MTN Group 2016 tax report

The MTN Group is a leading emerging markets operator at the forefront of global technological changes. From our headquarters in Johannesburg and guided by our values, we are delivering a bold, new Digital World to our 240 million customers across Africa and the Middle East.

Our offerings include voice, data and internet services, cloud services, machine-to-machine monitoring technology, a pan-African internet of things platform, global multiprotocol label switching, mobile money, as well as other mobile services (including mHealth, mEducation and mInsurance). MTN is listed on the JSE Limited South Africa under the share code “MTN”.

Highlights

R33,7bn
Group total tax contribution
2015: R39,8bn

R147,9bn
Group revenue
2015: R147,1bn

R5,2bn
Group profit before tax
2015: R34,9bn

R18,2bn[1]
Adjusted group profit before tax
2015: R36,6bn

159,19%
Reported group effective tax rate
2015: 32,45%

42,39%[2]
Adjusted group effective tax rate
2015: 32,63%

R13,0bn
Taxes on production
2015: R15,2bn

R10,6bn
Taxes on profit
2015: R13,3bn

[1] *Adjusted Group profit before tax represents Group profit before tax as reported excluding: Nigeria regulatory fine (consisting of the re-measurement impact of when the settlement was entered into and the finance cost recognised as a result of the unwind of the initial discounting of the liability) (R11,5 billion); MTN Zakhele Futhi IFRS 2 charge (R1 billion); hyperinflation and the relating goodwill impairment adjustment (R0,5 billion) and tower profits (R0,03 billion).*

[2] *The adjusted Group effective tax rate is calculated by dividing the Group reported tax number (after adjusting for the tax impacts of the numbers included in footnote 1 above, as applicable) by the adjusted Group profit before tax.*

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Foreword

MTN has always espoused integrity as one of our core values. As a result, we are committed to transparency and complete candour is one of our vital behaviours. This voluntary report is testament to our transparent approach. It is an effort to explain our tax affairs more clearly and build and maintain trust with our stakeholders and the general public.

In 2016 we had the total Group total tax contribution (TTC) number amounting to R33,7 billion independently assured by PricewaterhouseCoopers Inc (PwC). For details on the procedures and the outcome of the review of the total Group TTC number, please refer to the independent assurance report on non-financial data and assurance definitions for non-financial data available on our website https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx. Our taxes were subjected to our system controls and internal financial controls. We maintain our taxes in line with our standard processes and procedures on enterprise risk management and governance. We have also started preparing our country-by-country report due to the South African Revenue Service by December 2017.

In order to achieve tax transparency, a company needs to move beyond merely providing detail on the tax numbers and performance. In line with this aspiration, in "MTN's approach to tax" section we have endeavoured to provide readers with an understanding of the Company's approach to tax, risk management, tax planning as well as views on specific tax risks. Furthermore, in the "Continuous improvement on tax governance and transparency" section we provide you with the highlights of how we show that we are committed to continuously improve our tax governance and transparency.

Despite the numerous challenges we have been faced with recently MTN still contributed significantly to the communities in which we operate through employment, skills development, the development of businesses in our supply chain and our contribution to tax revenues. The latter goes significantly beyond the corporate income taxes paid on our profits. In this report under the "Total tax contribution" section we endeavour to demonstrate our total tax contribution, which includes but is not limited to corporate taxes, indirect taxes, withholding taxes, payroll taxes, operating licence fees and other payments to government authorities.

In 2016 there were continued developments in the international tax landscape, as a result of the Organisation for Economic Co-operation and Development's (OECD's) continuing project on Base Erosion and Profit Shifting (BEPS). The outcomes of the BEPS initiative and other risks facing the organisation have been dealt with in this report under the "Current tax environment" section.

MTN is acutely aware of its responsibility to uphold human rights. We understand that our behaviour has a direct impact on the civil liberties of others. Our corporate decision making, and indeed the manner in which we manage our tax affairs, are cognisant of that.

