

KPMG AEOI Updates & Tracking Service CRS Alert



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Costa Rica: Established Criteria for Supervision, Verification, and Monitoring of Entities Subject to CRS reporting

On 23 August 2024, the General Directorate of Taxation of Costa Rica issued Resolution MH-DGT-RES-0019-2024, published in Scope No. 144 of the Official Gazette No. 155. This resolution outlines the objective selection criteria and the risk criteria for the tax administration's supervision, verification, and monitoring of entities required to report under the Common Reporting Standard (CRS) for the tax year 2024. These criteria are designed to help the Tax Administration evaluate and diagnose, through technical processes, the risk of irregular behavior or non-compliance by financial entities. Notably, the resolution does not modify any procedures, requirements, or processes that taxpayers must adhere to before the Central Administration. The General Directorate of Taxation also notes that this resolution will be updated annually.

The criteria established are as follows:

1) The Objective Selection Criteria: The selection of entities for supervision, verification, and monitoring actions will be based on any of the following criteria:

- Entities among the top 20% submitting CRS reports with the highest number of reported accounts.
- Entities that have submitted reports to jurisdictions that have flagged inconsistencies in the information received.
- Entities among the top 20% reporting to the highest number of jurisdictions.
- Entities classified as Large National Taxpayers.

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- Entities that have failed to submit XML files or the Sworn Statement in previous periods.
- Entities that previously reported accounts but subsequently failed to submit information or presented a Sworn Statement indicating no accounts to report.
- Entities showing non-compliance or partial compliance exceeding 50% in any section of the "Self-Review Tool for CRS Reporting Compliance."
- Entities reporting an increase in the number of undocumented accounts compared to the previous two years.
- Entities that have reduced the number of reported financial accounts by 20% compared to the previous period.
- Entities identified by the Tax Administration and/or regulated by the General Superintendence of Financial Entities (SUGEF), General Superintendence of Securities (SUGEVAL), General Superintendence of Insurance (SUGESE), Superintendence of Pensions (SUPEN) and/or are affiliated with the National Institute for Cooperative Promotion (INFOCOOP), that have not submitted reports in previous years.

2) The Risk Criteria: The risk criteria for preparing and executing supervision, verification, and monitoring actions of CRS reporting include:

- Failure to provide information by the established deadline.
- Submission of erroneous or incomplete information.
- Omission of appropriate internal control, compliance, and information delivery procedures.
- Incorrect or non-application of the CRS standard and related documents, including comments on the standard and frequently asked questions.
- Failure to obtain self-certifications for new accounts and other due diligence non-compliance.
- Failure to maintain records supporting the CRS report for five years.
- Increase in the number of undocumented accounts.
- Third-party information indicating a financial entity has not submitted the CRS report.

Reference (Spanish): [Official Gazette No. 155](#) [PDF 3,804KB]

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