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Global Tax Alert

News from EY Americas Tax

Costa Rica announces actions to counter the impact of COVID-19

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On 14 March 2020, the Costa Rican Government announced steps it plans to take to mitigate the social and economic impact of the COVID-19 outbreak. These steps include a moratorium for taxes incurred from 1 April 2020 to 30 June 2020. Under the moratorium, taxpayers would have until 31 December 2020 to pay those taxes without the imposition penalties and interest. The Government could extend the moratorium only once for a month.

Other actions the Government might take include:

- ▶ Implementation of temporary measures for social security contributions such as proportional payments (i.e., payments are equivalent to time employees worked) or deferral for those companies that maintain their payroll
- ▶ Actions aimed at improving credit conditions for companies and individuals
- ▶ Insurance and special coverage for tourists

These measures must be formally proposed and approved by Congress. They are expected to be discussed and approved soon.

For additional information with respect to this Alert, please contact the following:

Ernst & Young, S.A., San José, Costa Rica

- ▶ Rafael Sayagués rafael.sayagues@ey.com
- ▶ Juan Carlos Chavarría juan-carlos.chavarría@cr.ey.com
- ▶ Antonio Ruiz antonio.ruiz@cr.ey.com
- ▶ Guillermo Leandro guillermo.leandro@cr.ey.com
- ▶ Paola Castro paola.castro@cr.ey.com
- ▶ Randall Oquendo randall.oquendo@cr.ey.com

Ernst & Young LLP (United States), Latin American Business Center, New York

- ▶ Ana Mingramm ana.mingramm@ey.com
- ▶ Pablo Wejcman pablo.wejcman@ey.com
- ▶ Enrique Perez Grovas enrique.perezgrovas@ey.com

Ernst & Young LLP (United Kingdom), Latin American Business Center, London

- ▶ Lourdes Libreros lourdes.libreros@uk.ey.com

Ernst & Young Tax Co., Latin American Business Center, Japan & Asia Pacific

- ▶ Raul Moreno, *Tokyo* raul.moreno@jp.ey.com
- ▶ Luis Coronado, *Singapore* luis.coronado@sg.ey.com

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