



## Republic of Costa Rica

### **Status of List of Reservations and Notifications at the Time of Signature**

#### ***For jurisdictions depositing a provisional list:***

This document contains a provisional list of expected reservations and notifications to be made by Costa Rica pursuant to Articles 28(7) and 29(4) of the Convention.

## Article 2 – Interpretation of Terms

### Notification - Agreements Covered by the Convention

Pursuant to Article 2(1)(a)(ii) of the Convention, Costa Rica wishes the following agreements to be covered by the Convention:

No	Title	Other Contracting Jurisdiction	Original/ Amending Instrument	Date of Signature	Date of Entry into Force
1	Agreement between the Republic of Costa Rica and the Federal Republic of Germany for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital  <i>(Acuerdo entre la República de Costa Rica y la República Federal de Alemania para evitar la doble imposición de impuestos sobre la renta y sobre el patrimonio)</i>	Germany	Original	13-02-2014	10-08-2016
2	Acuerdo entre los Estados Unidos Mexicanos y la República de Costa Rica para Evitar la Doble Imposición y Prevenir la Evasión Fiscal en Materia de Impuestos sobre la Renta  <i>(Agreement between the United Mexican States and the Republic of Costa Rica for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income)</i>	Mexico	Original	12-04-2014	N/A
3	Convenio entre la República de Costa Rica y el Reino de España para evitar la doble imposición y prevenir la evasión fiscal en materia de impuestos sobre la renta y sobre el patrimonio  <i>(Convention between the Republic of Costa Rica and the Kingdom of Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital)</i>	Spain		04-03-2004	01-01-2011

### **Article 3 – Transparent Entities**

#### ***Reservation***

Pursuant to Article 3(5)(a) of the Convention, Costa Rica reserves the right for the entirety of Article 3 not to apply to its Covered Tax Agreements.

#### ***Notification:***

No notification made due to reservation under subparagraph a) of paragraph 5.

## **Article 4 – Dual Resident Entities**

### ***Reservation***

Pursuant to Article 4(3)(e) of the Convention, Costa Rica reserves the right to replace the last sentence of Article 4(1) with the following text for the purposes of its Covered Tax Agreements: “In the absence of such agreement, such person shall not be entitled to any relief or exemption from tax provided by the Covered Tax Agreement.”

### ***Notification:***

No notification made due to reservation under subparagraph e) of paragraph 3.

## **Article 5 – Application of Methods for Elimination of Double Taxation**

### ***Reservation***

Pursuant to Article 5(8) of the Convention, Costa Rica reserves the right for the entirety of Article 5 not to apply with respect to all of its Covered Tax Agreements

### ***Notification of Choice of Optional Provisions***

No notification made due to reservation under of paragraph 8.

## Article 6 – Purpose of a Covered Tax Agreement

### ***Reservation***

No reservation made

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 6(6) of the Convention, Costa Rica hereby chooses to apply Article 6(3).

### ***Notification of Listed Agreements Not Containing Existing Preamble Language***

Pursuant to Article 6(6) of the Convention, Costa Rica considers that the following agreement does not contain preamble language referring to a desire to develop an economic relationship or to enhance co-operation in tax matters.

Listed Agreement Number	Other Contracting Jurisdiction
3	Spain

**Article 7 – Prevention of Treaty Abuse**

***Reservation***

No reservation made

***Notification of Choice of Optional Provisions***

Pursuant to Article 7(17)(b) of the Convention, Costa Rica hereby chooses to apply Article 7(4).

## **Article 8 – Dividend Transfer Transactions**

### ***Reservation***

No reservation made

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 8 (4) of the Convention, Costa Rica considers that the following agreements contain a provision described in Article 8(1) that is not subject to a reservation described in Article 8(3)(b). The article and paragraph number of each such provision are identified below:

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 10 (2) (a)
2	México	Article 10 (2) (a)
3	Spain	Article 10 (2) (a)



**Article 9 – Capital Gains from Alienation of Shares or Interests of Entities Deriving their Value Principally from Immovable Property**

***Reservation***

Pursuant to Article 9(6)(a) of the Convention, Costa Rica reserves the right for Article 9(1) not to apply to its Covered Tax Agreements.

***Notification of Choice of Optional Provisions***

Pursuant to Article 9(8) of the Convention, Costa Rica hereby chooses to apply Article 9(4) to all of its Covered Tax Agreements.

## **Article 10 – Anti-abuse Rule for Permanent Establishments Situated in Third Jurisdictions**

### ***Reservation***

No reservation made

### ***Notification of Existing Provisions in Listed Agreements***

None of our conventions has a disposition such as paragraph 4. Therefore, paragraphs 1 to 3 will apply to all of our conventions.

## **Article 11 – Application of Tax Agreements to Restrict a Party’s Right to Tax its Own Residents**

### ***Reservation***

Pursuant to Article 11(3)(a) of the Convention, Costa Rica reserves the right for the entirety of Article 11 not to apply to its Covered Tax Agreements.

### ***Notification of Existing Provisions in Listed Agreements***

No notification made due to reservation under subparagraph a) of paragraph 3.

