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# Indirect Tax Alert

News from EY Americas Tax

## Costa Rican tax authorities delay VAT collection on cross-border digital services until 1 October

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Costa Rica's Minister of Finance delayed value-added tax (VAT) collection on cross-border digital services by Costa Rican public or private entities that issue credit or debit cards (withholding agents) to 1 October 2020. According to the Minister's public statement, the delay will allow entities to implement the measures necessary for correctly collecting the VAT.

The delay only covers the withholding agents. It does not include VAT collection by suppliers or intermediaries of cross-border digital services that voluntarily register as VAT taxpayers. The suppliers and intermediaries will be able to voluntarily register as VAT taxpayers and collect VAT beginning 1 August 2020, as provided in the tax administration's Resolution No. 13-2020.

The Ministry of Finance is expected to issue an official statement indicating the date on which collection agents must begin VAT collection, as well as any other relevant aspects on this matter.

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