

Costa Rica: Income Tax Declaration and Registry of Transparency of Ultimate Beneficial Owners

March 11, 2021

Income Tax Declaration

March 15, 2021, is the deadline for the filing of the income tax return corresponding to the fiscal period 2020 (for active or operating companies).

On the other hand, the filing of the Declaration on assets and liabilities of the inactive companies (those that do not carry out profit-making activities) was postponed and the expiration date of the term has not yet been determined.

Based on the tax reform implemented through Law 9635, March 15 is the deadline for filing the income tax return. Said reform modified the fiscal period in such a way that it runs from January to December of each year. Previously, the fiscal period ranged from October to September. This period is so unless there is a special fiscal period approved by the DGT for your activity in specific.

The income tax return of the operating (active) entities for this year includes fifteen months that go from October 2019 to December 2020. As a consequence of the above, an adjustment was made in the annualized parameters of the income tax, only for 2020.

Registry of Transparency of Ultimate Beneficial Owners

Regarding the Registry of Transparency of Ultimate Beneficial Owners (UBO), despite recent changes, the filing date remains April 30.

For its part, the Declaration of the Transparency Registry of Final Beneficiaries must be submitted annually, between April 1 and 30 of each year. As established in Chapter IV "Transitory Provisions", first Transitory Provision of the Joint Resolution in force, the legal entities that are assigned an ID number in the National Registry, either by registration or by request for assignment, between January 1, 2020, and March 31, 2021, they are not required to submit their first return within 20 business days following their registration and instead, for this one time, they will submit it in April 2021.

Likewise, the fourth Transitory indicates that the obligors who filed the ordinary Registration Period 2019 in the UBO system, will not have to file the 2020 declaration, since the UBO system automatically and for this only time, will have said 2019 statement as valid for the 2020 period, without them having to carry out any additional management. Those who have not submitted the 2019 return must submit it for the above rule to apply.

Take into consideration the presentation of the Income Tax Return of active companies is March 15. The generality of

entities must comply with the Registry of Transparency of Final Beneficiaries in April. The date of filing of the Declaration of Assets and Liabilities of the inactive companies has been postponed and the new deadline has not yet been determined by the Tax Administration.

The Tax Law team of Dentons Muñoz can advise you and give you the necessary legal support for your operations in Costa Rica. Do not hesitate to contact our Tax Department for more information on the scope and implications of these changes.