

MTN'S \$6.2 BILLION ACQUISITION OF IHS: WHAT NIGERIA'S COMPETITION AUTHORITIES WILL LOOK FOR

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Chukwuyere Ebere Izuogu



Introduction

On 17 February 2026, MTN Group and IHS Towers separately announced a proposed all cash transaction under which MTN would acquire the outstanding shares of IHS Towers that it does not already own, valuing the business at approximately \$6.2 Billion and resulting in the delisting of IHS from the New York Stock Exchange.¹ The transaction follows earlier disclosures of negotiations and is intended to be completed after IHS finalises the disposal of its Latin American assets.²

This proposed acquisition represents a significant and high-profile consolidation of undertakings operating

within Nigeria's communications sector, coming at a time when the telecommunications industry continues to attract substantial investment, having recorded approximately \$392.92 million in foreign direct investment between January and September 2025.³

MTN Group has presented the transaction as a strategic reintegration of critical telecommunications infrastructure, allowing it to internalise margins currently paid to tower operators, benefit from incremental third party revenues, improve cost predictability and unlock long term value across its African operations.⁴ IHS Towers has emphasised that the transaction provides certainty and immediate value for its shareholders, marking the culmination of its strategic review process, with strong shareholder support already secured. Completion remains subject to shareholder and regulatory approvals.⁵

On 18 February 2026, the Honourable Minister of Communications Innovation and Digital Economy issued a public statement acknowledging the proposed acquisition and reaffirming the strategic importance of telecommunications infrastructure to Nigeria's digital economy, national security and economic development.⁶ The Honourable Minister, Dr. Bosun Tijani, indicated that the Ministry would undertake a thorough assessment of the transaction in

¹ MTN, 'MTN Group announces proposed acquisition of IHS Towers' (17 February 2026) <<https://www.mtn.com/mtn-group-announces-proposed-acquisition-of-ihs-towers/>> accessed 23 February 2026; IHS, 'IHS Towers Announces Proposed Sale to MTN Group Limited for Approximately \$6.2 billion' (17 February 2026) <<https://www.ihstowers.com/support-and-info/media/press-releases/2026/ihs-towers-announces-proposed-sale-to-mtn-group-limited-for-appr>> accessed 23 February 2026.

² IHS, 'IHS Towers Announces Proposed Sale to MTN Group Limited for Approximately \$6.2 billion' (17 February 2026) <<https://www.ihstowers.com/support-and-info/media/press-releases/2026/ihs-towers-announces-proposed-sale-to-mtn-group-limited-for-appr>> accessed 23 February 2026.

³ Royal Ibeh, 'Nigeria's telecom sector attracts \$392.9m in nine

months, reversing 2024 slump' (16 February 2026) <<https://businessday.ng/technology/article/nigerias-telecom-sector-attracts-392-9m-in-nine-months-reversing-2024-slump/>> accessed 23 February 2026.

⁴ MTN, 'MTN Group announces proposed acquisition of IHS Towers' (17 February 2026) <<https://www.mtn.com/mtn-group-announces-proposed-acquisition-of-ihs-towers/>> accessed 23 February 2026

⁵ *ibid* 2.

⁶ Dr. 'Bosun Tijani, 'Statement on the Acquisition of IHS Towers by MTN Group' (17 February 2026) <<https://fmcide.gov.ng/statement-on-the-acquisition-of-ihs-towers-by-mtn-group/>> accessed 23 February 2026

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collaboration with relevant regulatory authorities to ensure that any market consolidation protects consumers, safeguards investments and preserves long term sector sustainability.⁷

Read together, the statement of the Honourable Minister suggests that market structure and competition considerations will be taken into account as part of the regulatory approval process for the transaction. In this article, I set out the analytical framework that the Nigerian competition authorities are likely to apply when reviewing the transaction to assess whether it raises potential competition concerns for the purposes of merger clearance.

Merger Control in the Communications Sector

In Nigeria, both the Federal Competition and Consumer Protection Commission (FCCPC) and the Nigerian Communications Commission (NCC) are authorised under their respective establishing statutes to review mergers in the communications sector for competition law purposes. MTN and IHS are both holders of communications licenses and are therefore subject to both the FCCPC regime and the sector specific regulatory oversight of the NCC. However, the jurisdictional thresholds and notification triggers applied by the FCCPC and the NCC differ in material respects.

