Governmental Organizations (IGOs): <https://itp.cdn.icann.org/en/files/general-ic-names-supporting-organization-council-gnso-council/epdp-specific-crp-igo-final-report-02-04-2022-en.pdf>

### SARP Evaluation Guidance

**The SARP will conduct desktop research to verify the applicant's observer status to the United Nations, or documentation as a Specialized Agency.**

- Research the relevant branch of the United Nations indicated in the applicant's documentation to confirm if the applicant entity is listed as an observer or Specialized Agency.
- Some IGOs receive observer status to particular UN agencies or treaty processes, for example:
  - o There is a list of IGOs with observer status to the UN General Assembly: <https://www.un.org/en/about-us/intergovernmental-and-other-organizations>; and
  - o The UNFCCC has its own list of admitted IGOs: <https://unfccc.int/process/parties-non-party-stakeholders/non-party-stakeholders/admitted-igos/list-of-admitted-igos>

## INDIGENOUS/TRIBAL PEOPLES' ORGANIZATIONS

### An Indigenous or Tribal Peoples' Organization is defined as:

- Organizations run by Indigenous/Tribal Peoples' communities registered as an indigenous organization
- Or recognized by national or international indigenous rights organizations
- Or with a letter of support from the Indigenous/Tribal Peoples' community represented by the organization

NOTE: For Indigenous/Tribal Peoples' organizations that do not have official recognition from a relevant authority, it may be possible to apply under a different "Eligible Entity" type. For example, a nonprofit organization or a micro or small enterprise that either provides social impact/public benefit or is principally based in a less-developed economy.

### Applicant Requirements

**Criterion 1:** Entity is an Indigenous/Tribal Peoples' organization.

#### Application Question:

- a) Can the applicant confirm it is an Indigenous/Tribal Peoples' organization?

### SARP Evaluation Guidance

**The SARP is responsible for reviewing the applicant's submitted documentation to confirm indigenous / tribal community presence, and to validate the signatories of the letter through:**

- Conducting desktop research

<p>Organization? If yes, provide the required documentation.</p>	<ul style="list-style-type: none"> <li>• Via direct communication to the community, tribe, or signatories</li> </ul> <p><b>Documentation examples include, but are not limited to:</b></p> <ul style="list-style-type: none"> <li>• Official registration as an indigenous organization</li> <li>• Recognition by national or international indigenous rights organizations</li> </ul>
<p><i>Required only if the requested documentation in (a) is not provided.</i></p> <p>b) Provide a letter of support from the Indigenous/Tribal Peoples' community represented by the applicant organization.</p>	<p><b>The SARP is responsible for reviewing the applicant's letter of support from the Indigenous/Tribal Peoples' community represented by the organization.</b></p> <ul style="list-style-type: none"> <li>• This letter must demonstrate that the community supports the applicant organization, particularly regarding the representation of their interests and activities.</li> <li>• The letter serves as an alternative form of validation when formal documentation from recognized authorities is not available.</li> </ul>

**SOCIAL IMPACT OR PUBLIC BENEFIT MICRO- OR SMALL-SIZED BUSINESS**

**A social impact business is defined as:**

- A business whose primary purpose is the common good as demonstrated through its legal founding documents
- And whose principal business activity is directly related to accomplishing that stated social or environmental purpose

**A public benefit corporation is defined as:**

- A corporation created to generate social and public good
- And to operate in a responsible and sustainable manner

**Entity is a micro- or small-sized business**

- Has fewer than 50 employees
- Total assets less than US\$ 5 million
- Annual sales less than US\$ 5 million

NOTE: There is no universal definition for micro or small business. Definitions vary from country to country. The indicators provided here are intended to reflect the most common thresholds from other global and regional funding institutions