## **Article 12 – Artificial Avoidance of Permanent Establishment Status through Commissionnaire Arrangements and Similar Strategies**

### ***Reservation***

No reservation made

### ***Notification of Existing Provisions in Listed Agreements***

Pursuant to Article 12(5) of the Convention, Costa Rica considers that the following agreements contain a provision described in Article 12(3)(a). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 5 (5)
2	México	Article 5 (5)
3	Spain	Article 5 (5)

Pursuant to Article 12(6) of the Convention, Costa Rica considers that the following agreements contains a provision described in Article 12(3)(b). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 5 (6)
2	México	Article 5 (7)
3	Spain	Article 5 (6)

**Article 13 – Artificial Avoidance of Permanent Establishment Status through the Specific Activity Exemptions**

***Reservation***

No reservation made

***Notification of Choice of Optional Provisions***

Pursuant to Article 13(7) of the Convention, Costa Rica hereby chooses to apply Option A under Article 13(1).

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 5 (4)
2	México	Article 5 (4)
3	Spain	Article 5 (4)

## **Article 14 – Splitting-up of Contracts**

### ***Reservation***

Pursuant to Article 14(3)(a) of the Convention, Costa Rica reserves the right for the entirety of Article 14 not to apply to its Covered Tax Agreements.

No notification has to be made due to reservation under subparagraph a) of paragraph 3.

**Article 15 – Definition of a Person Closely Related to an Enterprise**

***Reservation***

No reservation made

## Article 16 – Mutual Agreement Procedure

### *Reservation*

No reservation made

### *Notification of Existing Provisions in Listed Agreements*

Pursuant to Article 16 (6)(a) of the Convention, Costa Rica notifies that the provision described in clause i) of subparagraph a) of paragraph 4 is not contained in its Covered Tax Agreements.

Pursuant to Article 16 (6)(b)(i) of the Convention, Costa Rica does not have to make a notification, due to all Covered Tax Agreements contain the three year period, not a shorter period.

Pursuant to Article 16(6)(b)(ii) of the Convention, Costa Rica considers that the following agreements contain a provision that provides that a case referred to in the first sentence of Article 16(1) must be presented within a specific time period that is at least three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Covered Tax Agreement. The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 25 (1)
2	México	Article 25 (1)
3	Spain	Article 25 (1)

### *Notification of Listed Agreements Not Containing Existing Provisions*

Pursuant to Article 16(6)(c)(i) of the Convention, Costa Rica considers no notification has to be made. Pursuant to Article 16(6)(c)(ii) of the Convention, Costa Rica considers that the following agreement does not contain a provision described in Article 16(4)(b)(ii).

Listed Agreement Number	Other Contracting Jurisdiction
2	Mexico

Pursuant to Article 16(6)(d)(i) and (ii) of the Convention, Costa Rica considers no notifications have to be made.



## Article 17 – Corresponding Adjustments

### *Reservation*

Pursuant to Article 17(3)(a) of the Convention, Costa Rica reserves the right for the entirety of Article 17 not to apply to its Covered Tax Agreements that already contain a provision described in Article 17(2). The following agreements contain provisions that are within the scope of this reservation.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 9(2)
2	México	Article 9(2)
3	Spain	Article 9(2)

### *Notification of Existing Provisions in Listed Agreements*

Pursuant to Article 17(4) of the Convention, Costa Rica considers that the following agreements contain a provision described in Article 17(2). The article and paragraph number of each such provision is identified below.

Listed Agreement Number	Other Contracting Jurisdiction	Provision
1	Germany	Article 9(2)
2	México	Article 9(2)
3	Spain	Article 9(2)

## **Article 18 – Choice to Apply Part VI**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 18 of the Convention, Costa Rica hereby chooses not to apply Part VI.

Pursuant the choice made by Costa Rica, regarding not to apply Part VI, no reservations have to be made under articles 19, 23, 24, 26, 28, and 36, and no notifications have to be made under articles 23, 24 and 26 of this Convention.

## **Article 19 – Mandatory Binding Arbitration**

### ***Reservation***

## **Article 23 – Type of Arbitration Process**

### ***Reservation***

### ***Notification of Choice of Optional Provisions***

## **Article 24 – Agreement on a Different Resolution**

### ***Notification of Choice of Optional Provisions***

### ***Reservation***

## **Article 26 – Compatibility**

### ***Reservation***

### ***Notification of Existing Provisions in Listed Agreements***

## **Article 28 – Reservations**

### ***Reservation Formulated for Scope of Arbitration***

### ***Notification of Observation to the Reservation Made by the Other Contracting Jurisdiction***

## **Article 36 – Entry into Effect of Part VI**

### ***Reservation***

### ***Notification of Mutual Agreement on Entry into Effect with respect to Cases Prior to Entry into Force of the Convention***

## **Article 35 – Entry into Effect**

### ***Notification of Choice of Optional Provisions***

Pursuant to Article 35(3) of the Convention, solely for the purpose of its own application of Article 35(1)(b) and 5(b), Costa Rica hereby chooses to replace the reference to “taxable periods beginning on or after the expiration of a period” with a reference to “taxable periods beginning on or after 1 January of the next year beginning on or after the expiration of a period”.

### ***Reservation***

Pursuant to Article 35(6) of the Convention, Costa Rica reserves the right for Article 35(4) not to apply with respect to its Covered Tax Agreements.

Pursuant to Article 35(7)(a) of the Convention, Costa Rica does not make any reserves.