Gunter Engling
Deputy chief financial officer

Economic contribution

As one of the largest mobile operators in our markets, we are aware that our activities have significant implications for the communities in the regions in which we operate. It is vital that we understand exactly who is affected by our activities so that we can ensure their interests are promoted when strategic business decisions are made. MTN has identified the following among our key stakeholders: governments, regulators, customers, communities, civil society, the media, suppliers and business partners, industry bodies, investors and shareholders and employees.

Value distribution

Our activities drive economic value within each jurisdiction in which we operate. This value is distributed to our stakeholders in a multitude of ways only some of which are measurable. This includes:

1. Business

During 2016, MTN spent R110,3 billion (2015: R95,2 billion) on suppliers and contractors.

We increased capital expenditure (capex) by 19,6% to R34,9 billion in 2016 with a focus on 3G and LTE rollout. MTN South Africa's capex amounted to R11,1 billion.

We plan to spend R34,7 billion on our capex programme in 2017.

2. Employees

MTN employed 19 989 (15 980 permanent and 4 009 contracting) personnel, representing 60 different nationalities. In 2016, we spent R9,2 billion in staff costs (R8,6 billion in 2015).

In the year, R392 million was invested in employee training (R223 million in 2015). Employees are actively encouraged to look for opportunities to continuously improve their capabilities and skills through extensive training available digitally, face to face and from other sources supplied by the MTN Academy, or from external accredited and reputable organisations.

For details on MTN employees and remuneration please refer to pages 12 and 68 to 87 of the MTN Group's 2016 integrated report.

3. Corporate social investment

As we invest in communications technology and infrastructure in our host markets, so too do we invest in the societies that make up our customer base, now and into the future. In line with our strategy, MTN's CSI policy is to invest in projects and programmes that will lead the way in helping beneficiaries build capacity and self-reliance using digital technology. Our approach is primarily to add value and provide support to government, predominantly in the education sector with educators, teachers and trainers, with additional focus on supporting health and enterprise development.

In 2016, MTN's CSI totalled R295,4 million (2015: R335,4 million), with R127,6 million of the total spent on improving access to education. MTN is committed to education, particular the area of providing access to digital teaching and learning, through the use of ICT and digital technologies. Our goal for 2017 is to ensure that at least 50% of our education programmes implemented have a ICT/digital component.

In 2016, we spent R69,4 million (2015: R54,6 million) on health programmes.

Through our support programmes and initiatives in the area of enterprise development, we aim to develop and grow small and medium-sized enterprises (with annual turnover of less than US$5 million) in our operating countries. The aim is to support the education and upskilling of entrepreneurs to build the sustainability of their businesses, and even taking them on as suppliers in time. In 2016, we spent R21,0 million (2015: R26,4 million) on enterprise development initiatives.

With regards to national priority projects, our objective is to support projects and programmes that are of national importance at the time, using our core business strengths in ICT. In 2016, we contributed R53,5 million (2015: R48,3 million) towards national priority projects.

For more information on MTN's CSI achievements please visit https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx.

4. Governments

Despite the numerous challenges we faced in 2016, we still made a significant contribution to government revenues in the regions where we operate. This information is detailed in the "Total tax contribution" section of this report.

5. Digital inclusion

With 240 million subscribers across Africa and the Middle East, bridging the digital divide and enabling environmental and economic benefits through the Internet of Things is a priority. Our investment in digital inclusion projects enables us to give back socially to the broader stakeholder communities in which we operate, while also facilitating a commercially viable and sustainable business proposition.

Our digital inclusion investments broadly span the financial, health, education, enterprise and public sector categories, among others. More detail on MTN's digital inclusion initiatives can be found in the 2016 MTN Group sustainability report at https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx.

Current tax environment

MTN has an extensive footprint, with operations in 17 countries across Africa and five in the Middle East. Tax legislation and transfer pricing rules and regulations vary from country to country and consequently we operate in a complex and diverse tax environment comprising a variety of tax regimes.

