

Government body asks Rain to retract its proposal to merge with Telkom

A government body has censured data network provider Rain for offering a proposal to merge with bigger rival Telkom SA saying the company had not sought prior approval.



Customers are served at a branch of South Africa's mobile operator, Telkom, in Johannesburg, South Africa, on 2 March 2022. Reuters/Siphiwe Sibeko/File Photo

Rain, owned by South African billionaire Patrice Motsepe, said on Thursday it had proposed a merger with Telkom in bid to trump mobile company MTN's designs to acquire Telkom.

The country's Takeover Regulation Panel (TRP), a government body, said the announcement was issued by Rain without the prior approval as required by regulations.

"The publication of the announcement by Rain is unlawful, and Rain has been instructed to retract the announcement," it said.

"In the circumstances, all parties (i.e., shareholders) and the market are advised to disregard the announcement."

Last month, the country's second biggest telecom company MTN said it was in talks with Telkom in a stock or cash-and-shares deal that could create the country's biggest telecom firm overtaking bigger rival Vodacom Group.

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