



22 April 2024

Department of Trade, Industry and Competition
77 Meintjies Street
Sunnyside
Pretoria

For attention: The Minister of Trade, Industry and Competition – Minister E Patel
Email: TMasoga@thedtic.gov.za

For attention: The Chief Commissioner & Information Officer, ITAC – Mr A Cawe
Email: informationofficer@itac.org.za

For attention: Chief Director - Department of Trade, Industry and Competition - Ms T Phele
By email: tphele@thedtic.gov.za

Dear Sirs

RE: ITAC PERSONAL INFORMATION SECURITY COMPROMISE

It was with great shock that we became aware of the ransomware attack suffered by ITAC on 2 January 2024 by way of your notification dated 15 April 2024.

Your notification makes it clear that you were fully aware of the security breach and unauthorised disclosure of its customers confidential information already on 02 January 2024, yet chose, for what we believe to be your own self-serving interests and agenda, to only advise its customers thereof more than 3 months later on 15 April 2024.

ITAC's explanation for the delay- being the need for ITAC to first investigate the security breach and restore the integrity of its systems – is not acceptable in circumstances where industry had the right to be immediately advised thereof so as to reduce instances of potential fraud and misuse of information.

In early December 2023 industry representatives had interaction with the Minister of Trade and Industry and other ITAC and DTIC officials both in person and electronically to discuss the export ban and alternative measures. The concept of the Metal Trading System (“MTS”) was discussed. On or about 14 December 2023 DTIC distributed a power point presentation outlining the MTS which detailed the granular and very

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intrusive detail of every single transaction that would need to be recorded and made available to ITAC, DTIC and SAPS. This was then followed by a voluntary industry pledge document. Industry immediately notified DTIC of its grave concerns with respect to the envisaged granular disclosure, the sensitivity/ safety of this highly confidential business data and information and irreparable damage that could be occasioned by its unauthorised disclosure to third parties under any circumstances.

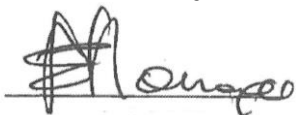
Notwithstanding these concerns, **and the security breach suffered by you on 2 January 2024**, DTIC, nonetheless continued with the initiative of endeavouring to impose MTS on all industry participants without providing any notice of the security breach to industry. In early February 2024, more than a month after the security breach had occurred, DTIC distributed a Memorandum of Agreement for industry participants to execute. The Memorandum of Agreement provides, as one of its core pillars, for the Metal Trading System (MTS).

It is clear that ITAC, in furtherance of DTIC's self-serving interests and agenda and in total disregard of its industry customers, chose not to disclose the security breach until 15 April 2024 because ITAC and DTIC were acutely aware of the fact that the MTS initiative would be completely undermined and destroyed in circumstances where industry was aware of a security breach which had already occurred and where the concerns of industry around the safety of information/data had been realised.

The manner in which ITAC has dealt with the security breach, its intentional delay of notification of its occurrence to industry and its continued MTS initiative is nothing short of conduct in bad faith. Such conduct has seriously damaged the reputation of ITAC and the relationship of trust and confidence between ITAC, DTIC and industry. The resolve of industry has been strengthened and cemented – it cannot under any circumstances support the MTS or indeed any system that envisages the disclosure of highly sensitive and confidential business information. We nonetheless remain supportive of reasonable, rational and proportionate measures to combat theft in the industry which do not damage and/or compromise its participants.

The industry remains willing and prepared to consider signing the original version of the pledge, the version that pre-dated the current "*Memorandum of Agreement with business leaders in the metals value chain to reduce theft of public infrastructure*".

Yours Faithfully



Elias Monage

SEIFSA Board Chairperson and Federation President

Copy: SEIFSA Chief Executive Officer, Lucio Trentini

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