In recent years, international tax and transfer pricing have become extensive areas of focus for revenue authorities and governments around the world. One of the major developments in this regard is the project on BEPS that was initiated by the OECD in 2013 and finalised in 2015. The BEPS programme comprised 15 action points, aimed at addressing the undesired consequences of differences in tax regimes and lack of transparency. The BEPS programme has changed the international tax and transfer pricing landscape for all companies with an international footprint. The impact on the MTN Group will vary per jurisdiction and will be dependent on whether (and to what extent) the outcome of the BEPS actions are adopted and implemented in the various jurisdictions. The MTN Group adheres to key principles underpinning the BEPS programme, such as ensuring that profits are reported where value is being created, and will continue to apply these principles going forward.

The African Tax Administration Forum (ATAF) aims to provide an environment for African revenue authorities to cooperate, improve the performance of tax administration and build capable African tax administrations that develop, share and implement best practices. Of the 17 countries in Africa in which MTN has operations, 13 are ATAF members. Through various initiatives, revenue authorities are increasingly sharing information pertaining to multinational enterprises. South Africa and Nigeria, for example, were among the 31 countries that recently signed the Multilateral Competent Authority Agreement (MCAA) for the automatic exchange of country-by-country (CbC) reports. Depending on when and how CbC reporting requirements will be implemented in the various jurisdictions in which MTN operates, such CbC information will have to be prepared and submitted. In anticipation of such legislation being adopted, MTN has performed assessments as to the readiness and adequacy of its systems and seeks to ensure that CbC reports can easily be provided if and when requested by revenue authorities. We are already preparing our CbC report due for submission to the South African Revenue Service by December 2017.

It has become imperative that multinational enterprises are cognisant of the diversity and complexity of the international tax and transfer pricing landscape and that they are compliant with local tax legislation in jurisdictions in which they operate and with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

Against the backdrop of the increased focus on tax and transfer pricing by revenue authorities, legislators, regulators and various (national, regional and international) forums, there has also been an increased focus in the media and in the public domain on the tax and transfer pricing position of multinational enterprises. Over the past few years, various multinational enterprises, including MTN, have been the subject of news articles about tax issues, with varying degrees of accuracy and nuances. As noted, MTN closely follows all relevant international tax and transfer pricing developments and endeavours to be compliant with all relevant regulations.

MTN's approach to tax

Tax governance

The MTN Group board understands and takes accountability for all risks that potentially affect the achievement of its strategic priorities. Derived from an assurance methodology, MTN has implemented robust risk management frameworks consisting of proactively identifying and understanding the factors and events that may impact our strategic priorities, then managing them through effective mitigation plans, internal controls and monitoring and reporting processes.

The way MTN Group manages its tax affairs is directly relevant to its shareholders and other internal and external stakeholders. Taking into account an increasingly complex tax legislation environment, multiple regulatory requirements, and the focus of revenue authorities in protecting their tax revenues through the tightening of rules, increased enforcement and improvement of their approach to tax collection, there is an increased focus on tax risk and controls that will mitigate tax risk to an acceptable level.

To this end, the MTN Group has developed a systematic approach to manage tax obligations and tax risk taking into account that tax obligations and the associated risks are managed and monitored by many different personnel, business functions, systems and processes within the Group.

Principles governing MTN's approach to tax

MTN Group has agreed the following tax guiding principles that support its approach to tax:

- It is paramount to the MTN Group that its tax affairs are managed in such a manner so as not to cause a detrimental effect on the reputation or brand of the MTN Group. Accordingly, the commitment of the MTN Group is to act responsibly and in an accurate, transparent and timely manner in respect of its tax affairs by fulfilling all compliance, disclosure and reporting obligations, in accordance with the prevailing tax laws in all jurisdictions in which it operates;
- The MTN Group seeks to create and manage shareholder value by undertaking legitimate and responsible tax planning within the tax laws and regulations of the countries in which MTN Group operates. In this regard the MTN Group acknowledges that its tax contribution in the jurisdictions in which it operates is significant and manages such obligations in a proactive and forward-looking manner and in accordance with the prevailing legislation;
- MTN is committed to transparent and constructive relationships with revenue authorities. These are based on open and honest communication. The need to foster strong relationships with revenue authorities is critical to ensure the management of tax risk;
- The Group commits to ensuring there is the necessary resource capacity and capability to manage its tax affairs in an efficient and effective manner, including investing in tax knowledge and training of tax resources to ensure they have the requisite skills and knowledge; and
- Tax is integrated into all business processes supported by adequate and robust controls, clear lines of communication, defined roles and responsibilities and financial systems that are adequately configured for specific tax requirements and controls.

Tax risk management

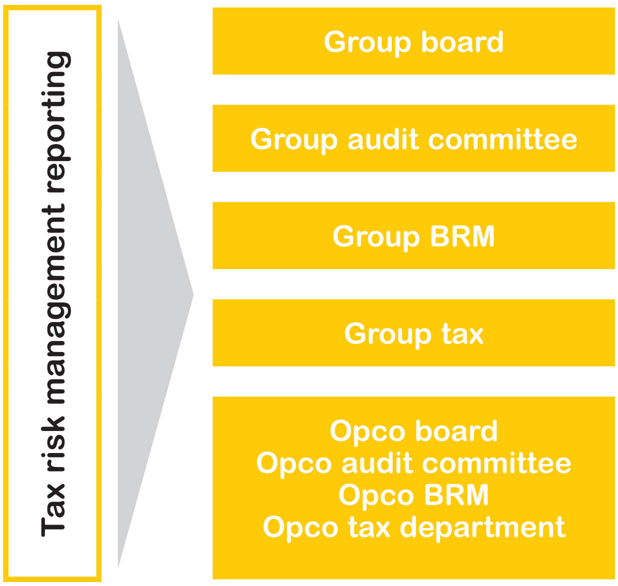
One of the fundamental pillars of MTN's approach to tax is a tax risk management framework aimed at ensuring that tax risks are properly identified, prioritised and managed in accordance with MTN Group's integrated risk management process. The Group board and Group audit committee provide oversight of the tax risk management framework taking into account the potential financial, legal, business and reputational risk of failing to detect and manage tax risks timeously.

Regular and transparent tax reporting is embedded within the governance structures of the Group, including the Group audit committee, executive committee and the Group board.

Tax risk reporting is achieved through the tax risk management programme. Tax risk registers are compiled at an operational level on a quarterly basis and pass through in-country governance structures, including in-country audit committees and boards. The MTN Group tax function, together with the Group business risk management (BRM) function, aggregates the information provided by the operations and produces the Group audit committee tax report which is presented at the audit committee's quarterly meetings for deliberation. The Group audit committee will then report significant matters arising from the Group tax report to the MTN Group board of directors.

MTN's approach to tax continued

This process ensures that all tax risks across the 22 countries within which MTN operates are identified, measured, controlled and monitored within the tax risk tolerance levels and managed at the highest governance levels within the Group.



For details on our approach to risk refer to pages 32 to 34 and 61 of the MTN Group 2016 integrated report.

Uncertain tax positions

Tax legislation is often subject to interpretation, particularly in the absence of established case law, and as such, creates areas of uncertainty on which management is required to make judgements.

The tax risk management programme, through its governance, provides for robust processes and controls in evaluating the tax provisions and the classification thereof, and is an effective enabler in the reporting of these matters. The relevant tax provisions and / or contingencies are discussed and agreed with Group tax and the Group technical accounting team and are communicated to external audit, the Group audit committee and the Group board.

The Group does not recognise liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised. Contingent liabilities due to uncertain tax exposures in various tax jurisdictions where the Group operates amounted to R7 611 million in 2016 (R865 million in 2015).

