

Exxon Takes Russia to Stockholm Court in \$500 Million Tax Dispute

By [The Moscow Times](#)

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An attendant holds a gas pump at an Exxon petrol station.⌘

U.S. energy major ExxonMobil has launched a court case against Russia at the Stockholm arbitration court in a tax dispute over a project in Russia's Far East, newspaper Vedomosti reported Thursday citing Russian Energy Minister Alexander Novak.

Exxon claims that it overpaid \$500 million in profit taxes on its 30 percent stake in the Sakhalin-1 oil and gas project because a 2009 cut in the rate of profit tax was not applied to the venture.

As a compromise, Exxon is willing to accept \$250 million in tax rebates if the lower profit tax rate is applied going forward, a source close to the issue told Vedomosti.

Exxon's Moscow office was unavailable for immediate comment Thursday.

Russia is drawing up its own compromise offer and hopes for an out-of-court settlement,

the source told Vedomosti.

Russia in 2009 lowered profit tax from 35 percent to 20 percent for production-sharing energy agreements. But Sakhalin-1, which was begun in 2008, did not fall under the reduced tax regime. Exxon has since 2009 battled the Russian government to be taxed under the new rate while continuing to pay at the old, 35 percent rate.

The company's court claim in Stockholm comes two weeks after talks between Exxon CEO Rex Tillerson and Russia failed to reach a settlement.

Besides Exxon, Sakhalin-1 is owned by Japan's SODECO (30 percent), India's ONGC (20 percent) and Russian state oil company Rosneft (20 percent).

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