
Latin American Tax Newsalert

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New Costa Rican Statutory Filing Requirements Include October 15 Filing Deadline

New Regulation - Overview

The Costa Rican Tax Administration recently published significant new statutory filing requirements that apply to certain large taxpayers in the country (Reg. N° DGT-R-023-2011, published in Gaceta #179, September 19, 2011).

These rules, which are effective on their publication date (i.e., on September 19, 2011), require all taxpayers classified as "Greater National Taxpayers" or as "Large Territorial Companies" to file audited financial statements with the Costa Rican tax authorities on an annual basis. These statements must be prepared in accordance with International Financial Information Standards ("IFRS"), and must be audited by a recognized firm of Certified Public Accountants.

Prior Rules

Prior to the introduction of the new rules, these large taxpayers were required to prepare financial statements in accordance with IFRS standards, and retain them in their files, unless the statements were requested by the Costa Rican tax authorities.



There were no mandatory filing requirements in this regard and, more importantly, no requirement for independent certified public accountants to audit the financial statements.

New Requirements - In General

Within the new regulations, the definition of financial statements includes a balance sheet, profit and loss statement, net equity change statement, cash flow statement, the explanatory notes on the most significant accounting policies, and any other explanatory notes contained in the opinion of the independent professional that audited such statements. The statements must be filed with the tax authorities within six months following the close of the taxable year for Costa Rican income tax purposes.

Perhaps the most significant item contained in the new regulations is their retroactive application, thus requiring the submission of audited IFRS financial statements with respect to the 2008, 2009, and 2010 fiscal years. These statements must be filed no later than October 15, 2011.

Possible penalties

A failure to comply with these new rules may subject the taxpayer to penalties in accordance with the Costa Rican Code of Tax Rules and Procedures.

Additional Information

The Costa Rican Tax Administration has informally suggested in the local press that they may accept a sworn statement made by the taxpayer that audited IFRS-based financial statements do not currently exist for the 2008-2010 years, and that the submission of such a sworn statement, along with un-audited financial statements, on or before October 15, 2011, would be deemed to constitute a timely filing for this year. However, no official general pronouncements have been issued by the Tax Administration in this regard.

We will monitor further developments in this regard and will issue further Newsalerts as necessary.

For additional information, please contact a member of our Latin American tax team below.

For more information, please do not hesitate to contact:

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