



Companies and Intellectual
Property Commission
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MEDIA STATEMENT

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CIPC EMPHASISES NEED FOR MULTI FACTOR AUTHENTICATION FOR DIRECTOR AMENDMENTS

On the 4th December 2023, CIPC implemented an identity verification and multifactor authentication for director amendments. As a registrar of companies and a regulator of such, the CIPC has to exercise stringent controls and authentication processes to mitigate the risk of unauthorised director amendments and remove vulnerabilities that enable corruption and corporate crime.

The CIPC is not experiencing challenges with the system as has been purported. The implementation has been tested vigorously to ensure its successful implementation. Since the implementation of the multi factor authentication in December 2023, the CIPC processed over 8000 applications. The CIPC encourages customers to ensure their contact details are up to date before filing a Director Amendment to ensure a smooth and secure process.

Background

Historically, customer codes and passwords were deemed an appropriate authentication control when transacting with the CIPC; however, with widespread data breaches, phishing and other nefarious criminal activities being prevalent, this “single-factor” authentication has been challenged as a reliable authentication control in high-risk use cases such as director amendments, and is often insufficient.

The purpose of this multi factor authentication therefore, is to provide a high level of assurance that the entity representative logging on to the CIPC system is who they say they are and have the mandate to perform the respective amendments pertaining to the entity.

The multi-factor authentication acts as an additional layer of security to prevent unauthorised users from accessing enterprise accounts and making unauthorised director amendments. The multifactor

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requirement offers enhanced data integrity, information security, registration system transparency and verification of user identities.

The CIPC as the registrar and regulator of companies, administers about 2.1 million active entities, comprising of Public Companies, Private Companies; Non-Profit Companies; External Companies and more. As such, the CIPC recognises its responsibility as one of the key role players in safeguarding the integrity of our regulatory environment in South Africa and integrally placed to manage the risks associated with money laundering, proliferation and terror financing activities. It is with this responsibility in mind that the CIPC implemented the multi factor authentication.

Corruption affects all areas of society. Preventing corruption unlocks progress towards economic growth, creates jobs, and secures wider access to essential social services; ultimately promoting a culture of accountability and governance.

Every stakeholder in the private and public sector - has a role to play to prevent and counter corruption, in order to promote integrity in the South African economy, as well as promoting South Africa as an investor friendly destination

ENDS

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