For details of the Group's material issues in 2016 please refer to pages 8 and 9 and for the top risks, see pages 35 to 39 of the MTN Group 2016 integrated report.

Relationships with revenue authorities

In respect of dealings with revenue authorities, the MTN Group values a good working relationship and maintains these relationships based on the following key principles:

- Transparent, open and honest communications based on credibility and integrity, thereby building mutual trust;
- Full disclosure of all relevant information;
- A high level of responsiveness to revenue authorities' queries, by dealing with such in a timely and efficient manner;
- Commitment to early resolution of tax disputes with revenue authorities;
- Do not use any influence to seek preferential or extra-statutory treatment in tax rulings or settlements; and
- Seek to boost the capacity of revenue authorities in poorer countries through positive and proactive disclosure and cooperative working practices and do not undermine revenue authorities' capacity or independence.

We believe in open communication and we meet with tax authorities on a regular basis to ensure that our business dealings are better understood by the authorities, to exchange perspectives on various matters, and in the course of tax audits and follow-up questions.

We support the initiatives of the ATAF and closely follow all relevant tax and transfer pricing developments and endeavour to be compliant with all relevant regulations including guidelines by conventions like the OECD.

MTN's approach to tax continued

Tax havens

The OECD set out four factors to be considered for identifying tax havens: 1) no or nominal tax is levied on relevant income; 2) lack of effective exchange of information; 3) lack of transparency; and 4) no substantial activities.

MTN has subsidiaries in jurisdictions that may be defined as tax havens. The reason for their existence in these jurisdictions is always based on sound business principles and not merely to obtain a tax benefit. For example, the most significant jurisdiction that some may argue is a tax haven is Dubai. The some 115 MTN employees in Dubai perform a range of services including procurement, IT and financial services, to name but a few. The location of Dubai relative to our Middle East and African operations, its proximity to major suppliers, the ease of travel and communication, good infrastructure, stable regulatory and political environment, and extensive business information technology network overwhelmingly support the commercial rationale for MTN's presence in Dubai. MTN International (Mauritius) Limited and MTN (Mauritius) Investments Limited which are registered in Mauritius are tax resident in South Africa.

Advocacy or lobbying activity

MTN seeks to engage openly and proactively with national and international organisations on matters of tax policy and potential changes to tax legislation in order to ensure regulations promote sustainable investment in the territories in which we operate. This includes information sharing and requesting input on whether subjects for consultation and lobbying are in place or have been monitored in other countries.

Continuous improvement on tax governance and transparency

Tax technology review across MTN opcos

As part of our drive to improve MTN tax governance and transparency, we embarked on a tax technology review across the whole of MTN. The end result of this project will be a roadmap which will stipulate the type of tax systems we can implement or improve in order to better our tax governance, compliance and transparency. This project is planned to be finalised in the first half of 2017. We will start designing and implementing systems during 2017.

Independent assurance review of Group total tax contribution (TTC) number

As part of our drive and commitment to improving transparency and to increase credibility to our total tax contribution number, we engaged PwC to perform a limited assurance review of our total Group TTC number in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits and Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. The assurance to this number has been marked throughout the report. For details to the scope of work, procedures and outcome of the review of the total group TTC number, please refer to the "Independent assurance report on non-financial data" and "Assurance definitions for non-financial data" on the MTN website at https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx.

Proactive adoption of King IV Code on Corporate Governance (King IV report) principles

The King IV report requires boards to play a more active role in ensuring effective tax governance by driving the organisation's tax risk management framework and paying particular attention to the risks of the organisation.

The King IV report is effective in 2017 for organisations whose financial years start on or after 1 April 2017. MTN financial year-end is in December. Consequently, King IV will officially be applicable to MTN from January 2018. Despite this, we have taken proactive steps to adhere to some of the King IV principles as follows:

- Part 5.1: Leadership, ethics and corporate citizenship (Principles 1 to 3): **Tax governance considerations**

  We had our updated Group tax strategy and policy reviewed and approved at the Group audit committee (and also presented to the board of directors) in 2016. Prior to this, the last update was in 2013.
- Part 5.2: Strategy, performance and reporting (Principles 4 to 5): **Tax transparency**

  We have undertaken to do a tax technology review across the whole of MTN. The end result of this project will be a roadmap which will stipulate the type of tax systems we can implement or improve in order to better our tax governance, compliance and transparency.