Under the FCCPC regime, paragraphs 2.1 and 2.2 of the Merger Review Guidelines 2020 (MRGs) state that a merger is notifiable where a relevant merger situation is created or is expected to be created. Paragraph 2.3 of the MRGs states that a relevant merger situation arises where two cumulative conditions are met. First, two or more undertakings are brought under common control, or arrangements are in progress or contemplation that would result in such undertakings coming under common control.

Second, either the Nigerian turnover of the target undertaking in the preceding financial year exceeds the prescribed threshold, or the combined Nigerian turnover of the merging undertakings exceeds the prescribed threshold, commonly referred to as the turnover test.

By contrast, regulation 27 of the Competition Practices Regulations 2007 issued by the NCC adopts a different approach. Transactions are notifiable to the NCC where they involve the acquisition of more than ten percent of the shares of a communications licensee, result in a change of control of a communications licensee, or involve the direct or indirect transfer or acquisition of an individual licence previously granted by the NCC pursuant to the Nigerian Communications Act.

Under both the FCCPC and NCC standards, the element of control is clearly satisfied in this transaction. Section 92 (2) of the Federal Competition and Consumer Protection Act (FCCPA) defines control broadly, including situations where an undertaking owns more than half of the issued share capital, can exercise a majority of voting rights, appoint or veto a majority of directors, acts as a holding company, or is otherwise able to materially influence the policy of another undertaking in a manner comparable to these forms of control.

Notwithstanding the satisfaction of the control element, notification to the FCCPC remains contingent on meeting the applicable turnover thresholds. Where the combined annual turnover of the merging undertakings in, into or from Nigeria equals or exceeds NGN 1 Billion, or the annual turnover of the target undertaking equals or exceeds NGN 500 Million, the transaction is notifiable. Where these thresholds are not met, the transaction falls

⁷ *ibid.*

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outside the FCCPC notification regime. The NCC, however, applies no turnover threshold. Accordingly, irrespective of turnover considerations, the transaction is notifiable to the NCC.

The substantive test for merger review

The substantive standard of review applied by the FCCPC in assessing mergers is the test of substantial prevention or lessening of competition (SPLC), whereas the NCC applies the test of substantial lessening of competition (SLC). Both the FCCPC and NCC focus on transactions that may lessen competition in the market. The term may, as used by both agencies in the context of mergers, reflects established antitrust principles from United States case law and the legislative and regulatory intent. It indicates that, when reviewing a proposed merger against the substantive test, the agencies are concerned with a reasonable probability that the transaction will result in a SPLC or SLC, rather than with absolute certainty. Consequently, any determination by the FCCPC or NCC that a merger substantially lessens competition is based on the likelihood of such an outcome rather than a definite occurrence.

Competition Concerns and Theories of Harm in Mergers

Not all mergers are anti-competitive. Nonetheless, competition authorities recognise three principal sources of potential harm to competition and consumers, commonly referred to as theories of harm.

While the NCC has not formally adopted these, the FCCPC explicitly applies them:

I. Unilateral effects

⁸ Steven C. Salop, Daniel P. Culey, 'Potential Competitive Effects of Vertical Mergers: A How-To Guide for Practitioners' (8 December 2014) <<https://scholarship.law.georgetown.edu/cgi/viewcontent.cgi?article=2404&context=facpub>> accessed 23 February 2026, p. 5.

These arise in horizontal mergers where competition between merging firms is eliminated. The post-merger firm may profitably raise prices, reduce output, or diminish quality, variety, or innovation. Competitors may also respond by raising prices if customers switch to them, creating a non-collusive oligopoly.

II. Coordinated effects

These may occur in horizontal or vertical mergers when a transaction strengthens conditions that enable market participants, including the post-merger firm, to coordinate behaviour, allowing firms to increase prices or reduce quality collectively.

III. Vertical effects

Vertical mergers, involving firms at different supply chain levels, are generally presumed unlikely to harm competition and may generate efficiencies.⁸ However, they can be problematic if the post-merger firm leverages market power in one market to foreclose competition in another, for instance by restricting access to essential inputs.⁹

Analytical Framework

The analytical framework applied by the FCCPC and NCC for assessing the competitive effects of a merger begins with the definition of the relevant market, which comprises both the relevant product market and the relevant geographic market. The relevant product market is defined in terms of products and the set of

⁹ Jeffrey Church, 'The Impact of Vertical and Conglomerate Mergers on Competition' (September 2004) <https://appliedantitrust.com/12_nonhorizontal_mergers/7_euro_pe/church_impact_vertical9_2004.pdf> accessed 23 February 2026, p. iv.

