



**Brief summary of statutory financial, taxation,  
statistical and ecological reporting for Russian  
legal entities in 2016**

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## Financial reporting

Reports	Filing obligations	Deadline for filing reports
<p><b>Statutory financial statements</b></p>	<p><b>Annual reporting package:</b></p> <ul style="list-style-type: none"> <li>- Balance Sheet;</li> <li>- Statement of Financial Performance;</li> <li>- Supplements to the Balance Sheet and Statement of Financial Performance.</li> </ul> <p>Financial reports are filed with the tax authorities on an annual basis. The annual reporting package is submitted also to the statistic authorities.</p> <p>If the RLE is subject to an obligatory audit, the auditor's report is submitted to both the tax and statistic authorities.</p>	<p>No later than 3 calendar months after the end of reporting year. No later than 3 calendar months after the end of reporting year.</p> <p>The auditor's report is submitted together with the annual statutory financial statements or not later than 10 working days from the day following the date of the auditor's report (but not later than December 31 of the year following the reporting year).</p>

<sup>1</sup> Please note that we summarized most common statutory, taxation, statistical and ecological reporting for RLE not taking into account special taxation regimes and special types of activities (financial institutions, insurance companies, organizations engaged in mining, agriculture etc).

## Tax reporting

Tax	Tax base	Rate	Deadline for tax payment	Filing obligations	Deadline for filing reports
<b>Profit tax</b>	The actual profit on an accumulated basis starting at the beginning of the year. The taxpayer has the right to choose between monthly and quarterly reporting.	20% including: 2% to the federal budget 18% <sup>2</sup> to the regional budget	Payment procedures depend on the filing basis. Filing on a monthly basis: <ul style="list-style-type: none"> <li>• Tax payments no later than the 28th of the month following the reporting month</li> <li>• Final tax payment for the year no later than 28th March of the year, following the reporting year.</li> </ul> Filing on the quarterly basis: <ul style="list-style-type: none"> <li>• Monthly advance payments, payable during the reporting period, not later than the 28th day of each month of the reporting quarter</li> <li>• Tax payments no later than the 28th of the month following the reporting quarter<sup>3</sup></li> <li>• Final tax payment for the year no later than 28th March of the year, following the reporting year.</li> </ul>	The taxpayer is free to choose filing on a monthly or quarterly basis.  For <b>monthly filing</b> , interim monthly tax returns and a final annual tax return are necessary.  For <b>quarterly filing</b> , interim quarterly tax returns and a final annual tax return are necessary.	The deadline for filing reports depends on the choice of the filing basis.  On a monthly basis, <b>monthly returns</b> - no later than the 28th of the month, following the reporting month; <b>annual return</b> — no later than 28 <sup>th</sup> March of the year, following the reporting year. On a quarterly basis, <b>quarterly returns</b> - no later than the 28th of the month, following the reporting quarter; <b>annual return</b> — no later than 28 <sup>th</sup> March of the year, following the reporting year.
	Income in the form of dividends received by the RLE from Russian and foreign legal entities.	13% - to be paid to the federal budget in full amount. 0% if the RLE receives dividends from a company where it permanently owns no less than 50% of the share capital over 365 days			
	Income received in the form of interest on some municipal and state bonds.	15% - to be paid to the federal budget in full.			

<sup>2</sup> The regional budget tax rate can be reduced by regional authorities (but by no more than 4.5%).

<sup>3</sup> Payments on a quarterly basis without advance monthly payments are possible if certain criteria are met. In this case the payment deadline is the 28th of the month following the reporting quarter.

