

Nokia gets Chinese approval for Microsoft deal (Update)

April 8 2014, by Matti Hyytiäinen

Nokia has received regulatory approval from Chinese authorities to sell its mobile phone unit to Microsoft Corp., removing one of the last major hurdles to the 5.4 billion-euro (\$7.3 billion) deal.

The Finnish company said Tuesday that it expects the transaction to close by the end of the month, having acquired the necessary approvals from regulatory bodies including in the U.S., the European Union and other jurisdictions.

Nokia Corp.'s share price jumped 5 percent to close at 5.58 euros on the Helsinki Stock Exchange.

The deal, announced in September, includes the sale to Microsoft of Nokia's devices and services unit as well as a license to a portfolio of patents. It was originally planned to be completed during the first quarter of the year but was held up because of delays in acquiring regulatory approvals.

Nokia did not comment on whether it still needs approvals from other regulators to complete the deal, but said that it was making good progress and that the global process had "involved a thorough review of Nokia's patent licensing practices."

The consent from the Chinese Ministry of Commerce likely was the last major hurdle, according to several analysts.

"This was a great step forward in the deal. It effectively removes the last major obstacle for the acquisition to go through," said Tim Shepherd from Canalys in Reading, Britain.

Nokia said in a statement that no global authority had challenged its compliance with undertakings related to standard-essential patents "or requested that Nokia make changes to its licensing program or royalty terms."

In India, Nokia is contesting a legal case in which local authorities want it to pay sales tax on the export of devices made at Nokia's plant in Chennai. But the company has maintained that the case will not delay the deal with Microsoft.

© 2014 The Associated Press. All rights reserved.

Citation: Nokia gets Chinese approval for Microsoft deal (Update) (2014, April 8) retrieved 24 April 2024 from <https://phys.org/news/2014-04-nokia-chinese-microsoft.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.