

# MTN denies illegal transfer of USD14bn from Nigeria

ABUJA, Nigeria - South Africa's MTN has denied it illegally transferred \$13.9 billion from Nigeria in the latest scandal to hit the telecom firm in its largest market in the continent.



The Johannesburg-based firm is facing a parliamentary probe over accusations it connived with senior Nigerian officials to move the funds out of the country without complying with the law.

"We would like to reiterate that at no point did MTN Nigeria (MTNN) illegally repatriate funds out of Nigeria or collaborate with Nigerians to loot the external reserves of the country," Ferdinand Moolman, the chief executive officer of MTNN told the Senate hearing in Abuja on Thursday.

"MTNN is a Nigerian company and is proud to be conducting business in Nigeria. It therefore categorically refutes any accusations of money laundering, economic sabotage or tax evasion levied against it," he added.

Moolman said all monies repatriated by the company were in respect of dividend payments and capital divestment originating from legitimate foreign direct investment. "The dividend payments were made to shareholders who imported foreign capital for investment in MTNN," he said.

Moolman also exonerated Nigeria's Trade and Investment Minister Okechukwu Elenamah from the alleged capital flight. "We would like to state that Dr Elenamah has never been a director or shareholder of MTNN," he said, adding that the minister

had not connived with the company to move funds out of Nigeria.

The parliamentary probe followed a motion last month by Dino Melaye, a senator from central Kogi state which called for MTN to be investigated over the alleged illegal transfers. Four local banks were alleged to have been used to move the funds with the help of the trade minister. The probe is the latest setback to hit MTN in Nigeria.

The firm was last year slammed with a \$3.9 billion fine for failing to cut off 5.1 million unregistered SIM cards, amid fears that some of the affected lines were being used by Boko Haram insurgents. The conflict sparked by the jihadist group has left at least 20,000 dead and forced more than 2.6 million people from their homes since 2009.

In June, MTN announced that following negotiations with the Nigerian authorities, it had agreed to pay \$1.7 billion as a final settlement.

MTN is the largest mobile phone firm in Nigeria, and the country accounts for a third of the group's total revenue. MTN threatened to pull out during the SIM card row, before the fine was reduced by nearly 70%.

Relations between Nigeria and South Africa, the continent's two economic powerhouses, have been strained over recent years on issues including economic rivalry and political friction.

South Africa's growth has been undermined by the slowdown in China and falling commodity prices; while Nigeria, the continent's top oil producer, has suffered from low oil prices, leading it into recession.

Source: [AFP](#).

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