

TIWB Programme N° F2018-0011

Host Administration:

Dirección General de Tributación (DGT), Costa Rica

Expert Source:

Agencia Estatal de Administración Tributaria (AEAT), Spain

Programme Dates:

November 2018 – November 2019

Following an initial TIWB programme conducted in collaboration with the Spanish Tax Administration Agency (AEAT), the Costa Rican DGT expressed interest in a second TIWB tax audit assistance programme on transfer pricing (TP) and international taxation issues in April 2018. AEAT officials then assisted the DGT in its efforts to further enhance the capacity of its inspectors. To this end, between November 2018 and November 2019, 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. Four audit cases were completed in the telecommunications and extractive sectors. The TIWB programme focused on tax issues related to business restructuring, hybrid mechanisms, intangibles, operations with tax havens, permanent establishments, and TP. Both the DGT and the TIWB experts rated the assistance provided by the TIWB Secretariat very positively.

Impact of the Audit Assistance Programme

The TP audit assistance programme helped GDT Costa Rica achieve the following results:

- **Human Resource Development - Skills and Knowledge Transfer:** TIWB experts assisted 20 DGT tax officials in carrying out risk analysis and selecting taxpayers for audit. DGT officials also improved their skills in comparability analysis, functional analysis, information gathering, and analysing publicly available information. The TIWB Experts observed an increase in the tax officials' confidence, enabling them to conduct effective discussions on relevant facts between team members.
- **Institutional Development – Legislative changes, tools, process and procedures:** Together with the TIWB Experts, the DGT developed internal audit rules and guidelines for selecting audit cases. The Experts also provided recommendations on general audit processes.
- **Lessons Learned:** Learning how to navigate simple, open source tools helps to efficiently search for information necessary for audit purposes. Continuous training opportunities for auditors within the tax administration can help build capacity to address more complex and specific tax issues. Focusing the assistance provided to tax administrations on specific topics or sectors enables the experts to concentrate support and target the skills to be strengthened.