

Russia slaps \$16 mn tax claim on Ernst and amp; Young

Moscow, April 9 (RIA Novosti) International accounting firm Ernst and amp; Young has received a back tax claim for over 390 million rubles (\$16 million) in Russia, following a similar claim pressed against PricewaterhouseCoopers, business daily Kommersant reported Wednesday.

According to Kommersant, Ernst and amp; Young Vneshaudit, a Russian subsidiary of the company that is one of the Big Four international auditing firms along with PricewaterhouseCoopers, Deloitte and amp; Touche and KPMG, allegedly transferred most of its revenues to its parent company registered in Cyprus.

In its tax declaration for 2004, Ernst and amp; Young Audit posted a profit of 10.5 million rubles (about \$400,000) while tax authorities established that the company had underrated it by 630.3 million rubles (\$24 million).

The firm, meanwhile, submitted a statement to a Moscow arbitration court challenging a tax inspectorate decision of Dec 29, 2007 to charge the company with a back-tax claim for 2004, the paper said.

The company said the sum was for the payment of services rendered by its parent company in Cyprus. However, the tax authorities said the company's claim was groundless.

Russian authorities hit auditor PricewaterhouseCooper (PwC) with a similarly hefty back-tax claim last year.

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