

# Costa Rica

## Transfer Pricing Country Profile<sup>1</sup>

January 2026

|                            |  | SUMMARY  | REFERENCE  |
|----------------------------|--|--|--|
| The Arm's Length Principle |  |  |  |
| 1                          | Does your domestic transfer pricing framework <sup>2</sup> make reference to the arm's length principle?   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | <a href="#">Income Tax Law</a> , Article 81 bis.           |
| 2                          | Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)? | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>Costa Rica Tax law does not contain any reference to the OECD Transfer Pricing Guidelines. The TPG are considered in practice as a reference and guidance in the application of Costa Rica's transfer pricing rules. |  |
| 3                          | Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   | <a href="#">Regulation to Income Tax Law</a> , Article 77. |

<sup>1</sup> Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

<sup>2</sup> For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

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|  | <p><b>pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</b></p> | <p>Article 77 of the Regulation to Income Tax Law states that on the Definition of related parties:</p> <p>“...For the purposes of this Regulation, related parties are those established in article 2 of the Income Tax Law and also those residents abroad or in the national territory, who participate directly or indirectly in the management, control or capital of the taxpayer, or when the same people participate directly or indirectly in the management, control or capital of both parties, or that for some other objective cause can exert a systematic influence on their decisions on the price.</p> <p>It is presumed that there is a relationship, in the terms of the Income Tax Law, when a taxpayer carries out transactions with a person or entity that has its residence in a non-cooperating extraterritorial jurisdiction, understanding as a non-cooperative jurisdiction those that are in any of the following conditions:</p> <ul style="list-style-type: none"> <li>i. In the case of jurisdictions that have an equivalent rate in the Income Tax lower by more than forty percent (40%) of the rate established in paragraph a) of article 15 of the Income Tax Law.</li> <li>ii. In the case of jurisdictions with which Costa Rica does not have an agreement for the exchange of information or to avoid double taxation with a clause for the exchange of information.</li> </ul> <p>The following will be specifically considered related parties:</p> <p>Individuals or legal entities that qualify in any of the following situations:</p> <ul style="list-style-type: none"> <li>i. One of them directs or controls the other or owns, directly or indirectly, at least 25% of its share capital or of its voting rights.</li> <li>ii. When five or fewer persons direct or control both legal persons, or possess as a whole, directly or indirectly, at least 25% of participation in the capital stock or the voting rights of both persons.</li> <li>iii. In the case of legal persons that constitute the same decision unit. In particular, it will be presumed that there is a unity of decision when a legal person is a partner or participant of another and is in relation to it in any of the following situations: <ul style="list-style-type: none"> <li>a. Who owns the majority of the voting rights.</li> <li>b. That it has the power to appoint or remove the majority of the members of the administrative body.</li> <li>c. That it may have, by virtue of agreements entered into with other partners, the majority of voting rights.</li> </ul> </li> </ul> |  |
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|                                     |   | <p>d. That it has appointed the majority of the administrative body exclusively with its votes.</p> <p>e. That the majority of the members of the administrative body of the dominated legal entity are members of the administrative body or senior executives of the dominant legal entity or of another dominated by it.</p> <p>iv. When two or more legal persons each form a decision unit with respect to a third legal person, in which case all of them will form a decision unit.</p> <p>For the purposes of this section, it is also considered that a natural person has a share in the capital stock or voting rights, when the ownership of the share, directly or indirectly, corresponds to the spouse or person united by kinship relationship, online direct or collateral, by consanguinity up to the fourth degree or by affinity up to the second degree.</p> <p>Related parties will also be considered:</p> <p>a) In a business collaboration contract or a joint venture agreement, when any of the contracting parties or associates participates directly or indirectly in more than 25% of the result or profit of the contract or of the activities derived from the association.</p> <p>b) A person residing in the country and their permanent establishments abroad.</p> <p>c) A permanent establishment located in the country and its parent company residing abroad, another permanent establishment of the same or a person related to it.”</p> |                                     |                                     |                                     |      |              |                                |                                     |                                     |                                     |                                     |                                     |                                     |   |
|-------------------------------------|---|---|-------------------------------------|-------------------------------------|-------------------------------------|------|--------------|--------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Transfer Pricing Methods            |   |   |                                     |                                     |                                     |      |              |                                |                                     |                                     |                                     |                                     |                                     |                                     |   |
| 4                                   | <p><b>Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</b></p> | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1"> <thead> <tr> <th>CUP</th><th>Resale Price</th><th>Cost Plus</th><th>TNMM</th><th>Profit Split</th><th>Other (If so, please describe)</th></tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td><td><input checked="" type="checkbox"/></td></tr> </tbody> </table>   | CUP                                 | Resale Price                        | Cost Plus                           | TNMM | Profit Split | Other (If so, please describe) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <p><a href="#">Regulation to Income Tax Law</a>, Articles 79 and 82.</p> <p><a href="#">Documentation of transfer pricing studies</a></p> |
| CUP                                 | Resale Price  | Cost Plus   | TNMM                                | Profit Split                        | Other (If so, please describe)      |      |              |                                |                                     |                                     |                                     |                                     |                                     |                                     |   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/>   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |      |              |                                |                                     |                                     |                                     |                                     |                                     |                                     |   |

