

# **RIPE NCC Clearing House Procedure**

## **1. Introduction**

This document provides additional information on the RIPE NCC Clearing House and should be read in conjunction with the RIPE NCC Standard Service Agreement. The RIPE NCC Standard Service Agreement will be authoritative over this document.

The RIPE NCC is a not-for-profit organisation. Nevertheless, a positive or negative financial result can be achieved in a particular year. The RIPE NCC has set up an arrangement with the Dutch tax authorities that each year the membership decides on how to allocate the surplus or deficit. The surplus or deficit can either accumulate in a special reserve or it can be redistributed to the Members. This special reserve, known as the Clearing House, gives the RIPE NCC a stable financial position to operate soundly and continuously.

The Clearing House structure was approved by the Dutch tax authorities in 1998 and was amended in 2003 and again in 2014. The Clearing House started with the 1998 financial year.

The RIPE NCC Executive Board reserves the right to make changes, in accordance with Dutch tax law, to this procedure as necessary.

## **2. Clearing House Procedure**

The Clearing House procedure has been developed to comply with the Dutch tax ruling describing how to redistribute an amount from the RIPE NCC Clearing House to the RIPE NCC Members.

Only Members that have fulfilled their financial obligations towards the RIPE NCC in the relevant year can participate in the Clearing House procedure. If, during the year, the RIPE NCC Standard Service Agreement has been terminated by either party, no participation in the Clearing House procedure will take place.

Each year at the autumn General Meeting (GM), based on the estimated year end result provided by the RIPE NCC Executive Board and Management, the General Meeting will decide on whether to add or subtract the year's financial result to the Clearing House or to redistribute the year's financial result to the Members.

In addition to the annual decision by the General Meeting, the Executive Board can propose to the General Meeting to redistribute a one-off amount from the Clearing House to the Membership. The General Meeting will have the right to approve or disapprove this redistribution from the Clearing House to the Members.

## **3. Redistribution from the Clearing House**

The Member's share of the annual decision for an amount to be redistributed from the Clearing House will be equal to the percentage of its fee contribution to the service fees paid to the RIPE NCC over the relevant financial year. A Member's share of the total paid

fees is calculated by dividing that Member's paid fee by the total of all other Members' paid fees for the relevant financial year.

If the General Meeting decides on a one-off amount to be redistributed from the Clearing House, the Member's share of the excess amount will be equal to the percentage of its fee contribution to the service fees paid to the RIPE NCC over the past three years, including the relevant financial year. A Member's share of the total paid fees is calculated by dividing that Member's paid fee by the total of all other Members' paid fees for the past three years.

The Member's share of the amount to be redistributed will not actually be paid out but will be credited to the Member's account and will be deducted from the service fee for the year after the General Meeting has decided on the redistribution. If a Member's RIPE NCC Standard Service Agreement is terminated before the redistribution takes place, this share will not be redistributed and will remain in the Clearing House.

In the case of a merger between two or more Members, the remaining Member's fee contribution is considered to be the total amount paid by the merged Members for the relevant financial year(s). In the case of a Clearing House redistribution, they will then receive a percentage reflecting the total amount paid.