
From: Marco Antonio Leon Tenorio

Sent: Tuesday, 14 March, 2023 6:33 PM

To: Taxreport2023 <taxreport2023@un.org>

Subject: MPCRONU-123-2023 | ECOSOC Special Meeting on International Cooperation in Tax Matters, 31 March 2023

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Dear colleagues

Hope this mail finds you well.

Regarding your Note Verbale to provide written input to the resolution 77/244 to promote an inclusive and effective international tax cooperation at the United Nations, Costa Rica would like to send its general views on this matter, considering its participations at the BEPS Inclusive Framework and at The Global Forum on Transparency and Exchange of Information for Tax Purposes.

We consider resolution 77/244 is aligned with the international tax cooperation standards and good practices as it covers relevant areas to guide the work to strength inclusiveness and effectiveness through the development of a report to analyse all relevant international legal instruments and recommendations.

Since more than fifteen years Costa Rica has been committed to adopt and implement international tax transparency standards as a result of its participation at the Global Forum on Transparency and Exchange of Information. Its willingness to work to adjust domestic legislation to the international standards has led to implement standards on automatic exchange of information and on beneficial ownership.

Costa Rica's active role on the Global Forum has led the country to hold the presidency and vice-presidency of regional tax transparency initiatives such as the Punta del Este Declaration as it has been the opportunity to participate in programs to strength areas such as the automatic exchange of information (including CRS and CbC), exchange of information by request and beneficial ownership. On November 2022, Costa Rica also signed the Multilateral Competent Authority Agreement on Automatic Exchange of Information on Income Derived through Digital Platforms and the Multilateral Competent Authority Agreement on the Automatic Exchange regarding CRS Avoidance Arrangements and Opaque Offshore Structures, as a sign of its commitment to the most recent tax transparency initiatives.

Considering Costa Rica is participating in the Tax Inspectors Without Borders Programme to combat of illicit financial flows, it has been benefited from developed Tax Administrations with guidelines, tools, experiences and good practices, to improve internal procedures and risk analysis.

With respect to recent Tax Legal reforms, in December 2018 was approved a broader Income Tax and Value Added Tax reforms to introduce anti avoidance provisions and the recommendations of the BEPS Action Plan of OECD. As a result, nowadays, there are in place provisions to subject on VAT inbound services and intangibles from foreign providers, as well as to limit the interest deductions, counteract hybrid mismatch arrangements, prevent artificial avoidance of the permanent establishment status as to set the general provisions to implement the arm's length principle.

The above mentioned has been complemented with the participation at the BEPS Inclusive Framework and at the peer reviews of the minimum standards and those performed by the Global Forum, which has allowed Costa Rica to duly comply with relevant laws, regulations and implementations. Recently the country is participating in the Inclusive Forum on Carbon Mitigation Approaches to find solutions to climate change.

Kind regards,



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