

**AGREEMENT BETWEEN
THE ARGENTINE REPUBLIC
AND THE REPUBLIC OF COSTA RICA
FOR THE EXCHANGE
OF INFORMATION ON TAX MATTERS.**

PREAMBLE

At present economic transactions have a transnational character that poses new challenges for the implementation of tax systems by the Tax Administrations.

International mutual cooperation through the exchange of knowledge and the development of new control techniques in tax matters, as well as the provision of information, constitutes an instrument of vital importance for the effective implementation of tax systems.

By virtue of the previous paragraph, the Argentine Republic and the Republic of Costa Rica, respectively represented by the Federal Administration of Public Revenues and the Ministry of Finance have agreed to conclude this Agreement in order to prevent tax evasion, avoidance, fraud and any other tax offence through the exchange of information.

ARTICLE 1
OBJECT AND SCOPE OF APPLICATION OF THE AGREEMENT

1. OBJECT

The Competent Authorities of the Contracting Parties, shall assist each other to facilitate the exchange of information in all forms, including general information on lines of economic activity, simultaneous tax examinations and tax examinations abroad for assuring the accurate determination, assessment and collection of taxes covered by this Agreement, in order to prevent and combat tax fraud, evasion and avoidance and any other tax offence within their respective jurisdictions and develop improved information sources for tax matters. Information shall be exchanged pursuant to the provisions of this Agreement and shall be treated as confidential in the manner provided in subsection 11 of Article 4. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party shall remain applicable.

2. SCOPE OF APPLICATION

The Requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction.

ARTICLE 2
TAXES COVERED BY THE AGREEMENT

1. TAXES COVERED

The taxes which are the subject of this Agreement are:

- a) in the case of the Argentine Republic:

- Income Tax;
- Value Added Tax,
- Personal Assets Tax;
- Tax on Presumptive Minimum Income and
- Excise taxes.

b) in the case of the Republic of Costa Rica:

- Direct taxes;
- Indirect taxes and
- Any other tax imposed by the National Government.

This Agreement shall not apply to any tax imposed by states, municipalities or any other political subdivision of a Contracting Party.

2. IDENTICAL, SIMILAR, SUBSTITUTIVE OR ADDITIONAL TAXES

This Agreement shall also apply to any identical taxes imposed after the date of signature of the Agreement. This Agreement shall also apply to any identical taxes in addition to, or in place of, the existing taxes if the competent Authorities of the Contracting Parties so agree. The Competent Authorities of the Contracting Tax Administrations shall notify each other, in a timely manner, of any change in their legislation, as well as decisions of administrative and/or judicial courts, which may affect the obligations of the Contracting Parties pursuant to this Agreement.

ARTICLE 3 DEFINITIONS

1. DEFINITIONS

For the purposes of this Agreement:

- a) “Contracting Party” or “Contracting Tax Administration” means the Federal Administration of Public Revenues of the Argentine Republic or the Ministry of Finance of the Republic of Costa Rica, as the context requires;
- b) “Costa Rica” means the territory and air space, and the maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea, over which Costa Rica exercises or may exercise, in accordance with international law and its domestic law, sovereign rights with respect to the natural resources of such areas
- c) “Competent Authority” means:
 - i. In the case of the Federal Administration of Public Revenues: the Federal Administrator of Public Revenues or his authorized representatives.
 - ii. In the case of Directorate General of Taxation: the Director General of Taxation or his authorized representatives.
- d) “National” means any citizen and any legal entity or any other collective entity, deriving its status as such from the laws in force in each of the Contracting Tax Administrations.
- e) “Person” means any individual, legal entity, or any other collective entity subject to tax according to the laws of each Contracting Party.
- f) “Tax” means any tax to which the Agreement applies.
- g) “Information” means any fact or statement, in any form whatever, that may be relevant or material to the administration and enforcement of taxes covered by this Agreement.
- h) “Applicant Tax Administration” or “Applicant Party” means the Contracting Tax Administration or Party applying for or receiving information;

- i) “Requested Tax Administration” or “Requested Party” means the Contracting Tax Administration or Party providing or requested to provide information.

2. UNDEFINED TERMS

As regards the application of this Agreement at any time by a Contracting Party, any term not defined in this Agreement shall have the meaning which it has under the laws of that Contracting Party; any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term at the moment in which the specific issue to define is created, unless the context otherwise requires or the Competent Authorities agree to a common meaning pursuant to the provisions of Article 6.

ARTICLE 4

EXCHANGE OF INFORMATION UPON REQUEST

1. The Competent Authorities of the Contracting Tax Administrations, shall exchange information to administer and enforce their domestic laws concerning taxes covered by this Agreement, including information for:
 - a) the determination, assessment, and collection of such taxes,
 - b) the recovery and enforcement of tax claims,
 - c) the investigation or prosecution of alleged tax offences.
2. The Competent Authority of the Requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party.

3. If the information in the possession of the Competent Authority of the Requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the Applicant Party with the information requested, notwithstanding that the Requested Party may not need such information for its own tax purposes.

4. If specifically requested by the Competent Authority of the Applicant Party, the Competent Authority of the Requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

5. Each Contracting Party shall ensure that its Competent Authority, for the purposes specified in Article 1 of this Agreement, has the authority to obtain and provide upon request:

(a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including proxies, legal or contractual representatives, as well as trustees;

(b) information regarding the ownership of companies, partnerships, trusts, foundations and other persons, including, within the constraints of subsection 2 of Article 1, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; and in the case of foundations, information on founders, members of the foundation council and beneficiaries. Further, this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

6. The Competent Authority of the Applicant Party shall provide the following information to the Competent Authority of the Requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information to the request:

(a) the identity of the person under examination or investigation;

(b) a statement of the information sought including its nature and the form in which the Applicant Party wishes to receive the information from the Requested Party;

(c) the tax purpose for which the information is sought;

(d) the grounds for believing that the information requested is held in the Requested Party or is in the possession or control of a person within the jurisdiction of the Requested Party;

(e) to the extent known, the name and address of any person believed to be in possession of the requested information;

(f) a statement that the request is in conformity with the law and administrative practices of the Applicant Party, that if the requested information was within the jurisdiction of the Applicant Party then the Competent Authority of the Applicant Party would be able to obtain the information under the laws of the Applicant Party or in the normal course of administrative practice and that the information request is in conformity with this Agreement; and

(g) a statement that the Applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

7. The Competent Authority of the Requested Party shall forward the requested information as promptly as possible to the Applicant Party. To ensure a prompt response, the Competent Authority of the Requested Party shall:

- (a) confirm receipt of a request in writing to the Competent Authority of the Applicant Party and shall notify the Competent Authority of the Applicant Party of deficiencies in the request, if any, within FORTY (40) days of the receipt of the request; and
- (b) if the Competent Authority of the Requested Party has been unable to obtain and provide the information within three months of receipt of the request, or six months if the information is not in possession of said Party or at its immediate disposal; including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the Applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

If these requirements were not satisfied, the Requested Contracting Party may, in its discretion, accept the request for supply information, but without being obliged to do so.

8. Actions of the Requested State for responding to a specific request

If information is requested by a Contracting Party pursuant to the foregoing paragraph, the Requested Contracting Party shall obtain and provide the information in the same form, as if the tax of the Applicant Contracting Party were the tax of the Requested Contracting Party and were being imposed by the latter.

If specifically requested by the Competent Authority of the Applicant Party, the Requested Contracting Party shall pursue the following procedures and forms to provide the requested information:

- a) specify the time and place for the taking of testimony or the production of

- books, papers, records, and other tangible goods;
- b) secure for their examination, without editing them, the original books, papers, records, and other tangible goods;
- c) secure or produce true copies of originals (including books, papers, testimony and records);
- d) determine the authenticity of books, papers, records, and other tangible goods produced;
- e) perform any other act not in violation of the laws, or at variance with the administrative practices of the State of the Requested Contracting Party; and
- f) certify either that procedures requested by the Competent Authority of the Applicant Contracting Party were followed or that the procedures requested could not be followed, with an explanation of the reasons thereof.

The Competent Authorities shall determine the language to be used in the correspondence utilized to exchange the information. If need be to translate books and papers, the Applicant Contracting Party shall take the necessary measures and bear the corresponding costs.

9. Limitations to the transmission of information.

The exchange of information referred to in this Agreement does not compel the Contracting Parties:

- a) to supply information, the disclosure of which would be contrary to public policy;
- b) to carry out administrative measures at variance with their respective laws or regulations, always in keeping with that provided in this Agreement;

c) to supply particular items of information which are not obtainable under their respective laws or regulation; always in keeping with that provided in this Agreement ;

d) to supply particular items of information which reveal commercial, industrial, professional secrets or of commercial or industrial processes. Notwithstanding the foregoing, information of the type referred to in Article 4, subarticle 5, shall not be treated as such a secret or trade process merely because it is in possession of any of the persons mentioned therein.

e) to supply information requested by the Applicant Contracting Party to administer or enforce a provision of the tax law of the State of the Applicant Contracting Party, or any requirement connected therewith, which discriminates against a national of the State of the Requested Contracting Party. A provision of tax law, or connected requirement, will be considered to be discriminatory against a national of the State of the Requested Contracting Party if it is more burdensome with respect to a national of the State of the Requested Contracting Party than with respect to a national of the State of the Applicant Contracting Party in the same circumstances.

f) to supply particular items of information which would not be obtained under its respective laws or within the scope of its usual administrative practice or those of the other contracting Party.

g) to obtain or provide information, which would reveal confidential communications between a client and an attorney or other admitted legal representative where such communications are:

a) produced for the purposes of seeking or providing legal advice; or

b) produced for the purposes of using it in existing or contemplated legal proceedings.

10. Regulations for executing a request

Except as provided in subarticle 9 of this Article, provisions of the preceding paragraphs shall be construed so as to impose on a Contracting Party the obligation to use all legal means and its best efforts to execute a request. The Requested Contracting Party shall act with due diligence, not exceeding the term of:

- THREE (3) months as of the date of receipt of the request for its answer, when the information is internally available within the field of the Tax Administration
- SIX (6) months as of the date of receipt of the request for its answer, when there is need to proceedings in order to obtain the requested information.

In case of inability to comply with the term for responding, of difficulty for obtaining the information or objecting to provide it, the Competent Authority of the Requested State must, within a term not exceeding THREE (3) months, inform the Competent Authority of the Applicant State, indicating the probable date on which the answer could be sent, the nature of the obstacles or the reasons for objecting to provide the information requested, as appropriate.

11. Use of the information received

Any information received by a Contracting Party shall be treated as secret in the same manner as information obtained under the domestic laws of the Contracting Party providing it, or according to the conditions of confidentiality applicable in the jurisdiction of the State of the Tax Administration receiving it, if such conditions are more restrictive and shall be disclosed only to persons or authorities of the State of the Applicant Tax Administration, including judicial and administrative bodies involved in:

- i. the determination, assessment, collection, and administration of taxes under this Agreement,
- ii. the recovery of fiscal claims derived from such taxes,
- iii. the enforcement of the tax laws,
- iv. the prosecution of tax offences,
- v. the determination of administrative appeals in relation to such taxes,
- vi. the oversight of the above.

Such persons or authorities may use the information only for these tax purposes and may disclose it in public court proceedings or in judicial decisions of the Applicant State, in relation to such matters.

12. Legal validity of the information received

Information obtained by the Applicant Party shall be considered as valid provided that it has been issued by the Competent Authority of the Requested Contracting Party, except for proof to the contrary.

ARTICLE 5 PRESENCE OF OFFICIALS OF A CONTRACTING PARTY IN THE TERRITORY OF THE STATE OF THE OTHER CONTRACTING PARTY

1. In accordance with the legal and administrative dispositions of both Contracting States, officials of one Contracting Party may be present in the territory of the State of the other Contracting Party with a view to obtain any type of useful information for the application of the taxes covered by this Agreement. The Competent Authorities of both Contracting Parties shall determine, by mutual agreement, and observing the general

principle of reciprocity, the conditions and procedures to be followed as to the presence of such officials.

2. The representatives of the applicant authority, when being present in an examination, shall be in condition to supply, at any time, evidence of their capacity as officials and to enjoy of the same defence granted to the officials of the Requested Contracting Party, as provided in the laws in force therein, being liable for any infringement they could commit.

ARTICLE 6

MUTUAL AGREEMENT PROCEDURE

1. INTERPRETATION AND APPLICATION OF THE AGREEMENT

The Competent Authorities of the Contracting Parties shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Agreement. In particular, the competent authorities may agree to a common meaning of a term.

2. DIRECT COMMUNICATION OF THE COMPETENT AUTHORITIES

The Competent Authorities of the Contracting Parties may communicate with each other directly in order to carry out the provisions of this Agreement.

For that purpose, the Competent Authorities may appoint an official, service or an agency from their respective jurisdictions, as person or entity in charge of beginning the communications which are considered necessary to achieve the object of this Agreement.

ARTICLE 7
COSTS

1. ORDINARY AND EXTRAORDINARY COSTS

Unless the Competent Authorities of the Contracting Parties otherwise agree, ordinary costs incurred for the execution of this Agreement shall be borne by the Requested Contracting Party and extraordinary costs shall be borne by the Applicant Contracting Party.

2. DETERMINATION OF EXTRAORDINARY COSTS

The Competent Authorities of the Contracting Parties shall determine by mutual agreement when a cost is extraordinary.

ARTICLE 8
COMPATIBILITY WITH OTHER TREATIES

The conditions for the assistance and others procedures provided in this Agreement, shall not be considered as an obstacle for the Contracting Parties to provide assistance based on the resolutions set up in other similar international treaties.

Furthermore, the Competent Authorities may take into consideration the commentaries to the 2002 OECD's Model Agreement on Exchange of Information on Tax Matters (the OECD Model Agreement) when provisions of this agreement which are identical to the provisions of the OECD Model Agreement be interpreted.

ARTICLE 9
ENTRY INTO FORCE

1. The Republic of Costa Rica subscribes this Agreement “ad referendum” of the legislative power of the Republic of Costa Rica.
2. Each of the Contracting Parties shall notify to the other in writing the completion of the procedures required by its law for the bringing into force of this Agreement.
3. This Agreement shall enter into force 30 days after receipt of written notification by the latter Party. Upon entry into force, it shall have effect:
 - a) for criminal tax matters, on that date, for taxable periods beginning on or after that date or, where there is no taxable period, for all charges to tax arising on or after that date
 - b) for all other matters covered in Article 1, for taxable periods beginning on or after the first day of January of the year next following the date on which the Agreement enters into force, or where there is no taxable period, for all charges to tax arising on or after the first day of January of the year next following the date on which the Agreement enters into force.

ARTICLE 10
DENUNCIATION

1. Any of the Contracting Parties may, at any time, denounce this Agreement through notice addressed to the Competent Authority of the other Contracting Party or through diplomatic channels.

2. Such denunciation shall become effective on the first day of the month following the expiration of a period of THREE (3) months after the date of receipt of notice of termination by the other Contracting Party. Notwithstanding any termination of this Agreement, the Contracting Parties shall remain bound by the confidentiality provisions with respect to any information obtained under this Agreement.

Done at the city of San José – Costa Rica, this 23rd day of November 2009 in two originals in Spanish language.

For the government of
the Argentine Republic

For the Government of
the Republic of Costa Rica

Mr. Ricardo Echegaray
Federal Administrator of
Public Revenues

Mrs. Jenny Phillips Aguilar
Minister of Finances

Mr. Juan José Arcuri
Ambassador of the Argentine Republic in Costa Rica