  Alongside our integrated report, we also produce a separate tax report. We did this for the first time in 2016, with details relevant to 2015 and 2014.

  In 2016 for the first time we engaged an independent external assurance provider to perform a limited assurance review of our total Group TTC number.
- Part 5.4: Governance functional areas (Principles 11 to 16): **Tax function and tax risk framework consideration**

  The tax function is adequately resourced. However, with the drive to regularly review this, the tax structure for the whole MTN Group was presented at the fourth quarter 2016 Group audit committee meeting.

  The tax risk management framework is stipulated within the Group tax strategy and policy.

  The idea of a tax technology review was raised by members of the Group's audit committee in its meetings.
- Part 5.5: Stakeholder relationships (Principles 16 to 17): **Tax transparency considerations**

  When publishing the annual integrated report, we also publish a separate tax report. In the tax report we include detailed information about the Group's total tax contribution.

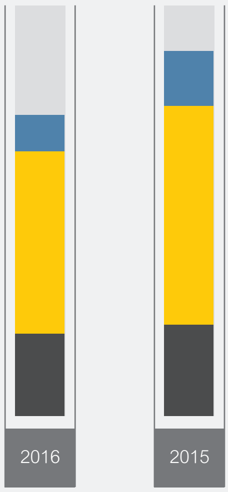
  We have also started preparing the country-by-country report due to the South African Revenue Service by December 2017.

Total tax contribution

The total tax contribution represents payments made by the MTN Group (including joint ventures and associates) to all spheres of governments within the regions in which we operate. The amounts represent actual cash payments made in the respective financial year rather than the tax charge as reported in the income statement.

Total tax contribution by opco region

(R billion)



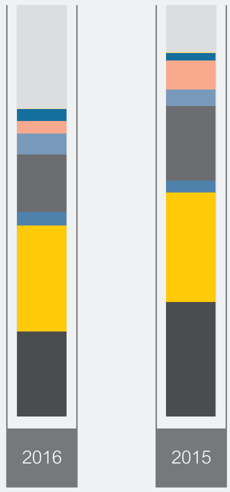
Total value: R33,7 billion[3]
(2015: R39,8 billion) – 15,3% decrease

	2016 %	2015 %
SEA[4]	**26,3**	24,5
WECA[5]	**60,4**	59,6
MENA[6]	**13,3**	15,9

	2016 R billion	2015 R billion
SEA[4]	**8,9**	9,8
WECA[5]	**20,3**	23,7
MENA[6]	**4,5**	6,4

Total tax contribution by type

(R billion)



	2016 %	2015 %
Corporate tax	**27,5**	31,4
Indirect taxes	**34,5**	30,1
Payroll taxes	**4,4**	3,4
Operating licence fees[7]	**18,8**	20,4
Withholding taxes	**4,2**	8,1
Other[8]	**6,7**	4,6
Property taxes	**0,1**	0,0
Dividend tax	**3,8**	2,0

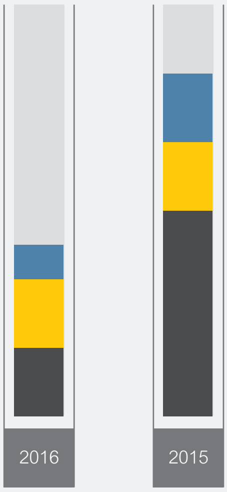
	2016 R billion	2015 R billion
Corporate tax	**9,3**	12,5
Indirect taxes	**11,6**	12,0
Payroll taxes	**1,5**	1,4
Operating licence fees[7]	**6,3**	8,1
Withholding taxes	**1,4**	3,2
Other[8]	**2,3**	1,8
Property taxes	**0,03**	0,01
Dividend tax	**1,3**	0,8