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products that customers regard as close substitutes.¹⁰

In defining the relevant product market, the FCCPC applies the small but significant non-transitory increase in price (SSNIP) test, also known as the hypothetical monopolist test (HMT).¹¹ The SSNIP test examines whether consumers confronted with a hypothetical small but permanent price increase, typically in the range of 5 to 10 per cent, would switch to alternative substitute products, or whether suppliers of similar products located elsewhere would enter the market.¹² If a price increase induces a sufficient number of consumers to switch to substitutes, or incentivises suppliers of these substitutes to enter the market, rendering the price increase unprofitable, those substitute products are considered part of the relevant market, as the initial market would be deemed too narrow. This process is repeated until consumers are unable to switch due to the unavailability of alternatives. In general, products that are substitutable are regarded as belonging to the same relevant market.¹³

The relevant geographic market, according to FCCPC, is defined by the location of suppliers and includes those suppliers that customers consider feasible alternatives.¹⁴ This may be local, state-wide, regional, national, or extend beyond national boundaries. An initial candidate market is proposed for each location where a merging party produces or sells the relevant products. If buyers are likely to switch their purchases to sellers in more distant locations in sufficient quantities to render a SSNIP by a hypothetical monopolist unprofitable, the location

representing the next-best alternative is incorporated into the candidate market. This process continues until the smallest set of areas over which a hypothetical monopolist could impose and sustain the price increase is identified.¹⁵

The NCC's analytical framework for assessing whether a proposed merger may substantially lessen competition in a communications market closely mirrors that of the FCCPC, beginning with the definition of the relevant market. Regulation 19 (2) requires the NCC to consider the products and services that constitute a specific market, as well as the geographic scope of the market, demand-side substitutability to measure the extent to which consumers are willing or able to substitute other products or services, and supply-side substitutability to determine the ability of alternative suppliers to provide competitive alternatives. It should be noted, however, that in defining the relevant communications market, the NCC has yet to issue guidance specifying the circumstances under which demand-side or supply-side substitutability will be considered in assessing products and services within a particular product and geographic market.¹⁶

The FCCPC then proceeds with a structural assessment of the market using quantitative indicators, including market shares and concentration measures such as the Herfindahl-Hirschman Index (HHI), to identify where the merger may materially increase market power and reduce competitive pressure. Where these structural indicators suggest possible anti-competitive effects, the FCCPC

¹⁰ Regulation 25 (2) Merger Review Regulations 2020 (MRRs).

¹¹ *ibid.*, Regulation 26 (1).

¹² Paragraph 5.11, MRGs.

¹³ Janice Hauge, Mark Jamison, 'Analyzing Telecommunications Market Competition: Foundations for Best Practices' (29 October 2009)

https://www.researchgate.net/publication/228737683_Analyzing_Telecommunications_Market_Competition_Foundations_for_Best_Practices

[r_Best_Practices_accessed_23_February_2026](#) > accessed 23 February 2026, p. 11.

¹⁴ Regulation 25 (3), MRRs.

¹⁵ Paragraph 5.12, MRGs.

¹⁶ Chukwuyere Ebere Izuogu, *Regulating Anti-competitive Practices in Nigeria's Communications Sector* (Oisterwijk: Wolf Legal Publishers, 2017), p. 53.

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undertakes a more detailed assessment through the strength of competition test, which examines qualitative factors such as actual or potential import competition, barriers to entry or expansion, the presence of countervailing buyer power, and the capacity of rivals to constrain the merged entity's conduct.

Even where a merger is likely to result in an SPLC, the FCCPC may permit the transaction under the trade-off or efficiencies exception if the merging parties can demonstrate that the merger will generate verifiable efficiencies or public interest benefits that clearly outweigh the anti-competitive effects. These efficiencies may include cost reductions, improved innovation, or broader consumer benefits that are directly attributable to the merger.

In cases where competition concerns remain significant, the FCCPC may approve a merger subject to the imposition of remedies designed to restore competitive conditions and mitigate identified harms. Remedies may be structural, behavioural, or a combination of both. Structural remedies typically involve divestments, such as the sale of a business unit, assets, or specific product lines, which aim to maintain or restore the level of market rivalry that would exist absent the merger. Behavioural remedies, on the other hand, require the merged entity to take or refrain from certain actions, such as providing supply commitments, maintaining fair access to essential facilities, or observing non-discriminatory pricing and contractual terms, to prevent the exercise of excessive market power. The imposition of these remedies serves to protect consumers, preserve effective competition, and ensure that the merger does not undermine market dynamics, while allowing the transaction to proceed where overall efficiencies or public interest benefits are realised.

