

MTN declares decade-long USD 4.2 billion battle with Turkcell over

LONDON, UK, December 1, 2022 /EINPresswire.com/ -- A decade after proceedings were launched against South African telco group MTN by Turkish operator Turkcell in a lawsuit worth USD 4.2 billion, the High Court of South Africa has dismissed the claim with costs. The decision was taken on Wednesday 30 November.

Turkcell, along with its 100%-owned subsidiary East Asian Consortium (EAC), launched proceedings in November 2013, accusing MTN of improper action with regard to the first private Iranian network operator license. Believing that it was set to lose a network operator contract in the Middle Eastern nation as a result of bribery and corruption, Turkcell sought USD 4.2 billion (ZAR 43 billion in 2013) in damages.

MTN was accused of "corrupt acts" by the Turkish operator, including gifts given to government officials from Iran and South Africa and promises of bribes in order to secure the operator contract.

An earlier attempt to bring the case to court was made in the USA in 2012, but a Supreme Court ruling in an unrelated dispute made it apparent that the local courts would have no jurisdiction in an overseas claim involving two foreign companies. The initial case against MTN was dropped in May 2013 as a result. Turkcell's departure as a plaintiff in the case in November 2020 left EAC as the sole party taking action against MTN.

According to MTN: "In a judgement handed down by the High Court of South Africa on 30 November 2022, EAC's action against MTN has been dismissed with costs, putting an end to the Turkcell litigation. MTN is delighted at the outcome as it has consistently maintained that the Turkcell litigation was without merit. MTN had no provisions or contingent liabilities with regard to the Turkcell litigation."

Turkcell is directly and indirectly owned by TWF, the wealth fund of the Republic of Turkey (26.2% of shares) and LetterOne Holdings (19.8% of shares), the investment firm co-founded by Russian investors including Mikhail Fridman, Petr Aven and German Khan.

GAUTENG LOCAL DIVISION, JOHANNESBURG

CASE NUMBERS: 2013/44462

In the matter between:

TURKCELL İLETİŞİM HİZMETLERİ A.S.	First Plaintiff
EAST ASIAN CONSORTIUM B.V.	Second Plaintiff
and	
MTN GROUP LIMITED	First Defendant
MTN INTERNATIONAL (MAURITIUS) LTD	Second Defendant
MTN HOLDINGS (PTY) LIMITED	Third Defendant
MTN INTERNATIONAL (PTY) LIMITED	Fourth Defendant
NHLEKO, PHUTHUMA FREEDOM	Fifth Defendant
CHARNLEY, IRENE	Sixth Defendant

<https://businesstech.co.za/news/trending/647867/after-10-years-mtn-says-its-4-2-billion-battle-with-turkcell-is-over/>

Shamir Atif

DI PR

+44 20 7454 5111

[email us here](#)

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