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Owning the Towers:

The MTN–IHS acquisition and what fair competition should now look like in Nigerian telecoms

LAGOS | ABUJA | CALABAR

BACKGROUND

In February 2026, MTN Group announced that it would acquire the shares in IHS Holding that it does not already own. The transaction values IHS at roughly US$6.2 billion and requires about US$2.2 billion for the outstanding stake. It covers IHS operations in Nigeria, South Africa, Côte d'Ivoire, Cameroon and Zambia — approximately 28,000 sites in total, of which Nigeria alone accounts for close to 15,850.

In August 2026, the two Nigerian regulators with a central role in the Nigerian approval process made their positions known. The Federal Competition and Consumer Protection Commission (FCCPC) cleared the transaction subject to a condition that MTN sell down up to 30 per cent of IHS Nigeria to local investors, at market prices and on an arm's-length commercial basis, over time. On current valuations, that stake is worth somewhere between US$900 million and US$1.1 billion. The Nigerian Communications Commission (NCC) had, in mid-July, granted an Approval-in-Principle subject to its own safeguards: compliance with corporate governance guidelines, a prohibition on amending existing contracts by reason of the acquisition, an express prohibition on exclusivity in favour of MTN Nigeria, and an investment plan with measurable milestones. Completion is expected in the second half of 2026.

The significance is easy to state. As of June 2026, Nigeria had 192.2 million active mobile connections: MTN 98.6 million (51.38 per cent), Airtel 66.1 million (34.44 per cent), Globacom 23.6 million (12.34 per cent), and T2, formerly 9mobile, about 3.5 million (1.84 per cent). The largest operator in that market is acquiring the company on whose towers its principal competitors run their networks. That is not an ordinary merger, and it should not be assessed as one. That combination gives the transaction a distinctive vertical and infrastructure-access dimension that warrants careful consideration beyond the conventional analysis of a change in corporate ownership.

THE CASE FOR THE TRANSACTION

Undoing a bargain that stopped working

It is worth remembering why the towers were sold in the first place. A decade ago, operators across Africa sold their passive infrastructure to independent tower companies in order to release capital, shed operational complexity and concentrate on customers and spectrum and their core business. In exchange, they took on long-dated lease obligations that were, in substantial part, indexed to the dollar, to diesel and to inflation. That looked like a sensible trade in a stable currency environment. It stopped looking sensible when the naira moved sharply: lease and power obligations became one of the heaviest lines on Nigerian operators' income statements, and a significant driver of reported losses. It would be speculative to characterise MTN's motive as opportunistic in wanting those obligations back on its own balance sheet; it is responding rationally to a cost structure that has become difficult to manage. We assume that the acquisition also represents an opportunity for MTN to internalise infrastructure economics, improve cost predictability and align long-term network investment with the requirements of its connectivity business.

The independent tower company model, however, was not merely a financing arrangement. It also created a degree of structural separation between network operators and the passive infrastructure on which they depended, facilitating multi-tenancy and infrastructure sharing. The significance of the proposed transaction therefore lies not only in the change in ownership of IHS, but also in the potential re-integration of an important layer of passive infrastructure into a major mobile network operator.

Capital where the network needs it

Passive infrastructure in Nigeria is, in practice, an energy business with steel attached. Power is the dominant cost and the dominant cause of site downtime. The move to hybrid and solar sites, battery replacement cycles, site hardening against vandalism and theft, and the site densification that 5G and fixed wireless access require, all demand sustained capital. An owner that also carries the coverage obligations, the quality-of-service exposure and the customer relationship has a stronger incentive to spend on that infrastructure than a lessor whose returns are fixed by contract. Vertical integration, whatever its competition risks, does align investment with network outcomes.

A local ownership dividend, if it is done well

The FCCPC's sell-down condition, if implemented through a broad and transparent offering, institutional investors, pension funds, and ideally a listing, would put a billion dollars of Nigerian capital into critical national infrastructure and impose continuing disclosure discipline on IHS Nigeria. That is a genuine public benefit, and it is the kind of outcome the market would welcome. It is also entirely dependent on execution. A sell-down to a narrow group of related or opaque holders would satisfy the letter of the condition and deliver almost none of its purpose.

