

Indirect Tax Alert

News from EY Americas Tax

Costa Rica's Tax Authorities publish guidance on charging and collecting of VAT on cross-border digital services and intangible assets

EY Tax News Update: Global Edition

EY's Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access information about the tool and registration [here](#).

EY Americas Tax

EY Americas Tax brings together the experience and perspectives of over 10,000 tax professionals across the region to help clients address administrative, legislative and regulatory opportunities and challenges in the 33 countries that comprise the Americas region of the global EY organization. Access more information [here](#).

On 12 June 2020, Costa Rica's Tax Authorities published, in the *Official Gazette*, Resolution No. DGT-R-13-2020 (the Resolution), which provides guidance on charging and collecting Value-Added Tax (VAT) on cross-border digital services and intangible assets.

The Resolution regulates the collection of VAT on cross-border digital services, which are services rendered through internet or other digital platform services by foreign digital service providers for use in Costa Rica.

The Resolution also applies to the acquisition of intangible goods by final consumers or VAT taxpayers in Costa Rica from a foreign supplier.

In addition, it establishes the procedure that suppliers and intermediaries of digital services and cross-border intangible goods must follow to voluntarily register before the tax authorities as VAT taxpayers.

The Resolution includes provisions on the collection of VAT by credit or debit card issuers when their cardholders use such cards to purchase digital services or intangible goods through the internet or any other digital platform. The Resolution's annexes include the list of registered suppliers and intermediaries. The list will be available on the Ministry of Finance's website and will be updated at least every six months.

The Resolution is effective as of its publication; however, the collection of VAT by credit and debit card issuers should start on the first calendar day of the month following the month in which the tax authorities communicate the list of suppliers and intermediaries (Annex 6) that are subject to VAT on their services or intangible goods. This list may be modified before the collection of the VAT begins.

Suppliers and intermediaries, however, should start collecting VAT on the first calendar day of the second month following the publication of this Resolution.

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
- ▶ Randall Oquendo randall.oquendo@cr.ey.com
- ▶ Daniel Quesada daniel.quesada@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 Abogados, Latin American Business Center, Madrid

- ▶ Jaime Vargas jaime.vargas.c@es.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

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Indirect Tax

© 2020 EYGM Limited.
All Rights Reserved.

EYG no. 004284-20Gbl

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com