<b>Applicant Requirements</b>	<b>SARP Evaluation Guidance</b>
<p><b>Criterion 1:</b> Entity is a social enterprise, social impact, or public interest benefit enterprise.</p> <p><b>Application Question:</b></p> <p>a) Is the applicant incorporated/registered and/or certified as a benefit or social enterprise in the entity's principal place of business? If yes, provide the required documentation.</p> <p>Examples of social impact businesses include, but are not limited to:</p>	<p><b>The SARP is responsible for reviewing the applicant's governing documents, purpose, stated activities, relevant financial documentation, as well as registration, certification, and/or third-party validation as a social enterprise/public benefit corporation.</b></p> <p><b>If applicable, the SARP verifies governing document information by confirming certification or registration with the appropriate authority.</b> Verification may also include examining the applicant's online presence (website, annual reports, news coverage, social media activity).</p> <p><b>Documentation demonstrating registration as a social enterprise or public benefit business should include:</b></p>

<ul style="list-style-type: none"> <li>• <a href="https://dpw.lacounty.gov/contracts/SocialEnterprise.aspx">https://dpw.lacounty.gov/contracts/SocialEnterprise.aspx</a></li> <li>• <a href="https://www.socialenterprise.org.uk/all-about-social-enterprise/">https://www.socialenterprise.org.uk/all-about-social-enterprise/</a></li> <li>• Examples of public benefit corporations include, but are not limited to:</li> <li>• <a href="https://www.law.cornell.edu/wex/public_benefit_corporation">https://www.law.cornell.edu/wex/public_benefit_corporation</a></li> <li>• <a href="https://www.sec.state.ma.us/divisions/corporations/download/notice-regarding-benefit-corporations.pdf">https://www.sec.state.ma.us/divisions/corporations/download/notice-regarding-benefit-corporations.pdf</a></li> <li>• B Corporation Certification: <a href="https://www.bcorporation.net/en-us/certification/">https://www.bcorporation.net/en-us/certification/</a></li> </ul>	<ul style="list-style-type: none"> <li>• Clear incorporation or registration as a social enterprise, social impact business, or public benefit corporation in its principal place of business.</li> <li>• Primary purpose of social or environmental good, as evidenced in its mission statement and legal founding documents (e.g., Articles of Incorporation, By-laws).</li> <li>• The business's principal activity must be directly related to accomplishing that social or environmental purpose.</li> </ul> <p><b>Should the SARP deem necessary, it may request relevant public benefit corporation audit or assessment statements from the applicant.</b></p>
<p><i>Required only if the requested documentation in (a) is not provided.</i></p> <p>b) If applicable, provide legal founding documentation to indicate a stated commitment to primary social or benefit purpose.</p>	<p><b>The SARP reviews submitted documents demonstrating a stated commitment to social impact or public benefit purpose</b>, such as Articles of Incorporation, Articles, Notice of Articles or equivalent, or annual assessment reports publicly posted, listing social or public benefits provided in the previous year.</p>
<p><i>Required only if the requested documentation in (a) is not provided.</i></p> <p>c) If applicable, provide required documentation to indicate that the applicant's operations are directed at pursuit of stated social or benefit purpose.</p>	<p><b>The SARP reviews submitted documents demonstrating that the applicant's operations are directed at the pursuit of stated social or benefit goal/purpose</b>, such as:</p> <ul style="list-style-type: none"> <li>• Selection of a third-party standard the public/social benefit the enterprise plans to measure itself against and a public statement to that effect.</li> <li>• Publicly stated rationale for selecting the chosen third-party standard.</li> <li>• Annual assessment report against the selected third-party standard (self-assessment or third-party assessment).</li> </ul>
<p><i>Required only if the requested documentation in (a) is not provided.</i></p> <p>d) If applicable, provide required documentation to indicate that the applicant's financial surpluses are primarily reinvested in the stated benefit purpose, rather than being primarily driven by the need to deliver profit to shareholders and owners.</p> <p><i>NOTE: Applicants are encouraged to submit all relevant documentation deemed appropriate to establish this criterion has been met.</i></p>	<p><b>The SARP reviews submitted documents demonstrating that the applicant's financial surpluses are primarily reinvested in the stated benefit purpose, rather than being primarily driven by the need to deliver profit to shareholders and owners.</b></p> <ul style="list-style-type: none"> <li>• Documentation including annual reports, impact assessments, or case studies that indicate how financial surpluses are being used to fulfill the stated social or public benefit objectives.</li> <li>• Social or public benefit impact measurement and reporting that assess and quantify the social or public benefit outcomes achieved with the financial surpluses.</li> <li>• Ratio of surplus allocation indicates that a majority (&gt; greater than 60 percent of revenue or profits) went to programmatic activities aimed at achieving the entity's stated social or public benefit objectives.</li> </ul>
<p><b>Criterion 2:</b> Entity is a micro- or small-sized business</p>	<p><b>The SARP is responsible for reviewing the applicant's governing documents to ensure it meets at least two out of the three micro- or small-business indicators:</b></p>