The sell-down should therefore be understood principally as an ownership-diversification and local-participation measure. It may complement, but cannot by itself substitute for, conduct-based safeguards addressing access, non-discrimination and commercially sensitive information.

Regulatory clarity as an investment signal

There is a further, less discussed benefit. Nigeria has just demonstrated that a transaction of this size can be reviewed by two regulators, conditioned, and cleared, within roughly six months of announcement. Coming shortly after the June 2026 NCC–CAC directive requiring prior NCC clearance for any transfer of 10 per cent or more of a licensee's share capital, it signals a regulatory system that is engaged rather than obstructive. For a sector that competes globally for capital, that matters.

WHERE THE DISCOMFORT LIES

The concerns raised across the industry are not, in the main, objections to MTN owning towers. They are concerns about three structural features that follow from it:

- **Information.** A tower company knows things about its tenants that a competitor should never know: where they are building next, which sites they are upgrading, which regions they are quietly retreating from, which capacity they are reserving. Site acquisition and build plans are among the most commercially sensitive information an operator holds. Under independent ownership, that information sat with a neutral party. Under the new structure, it sits inside the group that competes with them. The relevant question is whether appropriate governance, access controls and information barriers can sufficiently prevent competitively sensitive information from influencing MTN Nigeria's commercial or network decisions.

- **Incentive.** Even where pricing is fixed by contract, a landlord retains discretion that is difficult to observe from outside: the order in which capacity requests are approved, the speed of power upgrades, the sequencing of maintenance, the treatment of a request for structural reinforcement, the terms offered on renewal. None of these need be abused for the concern to be legitimate. The point of competition regulation is to remove the ability, not merely to trust the intention.
- **Dependence.** There is no readily substitutable alternative to IHS's installed base at comparable national scale. IHS is the largest passive infrastructure provider in Nigeria by a wide margin; the remaining independent portfolios are meaningful but not substitutable across the country. An operator cannot readily replicate or relocate thousands of existing sites simply by changing tower providers. Contestability is the ordinary discipline in a commercial relationship, and here it is largely absent.

There is a fourth concern, and it is no longer speculative. Bharti Airtel took control of India's Indus Towers in August 2024, crossing 50 per cent through a share buyback after Vodafone sold down an 18 per cent holding, and in November 2025 its board approved acquiring up to a further 5 per cent. Indus incorporated Indus Towers Nigeria in January 2026, and confirmed in July 2026 that it had secured regulatory approvals and operating licences in Nigeria, Uganda and Zambia, with Airtel Africa as anchor tenant and rollout imminent. Within a short period, therefore, Nigeria's two largest operators will each be affiliated with a tower company. These developments may indicate a broader shift towards operator-affiliated infrastructure ownership, rather than a purely independent towerco model.

The shift cuts in two directions. New supply is the best long-term answer to the complaint that there is no alternative to IHS, and a well-capitalised entrant is precisely what the market needs. But greenfield building takes years and will not relieve near-term dependence on an installed base of some 15,850 sites; and a tower company anchored by one operator is not an obviously comfortable landlord for that operator's competitors.

The position is already tangled: Airtel Nigeria sold its own towers to American Tower a decade ago and renewed and expanded its leasing arrangement with IHS in February 2024, so it is at once a tenant of the company its largest competitor is acquiring and the parent of a new entrant to the same business. Smaller operators, internet service providers and fixed wireless players, who have no realistic prospect of building their own sites, would be leasing from a rival whichever way they turn.

WHAT SOME PRACTITIONERS ARE PROPOSING

A view has emerged among several practitioners in the Nigerian telecoms market that the conditions imposed so far, while sensible, are a starting point rather than a complete answer. Their proposals, offered as a minimum set rather than a wish list, can be grouped under five headings. The proposals discussed below are not presented as a conclusion that additional conditions are legally required, nor as a view that the transaction should be prohibited, not in any way and this needs to be re-emphasised. Rather, they represent possible regulatory and contractual mechanisms through which the risks associated with operator-affiliated infrastructure ownership could be managed.

