

Indirect Tax Alert

News from EY Americas Tax

Costa Rica's President and Minister of Finance publish regulation updating criteria for selecting people and items subject to customs control

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Costa Rica's President and the Minister of Finance published in the official gazette, *La Gaceta*, "Regulation on the Selection Criteria of People, Goods, Sectors, Auxiliaries of the Customs Public Function, Procedures and Customs Operations Subject to Customs Control," which updates the selection criteria for determining which people and items will be subject to customs control. The regulation went into effect on 16 November 2020.

Background

The Regulations of the General Customs Law establish that it is the responsibility of the Risk Management Directorate to establish the annual inspection plan for approval by the General Directorate of Customs.

In accordance with report DFOE-SAF-IF-00007-2018 of 15 June 2018 of the Comptroller General Office of the Republic, Executive Decree 34549-H, "Regulation on the Selection Criteria of Persons, Goods and Customs Operations subject to the Control and Inspection," was repealed.

Regulation

The new regulation implements and updates the criteria for the selection of people, goods and customs operations in relation to canons and license rights. Under the new regulation, a risk management and customs intelligence model is used to select the people, goods, auxiliaries of the customs public function (e.g., customs carriers fiscal warehouses), procedures and customs operations that will be subject to customs control and inspection. The model will guide the customs control actions of the National Customs Service.

Some of the operations subject to selection include goods or economic sectors with alleged inconsistencies in: (1) customs value, (2) the declaration of the royalty or license fee, or (3) tariff classification. Operations also may be selected when there is a relationship between the buyer and the seller, among other things.

The selection criteria may be modified or eliminated at the discretion of the Customs Administration. If the criteria is modified, the executive decree with the modifications must be published in advance of the effective date of the annual inspection plan for the following year.

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.chavarria@cr.ey.com |
| ▶ Carolina Palma | carolina.palma@cr.ey.com |
| ▶ Ana G Sánchez Wellermann | gabriela.sanchez@cr.ey.com |
| ▶ María Sequeira | maria.sequeira@cr.ey.com |
| ▶ José Martínez Loría | jose.martinez.loria@cr.ey.com |
| ▶ Mariana Herrera | mariana.herrera.quiros@cr.ey.com |
| ▶ Daniela Torres Gatica | daniela.torres.gatica@cr.ey.com |
| ▶ Valeria Tuchs Duarte | valeria.tuchs.duarte@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, <i>Tokyo</i> | raul.moreno@jp.ey.com |
| ▶ Luis Coronado, <i>Singapore</i> | luis.coronado@sg.ey.com |

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