[3] *The R33,7 billion total Group TTC number was independently assured. Please refer to https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx for the independent assurance report on non-financial data and assurance definitions for non-financial data.*
[4] *SEA region: South Africa, Uganda, Rwanda, Zambia, South Sudan, Botswana (joint venture) and Swaziland (joint venture).*
[5] *WECA region: Nigeria, Ghana, Cameroon, Ivory Coast, Benin, Guinea-Conakry, Congo-Brazzaville, Liberia and Guinea-Bissau.*
[6] *MENA region: Iran (joint venture), Syria, Sudan, Yemen, Afghanistan and Cyprus.*
[7] *Operating licence and operating regulatory fees.*
[8] *Stamp duties, transfer duties and various other payments to government authorities.*

Total tax contribution continued

Total tax contribution collected by MTN

(R billion)

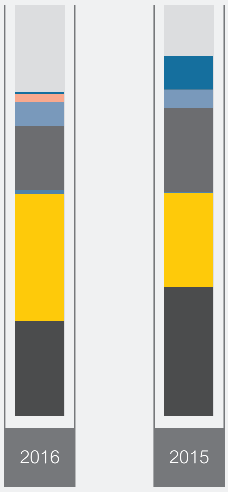


	2016 %	2015 %
Dividend tax	**22,0**	16,8
Payroll taxes	**53,3**	25,7
Product taxes[9]	**24,7**	57,5

	2016 R billion	2015 R billion
Dividend tax	**0,5**	0,8
Payroll taxes	**1,1**	1,2
Product taxes[9]	**0,5**	2,8

Total tax contribution borne by MTN

(R billion)



	2016 %	2015 %
Corporate tax	**29,4**	35,7
Indirect taxes	**39,0**	26,3
Payroll taxes	**1,1**	0,4
Operating licence fees[10]	**20,0**	23,2
Withholding taxes	**0,7**	9,2
Other[11]	**7,2**	5,2
Dividend tax	**2,6**	0,0

	2016 R billion	2015 R billion
Corporate tax	**9,3**	12,5
Indirect taxes	**12,3**	9,2
Payroll taxes	**0,4**	0,1
Operating licence fees[10]	**6,3**	8,1
Withholding taxes	**0,2**	3,2
Other[11]	**2,3**	1,8
Dividend tax	**0,8**	0,0

[9] This includes indirect taxes and withholding taxes.
[10] Operating licence and operating regulatory fees.
[11] Property taxes, stamp duties, transfer duties and other various payments to government authorities.

Total tax contribution continued

Total tax contribution by country and region

This table reflects the total of all tax amounts (in millions) in respect of the 2016 financial year classified by opco country and regions.

Country	2016 Rm	Proportionate %	2015 Rm	Proportionate %
South Africa[12]	**5 210**	**15,48**	6 032	15,15
Uganda	**1 781**	**5,29**	1 609	4,04
Rwanda	**496**	**1,47**	593	1,49
Zambia	**1 034**	**3,07**	769	1,93
South Sudan	**9**	**0,03**	134	0,34
Botswana (joint venture)	**0**	**0,00**	336	0,84
Swaziland (joint venture)	**337**	**1,00**	279	0,70
Total SEA	**8 867**	**26,34**	9 752	24,50
Nigeria	**7 130**	**21,18**	12 463	31,31
Ghana	**3 846**	**11,42**	2 408	6,05
Cameroon	**2 229**	**6,62**	3 963	9,96
Ivory Coast	**4 211**	**12,51**	3 728	9,37
Benin	**220**	**0,65**	434	1,09
Guinea-Conakry	**356**	**1,06**	279	0,70
Congo-Brazzaville	**1 901**	**5,65**	1	0,00
Liberia	**341**	**1,01**	338	0,85
Guinea-Bissau	**99**	**0,29**	95	0,24
Total WECA	**20 333**	**60,39**	23 709	59,57
Iran (joint venture)	**1 673**	**4,97**	3 105	7,80
Syria	**1**	**0,00**	1 534	3,85
Sudan	**405**	**1,20**	356	0,89
Yemen	**1 396**	**4,15**	675	1,69
Afghanistan	**783**	**2,33**	488	1,23
Cyprus	**209**	**0,62**	188	0,47
Total MENA	**4 467**	**13,27**	6 346	15,93
Total tax contribution	**33 667**[13]	**100**	39 807	100

