**AFRINIC’s Past Issues:**

**1.AFRINIC’s Past CEO “Ernest Byaruhanga” African Ip Address Heist**

More than four million IP addresses have been misappropriated in what has been called Africa’s greatest internet heist.

In total**, 4.1 million IP addresses were stolen, 2.3 million from AFRINIC’s “free pool” and a further 1.7 million “legacy” IP addresses. They were worth around $87M,** according to MyBroadband.

IPv4 addresses, which were already reserved and in use by major organisations, were effectively hijacked and sold. These reappropriated IP addresses were used to forward spam, breach data records, and compromise websites.

Dozens of South African-based companies and organisations were impacted.

The Free State Department of Education and Anglo American both lost IP addresses to the value of almost $1.3M, while the now-defunct Infoplan, which previously managed the Department of Defence’s information systems, was the worst hit, losing addresses worth approximately $5.3M.

**Three whole IP blocks, equating to almost 200,000 individual addresses**, belonging to Woolworths were misappropriated. [MyBroadband estimates](https://mybroadband.co.za/news/internet/383902-r1-3-billion-worth-of-ip-addresses-stolen-in-brazen-heist.html) the value of these stolen addresses to exceed $3.8M.

Similarly, three IP blocks belonging to Nedbank – historically associated with Cape of Good Hope Bank Limited, Syfrets, and NBS Bank – were also part of the heist.

Other major South African organisations which had their IP addresses misappropriated include Nampak, Sasol, the City of Cape Town’s Directorate of Information Services, Transnet, and Independent Media’s Argus Holdings.

Source:

<https://www.businessinsider.co.za/4-million-african-web-addresses-have-been-stolen-woolworths-nedbank-also-hit-2021-1>

<https://krebsonsecurity.com/2019/12/the-great-50m-african-ip-address-heist/>

**AFRINIC’s Current Issues :**

**1.AFRINIC’s Board Interference with the Policy Development Process**

**A. Appeal Committee Dissolution:**

Mid-appeals, there were consecutive questionable resignations of two members of the appeal committee, which were followed by the board's decision to suspend the appeals and then revoke the existing Appeal Committee Terms of Reference for replacement, which has resulted in the unprecedented and recent dissolution of the appeal committee. Afrinic’s board has abused its power by not following the PDP’s governing document and the bottom-up process .

https://lists.afrinic.net/pipermail/rpd/2021/012403.html

https://lists.afrinic.net/pipermail/rpd/2021/012340.html

<https://lists.afrinic.net/pipermail/rpd/2021/013494.html>

**B. AFRINIC’s Board Refusal To Ratify the Board Prerogatives on the PDP" -AFPUB-2020-GEN-004-DRAFT02 Policy**

Another recent violation of the PDP's bottom up process was the board's refusal to ratify the policy draft proposal *"Board Prerogatives on the PDP" -AFPUB-2020-GEN-004-DRAFT02* , which has reached the community consensus and was sent to the board for ratification.

<https://lists.afrinic.net/pipermail/rpd/2021/013602.html>

**2.AFRINIC’s Outreach Failure**

AFRINIC has issued 450 987 IPv4/24s. The vast majority of the IPv4 issued is coming from South Africa (105511 /24s) and Egypt (94360 /24s). The membership size, which currently stands at 1930 members, clearly demonstrates a total failure of outreach, while the IPv4 still in stock (1 756 888) demonstrates a total failure of IP addresses distribution. AFRINIC clearly doesn’t have reasonable prices that encourage the members to request space, both indicate that there is a failure of AFRINIC’s management and its board.

https://stats.afrinic.net/ipv4/

https://stats.afrinic.net/ipv4/exhaustion/ipv4\_pool

***AFRINIC Ltd vs Cloud Innovation Ltd:***

**Membership Termination Threats with no Basis**

AFRINIC started sending threatening emails using the following assertion against Cloud Innovation and several members with resource allocations totaling tens of millions of IP addresses which could be summarily disconnected from current active service, representing hundreds of millions of end users potentially affected :

 *“(AFRINIC) will in its sole discretion determine whether to immediately terminate the said Agreement as well as to proceed with the reclaiming of the aforesaid IP Number Resources. You are further informed that AFRINIC shall not be held liable for any loss or damage of whatever nature arising out of the present notice or any action that AFRINIC may take in accordance thereof.”*

**Cloud Innovation's Response to Afrinic's Unfounded Claims & Termination Notice**

As an AFRINIC member in good standing, Cloud Innovation has consistently abided by relevant laws and policies, and hasn't violated any contract clauses that would justify AFRINIC' s membership termination. Cloud Innovation was obligated to take the appropriate measures to protect itself, the hundreds of its customers, and hundreds of millions of end-users by taking action against AFRINIC in the Supreme Court of Mauritius.

**AFRINIC' s Decision to terminate Cloud Innovation ' s Membership Before the Court' s Verdict**

On On July 8th, Afrinic ’ s CEO, Eddy Kayihura has announced Afrinic ’ s reclamation of the Internet number resources from Cloud Innovation Ltd by freezing all its allocated resources on the AFRINIC WHOIS database and restraining any access to them. Cloud Innovation ’ s membership was summarily terminated without notice and without any opportunity to respond or appear in its own defense. Furhermore, Afrinic ’ s announcement has not been supported by written reports on the board’ s meetings minutes. It should be noted that AFRINIC has made this decision before waiting for the Mauritius Court' s verdict on the lawsuit.