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<b>Tax</b>	<b>Tax base</b>	<b>Rate</b>	<b>Deadline for tax payment</b>	<b>Filing obligations</b>	<b>Deadline for filing reports</b>
<b>Withholding tax on income payable to an FLE from sources in the RF<sup>4</sup></b>	Income that is not related to the permanent establishment of this FLE on Russian territory, including (but not limited to): Dividends Interest on loans Royalties Income from rent Leasing and freight operations Income from international shipments	20% — general rate 15% — on dividends 10% <sup>5</sup> — on income paid from rent, leasing, freight of ships, aircraft, trailers, and other transportation equipment, used in international shipments.	Tax should be withheld and paid within 1 day following the income payment to the FLE.  For dividends, tax payment must be effected within 1 day.	The reporting process for withholding tax is in line with reporting for profit tax. The tax agent submits reports on a monthly or quarterly basis and a final annual report.	The deadline for filing reports depends on the choice of the filing basis. On a monthly basis, <b>monthly returns</b> - no later than the 28th of the month, following the reporting month; <b>annual return</b> — no later than 28 <sup>th</sup> March of the year, following the reporting year. On a quarterly basis, <b>quarterly returns</b> - no later than the 28th of the month, following the reporting quarter; <b>annual return</b> — no later than 28 <sup>th</sup> March of the year, following the reporting year.

<sup>4</sup> To be withheld by a tax agent from an amount of income paid to an FLE.

<sup>5</sup> Please note that these rates can be reduced based on Double Tax Treaty provisions.

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<b>VAT<sup>6</sup></b>	Value of goods (works, services) sold on Russian territory, transfer of goods (works, services) for own needs, installation and construction work for own use.  VAT <sup>7</sup> payable to the authorities, is determined as the difference between VAT charged to customers (output VAT) and VAT paid to suppliers of goods (works or services) and customs (input VAT), provided that certain criteria are met. For imported goods, the taxable base is determined as their customs value, plus import duties and excises, where applicable.	18% — standard rate.  10% — rate for certain foodstuffs, goods for children, medicines, books and periodical literature.  0% — export, international passenger transportation and some other operations.  Some types of activities are VAT exempt (such as services in areas of medicine, education and culture).  10% — rate for certain foodstuffs, goods for children, medicines, books and periodical literature.  18% — standard rate.	1/3 of the tax amount payable is due no later than the 25th of each month of the quarter, following the reporting quarter.          VAT for import operations is paid to customs authorities, during the clearance process. Later this input VAT is off-set against output VAT.	Quarterly tax returns VAT returns must be submitted to tax authorities through electronic communication channels.          No special obligation.	<b>Quarterly</b> — no later than the 25th of the month following the reporting quarter.
<b>Withholding VAT tax on revenue payable to an FLE<sup>8</sup></b>	Income paid to an FLE, not registered as a taxpayer in Russia, for services provided on Russian territory.	18% — standard rate  10%	VAT withheld is due to the budget at the day of income payment to FLE.	Withheld VAT is disclosed in a separate section of the ordinary VAT return.	<b>Quarterly</b> — no later than the 25th of the month following the reporting quarter.

<sup>6</sup> Companies have the right to exemption from VAT if the amount of net sales revenue for the three previous successive months was no more than RUB 2 million. Obtaining VAT exemption requires the submission of confirmation documents to the tax authorities, no later than the 20th of the month when the exemption starts to be applied. The exemption will be valid for the next 12 months.

<sup>7</sup> In respect, the taxpayer shall be obliged to maintain separate records of the amounts of tax for acquired goods (work and services), including fixed assets and intangible assets, and property rights which are used in carrying out both taxable and non-taxable (tax-exempt) operations. Failure to do so may mean that any input VAT will not be allowed for offset.

<sup>8</sup> To be withheld by a tax agent from an amount of income paid to an FLE.