[12] *The South Africa line includes MTN South Africa and all South Africa head office/holding companies including our holding companies in Mauritius.*
[13] *The R33,7 billion total Group TTC number was independently assured please refer to https://www.mtn.com/en/investors/financial-reporting/integrated-reports/Pages/default.aspx for the "Independent assurance report on non-financial data" and "Assurance definitions for non-financial data".*

Group effective tax rate (GETR)

Consolidated Group	2016	2015	Comment
MTN group	159,19%	32,45%	Increased rate in 2016 due to lower profit before tax and impacted mainly by hyperinflation, tower profits, MTN Zakhele Futhi and Nigeria regulatory fine[14]. Refer to the effective tax rate reconciliation below for further analysis of the movements.

Country	2016 GETR %
SEA	
South Africa	20,85[15]
Uganda	29,95
Rwanda	33,25
Zambia	32,90
South Sudan	(2,12)
Botswana (joint venture)	5,32
Swaziland (joint venture)	28,35
WECA	
Nigeria	(33,58)
Ghana	33,31
Cameroon	35,81
Ivory Coast	22,87
Benin	(0,17)
Guinea-Conakry	(32,42)
Congo-Brazzaville	17,08
Liberia	(13,49)
Guinea-Bissau	28,97
MENA	
Iran (joint venture)	13,25
Syria	6,93
Sudan	(31,33)
Yemen	100,06
Afghanistan	20,76
Cyprus	13,57

[14] *A total income statement charge of R11,5 billion was recorded with respect to the fine by the Nigerian Communications Commission to MTN Nigeria during the year consisting of the re-measurement impact of when the settlement was entered into (R10,5 billion) and the finance costs recognised as a result of the unwind of the initial discounting of the liability (R1,0 billion).*

[15] *This relates to MTN SA Group, i.e. the operating company and its subsidiaries. It excludes South Africa head office companies.*

Group effective tax rate (GETR) continued

Group effective tax rate reconciliation:	**2016 Reported GETR %**	2015 Reported GETR %	2014 Reported GETR %
Group effective tax rate	**159,19**	32,45	26,17
Other	**(6,77)**	0,13	1,00
Sudan disallowed expenses	**(22,21)**	(2,64)	–
MTN Zakhele Futhi share-based payment expense	**(5,38)**	–	–
Nigeria regulatory fine	**(63,47)**	(7,45)	–
Income not subject to tax	**5,14**[16]	11,16	4,51
Goodwill impairment	**(4,66)**	(0,40)	–
Effects of different tax rates in other countries	**9,39**	0,16	(0,60)
Foreign income and withholding taxes	**(19,73)**	(4,62)	(3,39)
Share of results of associates and joint ventures	**(0,68)**	0,99	2,31
S9D imputation	**(4,88)**	(0,47)	–
Assessed loss on which deferred tax was not recognised	**(12,07)**	(1,18)	–
Disallowed interest expense	**(5,87)**[17]	(0,13)	–
Standard ETR	**28**	28	28

[16] *This is mainly made up of income from Federal Nigeria Government Bonds and Treasury Bills and exempt income as per Section 29(9) of Nigeria Corporate Income Tax Act.*

[17] *This mainly relates to interest incurred in MTN Holdings and MTN Mauritius (two of the Group's holding companies).*