

Uzbekistan Tax Authorities Investigate VimpelCom

By [The Moscow Times](#)

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Uzbekistan's tax authorities have launched an investigation into VimpelCom's mobile unit, Unitel, the telecoms group said Tuesday, a move described by analysts as highlighting the risks of doing business in the Central Asian state.

The investigation of Unitel began just more than a year after a Tashkent court ordered the confiscation of all assets owned by the Uzbek subsidiary of top Russian mobile operator MTS in a criminal case against its local staff.

VimpelCom is unaware of the reasons behind the probe, a spokeswoman said, adding that the company had provided the authorities with all the documents they requested.

"The initiation of an unscheduled tax inspection highlights the risks of doing business in Central Asia, particularly in light of MTS's experience last year," UralSib analysts said, adding that the impact on VimpelCom's cash flows would be limited given the unit's small share

in the group's business.

MTS last year took a \$1.1 billion write-off after an Uzbek court revoked its local operating license in a case that MTS called a "classic shakedown" of foreign investors.

It has been contesting Uzbek court rulings at the World Bank's International Centre for Settlement of Investment Disputes since November last year.

VimpelCom has 10.2 million subscribers in Central Asia's most populous country, out of 215 million in total across Russia, Italy and various emerging markets. The unit accounts for 3 percent of VimpelCom's consolidated revenues.

Uzbekistan's state tax committee was not immediately available for comment.

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