REPUBLIC OF COSTA RICA



NATIONAL STATISTICAL SYSTEM ACT

Act No. 7839 of October 15, 1998

Published in Section 77-B of La Gaceta No. 77 of November 4, 1998.

LAST AMENDMENTS:

- Act No. 7963 of December 17, 1999. La Gaceta No. 11 of January 17, 2000.
- Act No. 8284 of May 28, 2002. La Gaceta No. 114 of June 14, 2002.

I, Ana Catalina Cubero Hernández, Certified Translator for the Ministry of Foreign Affairs of the Republic of Costa Rica, appointed by resolution number DM-023-2014, published in the official register "La Gaceta" number 32 of February 14th, 2014, do hereby certify that the document originally worded in Spanish, copy attached hereto is translated into English as follows:------

Chapter I. Creation of the National Statistical System.

Article I.-

Declare of public interest the national statistical activities that allow the production and dissemination of reliable and appropriate statistics, for the accurate and comprehensive knowledge of Costa Rican reality, as a foundation for an efficient public and private administration.

The National Statistical Systems (SEN by its acronym in Spanish) is created with the purpose of rationalizing and coordinating statistical work. It shall be composed by the centralized and decentralized institutions and departments of the public sector, which carry out statistical work that is relevant in the diverse fields of Costa Rican life, in accordance with the executive bylaws of this Act. Its governing body shall be the National Institute of Statistics and Census (INEC by its acronym in Spanish), created in Section 12 of this Act.

Article 2.-

This Act regulates the programming, production, processing and dissemination of statistical activities carried out by the state agencies that make up the SEN.

Article 3.-

When developing statistical information, the public sector agencies that make up the SEN shall apply the same standard system of concepts, definitions, statistical units, classifications, nomenclatures and codes that enable the comparison, integration and analysis of data and results. For this purpose, the INEC shall issue the relevant technical regulations.

Article 4. - (*)

The agencies and entities that make up the SEN shall collect, manage and share data for statistical purposes in accordance with the principles of statistical confidentiality, transparency, specialization and proportionality, which are specified below:

a) Data obtained in accordance with this Act shall be strictly confidential, except data coming from public institutions and non-state public documents, which shall be freely accessible to all citizens. Data from private individuals or private legal entities, given to SEN institutions shall be shared individually and in accordance with the conditions described in Section 3 of this Act, for statistical purposes only. The INEC may provide individualized information on the different products generated by the SEN, providing always a block on the identification records defined in the relevant documents, electronic files, administrative records and other means.

These data shall not be published individually, but as part of overall figures, which shall correspond to three or more persons or legal entities; neither shall they be used for tax purposes or any other purpose. In population directories of public use, only basic information of persons or legal entities shall appear, providing that the principle of confidentiality mentioned above is never undermined.

- b) Applying the principle of transparency, individuals who provide data have the right to obtain information about the protection given to their data and the purpose for which it was collected; also, statistical services are required to provide it.
- c) In virtue of the principle of specialization, it is required that data collected for statistics is used for the purposes they were collected for.
- d) In virtue of the principle of proportionality, the criterion of correspondence between the amount and content of information requested, and the results or purposes to be obtained, shall be observed.
- [*] This article has been amended by Act No. 7963 of December 17, 1999. LG#11 of January 17, 2000.

Article 5.-

The SEN may request information relative to its activity, to any person or legal entity residing in Costa Rica, providing that such information does not refer to strictly technical confidential information related to the specialized activity of that person or entity. Knowledge of this information by third person must not go in detriment of those person's and legal entities' commercial, productive or competitive capacity. Likewise, the SEN may request information to international bodies that, through an agreement or arrangement, are carrying out works of statistical nature in Costa Rica. Equally, it may request, to any department of the Public Administration, information of strictly statistical nature, not classified as State Secret or by any other legal disposition that prevents its access or submission.



Article 6.-

Information requested by the SEN shall be clearly defined and programmed by the INEC, in coordination with the other entities of the System, in accordance with this Act; in every case, the nature, characteristics and purpose of the statistics requested shall be determined.

Article 7.-

Any information requested in relation to the previous Article shall be requested to the administrators and public entities in a term no shorter than 15 business days. Furthermore, public entities shall be advised about their duty to collaborate; confidentiality of information; and the sanctions for not collaborating or providing false, inaccurate or outdated data.

Article 8.-

Institutions and departments that make up the SEN shall be obliged to supply required data to prepare national statistics, as established in Article 15 of this Act. The supply of all information collected for census and statistics being prepared by decision of the INEC, shall be strictly voluntary.

Article 9.-

Information provided or supplied shall always be timely and accurate, under penalty of the sanctions provided in this Act.

Article 10.-

In every case, the following data shall be voluntarily submitted and shall only be collected prior consent of the persons providing it: data capable of revealing political opinions, religious or ideological beliefs, sexual orientation, and in general, any particulars regarding personal privacy.

Article 11.-

Information may be provided in handwritten or computer data form, providing always that the principles set out in this Act are respected and ensured. