

Don't miss the RTBF filing deadline. Again!

By Garland M. Baker

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September is almost upon everyone. It is the month the 2020 RTBF is due, again. The same bank-breaking fines are still a reality, so it would be a good idea to take heed and get ready to file the report.

For those who have a selective memory and try to bury tax mandates in the back of their mind, this is the same report that people with a legal entity in Costa Rica had to file back in March.

Here is some background to stimulate the memory neurons.

RTBF is short for Registro de Transparencia y Beneficiarios Finales. The phrase translates into English as transparency and final beneficiaries register. It refers to the form that beneficial owners of legal entities like a sociedad anónima, sociedad de responsabilidad limitada, sociedad civil, and others must file with Central Directo (Direct Central) of the Banco Central (Central Bank) by filling out a form online using a digital signature.

The filing of the report is part of Law 9416, enacted Dec. 14, 2016. It is designed to quash privacy for legal entities formed to protect secret investors. The nasty part about this law is the bank-breaking fines for those who do not file, from three to one-hundred minimum salaries. The current legally established minimum salary is 450,200 colons or about an



DON'T MISS THE DEADLINE!

estimated \$800 at the current exchange rate. In U.S. dollars that translates into penalties of from \$2,400 to \$80,000 for non-compliance.

The 2019 report had to be filed last year in April. But after an uprising from the business community it was extended to January. Pablo Heriberto Abarca, a legislative delegate, pushed through one final extension to March 31.

As of May 15, 39,937 legal organizations had not filed. The delinquent list can be found at this link [Listado Omisos RTBF](#). It is a huge file and takes a long time to download on a slow connection. If by chance someone finds a legal Costa Rican entity where they have responsibility, they should contact a legal or tax professional to find out how to proceed and cleanup their default.

Now for the good news. Filing the required 2020 form is not difficult. Here are some pointers:

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Those who have a Costa Rica digital signature (firma digital) and filed their 2019 report with the Banco Central can just log in again in September, copy the report, change any information that needs changing and submit the document for 2020. A piece of cake, or at least that is how the powers-that-be at the Banco Central say it will work.

Many people required to file the RTBF could not do so because they could not get a digital signature in time or did not qualify for one and had to assign a special power of attorney to someone else to file it for them. In this case, they should contact that person and have them file the new report to stay within good graces with the Banco Central.

New filers who were not required to file the 2019 report because they have a company created this year should read the following articles:

- [How to register for Law 9416](#)
- [How to fill out transparency forms](#)

Those who did not file on time have a problem. They should, as stated above, seek professional assistance to clean up the predicament.

The delegate, Heriberto Abarca, who pushed through the final extension at the beginning of this year believes that having to file this report every year is ridiculous. He is not alone. Many in the legislature think the same way.

He filed a new bill a few months ago, No. 21,781, to change Law 9416 so the RTBF would only be due every five years and not yearly. The legislation passed its first hearing unanimously, but then the tax people stuck

into the mix some added information they want from filers. At this moment, no further action is expected soon.

In other words, it is highly unlikely that the September deadline will be postponed. Actually, September is already a postponement. Law 9416 set the original deadline for this year's report for last April, but due to the pandemic the government just decide to made September the official deadline for all time.

Hopefully, next year Heriberto Abarca will get bill passed through the legislature and filing the RTBF will not be an annual event. It is important to remember that a report has to be filed if any ownership information in an entity changes. For example, if it is sold to someone else or if owners change due to death or for other reasons. The same fines apply for not making periodic filings when they are required. A good reason to stay current with the filing requirements.

Editor's note: Garland M. Baker solves problems for expats in Costa Rica. He is a 48-year resident and naturalized citizen. 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.net. A free reprint is available at the end of each piece. Copyright 2020. Use without permission prohibited.

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