DOMAIN AUCTION PROCEDURE RULES

1. Introduction and Objectives

1.1. Objectives of the Auction System

The objectives of introducing the Auction System include, in particular, the following:

a) to ensure that, following their deletion, released .hu domain names are registered under uniform, regulated and transparent conditions available to all, in accordance with predetermined and public rules;

b) to facilitate transparent pricing by applying an auction mechanism that materially reduces the risk of manipulation and unjustified artificial price inflation, without prejudice to the participants' independent pricing decisions;

c) to ensure that a bid fee is payable only for domain names for which actual competition exists;

d) to facilitate the community-level use of information concerning the market value of domain names in a manner that contributes to the transparent operation of the .hu namespace without prejudice to the protection of personal data or the confidentiality of the bidding process;

e) to ensure that additional revenue generated by the operation of the Auction System compared with conventional domain registration is used transparently for community and public-interest initiatives and objectives promoting the safe use and operation of the internet;

f) to protect and strengthen the reputation of the .hu namespace by ensuring the foregoing.

1.2. Purpose of the Rules

The purpose of the Domain Auction Procedure Rules is to define in detail the conduct of the Auction Procedure, the rights and obligations of its participants, and the safeguards ensuring the transparency of the procedure.
The operation of the Auction System is governed by the Domain Registration Rules (hereinafter: the Policy) and these Domain Auction Procedure Rules (hereinafter: the Domain Auction Procedure Rules).

1.3. Principles

The following principles shall apply in operating the Auction System and conducting the Auction Procedure:

a) identical conditions shall be ensured for all persons participating in the Auction Procedure (principle of equal opportunity);

b) the rules of the Auction Procedure, the order of procedural steps and the conditions of participation shall be known in advance, clear and verifiable (principle of transparency);

c) Auction Bids shall not be disclosed during the Auction Procedure, thereby ensuring independent and uninfluenced bidding (principle of sealed bidding);

d) the Auction System shall be operated so as to prevent and address manipulation, unauthorised access and other abusive conduct (principle of protection against abuse);

e) participants whose conduct is contrary to the purpose of the system, in particular where aimed at circumventing the rules, may be excluded from or restricted in the Auction System (principle of restricting abusive participation).

1.4. Scope of the Rules

These Domain Auction Procedure Rules apply to every .hu domain name deleted in accordance with the Policy for which the opportunity of registration may be obtained through an Auction Procedure.

These Domain Auction Procedure Rules also apply to all persons and organisations without legal personality participating in the Auction Procedure as Applicants, bidders, Registrars, operators or other stakeholders.

1.5. Definitions

Capitalised terms used in these Domain Auction Procedure Rules shall have the meanings assigned to them in the Policy.

Additional definitions:

Auction: the sealed-bid procedure conducted for a particular domain name under these Domain Auction Procedure Rules, the duration of which is identical to the Auction Listing Period.

Auction Bid: a bid denominated in Hungarian forints and submitted by the Domain Applicant on the Auction Portal during the Auction Procedure in order to obtain the opportunity to register the domain name.

Close of the Auction: the end of the Auction Listing Period.

Closure of the Auction Procedure: completion of the entire Auction process, during which the domain name is either (i) registered in accordance with the Policy, (ii) deleted and becomes freely available for registration, or (iii) listed in a new Auction Procedure.

Auction Listing Period: the period during which the domain appears on the Auction Listing and an application and an Auction Bid may be submitted for it.

Minimum Auction Bid: the minimum amount published by the Registry, applicable uniformly to every Auction Procedure, that may be submitted as an Auction Bid.

Winning Auction Bid: the valid Auction Bid with the highest amount at the Close of the Auction, determined by the Registry in accordance with the Domain Auction Procedure Rules; in the event of a tie, the earlier of the tied highest valid Auction Bids.

Auction Portal: the interface operated by the Registry on which the Domain Applicant may submit an Auction Bid.

Auction System: the organisational, procedural and IT framework serving the conduct of the Auction, including in particular the Auction Procedure and the Auction Portal.

Deposit-Triggering Bid Threshold: the Auction Bid amount threshold published by the Registry and applicable uniformly to every Auction Procedure, upon reaching or exceeding which the Applicant shall, as a condition of validity of the Auction Bid, pay the Registry during the Auction Listing Period a deposit equal to 10% of the Auction Bid.

2. Subject Matter and Nature of the Auction

2.1. Subject matter of the Auction and its relationship to domain registration

For deleted .hu domain names, the subject matter of the Auction is obtaining the opportunity of registration. Winning the Auction does not constitute automatic registration of the domain name. Registration is governed by the Policy; obtaining the opportunity of registration neither exempts the Domain Applicant or the domain application from the compliance check and evaluation under the Policy nor guarantees registration.