**Injunction Order made by Supreme Court as a Response to AFRINIC' s Membership Termination**

 A judge ’ s order dated 13 July 2021 was granted in favour of Cloud Innovation restraining and prohibiting AFRINIC from terminating its membership and reclaiming its number resources. AFRINIC, in its communications with Cloud Innovation, clearly stated that whilst they were duly notified with the court Order and formally requested to comply, they deliberately refused to obey and comply with the said court Order and refused to reinstate the membership of Cloud Innovation.

On 15 July 2021, the CEO of AFRINIC appeared before the Judge in Chambers of the Supreme Court of Mauritius and gave an undertaking to comply with the said Order above in its entirety. Notwithstanding the formal undertaking given by the CEO on behalf of AFRINIC, the latter refused to reinstate the membership of Cloud Innovation and only reconsidered its position after being warned of contempt of court proceedings. The membership of Cloud Innovation was finally reinstated many hours later during the night of 15 July 2021.

**AFRINIC's Bank Accounts Frozen: Provisional Court Order of Attachment of AFRINIC' s funds in favour of Cloud Innovation**

By way of a Judge ’ s Order dated 23 July 2021, the funds of AFRINIC held in bank accounts at SBM Bank ( Mauritius ) Ltd and Mauritius Commercial Bank Ltd, up to the sum of USD 50 Million, have been attached in favour of Cloud Innovation, pursuant to its claim for damages against AFRINIC as a result of the aforesaid unlawful termination and illegal acts and doings against Cloud Innovation.

**Potential Dangers:**

AFRINIC’ s accusations to terminate Cloud Innovation ’ s membership were completely unfounded, and were showcasing a grave misinterpretation of its policy documents and errors in understanding the nature of BGP. Any other Resource member can easily find itself in the same situation, caused by AFRINIC' s flawed management.

AFRINIC' s current financial distress due to the court' s decision to freeze its bank accounts, puts the future of the organisation and the resources of its members into question:

* *What will happen if AFRINIC loses the lawsuit and finds itself 50 million USD in debt?*
* *Will the African internet be disrupted?*
* *Who will take care of the sustainability of the current operation of the African Internet Registry?*
* *How can the resource members save their operations by transferring their resources elsewhere?*

**Benefits of Transfer Policy:**

Due to the current unstable situation of AFRINIC, passing a resource transfer policy is urgently needed o give the AFRINIC resource members the option of not risking their business and the connectivity of their users. Members should be allowed to transfer away from the risks that AFRINIC is putting them through.

The Resource Transfer Policy **AFPUB-2019-V4-003-DRAFT04** has reached the community consensus and should be ratified by the AFRINIC board so as to serve the interests of the resource members.

**Cloud Innovation’s Impact from AFRINIC’s Unfounded Membership Termination**

The IP address of Cloud Innovation is deeply embedded in the entire ecosystem of the Internet and holds the position of the largest private IP address provider in the world. To illustrate, Cloud Innovation 's address space has been leased to telecom companies, ISPs, hosting companies, gaming providers, proxies, VPNs, transit networks, and so on, to every corner of the Internet as we know it today.
Because the Internet is inter-net in its conceptual nature, a single point of failure can affect a surprisingly large number of users. Lost of registration of IP address meaning Lost of connectivity for the users of the internet, Below are some of key service provided by Cloud Innovation's customer by using Cloud Innovation's IP addresses:

* There are about **115 web hosting companies** using Cloud Innovation's IP, in total **2.5 Millions IPs** with **a rough estimate of tens of millions websites impacted.**
* There are **8** transit networks using cloud innovation's IP, in which around **100,000 IPs**, in total those companies represent **a large portion of the world's  traffic.**
* There are a number of content providers that use cloud innovation IPs, in which a total roughly of 70,000 IPs, a total of **their service reaches over a billion users**.
* **14 ISPs** from **6 continents** are currently using Cloud innovation IPs, which amounts to roughly **1.4 million IPs,** with **roughly 70 million end users and businesses** (using the estimated industry standard 1:50 CGN compression ratio).
* There are **46 Cloud service providers** in Cloud Innovation's IP addresses, in total, they are using **1.6 Millions amount of IP addresses**, and potentially impact millions of users in five continents.
* There are **18** VPN provider using Cloud Innovation's IP addresses, using roughly **500,000 IPs**, estimate **totaling millions of users.**
* Cloud Innovation currently hosts OpenTLD in its IP addresses, one of the largest domain name registrars on the planet, with tens of millions of domain names under its management. As a consequence, a loss of connectivity on these domains would **lead to catastrophic result as tens millions of domains(websites) would become inaccessible.**

Given Cloud Innovation 's large volume of IP **addresses (over 6 million and third largest member of AFRINIC),** also, with its huge and diversified customer base cross the globe, it would be nearly impossible for an Internet user to never encounter Cloud Innovation's IPs, one way or another. Some of the most prominent infrastructures in the world are powered by these number resources, and some of the most important social infrastructures around the world rely on these IPs.

The harm that AFRINIC is causing Cloud Innovation could easily be caused to any other resource member, putting at risk millions of users connectivity and businesses.