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<b>Property tax</b>	<p>The average annual net book value of fixed assets which are subject to property tax.<sup>9</sup></p> <p>For particular objects of real estate, the tax base is determined as the cadastral value as of 1<sup>st</sup> January for the tax period. From 1 January 2016 the advance tax payments with regard to real estate which tax base is determined as the cadastral value, is calculated for each quarter separately</p>	<p>Rates are established by regional authorities.<sup>10</sup></p> <p>Moscow — 2.2%</p> <p>For fixed assets based on cadastral value: Moscow and other regions - 2%</p>	<p>Deadlines for payments are established by regional authorities.</p> <p>Moscow: <b>Quarterly</b> — no later than 30<sup>th</sup> of the month following the reporting quarter <b>Annually</b> — no later than 30<sup>th</sup> March of the year following the reporting year.</p>	<p>The annual tax return. Quarterly reports are to be established by regional authorities. Moscow: Interim quarterly and final annual tax returns.</p>	<p><b>Quarterly</b> — no later than the 30<sup>th</sup> of the month following the reporting quarter. <b>Annually</b> — no later than 30<sup>th</sup> March of the year following the reporting year.</p>
<b>Transportation tax</b>	Engine horsepower of vehicle.	<p>Rates are established by regional authorities.</p> <p>Moscow: Rates vary from RUB 7 to 2,000, depending on the type of vehicle and its engine power.</p>	<p>Deadlines for payments are established by regional authorities.</p> <p>Moscow: The tax is paid once a year, no later than 5<sup>th</sup> February of the year, following the reporting year.</p>	<p>The annual tax return.  Moscow: The annual tax return.</p>	<b>Annually</b> — no later than 1 <sup>st</sup> February of the year following the reporting year.
<b>Land tax</b>	The cadastral value of a plot of land determined in compliance with the land legislation of the RF, as of 1 January for the tax period (year).	<p>Rates are established by local authorities (regional laws for the cities of Moscow and St. Petersburg).<sup>11</sup></p> <p>Moscow: Rates vary from 0.025% to 1.5%, depending on the category of the plot of land.</p>	<p>Deadlines for payments are established by local authorities.</p> <p>Moscow: <b>Quarterly</b> — no later than the last day of the month following the reporting quarter. <b>Annually</b> — no later than 1<sup>st</sup> February of the year following the reporting year.</p>	<p>The annual tax return.  Moscow The annual tax return.</p>	<b>Annually</b> — no later than 1 February of the year following the reporting year.
<b>United (Simplified) Return</b>	Submitted if a taxpayer has a “zero” tax base for Profit Tax, VAT and Property tax and didn’t make transfers on the bank accounts.			Quarterly tax returns.	<b>Quarterly</b> — no later than the 20 <sup>th</sup> of the month following the reporting quarter.

<sup>9</sup> Property tax is to be paid based on the net book value of fixed assets which are put into operation. The real estate value will also be included in calculations if it matches the criteria of Accounting Regulation 6/01.

<sup>10</sup> The tax rate cannot exceed 2.2%. Regional authorities can also establish varied tax rates in accordance with the types of taxpayer and (or) property.

<sup>11</sup> The tax rate cannot exceed 0.3-1.5% depending on the category of a plot of land. Local authorities, as well as Moscow and St. Petersburg legislation, can also establish varied tax rates.

## Duty

Duty	Duty object	Rate	Deadline for duty payment	Filing obligations	Deadline for filing notifications
<b>Sales duty (effective in Moscow from 1 July 2015)</b>	Number of sales objects or size of sales area.	<p>Rates are established by local authorities (regional laws for the cities of Moscow and St. Petersburg).</p> <p>Moscow: Rates vary from RUB 21000 to RUB 81000 per a quarter for an object when the tax base is set as a number of objects and from RUB 50 to RUB 1200 per quarter per square meter when the tax base is set as the size of the sales area.</p>	Not later than the 25th of the month following the period of taxation (a quarter).	<p>Registration and de-registration of sales tax payers is done based on a notification provided by an entity or a sole proprietor.</p> <p>Sales tax payers have to notify authorities about any change in a trading object which will result in change of tax amount.</p>	<p>Within 5 business days starting from the date when duty object arises.</p> <p>Within 5 business days starting from the date of respective change.</p>

## Payroll-related taxes and contributions

Tax / Contribution	Tax Base	Rate	Deadline for tax payment	Filing obligations	Deadline for filing reports
<b>Contributions to the Pension Fund (accumulated and insurance part)<sup>12</sup></b>	Payroll (salary, bonuses and other employee benefits). Contributions to the Pension Fund are calculated for insured persons registered with the Pension Fund. The tax base is capped at RUB 796 000 <sup>13</sup> accumulated from the beginning of 2016.	22% from the tax base, which is capped at RUB 796 000 and 10% from the amount, greater than the tax base.	Compulsory monthly payments must be paid no later than the 15th of the month, following the month when contributions are accrued by the employer.	Quarterly reports on Contributions to the Pension Fund and on Contributions to the Federal Medical Insurance Fund must be submitted to the Pension Fund.	Quarterly — by the 15th day (for reports in hard copy) and 20th (for electronic reports) of the second month following the reporting quarter .
<b>Contributions to the Federal Medical Insurance Fund<sup>12</sup></b>	The same as for Contributions to the Pension Fund.	Federal Medical Insurance Fund: 5,1%.	The same as for Contributions to the Pension Fund.	Quarterly reports on Contributions to the Pension Fund and on Contributions to the Federal Medical Insurance Fund must be submitted to the Pension Fund.	Quarterly — by the 15th day (for reports in hard copy) and 20th (for electronic reports) of the second month following the reporting quarter .
<b>Contributions to the Social Security Fund in case of temporary disability and due to maternity</b>	The tax base is capped at RUB 718 000 <sup>14</sup> accumulated from the beginning of the 2016 year.	2.9%	The same as for Contributions to the Pension Fund.	Quarterly reports to the Social Security Fund.	Quarterly — no later than the 20th (for reports in hard copy) and 25th (for electronic reports) of the month following the reporting quarter.
<b>Accident insurance contributions to the Social Security Fund<sup>15</sup></b>	Payroll and other payments to employees with certain exceptions (statutory welfare benefits, business-related expenses, etc).	Rates vary from 0.2% to 8.5% and are assigned on an annual basis by SSF depending on the type of RLE activity in Russia.	A monthly basis, due date corresponds to the date of salary payment, but should not be later than the 15th day of the following month.	Quarterly reports to the Social Security Fund.	Quarterly — no later than the 20th (for reports in hard copy) and 25th (for electronic reports) of the month following the reporting quarter.
<b>Confirmation of the main type of company's activity</b>				Annually report to the Social Security Fund.	Annually – no later than 15 <sup>th</sup> pf April of the year, following the reporting year.

<sup>12</sup> Insurance contributions are not payable in respect of foreign nationals temporarily staying in Russia if they hold the status of a highly qualified employee or if the annual period of the labor contract does not exceed 6 month during one calendar year (except for accident insurance contributions to the Social Insurance Fund that are accrued for all employees).

<sup>13</sup> The cap is adjusted by the Government on an annual basis.

<sup>14</sup> The cap is adjusted by the Government on an annual basis.

<sup>15</sup> Companies should confirm the rate with the Social Security Fund for each year no later than 15th April of the current year.

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<b>Personal income tax (PIT)</b> <sup>16</sup>	RLEs acting as tax agents are obliged to withhold and pay the budget tax, based on salaries and benefits-in-kind, paid or provided to employees and other individuals.	13% — for tax residents <sup>17</sup> and highly qualified specialists <sup>18</sup> .  35% — for some benefits-in-kind.  13% — for dividends, received by tax residents from Russian corporations.  30% — for non-residents. 15% — for dividends, received by non-residents from Russian corporations.	On a monthly basis no later than the date of salary (or other income) payment.  PIT on advance salary payments may not be withheld.	An annual report with information of income and PIT of employees in a special individual form (2-NDFL) <sup>19</sup> .  Quarterly report with calculation of PIT (6-NDFL)	2-NDFL forms with a special format file must be filed no later than 1 April of the year following the reporting year.  <b>Quarterly (1,2,3)</b> – no later than the 30th of the month following the reporting quarter <b>Annually (for 4<sup>th</sup> quarter)</b> — no later than 1 <sup>st</sup> April of the year following the reporting year.
<b>Personal information about Employees (FIO, INN,SNILS)</b>				Monthly report to the Pension fund (from 1 <sup>st</sup> April 2016)	Monthly report – no later than 10 of the month following the reporting month
<b>Information about Average Number of Employees</b>				An annual report to the tax authorities.	<b>Annual report</b> — no later than 20 January of the year following the reporting year.

<sup>16</sup> Please note that for the purpose of this calendar, we do not provide information on the legislative requirements for individuals submitting personal PIT reports (3-NDFL) and paying the tax.

<sup>17</sup> Individuals (Russian and foreign) who spend more than 183 days in Russia during a 12 month period (without taking into account breaks for study leave, medical care and fulfillment of responsibilities on offshore hydrocarbon deposits outside of Russia that do not exceed 6 months).

<sup>18</sup> Highly qualified specialists are eligible for 13% personal income tax rate (i.e. a rate applicable for tax residents) on income received from Russian employment even before qualifying as a Russian tax resident. Please note that according to official clarifications, the Ministry of Finance qualifies the concept of income from the employment duties of a highly qualified specialist, covering only the salary, bonuses, and business trip payments.

<sup>19</sup> If the employer provides any benefits-in-kind to the employees and cannot withhold and pay the applicable amount of tax, the information regarding benefits-in-kind received by the employees should be provided to the tax authorities no later than one month from the end of tax period (calendar year). Therefore in such cases the taxpayer files reports twice: no later than 1 February and no later than 1 April of the year following the reporting year.

## Transfer pricing regulations

<b>Documentation to Tax authorities</b>	<b>Criteria for controlled transactions</b>	<b>Deadline for submitting notification</b>
<b>Notification on controlled transactions<sup>20</sup></b>	<p>1. Transactions between interdependent entities that are residents of the Russian Federation:</p> <ol style="list-style-type: none"> <li>a. The volume of a transaction (including those performed through the chain of intermediaries) exceeded RUB 1 billion.</li> <li>b. The volume of the transaction exceeded RUB 60 million in a calendar year and: <ul style="list-style-type: none"> <li>– It involves operations with mineral resources subject to ad valorem rate of mineral extraction tax (MET), and one of the parties is a MET tax payer at ad valorem rate, or</li> <li>– One of the parties does not pay profits tax or pays it at a 0% rate (Skolkovo resident), or</li> <li>– One of the parties is a member of a regional investment project which pays corporate income tax to Federal budget at a 0% rate and (or) at a reduced tax rate to the Regional budget, or</li> <li>– One of the parties is a member of a regional investment project or a participant of the free economic zone, therefore receiving special benefits to the corporate income tax, while other party(ies) of the transaction is not a resident of this special economic zone / participant of a free economic zone (Crimean economic zone project), or</li> <li>– One of the parties is a license holder or an operator on a new offshore hydrocarbon deposit, accounting income (expenses) on such transaction for corporate income tax purposes on a special way, set up in the law, while the other party is not a license holder or an operator on a new offshore hydrocarbon deposit or it is a license holder or an operator on a new offshore hydrocarbon deposit, does not accounting income (expenses) on such transaction for corporate income tax purposes on a special way, set up in the law</li> </ul> </li> <li>c. The volume of the transaction exceeded RUB 100 million in a calendar year and one of the parties pays unified tax on imputed income or unified agricultural tax.</li> </ol> <p>2. Transactions with the foreign organizations:</p> <ol style="list-style-type: none"> <li>a. Transactions with interdependent entities (including through a chain of intermediaries).</li> <li>b. Transactions with a counterparty whose place of registration or place of living or place of tax residence is an offshore zone if the transaction amount exceeds RUB 60 million.</li> <li>c. Transactions in the foreign trade of the following commodities: oil and oil products, ferrous and non-ferrous metals, mineral fertilizers, precious metals and jewelry) if the transaction amount exceeds RUB 60 million.</li> </ol>	No later than the 20th of May, following the calendar year when controlled transactions were accomplished.