<b>Application Question:</b> e) Does the applicant meet the criteria to be considered a micro- or small-sized business? If yes, provide the required documentation.	<ul style="list-style-type: none"> <li>• Has fewer than 50 employees</li> <li>• Total assets less than US\$ 5 million</li> <li>• Annual sales less than US\$ 5 million</li> </ul>
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**MICRO- OR SMALL-SIZED BUSINESS FROM A LESS-DEVELOPED ECONOMY**

**Entity’s principal place of business is from a country/territory/region that has a less-developed economy, which is defined as:**

- A country/territory/region that has a less-developed economy as defined by the World Economic Situation and Prospects report published by the United Nations in 2023
- Or is an organization owned by or located on the lands of Indigenous/Tribal Peoples’
- Or is located in a less-developed economic area demonstrated by globally recognized, verifiable, established proxy indicators

**Principal place of business is defined as:**

- The place where a corporation’s officers direct, control, and coordinate the corporation’s activities
- Which cannot be a Post Office Box
- This will be determined as the location in which the largest volume of the corporation’s operations is located and a supermajority (80%+) of the corporation’s officers are located
- “Officers” refers to the high-level management officials of a corporation or business, for example, a CEO, vice president, secretary, chief financial officer
- Partners would be listed in the context of a partnership or other such form of legal entity

**Entity is a micro- or small-sized business.**

- Has fewer than 50 employees
- Total assets less than USD 5 million
- Annual sales less than USD 5 million

*NOTE: There is no universal definition for micro or small business. Definitions vary from country to country. The indicators provided here are intended to reflect the most common thresholds from other global and regional funding institutions.*

Applicant Requirements	SARP Evaluation Guidance
<i>To meet this requirement, the applicant must answer “yes” to questions (a) and (b) together, or questions (c) and/or (d) together, or questions (e) and (f) together and yes to question (g).</i>	<p><b>The SARP is responsible for reviewing the applicant’s responses to the application questions and to review the applicant’s governing, financial, and/or shareholder documentation, as well as conducting desktop research, as needed, to confirm the applicant’s responses or to corroborate information on documentation submitted.</b></p> <p>If the applicant answers “yes” to any of the pairings noted, the ASP Application System will not prompt them for the remaining questions until question (g).</p>
<p><b>Criterion 1:</b> Entity’s principal place of business is from a country/territory/region that has a less-developed economy.</p> <p><b>Application Questions:</b> a) Is the applicant’s principal place of business located in one of the following: Small Island Developing</p>	<p><u>Principal Place of Business</u> <b>The SARP must verify that the applicant’s principal place of business is clearly defined, as stipulated.</b> This means the location where the organization’s officers (e.g., CEO, CFO, vice presidents) direct, control, and coordinate the organization’s activities. The evaluator must confirm that the applicant provides sufficient evidence to substantiate the location of the principal place of business, avoiding post office boxes or virtual offices.</p>



States (SIDS), Least Developed Countries (LDCs), Economies in Transition, or Developing Economies?

