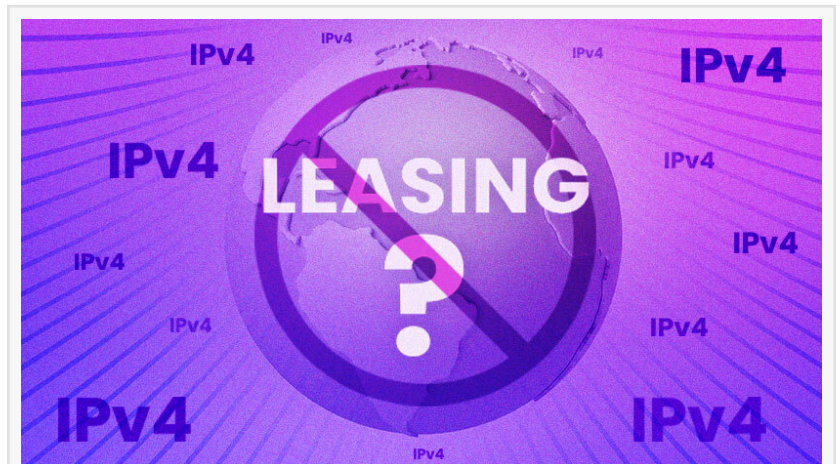


Opinion: IP Leasing Should Become a Market Standard

IPv4 leasing should become a market standard, which would bring many benefits in a more competitive environment, leading to additional revenue for all parties.

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/EINPresswire.com/ -- The Regional Internet Registry (RIR) for the Asia-Pacific region (APNIC) recently held its 55th meeting in conjunction with APRICOT, in Manila, USA. One of the critical discussions at the conference was centered on the APNIC policy that does not accept IP leasing and has a questionable understanding of its necessity.



IPv4 address leasing is still not considered a universally accepted industry standard

According to the APNIC policy manual, which was referenced during the meeting, APNIC allocates and assigns Internet Protocol version 4 (IPv4) resources based on need, and 'leasing is not allowed' nor does it form a basis for further need. Additionally, it was noted that any allocated IP addresses must be returned to APNIC if the ISP/LIR holding them ceases to provide internet connectivity services. The policy also stipulates that justification is needed for delegating addresses to customers.

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*Vincentas Grinius, CEO of
IPXO*

In today's rapidly evolving and cross-dimensional business environment, I believe such policies are not aligned with current reality and business practices and should be addressed. This opinion piece argues that IP address leasing should become a global market standard and

provides reasoning to support this point of view.

Differences among the [RIRs](#)

IP leasing typically involves temporarily allowing a client to use an IP address for a defined period of time, in exchange for a rental fee, without transferring ownership or rights to the IP address. Interestingly, the legitimacy of leasing is viewed differently across various RIRs.

RIRs were established in the mid-1990s to efficiently manage and allocate Internet number resources, which were becoming scarce due to the continuous growth of the internet. RIR policies differ because they are tailored to the needs and characteristics of the regions they serve and the business practices of those within them.

For example, RIPE NCC's service region – Europe, the Middle East, and parts of Central Asia – have unique cultural, economic, and political characteristics that influence how IPv4 number resources are managed and allocated. Additionally, RIPE NCC has a long history of promoting the development of the internet in its region.

Concurrently, APNIC's service region includes countries with vastly different economic and technological development levels, so the RIR must adapt its policies to accommodate these differences accordingly.

Risks and benefits of leasing

When considering the risks and benefits of IP leasing, it is important to be aware of potential risks such as IP abuse observability, the Reverse Domain Name System (rDNS) record validation, Autonomous System Number (ASN) blocklists, dubious/malicious actors, and IP hijacking.

However, if these risks are properly attended to and, where possible, mitigated, I believe that they are heavily outweighed by the many benefits of leasing, including instant provisioning, no CAPEX requirement, more accurate WHOIS information, making use of legacy space, Resource Public Key Infrastructure (RPKI) adoption, availability of more IPv4 addresses in a more constricted market, and ultimately extra revenue for all parties involved.

IP address leasing creates a new opportunity for IP sharing and incentive building for IP holders. However, it is essential to consider proper and diligent Know Your Client (KYC) processes and abuse observability to prevent misuse. RIRs have the option of IP allocation that could be developed further by combining functions related to RPKI and delegation. A more coordinated technical approach is needed within the RIRs to ensure greater flexibility in the use of IP space.

Automating IP address provisioning and extending RPKI capabilities can lead to a more accurate WHOIS, acknowledging that IP leasing is a tool that requires further development. Establishing an ecosystem that meets common IP abuse observability standards and proactively prevents misuse is also significant. While abuse observability is not complex, there is a lack of specific understanding and possibly basic knowledge on how to avoid it.

IP lease as an ecosystem

To effectively lease IP space, it is crucial to understand the participants in the ecosystem. It would be beneficial to promote standard practices to ensure that good actors are distinguished from bad actors.

Given the limited availability of IPv4 addresses, viewing IP leasing as a valid justification for obtaining additional resources may be worthwhile. Optimizing their usage instead of leaving them unused also encourages the development of new automation solutions and more accurate WHOIS records if the community adopts and supports standard practices.

As RIRs no longer have a free pool of IPv4 address space to allocate, it may be time to consider incorporating standard IP leasing practices to effectively utilize the remaining resources, offering the continuously evolving ecosystem alternative ways to develop their businesses to meet global customer needs and demands.

There is a common belief that enterprises must 'own' their IP addresses, but this is not necessarily true. Suppose the right ecosystem is created, including KYC verification, abuse observability, and automated IP address management. IP leasing can be an excellent tool for businesses to grow and evolve cost-effectively without significant capital expenditures.

Markets are difficult to predict, and RIRs may fall behind the market's needs, but they must still facilitate a functioning model. Rather than disputing the concept of IP leasing, discussions should focus on how to make it available and sustainable.

IP address leasing has been around for a long time and has become a common practice, even among infrastructure providers. Therefore, the focus should not be on whether leasing is good or bad but on making it more operative as an accepted common practice.

To read the full article, [click here](#).

About the author:

Vincentas Grinius is a serial entrepreneur with over 15 years of experience in network, infrastructure, and internet policy. As the CEO of [IPXO](#), an all-in-one Internet Protocol platform, Grinius is committed to addressing complex network management issues and helping to alleviate the global IPv4 shortage.

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