On the other hand, the NCC proceeds on an analytical framework that focuses on the predictive assessment of market dynamics, aimed at preventing competitive harm at its earliest stage. Central to this framework is SLC test, which is employed to determine whether a proposed merger would enable a firm to exercise enhanced market power, either unilaterally or through coordinated conduct with competitors. A lessening of competition is considered substantial if it confers significant and sustainable market power, typically evidenced by the merged entity's ability to profitably raise prices, reduce output, limit innovation, or otherwise diminish competitive pressure in the relevant market. While structural indicators such as market shares and concentration provide an initial screening, the SLC analysis conducted by the NCC is a holistic inquiry that considers whether the merger would remove a vigorous competitor, alter market incentives, or otherwise reduce consumer welfare over the medium to long term.

Although the NCC's decisional practices do not explicitly reference a trade-off framework akin to that of the FCCPC, it is reasonable to consider that mergers generating verifiable pro-competitive benefits could be assessed in a manner that balances these benefits against any identified anti-competitive effects. For such efficiencies to be recognised, they must be merger-specific, timely, and demonstrably likely to be passed on to consumers through lower prices, higher quality, or increased innovation. Complementing this approach is the failing firm defence, which may justify an otherwise anti-competitive transaction where one of the merging parties is facing inevitable market exit due to financial distress, and no less anti-competitive alternative purchaser is available to preserve the assets or operations in question.

Where significant competition concerns remain, the

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NCC may approve a merger subject to the imposition of remedies designed to restore or preserve competitive conditions. These remedies derive from the NCC's statutory mandate to protect effective competition and prevent merger-specific harms. Remedies are typically classified as structural or behavioural. Structural remedies generally involve the divestiture of business units, assets, or product lines to create or maintain an independent competitor capable of constraining market power. Behavioural remedies, in contrast, impose ongoing obligations on the merged entity, such as supply commitments, access obligations, pricing constraints, or contractual provisions designed to prevent exclusionary conduct and market foreclosure.

The imposition of remedies is not intended as a punitive measure against the merging parties but rather as a corrective mechanism to preserve competitive tension within the market. The objective is to achieve a market structure or set of operational conditions that ensures the continuation of competitive benefits, including fair pricing, product and service diversity, and incentives for innovation, while allowing the transaction to proceed where it delivers broader economic or efficiency gains. Remedies are tailored to the specific risks identified in each merger, taking into account the nature of the market, the characteristics of competitors, and the potential for consumer harm, thereby ensuring that interventions are both effective and proportionate.

Conclusion

In conclusion, while the proposed acquisition of IHS Towers by MTN represents a significant consolidation within Nigeria's telecommunications sector, there is currently little publicly available information to indicate that the transaction would result in substantial anti-competitive effects. On the contrary, the strategic rationale presented by the

parties, including the potential for cost efficiencies, improved service integration, and long-term value creation, may generate tangible efficiency gains and broader public interest benefits for consumers and the sector as a whole.

It is important to emphasise that this article does not seek to evaluate or predict the competitive effects of the proposed merger. Rather, its purpose is to provide an overview of the analytical frameworks and established decisional practices of the FCCPC and the NCC. By outlining the substantive tests, market assessment methodologies, and approach to remedies, the discussion highlights how these agencies are likely to assess any merger within the communications sector in accordance with statutory mandates and policy objectives.

Ultimately, the transaction will be subject to rigorous review by both agencies, taking into account market structure, competitive dynamics, and potential efficiencies. Any approval is expected to reflect a careful balancing of the need to preserve effective competition with the objective of realising pro-competitive benefits, ensuring that the transaction proceeds in a manner consistent with consumer protection, sector sustainability, and the broader interests of Nigeria's digital economy.

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Contact person for this article

**Chukwuyere Izuogu, LL.M
(Hannover), CIPP/E**

chukwuyere@sskohn.com

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Contact us at:

852b Bishop Aboyade Cole St,
Victoria Island,
Lagos

Tel: +234 1 271 2276; **Fax:** +234 1 271 2277

Email: info@sskohn.com; **Website:** www.sskohn.com