- As defined by the World Economic Situation and Prospects report published by the United Nations in 2023 (see Statistical Annex with country classifications):

<https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-2023/>.

- b) Is more than 50 percent of the company owned by residents from one or more of the following: Small Island Developing States (SIDS), Least Developed Countries (LDCs), Economies in Transition, or Developing Economies? If so, please submit the corresponding evidence.
- Upload the documentation demonstrating proof of stakeholder residence confirming more than 50 percent of the company is owned by residents from one or more of the following: Small Island Developing States (SIDS), Least Developed Countries (LDCs), Economies in Transition, or Developing Economies.
  - Examples of documentation demonstrating proof of residence include, but are not limited to utility bills such as electric, water, or gas.
  - Extenuating circumstances to accommodate situational hardships that force relocation of business will be assessed on a case-by-case basis and will require a narrative statement outlining the extenuating circumstances.

#### Location and Officer Criteria

The applicant needs to demonstrate that the majority of the organization's operations, and particularly the activities of its high-level management (i.e., 80%+), are based in the location claimed as the principal place of business. This can be validated by reviewing business registration documents, employee data, tax filings, or corporate governance records that detail the location of the officers and their operations.

#### Confirming Country Classification

**The SARP would cross-check the location of the applicant's principal place of business with the classification of the country as outlined in the World Economic Situation and Prospects 2023 report published by the United Nations.**

The country classification should fall under one of the following categories:

- Small Island Developing States (SIDS)
- Least Developed Countries (LDCs)
- Economies in Transition
- Developing Economies

**The SARP would refer to the Statistical Annex section of the UN report to confirm the applicant's country falls into one of these categories.** The SARP should ensure that the country classification aligns with the definitions provided by the UN's latest report. The SARP must ensure that the applicant meets the criteria under the specific classification (e.g., LDC, SIDS) — these classifications are often updated annually based on evolving socio-economic factors.

*\*\*\*If the applicant is in a country that is not classified in the relevant category, the applicant is not eligible under this category.\*\*\**

#### Verification of Documents and Evidence

**The SARP would assess documentation provided by the applicant to support their claim:**

- Evidence of where the officers/directors of the company are located (such as employment records, corporate governance documents, or organizational charts).
- Evidence of the country's economic status and classification, specifically that the country is recognized as a less-developed economy by the UN report, using the 2023 edition.
- Any other documents that clarify the applicant's principal place of business and location of operations, such as lease agreements, utility bills, or other formal declarations.

#### Evaluation Assessment

**After confirming the applicant's principal place of business aligns with the definition, and verifying that the location is in one of the appropriate categories based on the UN's report, the SARP would determine:**

