CIPC CLARIFICATION: COMPANY HIJACKINGS

The Companies and Intellectual Property Commission (CIPC) has discovered that some confusion exist regarding the term company hijacking. Company hijacking is defined as:

"Changing, replacing or amending company records such as Directors Company addresses or auditors by a third party totally unrelated and unknown to the current office bearers. Access to CIPC database and records should have been obtained illegally without having legal access to the customer code or password of the company in question."

Recently online media articles mentioned ten cases of alleged fraudulent company hijackings. The CIPC is investigating cases that have been reported in which company directors were allegedly wrongly changed. Investigations in seven of the cases have been completed and it was found that directors were changed due to internal disputes. The remaining three cases are still under investigation to determine the reason for changes to directorships.

The CIPC has increasingly received changes made to company details due to disputes within companies. In such instances, the CIPC has to follow its mandate and if applications for change of directors complied with the requirements for registering a change in the directorship, the CIPC will amend its records accordingly.

Investigations on reported cases also revealed that directors were wrongfully changed due to errors that occurred during capturing of the amendment forms. The CIPC appointed more resources to correct incorrect capturing.

Yours faithfully,

Ms Astrid Ludin
Commissioner: CIPC
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