Open access and capacity

Legally binding open access obligations, covering both colocation on the towers and open access to the associated fibre, so that access rights do not depend on the goodwill of the owner. Views differ on whether capacity should be formally reserved for competitors or left to open market rules; the better view among practitioners is that reservation is a blunt instrument, and that a transparent, first-come, first-served allocation process with published turnaround times achieves more.

Ring-fencing and confidentiality

Structural ring-fencing of the tower business, so that competitor information obtained through tower operations (rollout plans, site data, capacity requests, traffic indicators) cannot pass to MTN's network, commercial or strategic functions. It is proposed that this be written into the lease contracts between the parties, and not left to group policy.

This deserves emphasis because it is widely misunderstood. The Nigeria Data Protection Act 2023 protects personal data. A competitor's rollout plan is not personal data. The confidentiality that matters here is commercial confidentiality between rivals, and it must be created expressly, in the leases, in the licence conditions, or in the approval conditions. It does not arrive on its own.

The relevant controls could include access restrictions, information-classification protocols, independent compliance oversight, audit trails and clear consequences for unauthorised disclosure. The objective should be to manage the competitive sensitivity of the information without unnecessarily impeding legitimate operational coordination within the wider group.

Price transparency and non-discrimination

A published pricing framework, with transparent escalation and energy pass-through methodologies, and an enforceable prohibition on discriminating between the owner's own affiliate and third-party tenants. Practitioners note, fairly, that pricing transparency has not been a feature of the independent tower market either, and that the transaction is an opportunity to fix a pre-existing problem rather than merely to prevent a new one.

This raises a question the regulator will need to answer squarely. If existing contracts are to be honoured, as the NCC has directed, are these protections already in them? If they are not, do existing regulations and licence conditions already impose them? And if neither is the case, then non-discrimination and price transparency need to become express conditions of the final approval, because otherwise there is nothing to honour.

Review and oversight

A sunset or review mechanism, under which the NCC revisits the conditions after a defined period (maybe two to five years) to assess whether they have worked, and to tighten or relax them accordingly. Alongside it, a clearer power for the regulator to compel review of commercial agreements between licensees where competition concerns arise.

A structural separation trigger

Finally, and most significantly, a defined trigger for structural separation: an agreed set of circumstances in which the tower business would have to be separated from the operator. The argument advanced is that MTN is, in effect, returning to the model Globacom never left (owning its own passive infrastructure), and that in the long run it may be cleaner for everyone to separate the two functions. Requiring competitors to depend on a dominant operator for infrastructure, on this view, asks for a level of sustained good faith that no market should have to rely on.

MEASURING THE PROPOSALS AGAINST WHAT ALREADY EXISTS

Not all of this is new ground, and it is worth being precise about what Nigerian law already provides, because the answer determines whether these are approval conditions to be negotiated or obligations that already bind.

- **Already addressed, at least in principle.** The NCC's conditions already prohibit exclusivity in favour of MTN Nigeria and prohibit amendment of existing contracts by reason of the acquisition. Together, these cover a meaningful part of the open access concern for existing tenants. Part VI of the Nigerian Communications Act 2003, the Competition Practices Regulations 2007 and the Guidelines on Collocation and Infrastructure Sharing provide the framework for access, non-discrimination and the control of anti-competitive conduct, and the NCC's dominance determinations give it the machinery to impose asymmetric obligations on a dominant licensee. The FCCPC retains its own continuing powers under the Federal Competition and Consumer Protection Act 2018, including the power to revisit conditional clearances.
- **Partly addressed, but not operationalised.** The general prohibition on undue discrimination exists; a published reference offer, standard lease terms, service level commitments and a transparent escalation methodology do not. A right of access is of limited value if the price and the turnaround time are opaque. This is where the most useful regulatory work now lies, and it is largely drafting work rather than new policy.
- **Not yet addressed.** Information ring-fencing between the tower business and MTN's commercial and network functions has no express home in the current conditions. Neither does a sunset review date. Neither does a structural separation trigger. These are the three areas that a final approval could consider.