	<ul style="list-style-type: none"> <li>• If the applicant’s business is located in a country classified as SIDS, LDC, Economy in Transition, or Developing Economy, and the principal place of business criteria are met, the evaluator would assess the applicant as eligible.</li> <li>• If the applicant does not meet the criteria for location or classification, they would be assessed as non-eligible.</li> </ul>
<p><i>(c) and/or (d) are required only if the requested documentation in (a) and (b) is not provided.</i></p>	<p><b>In assessing applicant responses and materials to questions (c) and (d), the SARP should take into account the following considerations:</b></p> <ul style="list-style-type: none"> <li>• <b>Cultural Sensitivity:</b> The SARP should approach the assessment with an understanding of the cultural and legal complexities around Indigenous and Tribal Peoples’ land rights and ownership. Different regions may have varying definitions and legal frameworks regarding Indigenous ownership and land.</li> <li>• <b>Completeness of Documentation:</b> the applicant’s documentation should provide clear, conclusive evidence. If the documentation is incomplete or unclear, the evaluator may request additional supporting materials before making a final determination.</li> <li>• <b>Timeliness of Documentation:</b> the SARP confirms that documentation provided is up-to-date and valid. For example, land agreements or ownership certificates should not be outdated or superseded by newer legal agreements.</li> </ul> <p><b>PASS Example   Manufacturing Business:</b> the applicant is a manufacturer of products (e.g., wood products, textiles) that operates on land within a Tribal reservation. The SARP reviews the lease agreement, which specifies that the business operates a manufacturing plant on the Indigenous land, and employee records show a majority of staff are based at this facility. The applicant also provides a letter of support from the Tribal Council, confirming that the business is a significant employer on the reservation. The SARP can confirm that the applicant operates primarily on Indigenous land based on these consistent and verifiable documents and the SARP would mark this as “pass” for this eligible entity category.</p> <p><b>FAIL Example   Retail Business:</b> the applicant operates a retail store that lists its address as located on Indigenous land. However, the applicant provides only an office address and no further operational details. There is no evidence that the applicant conducts any significant retail activities or has a physical store on Indigenous land. The SARP also does not receive additional supporting evidence (such as business activity reports, employee information, or lease agreements). The SARP may request clarification or additional evidence from the applicant to substantiate the claim. If the applicant cannot provide sufficient documentation to demonstrate that the store operates primarily on Indigenous land, the SARP would mark this as “fail” for this eligible entity category.</p>
<p>c) Is the applicant's principal place of business located within Indigenous/Tribal Peoples' lands?</p>	<p><b>The SARP reviews the applicant’s uploaded documents that demonstrate their principal place of business is</b></p>

<ul style="list-style-type: none"> <li>• Upload documentation demonstrating proof that the applicant’s principal place of business is located within Indigenous/Tribal Peoples’ lands.</li> </ul>	<p><b>located on Indigenous/Tribal Peoples' lands.</b>  <b>Documentation could include:</b></p> <ul style="list-style-type: none"> <li>• Maps or Land Agreements: Evidence showing the geographic boundaries of the Indigenous/Tribal Peoples’ lands where the business operates.</li> <li>• Land Titles or Ownership Documents: Documentation from Indigenous/Tribal authorities that confirms the land is part of their territory.</li> <li>• Government or Tribal Recognition: Official declarations or records from government bodies or Indigenous leaders confirming the location of the business within recognized Indigenous lands.</li> <li>• Lease or Rental Agreements: If the business leases land within Indigenous territories, this agreement could be provided, showing that it is within the recognized Indigenous area.</li> <li>• Utility Bills or Property Records: These could help verify that the business is physically located on Indigenous lands (e.g., showing the address and its alignment with Indigenous lands).</li> </ul> <p><u>Authentication</u>  <b>The SARP assesses whether the land in question is indeed recognized as Indigenous/Tribal Peoples' land.</b> In some jurisdictions, this may be recognized through treaties, legal agreements, or governmental designations. The SARP confirms that the documentation is consistent and that the location claimed by the applicant matches the designated Indigenous/Tribal lands. If there is ambiguity, further clarification may be requested from the applicant.</p> <p><u>Principal Place of Business</u>  <b>The SARP confirms that the applicant’s business operates primarily on the land in question (rather than using the land simply for secondary activities).</b> This may include reviewing operational documentation, business activities, employee or contractor information, or lease/ownership agreements.</p> <p><u>Assess Completeness of the Documentation</u>  <b>The SARP confirms that the documentation provided clearly proves the location of the business and its relationship to Indigenous/Tribal lands.</b> If any required documentation is missing or unclear, the evaluator may request additional evidence or clarification.</p>
<p>d) Is the applicant an Indigenous/Tribal Peoples’-owned business? If yes, provide the required documentation.</p> <ul style="list-style-type: none"> <li>• Upload documentation demonstrating that the applicant is an Indigenous/Tribal Peoples’-owned business</li> <li>• Such as an Indigenous/Tribal Peoples’ Organization status, or</li> </ul>	<p><b>The SARP reviews the applicant’s uploaded documents that demonstrate that they are Indigenous/Tribal Peoples’-owned.</b> This could include:</p> <ul style="list-style-type: none"> <li>• Indigenous/Tribal Peoples’ Organization Status: Proof that the business is officially recognized as an Indigenous or Tribal entity (e.g., a certificate of registration as a Tribal business or Indigenous organization).</li> <li>• Ownership Records: Clear evidence showing that a significant portion (or the entirety) of the business is owned by Indigenous or Tribal individuals. This may include:</li> </ul>

