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How to fill out transparency forms

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Exclusive to A.M. Costa Rica

Almost everyone with a company in Costa Rica is a bit frustrated and worried about filing their Registro de Transparencia y Beneficiarios Finales (register of transparency and final beneficiaries) report to comply with Law 9416.

For those late to the ballgame, all the ruckus is about the Costa Rican law approved Dec. 14, 2016, but effective this year. Those readers can refer to the articles "Time to fess up or pay up!" published in Aug. 5, and "How to register for Law 9416," published Sept. 2 for more information to get up to speed.

To sum up the news, Law 9416 was enacted to quash privacy for legal entities formed to protect secret investors. The Costa Rican government asserts it will only use the information it harvests to find tax cheats, drug dealers and terrorists.

The report is due Jan. 3. Hacienda (the tax department) will start dishing out fines next February for non-filers. That's right, people have until the final due date to file. Many are confused about this fact because soft dates were published based on the last digit of a company's identification number as its filing deadline. The soft dates were a guideline so everyone would not file simultaneously by waiting until the last minute.

Filers are experiencing many problems hampering their abilities to comply with the rules. Here are a few of them:

- A digital signature is required to file the report. Appointments to obtain one are hard to get.
- Many people do not have the documentation for their company, or it is outdated.
- There are no instructions in English for expats to understand what they need to do.



- Some legal professionals are charging outrageous prices to file the reports.

Notary Ulises Obregón, reached by phone at his office in San José, said, "... the going rate for the whole process to register a company is about \$250, but there are opportunists in the legal profession charging up to \$1,000." Those who do not want to pay capricious fees and want to file the report themselves need to obtain a digital signature and then register with the Central Directo system. Once they do those things, they are ready to file the report.

Below is an overview of how to fill out transparency forms for Law 9416. The process is easy with the prerequisites ready and a bit of patience. Here is a list of the basics requirements:

- A good working knowledge of the Spanish language or working with someone who does.

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- A digital signature issued by the Banco Central de Costa Rica.
- A recent literal certification of the company to register issued by the Registro Nacional.
- A reliable email. The system will send a code to it to check if it is working.
- The phone numbers and addresses of each owner of the company.

Once everything is together, it is time to log into the Central Directo system at the Banco Central to register. Here are the steps:

- Put the digital signature card in its card reader connected to a computer.
- Login to Central Directo.
- Click on the link in the upper left-hand corner of the website named, "Ingrese."
- A welcome message should appear.
- Select the second option, "En una entidad suscrita donde está registrado(a) como usuario," in the middle of the page.
- The company or companies registered with the system linked to the person's digital signature should appear as a list. Select the one to register.
- Select the second option, "Registro de Transparencia y Beneficiarios Finales."
- For the first time user, a notification email must be logged. There are three menu options on the top of the screen, select the first item in the list, "Correo para notificaciones," under the "Registro de Transparencia" option. Input a working email address. It will be verified by sending a code to it for input into the system before continuing.
- Once the email is verified, under the same menu item, "Registro de Transparencia," select the first item in the list, "Declaraciones."
- On the screen, it is hard to see, but there is a little plus sign right of the two circular arrows on the left-hand side, click it to add a report.

Now it's time to fill out the report. Here are the steps:

Step 1: Periodo de la declaración (Declaration period): The answer is 2019.

Step 2: Datos identificativos de la persona jurídica (Identification data for the entity): Using the literal certification obtained from the Registro Nacional, fill in the information. Contact information for the filer will also be requested and the email address verified.

Step 3: Capital social de la persona jurídica (Capital stock of the entity): Again, using the information from a literal certification, fill in numbers.

Step 4: Detalle de los participantes (datos identificativos y participaciones) (Detail the participants by identification and participation): For simple inactive companies this section is simple. It is more complex for active entities with various stockholders. Simply input each stockholder's ownership as a whole number of the total number input in Step 3.

Step 5: Detalle de los beneficiarios finales por otro tipo de control (Detail of the final beneficiaries by other means of control): This section is tricky. It is for companies owned by other entities and the like. If all the owners of a company listed in Step 4 are real people, then this section is not necessary, however, if they are not or minors, this section must be completed. This is where professional assistance might be required.

The country intends to cross-reference the data it captures with this new system with other institutions to – again, as they state – catch tax cheaters, drug people, and terrorists. However, almost everyone is noticing the government has with its legislation over the last several years completely stripped individuals of all their privacy. They are even talking about using the biometric data they collect when they issue identification cards and drivers licenses for facial recognition applications.

The circumspect wonder if the government is really trying to catch the bad guys or their true intention is to have their thumb on everyone.

Editor's note: Garland M. Baker is a 47-year resident and naturalized citizen of Costa Rica. His team solves problems for expats. Reach him at info@crexpertise.net. Baker has undertaken the research leading to his articles with A.M. Costa Rica. Find the collection at crexpertise.info. A free reprint is available at the end of each piece. Copyright 2019. Use without permission prohibited.

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