2.2. Nature of the Auction

The Auction Procedure is an electronic sealed-bid procedure.

The .hu Registry is responsible for operating the Auction Procedure and the Auction Portal.

The time limits of the Auction Procedure are set out in these Domain Auction Procedure Rules. Time data recorded by the Auction Portal shall govern the calculation of time limits.

3. Eligibility and Participation

3.1. Domain names subject to Auction

Following deletion, released domain names shall automatically be placed on the Auction Listing, except for the cases specified in Section 6.6 of the Policy.

3.2. Persons eligible to participate

Applicants: A person may participate, submit an application and make an Auction Bid if eligible to apply for a domain name under Section 1.1 of the Policy and not excluded under these Domain Auction Procedure Rules.

Other participants: The Registrar receiving and forwarding the application participates in the Auction Procedure. The Registry operates the Auction System.

3.3. Restriction of participation and exclusion

The Registry may exclude an Applicant whose application does not comply with the Policy or these Domain Auction Procedure Rules, particularly where false data are suspected or the exercise of the right to apply or bid is suspected to be abusive.

4. Course of the Auction Procedure

4.1. Listing domain names

Following deletion, domain names shall automatically be placed on the Auction Listing on the Auction Portal and may be applied for under the Auction Procedure. The Registry shall ensure that no domain name is listed where application through an Auction Procedure would conflict with a final and enforceable court, authority or notarial decision or measure, or a decision of the Alternative Dispute Resolution Forum (ADR Forum), or where the domain is in quarantine. If such circumstance emerges during the Auction Procedure, the Auction Procedure for that domain name shall be closed and the applications and bids received shall be deleted.

4.2. Duration of the Auction

The Auction Listing Period lasts 15 (fifteen) days from the date of placement on the Auction Listing.

4.3. Application

During the Auction Listing Period, a domain application for a domain name on the Auction Listing may be submitted through a Registrar. Multiple Domain Applicants may apply for the same domain name.

Subject to the deviations in this Chapter, the method and content of an application to register a domain name on the Auction Listing shall be identical to the general rules in Sections 1.2.1 and 1.2.2 of the Policy.

During the procedure, the Domain Applicant shall provide the selected Registrar with true and complete data, confirm its contact data, and make and accept the declarations required by the Policy.

The Registrar under Section 1.2.1.2 of the Policy may submit the application to the Registry. A Registrar is not required to accept domain applications concerned by an Auction Procedure. Such applications shall be handled separately from other domain applications.

The Registry shall handle applications separately in accordance with Sections 1.2.2 and 1.2.3 of the Rules. After receipt, the Registry shall notify the Applicant, confirm receipt and send the unique link (token) through which the Applicant may bid on the Auction Portal.

4.4. Right of preliminary evaluation

The Registry may, but is not required to, conduct a preliminary evaluation during the Auction Listing Period and may decide on exclusions where an application fails to meet the Policy requirements.

4.5. Bidding

An Applicant who has submitted a domain application for a domain name on the Auction Listing may submit an Auction Bid for that domain name. The Auction Bid may be made on the Auction Portal in Hungarian forints during the Auction Listing Period.

Any amount above the Minimum Auction Bid, rounded to HUF 1 (one), may be bid.

The period available for making an Auction Bid expires at the end of the Auction Listing Period.

4.6. Modification and withdrawal of a bid

The Auction Bid may be modified any number of times or withdrawn until the end of the Auction Listing Period.

4.7. Deposit

If the Applicant's Auction Bid exceeds the Deposit-Triggering Bid Threshold, the Applicant shall pay a deposit equal to 10% of the Auction Bid pursuant to the Registry's payment request. Such Auction Bid is not valid unless the deposit is paid by the end of the Auction Listing Period. Payment may only be made by bank card. The deposit paid shall be credited towards the Auction Bid amount.

Where an Auction is repeated specifically because the winner of the previous Auction failed to pay the Winning Auction Bid in full, every Applicant shall pay the Registry a deposit equal to 10% of its Auction Bid, irrespective of the bid amount.

Upon modification of an Auction Bid, the Applicant may be required to pay or supplement the deposit. The deposit already paid shall be supplemented pursuant to the Registry's payment request if the additional deposit exceeds the Minimum Auction Bid. If the Auction Bid is reduced or withdrawn, the deposit already paid shall remain with the Registry, even if the reduced Auction Bid would no longer reach the Deposit-Triggering Bid Threshold.

Following determination of the Auction result, the Registry shall settle deposits with the Applicants:

- The deposit paid by the maker of the Winning Auction Bid shall be settled as set out in Section 6.
- Deposits paid by unsuccessful Applicants shall be refunded, provided that where an Applicant paid a deposit but withdrew its Auction Bid, the Registry shall deduct an administration fee equal to the Minimum Auction Bid upon refund.