<sup>20</sup> Please find detailed information for notifications on controlled transactions in the art. 105.16 of the Tax Code

## Non-tax reporting

Report	Filing obligations	Deadline for filing reports
<b>Ecological levy</b> <sup>21</sup>	Special reporting forms for different pollution types: atmospheric pollution, water pollution, waste disposal, noise and others. The levy has graduated rates (depending on the type of pollution).	<b>Annually</b> — both reporting and payment no later than 1 March, following the reporting year <sup>22</sup> .
<b>Environmental duty</b>	Special reporting forms with regard to the list of goods, including packaging, subject to the new law and waste disposal ratio. The duty has graduated rates (depending on the type of goods or their packaging) <sup>23</sup> .	<b>Annually</b> — both reporting and payment no later than 15 April, following the reporting year <sup>24</sup>
<b>Statistical reporting</b> <sup>25</sup>	Form P-1 for entities with more than 15 employees	<b>Monthly</b> — no later than the 4th of the month, following the reporting month
<b>The structure of reporting package depends on the type of activity and size of a company</b> <sup>26</sup>	Form P-2	<b>Quarterly</b> — no later than 20th of the month, following the reporting quarter
	Form P-3: monthly and quarterly — for entities with more than 15 employees;	<b>Monthly</b> — no later than 28th of the month, following the reporting month <b>Quarterly</b> — no later than 30th of the month, following the reporting quarter
	Form P-4: <b>Monthly</b> — for entities with more than 15 employees <b>Quarterly</b> — for entities with less than 15 employees	<b>Monthly</b> — no later than the 15th of the month, following the reporting month <b>Quarterly</b> — no later than 15th of the month, following the reporting quarter
	Form 1-Enterprise: Annually for all entities (except small-scale businesses, banks, insurance and financial organizations)	<b>Annually</b> — no later than April 1 after the reporting year
	Form P-5 for entities with less than 15 employees	<b>Quarterly</b> — no later than 30th of the month, following the reporting quarter
	Form P-6 for entities receiving or making foreign investments	<b>Quarterly</b> — no later than 20th of the month, following the reporting quarter
	Form 1-T	<b>Annually</b> — no later than 20 January, following the reporting year
	Form 1-VES for an entity with a share of foreign capital	<b>Annually</b> — no later than 24 March, following the reporting year
	Form 1-DA for an entity working in the service sector	<b>Quarterly</b> — by the 15th day of the second month following the reporting quarter

If you have any questions, please contact Deloitte professionals in the Outsourcing and Tax compliance group at our Moscow office on +7 (495) 787 06 00

<sup>21</sup> The Ecological levy is not considered to be a tax payment and is regulated by the State Body Rostekhnadzor. The appropriateness and procedures for reporting and payment should be negotiated with this body.

<sup>22</sup> For specific violations the deadline for 4Q 2015 is the 20th of January. Payments for specific instances for 4Q 2015 are to be no later than 1 March 2016.

<sup>23</sup> If the goods or their packaging are no longer usable, they must be recycled, or the manufacturer or importer must pay an environmental duty. Goods produced for export or that are not intended to be used domestically in Russia are not subject to environmental duty.

<sup>24</sup> The first reporting period is 2016 year.

<sup>25</sup> Please note that these reports do not provide for any taxes and levies to be paid, but only disclose overall accounting figures with regards to the various activities of an entity. The full list of reports should be clarified with local statistical office.

<sup>26</sup> The current list includes only the main statistical forms that should be filed. In addition to these, there are other forms specifically assigned to each type of activity or property of an RLE.



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