

TIWB Programme N° F2016-0005

Host Administration:

Dirección General de Tributación (DGT), Costa Rica

Expert Source:

Agencia Estatal de Administración Tributaria (AEAT), Spain

Programme Dates:

September 2016 – November 2017

In February 2016, Costa Rica expressed interest in a TIWB programme to build capacity for transfer pricing (TP) and other international taxation issues. The Spanish Tax Administration Agency (AEAT) assisted the Costa Rican DGT under this TIWB programme. Between September 2016 and November 2017, four one-week onsite missions were carried out, with the participation of two AEAT experts each week, in addition to ad hoc remote assistance over the same period. DGT inspectors conducted 15 audit cases in the distribution, manufacturing, natural resources, telecommunications and sales sectors with the TIWB Experts' assistance. This TIWB programme focused on tax issues related to assets and depreciation, intangibles, intra-group services, thin capitalisation and TP. The Costa Rican DGT and the TIWB Experts rated the assistance provided by the IFSF Secretariat very positively.

Impact of the audit assistance programme

The TP programme helped Costa Rica achieve the following results:

- **Human Resource Development - Skills and Knowledge Transfer:** The 20 DGT officials trained under the programme increased their knowledge of the business models of the companies audited. Moreover, the tax officials learned how to use tools to select risks and cases according to a set of objective criteria. Progress was made in automating the information used to select risks. The auditors also learned to handle a wider range of information sources to gain a better understanding of the taxpayers being audited.
- **Institutional Development – Legislative changes, tools, process and procedures:** Together with the TIWB Experts, the Costa Rican DGT reviewed and recommended changes to the TP legislation, regulations, and general audit processes.
- **Lessons learned:** Both the Partner and Host Administrations indicated that a longer period of time should be allocated between missions since some processes take more time than others. However, it is important that the Host Administration continues to progress audit cases in between TIWB Expert missions.