5. Result of the Auction

At the end of the Auction Listing Period, the Auction closes, no further Auction Bid may be submitted for the domain name, and the Registry shall determine the result.

1. If no application was received, the domain name becomes freely available for registration under the general procedure of the Policy.
2. If one application was received, the Applicant obtains the opportunity to register the domain name for 15 (fifteen) days without further payment obligation to the Registry, regardless of whether an Auction Bid was made, whether it was valid and, if made, its amount. Any deposit already paid shall be refunded.
3. If more than one application was received:
   a) if no Applicant made an Auction Bid, the applications shall be deleted, and the domain name shall be placed on the Auction Listing for a further 15 (fifteen) days; the Auction Procedure shall be repeated;
   b) if one or more valid Auction Bids were received, the Applicant making the highest valid Auction Bid obtains the opportunity to register the domain name for 15 (fifteen) days;
   c) in the event of a tie, meaning several equal highest valid Auction Bids, the Applicant who first submitted the valid Auction Bid resulting in the tie shall win.

After determining the result, the Registry shall notify the Applicants of the result and provide information on the subsequent process.

6. Evaluation, Payment and Registration

6.1. Evaluation and payment

Where a deposit was paid during the Auction Listing Period, the Registry shall evaluate under the Policy the domain application of the winning Applicant determined in accordance with Section 5 of these Domain Auction Procedure Rules.

Where no deposit was required, the Registry shall send the winning Applicant a payment request for the Winning Auction Bid. Following payment, the Registry shall evaluate the winning Applicant’s domain application under the Policy.

The Applicant is entitled to registration only if the application fully complies with the Policy and the Domain Auction Procedure Rules and the evaluation concludes positively.

Where necessary, the Registry shall request supplementation. The identity of the Applicant may not change during supplementation. The Applicant shall complete supplementation so as to permit repeat evaluation within 15 (fifteen) days from the Close of the Auction. Failure to do so shall result in rejection.

Upon rejection, the Registry shall notify the Applicant and restart the Auction, placing the domain name on the Auction Listing simultaneously with rejection.

In that case:

- if the Applicant paid the Registry the Auction Bid amount, 90% shall be refunded;
- if the Applicant paid only the deposit, no further payment is due, but the deposit shall not be refunded.

If the Applicant initiates a remedy against the Registry's decision, the new Auction Procedure commenced for the same domain name shall be suspended for its duration.

The winning Applicant is bound by its bid until Closure of the Auction Procedure and shall fully and timely discharge payment obligations to the Registry. After Closure, the Registry shall issue a VAT invoice to the winning Applicant.

6.2. Consequences of non-payment

If the Winning Auction Bid is not paid on time, the winning Applicant loses eligibility to participate in Auction Procedures for 1 (one) calendar year, and its data may not be provided as contact data in an application submitted in an Auction Procedure.

6.3. Other legal consequences

If (i) the Applicant or application fails to comply with the Policy, (ii) supplementation is not completed, (iii) the Winning Auction Bid is not paid on time, (iv) rejection occurs for another reason, or (v) registration does not take place for any reason within the time limit specified in these Rules and no remedy is pending, the application shall be deleted and the Registry shall again submit the domain name to an Auction Procedure.

6.4. Conditional registration

Upon positive evaluation and timely payment of the Winning Auction Bid, the domain name becomes a conditionally registered domain under the Policy, subject to the deviations in these Domain Auction Procedure Rules.

No more than 15 (fifteen) days may elapse between the Close of the Auction and the domain name becoming conditionally registered; if this time limit expires without result, the Auction shall restart.

If no Domain Decision Maker Procedure is initiated before the Alternative Dispute Resolution Forum (ADR Forum) against the registration within the Policy time limit, the domain shall be registered.

6.5. Remedies

During the Auction Listing Period, proceedings before the Alternative Dispute Resolution Forum (ADR Forum) are unavailable in connection with the domain name; after it becomes conditionally registered, a Domain Decision Maker Procedure may be initiated against registration under the Policy, as for any new domain name.

If the Applicant loses the right to registration in such proceedings, the Registry shall refund 90% of the Winning Auction Bid paid. A deposit alone shall not be refunded.

Depending on the outcome of the Domain Decision Maker Procedure, the conditionally registered domain applied for through the Auction Procedure shall either be registered, or the successful Complainant shall obtain the opportunity to register it and the application of the Respondent who

won the Auction shall be deleted. The Policy provisions applicable to Applicants shall apply to the successful Complainant.
If the successful Complainant fails to register the domain within the period available under the Policy, the Registry shall again submit it to an Auction Procedure.