<p>a letter of support from the corresponding Indigenous/Tribal Peoples' community.</p>	<ul style="list-style-type: none"> <li>• Shareholder Agreements (if applicable) that show Indigenous ownership.</li> <li>• Ownership Declarations or other legal documents signed by Indigenous owners.</li> <li>• Letter of Support from Indigenous Community: A letter from a recognized Indigenous or Tribal organization confirming that the business is owned by Indigenous members. This could be a statement from the Tribal council, community leaders, or other official representatives of the Indigenous group.</li> </ul> <p><b>Verifying Indigenous Ownership:</b></p> <ul style="list-style-type: none"> <li>• Ownership Structure: The SARP confirms that the applicant provided a clear and verifiable ownership structure. The applicant should demonstrate that Indigenous or Tribal Peoples hold a significant or majority ownership stake in the business.</li> <li>• Ownership Percentage: generally, ownership is defined as more than 50%, though, different jurisdictions may vary in how they define and/or recognize indigenous/tribal owned businesses. The SARP should assess the majority percentage ownership based on the documentation provided, while taking into account whether relevant jurisdiction definition(s) of ownership have been met.</li> <li>• Indigenous Identity of Owners: In some cases, the SARP may need to verify that the individuals identified as owners are indeed recognized as Indigenous or Tribal members. This may require cross-referencing with recognized Tribal rolls or membership lists, or other proof of Indigenous identity.</li> <li>• Official Recognition: Indigenous/Tribal ownership should be backed by official recognition from the relevant Indigenous or Tribal authorities, such as certification from a Tribal council or other governing body.</li> <li>• Letter of Support: The letter of support should come from an authorized representative of the Indigenous community or organization, and it should explicitly confirm the Indigenous ownership of the business.</li> <li>• The SARP confirms that the documents are consistent and verifiable. For instance, if a letter of support is provided, information contained in the letter should align with other business and ownership documents.</li> </ul>
<p><i>Required only if the requested documentation in (a), (b), (c) and (d) is not provided.</i></p> <p>e) Describe how the applicant's principal place of business is located in a less-developed economic area as demonstrated by globally recognized, verifiable, established proxy indicators.</p> <ul style="list-style-type: none"> <li>• The applicant should provide localized data that demonstrates disadvantage in keeping with the</li> </ul>	<p><b>The SARP should look for clarity and specific details about the region or country where the business operates.</b> The description should include geographic and economic context, demonstrating that the location qualifies as "less-developed."</p> <p><b>Examples of Globally Recognized Proxy Indicators: The SARP confirms, via desktop research, that the applicant uses globally recognized, verifiable, and established proxy indicators to support their claim.</b> These indicators help define whether the location qualifies as a less-developed economic area. Examples of globally recognized proxy indicators include, but are not limited to:</p>

