



lacnic23

18/22 mayo - lima, Perú

The IPv4 Market

A broker's perspective.

Quick History

- Prior to 2010 the market consisted of some legacy transfers in the form of permanent lease, permanent Letter of Agency and sale of shell corporations which owned IPv4 blocks
- In March of 2011 it was publicly announced that Microsoft was purchasing 660K addresses from the bankrupt Nortel corporation, commencing the public IPv4 trading era.
- Inter-regional transfers ARIN/APNIC begin October 2012

Today's Market

- Trading is active in RIPE, ARIN, and APNIC regions
- NIRs in those regions may have specific rules
- ARIN/APNIC is unified market due to policies in both regions allowing inter-regional transfer
- RIPE joins this market in August or September but until then only RIPE to RIPE transfers

Basic Transfer Process

- Asset sale agreement signed
- Buyer funds third-party escrow
- Transfer is initiated by Seller
- If Whois lists Buyer as registrant funds are sent to Seller
- If Whois does not list Buyer after specified timeframe, funds returned to Buyer and address-rights revert to Seller

Typical Costs

- ARIN transfer fee is \$500 per transfer
- APNIC fee is 20% of normal annual fee for the block size transferred
- LACNIC and RIPE have no transfer fee
- Brokerage fees range from zero to over 10%
- Escrow fees range from \$250 to 1%

ARIN/APNIC IPv4 Current Prices

(expressed in price per address)

- RIPE prices 10% higher
- To be considered as a range around listed price
- /24 to /23 \$10
- /22 to /20 \$8
- /19 to /17 \$7
- /16 to /15 \$6
- /14 to /13 \$5.50
- /12 to /11 \$5

Issues with Transfers

- IP address reputation affects price
- Selection of escrow agent and venue for disputes are often topics of negotiation
- Transactions often cross international borders
- RIRs are a third party with veto power over the deal
- Usually involve inexperienced participants
- Spammers utilize the transfer market

Market Information

- Each RIR that allows transfers publishes a list of transfers
- Block number, date, and the organizations are listed
- Price is confidential, RIRs do not know sales prices
- RIR listing services in RIPE, ARIN, and APNIC provide a method of connecting buyers and sellers