

SMARTER PURCHASING OF IPV4 ADDRESSES FROM THE MARKET

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PRE-MARKET STEPS

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"KNOW BEFORE YOU GO!"

You know how much you want to buy, and how long it will last, right?

Secure CAPEX

- Purchase price
- Transaction fees (RIRs, NIRs, Escrow Agents)
- Broker or Exchange fees

Find quality counsel with experience in Mergers & Acquisitions

- Purchase price is key to any deal, but the purchase contract's terms & conditions are probably more important!
- Note: Lawyers are expensive. You will need significant operating budget

PRE-MARKET STEPS

"KNOW BEFORE YOU GO!"

Keep in mind inter-RIR transfer policies. As of February 2016:

- LACNIC and AFRINIC do not allow space to enter or leave the region. This adds significant legal complexity to a deal
- Space can move freely between APNIC, ARIN, and RIPE

Have an RIR account ready to receive any purchases:

- Billing up-to-date
- Pre-approval if necessary

**TIME TO
FIND A SELLER**

TAKE CONTROL

"BE YOUR OWN BEST ADVOCATE"

- Brokers and Exchange Operators are interested in rising prices. You want lower prices. Your interests are not aligned.
- Keep control! Keep in constant communication with all parties, and do not let others steer you in a direction you do not want to go.

THE ART OF THE DEAL

HINT: IT IS ABOUT PEOPLE

- Deal making is about people
- This is just like negotiating transit and peering
- Sellers are more likely to want to work with you if they like you
- There is high value in face-to-face meetings
- E-mail is not only a poor communication medium, in some cultures it is just not acceptable

THE DEAL

THREE PRIMARY FACTORS

- Price
- Timing of delivery
 - One delivery; or
 - Multiple tranches over time?
 - “We can give you 90% of the space now, but need a few months to finish up cleaning the other 10%”
- Terms and conditions of the contract

**PROTECT
YOUR COMPANY**

DUE DILIGENCE

PROTECTING YOUR COMPANY

Technical

Is the block routed?

What does RIS say about routing history?

Is it on any block lists?

Is the seller routing the blocks internally?

Legal

Contractual obligations?

Any corporate liens? (If so, get a certification that the lien doesn't encumber the addresses.)

FRAUD

ARE YOU PARTY TO FRAUD?

30% of the market participants
are committing fraud.

There are two general types of fraud:

Willful fraud vs. Unwitting fraud

FRAUD

WILLFUL FRAUD

- Intentionally selling space that is not theirs
- Intentionally selling non-registered space
- Intentionally selling space that was hijacked from the RIR
- Intentionally selling space that required them to lie to the RIR to obtain

FRAUD

UNWITTING FRAUD

- Selling space that isn't theirs, but they don't know it
- Big corporation problems

FRAUD

AVOIDING IT

- Rigorously vet your seller
- Do not buy from any party you do not know or cannot easily learn about
- Only use a major bank as an escrow agent

THANK YOU