<p>less-developed economic area criteria outlined above.</p>	<ul style="list-style-type: none"> <li>• Gross National Income (GNI) per capita: A commonly used indicator by the World Bank to classify economies. A low GNI per capita typically signals an economy that is considered less-developed.</li> <li>• Human Development Index (HDI): Published by the United Nations Development Programme (UNDP), the HDI is a composite measure of life expectancy, education, and per capita income. A low HDI score usually indicates a less-developed economy.</li> <li>• World Bank Income Classifications: The World Bank classifies economies into income categories such as low-income, lower-middle-income, and upper-middle-income countries. A low-income or lower-middle-income classification would meet the criteria for a less-developed economy.</li> <li>• Poverty Levels: Areas with high poverty rates (e.g., above 20% of the population below the poverty line) are often considered less-developed.</li> <li>• Infrastructure Deficiencies: Indicators such as limited access to reliable electricity, water, transportation, and broadband internet could be proxies for economic disadvantage.</li> <li>• Unemployment Rates: A high unemployment rate can also indicate a less-developed area, as it may reflect economic stagnation or a lack of investment.</li> </ul> <p><b>Examples of Localized Data include, but are not limited to</b> (note that some linked references may have more up-to-date versions available):</p> <ul style="list-style-type: none"> <li>• Dimensions of poverty: United Nations Development Programme's 2023 Global Multidimensional Poverty Index (MPI) report: <a href="https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi#/indicies/MPI">https://hdr.undp.org/content/2023-global-multidimensional-poverty-index-mpi#/indicies/MPI</a></li> <li>• Health (e.g., Under-5 mortality): UNICEF under-five mortality report updated in March 2024: <a href="https://data.unicef.org/topic/child-survival/under-five-mortality/">https://data.unicef.org/topic/child-survival/under-five-mortality/</a></li> <li>• Education (e.g., average years of schooling)</li> <li>• Living standard (e.g., household income)</li> <li>• Low levels of internet penetration (e.g., a rural area): Chapter 3, Understanding rural economies in the Organisation for Economic Co-operation and Development (OECD) Regional Outlook 2016 report: <a href="https://doi.org/10.1787/9789264260245-en">https://doi.org/10.1787/9789264260245-en</a></li> </ul>
<p><i>Required only if the requested documentation in (a), (b), (c) and (d) is not provided.</i></p> <p>f) Is more than 50 percent of the company owned by residents from a less-developed economic area as demonstrated by globally recognized, verifiable, established proxy indicators?</p> <ul style="list-style-type: none"> <li>• Upload documentation confirming more than 50 percent</li> </ul>	<p><b>Ownership:</b> the applicant must provide clear documentation proving that more than 50% of the company is owned by residents from a less-developed economic area. Documentation to confirm this may include: shareholder agreements or ownership records to confirm the ownership distribution; corporate registration documents showing the ownership percentage of each shareholder; and/or tax filings or other business documentation that may provide insight into the ownership structure. The SARP confirms that more than 50% of the company is owned by these residents. The documentation should show clear percentages of ownership, with residents</p>

<p>of the company is owned by residents from a less-developed economic area as demonstrated by globally recognized, verifiable, established proxy indicators.</p> <ul style="list-style-type: none"> <li>• Examples of documentation demonstrating proof of residence include, but are not limited to utility bills such as electric, water, or gas.</li> <li>• Extenuating circumstances to accommodate situational hardships that force relocation of business will be assessed on a case-by-case basis and will require a narrative statement outlining the extenuating circumstances.</li> </ul>	<p>from a less-developed area holding the majority stake. The SARP also confirms if the ownership structure is clear and consistent across the documents provided. Any discrepancies should be addressed by the applicant via a Clarifying Question.</p> <p><b>Examples of Globally Recognized Proxy Indicators include, but are not limited to:</b> (see question (e) above)</p>
<p>g) Does the applicant meet the criteria to be considered a micro- or small-sized business? If yes, provide the required documentation?</p>	<p>The SARP should review this documentation demonstrating the applicant meets the criteria for a micro- or small-sized business for clarity, relevance, and consistency.</p> <ul style="list-style-type: none"> <li>• Employee Count Documentation: the SARP confirms the applicant has submitted an official document (e.g., payroll records, tax filings, employee contracts) that confirms the total number of employees. The number of employees must be fewer than 50.</li> <li>• Total Assets Documentation: the SARP reviews financial statements (e.g., balance sheet) or an audit report to confirm the total assets of the business. The total assets should be less than USD 5 million.</li> <li>• Annual Sales Documentation: the SARP verifies the income statement (e.g., profit and loss statement) or other relevant documents to confirm that the annual sales are less than USD 5 million.</li> </ul>

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