

H&M Russia Facing Criminal Investigation Over \$42M Customs Bill – Bloomberg

Swedish retailer under investigation for multimillion-dollar import discrepancies.

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Russia is H&M's seventh largest market worldwide. **Imago / TASS**

Russian tax authorities have launched a criminal investigation into H&M, alleging the Swedish clothes retailer avoided \$42 million in customs duties, Bloomberg [reported](#).

The clothing giant — which has more than 150 stores across Russia — paid the Federal Customs Service 3.1 billion rubles (\$42 million) in December 2019 after an audit revealed the customs discrepancy, which relates to license fees paid from H&M Russia to its Swedish parent on goods imported between 2016 and 2019, Bloomberg reported, citing documents it had seen and sources familiar with the matter.

However, the company is still open to criminal prosecution and authorities opened a criminal case against the company in December 2020. Possible punishments include jail sentences for senior company figures or a fine of up to twice the disputed amount.

H&M's head office confirmed to Bloomberg a Russian investigation was ongoing, but did not provide specific details.

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