

Court Says Disney Firm Owes Taxes

July 13, 2011

The  Moscow Times

One of Russia's biggest film distributors, Walt Disney Studios Sony Pictures Releasing, has lost a court appeal against tax authorities who accused it of underpaying 73.5 million rubles (\$2.6 million) in taxes, Kommersant [reported](#) Wednesday.

A district tax inspection office said the distributor used two bogus companies in its dealings with Moscow-based Cinelab, which handles the printing of copies of films for movie theaters, the daily said.

The companies that acted as middlemen between Cinelab and the distributor, Korona and Viktoria, had no capital and no employees, the tax authorities said, adding that payments through the two firms helped Walt Disney Studios Sony Pictures Releasing minimize its profit tax.

The distributor challenged the tax claims in the Moscow Arbitration Court, saying it was not aware of the companies being bogus because the law does not require it to look into the operations of partner firms. But the court rejected the appeal, Kommersant said.

Cinelab declined to comment on the court decision. Officials with Walt Disney Studios Sony

Pictures Releasing were unavailable for comment Wednesday.

The distributor handled the Russian releases of blockbusters such as "Tron: Legacy" and "Pirates of the Caribbean: On Stranger Tides." Its profit in the first nine months of 2010 amounted to 360 million rubles (\$12.7 million), Kommersant said.

Anton Sonichev, a legal expert with Nalogovik law firm, which specializes in tax advice, said that while the two bogus firms looked like part of a tax evasion scheme, the tax authorities had failed to prove that the distributor had deliberately attempted to create a mechanism to avoid taxes.

"All that was proved in court was the distributor's negligence," he said by telephone.

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