**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 680**

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**QUESTION PAPER NO: 06**

**DATE OF REPLY:**

**Ms M R Shinn** **(DA) to ask the Minister of Telecommunications and Postal Services:**

(a) What (i) is the status of the .ZADNA annual report for the 2016/17 financial year, (ii) is the cause of the delay in publishing the specified report and (iii) action has she taken to resolve the matter and (b) by what date will the matter be resolved?

 **NW754E**

**REPLY:**

**I have been informed by .zaDNA as follows:**

1. (i) The .ZA Domain Name Authority (ZADNA) submitted its 2016/17 Annual Report and Audited Financial Statements (AFS) to myself on 07 February 2018. The Annual Report was finalised subsequent to the finalisation of the 2016/17 AFS.

 (ii) ZADNA could not finalise its 2016/17 external audit because of the pending ZACR arbitration regarding ZADNA’s determination to increase the per domain name fee payable by ZACR to ZADNA from R7.00 to R12.00 VAT exclusive. ZADNA’s external auditor (Price Waterhouse Coopers) advised ZADNA to await the conclusion of the arbitration, as the arbitration affected the recognition of ZADNA’s revenue in the 2016/17 AFS.

 (iii) I kindly granted ZADNA an extended opportunity to bring the arbitration to resolution, and also regularly followed upon ZADNA about progress made in the arbitration. However, after it became clear that the arbitration could only be resolved in April 2018, I requested ZADNA to conclude it’s 2016/17 AFS and Annual Report. Accordingly, ZADNA submitted the AFS on 7 February 2018 based on the R7.00 per domain name fee instead of the budgeted R12.00 fee.

1. The matter is now resolved following ZADN’s submission of the 2016/17 Annual Report and AFS. ZADNA is ready to present the same to the Portfolio Committee on the date convenient to the Portfolio Committee.