It is also worth being clear about what the 30 per cent sell-down does and does not do. It is an ownership remedy, responsive to concerns about control of critical national infrastructure, and it brings the benefits of local participation and disclosure. It is not, by itself, a competition remedy. A 30 per cent minority holding does not change who controls the business, who appoints management, or who sets commercial policy. The competition work sits with the NCC and the FCCPC, in the conditions they attach and the way they supervise them.

GETTING THE BALANCE RIGHT

There is an opposite risk that deserves equal weight. Conditions that are too heavy, too vague or too slow to administer will not protect competitors; they will simply make the asset harder to run and Nigeria harder to invest in. Several considerations follow.

- Conditions must be capable of being monitored. An obligation that nobody measures is not a safeguard. Each condition should carry a reporting requirement, a named compliance officer, and a defined reporting cycle to the NCC.

- Disputes need a fast route. A tenant whose capacity request has been sitting unanswered for four months needs a determination in weeks, not an arbitration in years. A short-form regulatory dispute procedure with published timelines would do more for confidence than any number of general obligations.
- Regulatory capacity is the binding constraint. Both regulators are being asked to supervise a complex, technical relationship over many years. The conditions should be designed around what can realistically be enforced with the resources available.
- Symmetry matters. If open access, transparency and non-discrimination are the right rules for MTN-owned towers, they are equally the right rules for other operator-affiliated infrastructure — including the entrant now preparing to build in Nigeria with Airtel Africa as its anchor tenant. Obligations may properly be heavier on an entrenched provider than on a new entrant, since Nigerian law already ties asymmetric obligations to dominance rather than to entry; but the principles should be the same for everyone, or regulation will be argued to be serving one competitor against another.
- The ultimate benchmark should also remain consumer welfare. The relevant question is not simply whether competing operators receive equal access to towers, but whether the regulatory framework preserves the conditions for affordable, reliable and expanding connectivity. Safeguards that prevent discriminatory access should therefore be balanced against the need to preserve incentives for investment, network expansion and infrastructure modernisation.

CONCLUSION

The transaction is defensible on its merits. The cost structure that made the sale-and-leaseback model attractive a decade ago has since become a serious burden, the capital needs of Nigerian passive infrastructure are real and growing, and an owner that carries coverage and quality obligations has good reason to invest. The regulators have engaged seriously and have already imposed conditions that address several of the most obvious risks.

Equally, the concerns are legitimate and should not be treated as special pleading by competitors. When the largest operator in a market owns the infrastructure its rivals depend on, and those rivals have no realistic alternative, the ordinary disciplines of a commercial relationship are not present. Something must substitute for them, and it must be written down.

The most useful next step is narrow and practical: convert the general obligations that already exist in Nigerian law into specific, published, measurable terms for this transaction — a reference access offer with published pricing and escalation methodology, standard lease terms including express information ring-fencing, defined service levels and turnaround times for capacity and power requests, a compliance reporting regime, an expedited dispute procedure, and a review date at which all of it is reassessed. A structural separation trigger, defined in advance and never used, costs nothing and reassures everyone.

CONTACTS

ROTIMI AKAPO
rotimi.akapo@advocaat-law.com

ADEYEMI OWOADE
adeyemi.owoade@advocaat-law.com

INIMFON EKPENYONG
inimfon.ekpenyong@advocaat-law.com

FAVOUR ODUNOWO
favour.odunowo@advocaat-law.com

ONYEKA CHIKA
onyeka.chika@advocaat-law.com

AYOOLUWA ADEKOJE
ayooluwa.adekoje@advocaat-law.com

LAGOS OFFICE
13 Norman Williams Street
Off Keffi Street, Ikoyi
Lagos Nigeria

ABUJA OFFICE
Nigerian National Merit Award House Enspire
1st Floor Room 3
Plot 22 Aguiyi Ironsi Way Maitama Abuja
Nigeria

CALABAR
Akom Building
15 Murtala Mohammed Highway Calabar
Cross River
Nigeria

TELEPHONE: (LOS)+234 02014547932 (ABJ)+234 8105340496

EMAIL: info@advocaat-law.com **WEBSITE:** www.advocaat-law.com