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|   |  | <p>The application of the "valuation of internationally quoted assets" method aligns with paragraph 2.9 of the OECD Transfer Pricing Guidelines. Firstly, Article 79 of the Income Tax Law Regulations indicates that the most appropriate method will be applied, respecting the arm's length principle. Furthermore, Article 82 of the same regulations outlines the general documentation guidelines, establishing the obligation to maintain and retain documentation and information related to transfer pricing calculations. Finally, Resolution DGT-R-49-2019 establishes the information that must be made available to the Tax Administration, and within the description of the local entity's administrative structure, subsection f) requires indicating the best transfer pricing method used, specifying the reasons for its selection.</p> |  |
| 5 | <p><b>Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?</b></p> | <p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <hr/> <p>Article 79 of the Regulation to Income Tax Law states that:</p> <p>"...The determination of the price or margin that independent parties have agreed to incomparable operations may be carried out by any of the following methods. The most appropriate method that respects the principle of free competition will be applied..."</p>  | <p><a href="#">Regulation to Income Tax Law</a>, Article 79.</p> |
| 6 | <p><b>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</b></p>                           | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input checked="" type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> No</p> <hr/> <p>Costa Rica uses CUP, but alternatively, the commodities method can be used.</p> <p>Article 79 of the Regulation to Income Tax Law provides that, for goods with the international quoted price, the quoted price may be used as an alternative to the CUP method.</p>   | <p><a href="#">Regulation to Income Tax Law</a>, Article 79.</p> |

## Comparability Analysis

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| 7  | <b>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Article 78 of the Regulation to Income Tax Law contains provisions on the Comparability Analysis. Further, the TPG are used as guidance in the application of Costa Rica's transfer pricing rules.   | <a href="#">Regulation to Income Tax Law</a> , Article 78. |
| 8  | <b>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</b>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| 9  | <b>Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?</b>  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| 10 | <b>Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</b> | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Article 80 of the Regulation to Income Tax Law establishes:<br><br>"It is possible to apply the principle of free competition until a single figure is determined, either a price or a comparable profit margin, which will constitute the reference to establish whether an operation responds to the conditions of free competition. However, in the event that there are two or more comparable prices or profit margins, the interquartile range must be constituted using the series of identified comparable data.<br><br>If the price or margin of the analyzed transaction is outside the interquartile range, contained between the first and third quartiles, it is considered that the value or price is not of free competition and the median must be established as the free competition price..." | <a href="#">Regulation to Income Tax Law</a> , Article 80. |

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| 11   | <b>Are comparability adjustments required under your domestic transfer pricing framework?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Article 78 of the Regulation to Income Tax Law establishes:<br>“...2. That reasonable adjustments can be made to eliminate the material effects of such difference.”   | <a href="#">Regulation to Income Tax Law</a> , Article 78. |
| <b>Intangible Property</b>                   |  |  |  |
| 12   | <b>Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?</b>              | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG?<br><input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No (please provide further explanations below)<br><br><input type="checkbox"/> No<br><br>There is not a specific regulation about intangibles, but general transfer pricing provisions in the tax law and regulations would apply. Costa Rica also follows the OECD TPG for these cases. |  |
| 13   | <b>Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| <b>Hard-to-Value Intangibles<sup>3</sup></b> |  |  |  |
| 14   | <b>Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?<sup>4</sup></b>                              | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)  |  |

<sup>3</sup> Please note that questions in this section are imported from the HTVI questionnaire and integrated into this TPCP to centralise all jurisdiction-related transfer pricing information.

<sup>4</sup> In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

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|                        |  | <input checked="" type="checkbox"/> No<br><br>HTVI has not yet been regulated in Costa Rica.  |  |
| Intra-group Services   |  |   |  |
| 23                     | Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?  | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)<br><input checked="" type="checkbox"/> No<br><br>There is not a specific regulation about intra-group services, however, general transfer pricing provisions in the tax law and regulations would apply. Costa Rica also follows the OECD TPG for these cases. |  |
| 24                     | Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services? | <input type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?<br><input type="checkbox"/> Yes<br><input type="checkbox"/> No (please provide further explanations below)<br><input checked="" type="checkbox"/> No<br><br>There is no regulation about low value-adding intra-group services and taxpayers need to provide benchmarking studies as the traditional transfer prices rules.   |  |
| 25                     | Are there any other rules outside your transfer pricing framework for pricing intragroup services?   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No  |  |
| Financial Transactions |  |   |  |
| 26                     | Does your domestic transfer pricing framework provide guidance specific to financial transactions?   | <input type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?<br><input type="checkbox"/> Yes   |  |

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|                                       |  | <input type="checkbox"/> No (please provide further explanations below)<br><br><input checked="" type="checkbox"/> No  |  |
|                                       |  | There is not a specific regulation about financial transactions, but general transfer pricing rules in the tax law and regulations would apply. Costa Rica also follows the OECD TPG for these cases.  |  |
| 27                                    | <b>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions?</b> <i>(e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</i> | <input checked="" type="checkbox"/> Yes<br><br><input type="checkbox"/> No<br><br>Costa Rica implemented the measures in BEPS Action 4 to limit non-bank interest deductions. Accordingly, taxpayers may only deduct financial expenses up to a maximum of 20% of their EBITDA for each tax period, the taxpayer must have duly identified in their accounting the expenses for bank interest and the other items, provided for in the third and sixth paragraphs of article 9 bis of the Law, as well as those that are not. The measure came into effect in 2021. As a transitional measure, up to a maximum of 30% may be deducted in the 2021 fiscal year, 28% in 2022, with annual reductions of 2% up to a maximum of 20% in 2026, and thereafter. | <a href="#">Income Tax Law</a> , Article 9 bis,<br><br><a href="#">Regulation to Income Tax Law</a> , Article 19.                      |
| <b>Cost Contribution Arrangements</b> |  |  |  |
| 28                                    | <b>Does your jurisdiction allow cost contribution arrangements?</b>  | <input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?<br><br><input type="checkbox"/> Yes<br><br><input checked="" type="checkbox"/> No (please provide further explanations below)<br><br><input type="checkbox"/> No   | <a href="#">Regulation to Income Tax Law</a> , Article 83.<br><br><a href="#">Guidelines for processing advance pricing agreements</a> |
|                                       |  | Article 83 of the Regulation to Income Tax Law establishes the power to enter into agreements, including cost contribution agreements.<br><br>Also, “Guidelines for processing advance pricing agreements” establish the possibility of making an agreement signed between the General Directorate of Taxation and the income tax taxpayer who requests it, with respect to establishing in advance an appropriate set of criteria, procedures and critical assumptions to determine transfer prices for transactions with related entities during a specified period.   |  |



## Transfer Pricing Documentation

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| 29 | <p><b>Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?</b></p>  | <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <p><input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input checked="" type="checkbox"/> Other (specify): Informative Declaration on Transfer Pricing</p>   | <p><a href="#">Regulation to Income Tax Law</a>, Article 82.</p> <p><a href="#">Master and Local File Regulation</a></p> <p><a href="#">CbC Report Regulation</a></p> <p><a href="#">Submission of the Informative Declaration on Transfer Pricing</a></p> <p><a href="#">Modifications to the general resolutions that implement the different functionalities and formulation within the integrated tax management system called "TRUBU-CR"</a></p>   |
| 30 | <p><b>Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)</b></p> | <p>Article 82 of the Regulation to Income Tax Law states that: "...In order to verify compliance with the arm's length principle, the Tax Administration may request, by means of a resolution or an individualized request, that the documentation be submitted by a specific date..."</p> <p>Master and Local File:</p> <p>The taxpayer has 10 business days to submit the Master and Local File, once it is required by the tax administration in a control action. All information must be delivered in Spanish.</p> <p>CbC Report:</p> <p>The taxpayer has 12 months to file the CbC Report, from the end of the corresponding fiscal period. There is no restriction on the filling language, however, the official language is Spanish.</p> <p>There is no difference from what is established in Action 13.</p> <p>Informative Declaration on Transfer Pricing:</p> <p>The annual transfer pricing return must be filed within six months following the end of the tax period authorized by the taxpayer and will include all transactions carried out with related parties during the income tax period. There is no restriction on the filling language, however, the official language is Spanish.</p> | <p><a href="#">General Law of Public Administration</a>, Article 264.</p> <p><a href="#">Regulation to Income Tax Law</a>, Article 82.</p> <p><a href="#">Master and Local File Regulation</a></p> <p><a href="#">CbC Report Regulation</a></p> <p><a href="#">Submission of the Informative Declaration on Transfer Pricing</a></p> <p><a href="#">Modifications to the general resolutions that implement the different functionalities and formulation within the integrated tax management system called "TRUBU-CR"</a></p> |

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|    |   | As an exception, in the case of the transfer pricing information return for the 2024 fiscal period, it must be submitted no later than 31 March 2026.  |  |
| 31 | <b>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><br>Resolutions DGT-R-49-2019 and MH-DGT-RES-0026-2025 establish the information relating to the transfer pricing study documents that must be available to the Tax Administration at the time it requests it, or periodically in the case of the information declaration regulated by resolution MH-DGT-RES-0026-2025. However, in case of total or partial non-compliance with the provision of information, the Tax Administration will initiate the administrative infraction procedure indicated in articles 150 of the Tax Code and 268 bis of the Tax Procedure Regulations, for the administrative infraction established in article 83 of the Tax Code, which generally establishes the sanction equivalent to a proportional pecuniary fine of two percent (2%) of the gross income figure of the offending subject, in the period of the income tax, prior to that in which the infraction occurred, with a minimum of three base salaries and a maximum of one hundred base salaries, with the possibility of reduction according to the case. | <a href="#">Tax Code</a> , Article 83.<br><a href="#">Documentation of transfer pricing studies</a><br><a href="#">Submission of the Informative Declaration on Transfer Pricing</a> |
| 32 | <b>Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?</b>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Resolution MH-DGT-RES-0026-2025 limits the filing of periodic transfer pricing declarations to taxpayers who meet the following profile.<br>1) Taxpayers classified as major national taxpayers who conduct domestic or cross-border transactions with related companies.<br>2) Taxpayers operating under the Free Trade Zone regime who conduct domestic or cross-border transactions with related companies.<br>3) Taxpayers who conduct domestic or cross-border transactions with related companies and whose transactions, individually or jointly, exceed the equivalent of 1,000 (one thousand) base salaries in the corresponding year.<br>However, Article 1 of Resolution DGT-R-49-2019 states that: All taxpayers who carry out operations with related companies must keep for the period provided for in Article 109 of the Tax Standards and Procedures Code the documentation that supports the way in which their transfer prices are adjusted to independent  |  |

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|   |   | operator prices, as well as the documentation that allows knowing and understanding the way in which the economic group is structured both nationally and internationally, in case the Tax Administration requires it.  |  |
| <b>Administrative Approaches to Avoiding and Resolving Disputes</b> |   |   |  |
| 33  | <b>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</b> | <p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement or cooperative compliance programmes</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input type="checkbox"/> International Compliance Assurance Programme (ICAP)</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p> | <p>Article 83, <a href="#">Regulation to Income Tax Law</a> establishes the power to enter into agreements</p> <p><a href="#">Costa Rica's MAP Profile</a></p> |
|   |   | <p>Costa Rican legislation allows unilateral, bilateral and multilateral APA, but currently, Costa Rica has not signed any.</p> <p>The rollback is not allowed at the moment, but Costa Rica is working on an amendment to allow the legislation to be able to apply it.</p> <p>Costa Rican legislation allows MAP, but currently, Costa Rica has not concluded any.</p> <p>For further information, please refer to Costa Rica's Dispute Resolution Profile (MAP Profile).</p>   |  |

## Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities

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| 34 | <b>Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG?</b>                     | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No<br><input type="checkbox"/> Other (please elaborate)  |  |
| 35 | <b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, how is it implemented?</b>   | <input type="checkbox"/> In-scope tested parties resident within the jurisdiction can elect to apply the simplified and streamlined approach (i.e. safe harbour)<br><br><input type="checkbox"/> In-scope tested parties resident within the jurisdiction are required to follow the simplified and streamlined approach for in-scope qualified transactions and tax administrations are allowed to impose the application of the simplified and streamlined approach to in-scope qualified transactions of tested parties resident within their jurisdiction (i.e. rule)<br><br><input checked="" type="checkbox"/> N/A |  |
| 36 | <b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, what is the operating expense to sales (OES) upper bound chosen by your jurisdiction regarding scoping criterion 13.b?</b> | <input type="checkbox"/> 20%<br><input type="checkbox"/> 30%<br><input type="checkbox"/> Other (please specify)<br><input checked="" type="checkbox"/> N/A   |  |
| 37 | <b>Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?</b>   | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No   |  |

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| 38  | <b>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach for resident in-scope tested parties, does your jurisdiction respect the outcome of the application of such approach by another jurisdiction that is not a covered jurisdiction?</b> | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| <b>Safe Harbours and Other Simplification Measures</b>        |   |  |  |
| 39  | <b>Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?</b>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| <b>Other Legislative Aspects or Administrative Procedures</b> |   |  |  |
| 40  | <b>Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</b>   | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No   |  |
| 41  | <b>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</b>   | <input type="checkbox"/> Yes. Year-end adjustments are required.<br><input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed.<br><input type="checkbox"/> No  | <a href="#">Income Tax Law</a> , Article 4.<br><a href="#">Tax Code</a> , Article 130. |
|   |   | The tax period is one year, counted from 1 January to 31 December of each year. In general, sworn statements or declarations made by taxpayers are presumed to be a true reflection of the facts and make the declarant responsible for the resulting taxes, as well as for the accuracy of the other information contained in such statements. Taxpayers may also amend their tax returns, considering certain aspects detailed in article 130 of the Tax Code. |  |

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| 42  | <b>Does your domestic transfer pricing framework provide for secondary adjustments?</b>  | <input checked="" type="checkbox"/> Yes<br><input type="checkbox"/> No<br><br>Costa Rican law allows such adjustments, but so far none have been made.   | <a href="#">Income Tax Law</a> , Article 81 bis.   |
| <b>Attribution of Profits to Permanent Establishments</b> |  |  |  |
| 43  | <b>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</b>  | <input type="checkbox"/> Article 7 as it read before 2010.<br><input type="checkbox"/> If so, please indicate in how many treaties:<br><input checked="" type="checkbox"/> Article 7 as it reads after 2010.<br><input type="checkbox"/> If so, please indicate in how many treaties:<br><input type="checkbox"/> Other (please provide additional details)<br><br>All international tax agreements have been approved after 2010 and all of them contain Article 7 as it reads after 2010.<br>Costa Rica has four agreements in force to avoid double taxation. | Treaties:<br><a href="#">Kingdom of Spain</a> , Law 8888<br><a href="#">United Arab Emirates</a> , Law 93963<br><a href="#">United Mexican States</a> , Law 9644<br><a href="#">Federal Republic of Germany</a> , Law 9345 |
| 44  | <b>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</b>  | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)<br><br>Costa Rica did not have Double Taxation Treaties or TIEAs before 2010.   |  |
| 45  | <b>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</b> | <input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments<br><input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments<br><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)<br><input checked="" type="checkbox"/> No  |  |

| Other Relevant Information |   |     |  |
|----------------------------|---|-----|--|
| 46                         | <b>Other legislative aspects or administrative procedures regarding transfer pricing</b>  | N/A |  |
| 47                         | <b>Other relevant information</b> (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i> ) | N/A |  |

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>