7. Public Availability of Information

7.1. Non-public data

To protect Applicants and the principle of sealed bidding, the following data are not public in an Auction Procedure:

a) the fact and number of applications;
b) the fact, number and amount of Auction Bids;
c) the identity of Applicants; only the Applicant's own Registrar and the Registry may know the Applicant's identity, and disclosure to third parties is prohibited.

7.2. Public data

After Closure of the Auction Procedure, to give effect to the principle of transparency, the Registry shall publish:

a) the domain name;
b) the amount of the Winning Auction Bid;
c) the time of the Close of the Auction.

The Registry may also publish statistics based on the above data.

8. Rights and Obligations of the Registry

8.1. Operation of the Auction System; information

The Registry operates the Auction System, including the Auction Portal. On its website it shall provide detailed and up-to-date information on the rules, process and technical aspects of the Auction Procedure.

8.2. Whois

The Registry shall publicly indicate in the whois system whether a domain name is on the Auction Listing and whether a Declaration of Good Faith existed during its previous registration.

8.3. Integrity of the Auction System

The Registry shall ensure the data security of the Auction Portal, that domain names in the Auction Procedure are technically available for application, and that the application process operates without disruption.

The Registry may verify the proper conduct of the Auction Procedure and may suspend it where necessary for data-security reasons, technical reasons affecting the Auction System, or suspected abuse.

9. Rules Applicable to Registrars

9.1. Rights and obligations of Registrars

Registrars may freely decide whether to enable domain applications in an Auction Procedure. If they do, they shall fully comply with the Policy and these Domain Auction Procedure Rules, act accordingly, accept every compliant application submitted to them, forward it to the Registry and proceed under the Policy.

A Registrar may provide professional advice to its customers regarding bidding, fees, procedural matters and related topics.

A Registrar may accept applications from multiple Applicants for a domain name listed in one Auction Procedure.

9.2. Registrar fees and conditions

A Registrar may freely determine fees for services related to the Auction Procedure. It shall inform the Domain Applicant in advance about fees, its related services and the conditions of the Auction Procedure.

For applications under this Chapter, the Registry shall invoice the Registrar the registration fee, excluding the annual maintenance fee; payment shall follow Section 1.2.1.3 of the Policy irrespective of whether the Applicant later obtains the domain name.

10. Liability and Exclusions

10.1. Limitation of liability

The Registry's liability is limited to operating the Auction System and properly conducting the Auction Procedure. It acts within the Policy and these Domain Auction Procedure Rules; the Policy liability provisions apply, and references there to the "Rules" mean the Policy together with these supplementary Domain Auction Procedure Rules.

10.2. Force majeure

Where conduct of the Auction Procedure is prevented by an unavoidable external cause, including operational failure, IT service interruption, cyberattack, authority measure, authority or court decision, or another circumstance beyond the Registry's control, the Registry may, where justified, suspend, extend, interrupt, declare unsuccessful and close the Auction Procedure.

After the external cause ceases, the Registry shall decide whether to continue, recommence or close the Auction Procedure and shall inform those concerned on the Auction Portal or by other appropriate means.

The Registry shall not be liable for damage or delay arising from an unavoidable external cause, including where it prevents proper conduct of the Auction Procedure.

10.3. Conflict of interest

A person involved in preparing, operating, checking or evaluating an Auction Procedure may not participate in the Auction concerned as an Applicant or bidder, or directly or indirectly assist another person's application or bidding.

The person concerned shall immediately report any circumstance giving rise to a conflict of interest.

Where a conflict exists, the person concerned may not act in the Auction Procedure and is excluded from it.

10.4. Data processing

The Registry shall process personal data connected with the Auction Procedure in accordance with applicable law and its published privacy notice.

11. Final Provisions

11.1. Entry into force

These Domain Auction Procedure Rules shall be published by the Registry on its website and enter into force on 18 November 2026.

11.2. Amendment of the Rules

Amendments are governed by the relevant provisions of the Articles of Association of the Scientific Association of the Council of Hungarian Internet Service Providers. The Registry shall publish amendments before entry into force.

An amendment enters into force on the date specified in the relevant decision and publication. Auction Procedures already commenced are governed by the Policy and Domain Auction Procedure Rules in force on their commencement date.

11.3. Resolution of inconsistencies

These Domain Auction Procedure Rules contain special rules for the Auction Procedure. Matters not regulated herein are governed by the Policy.

In case of inconsistency between the Policy and these Domain Auction Procedure Rules, the Policy shall prevail.

11.4. Governing law

These Domain Auction Procedure Rules are governed by Hungarian law, excluding the application of international conventions and conflict-of-laws rules.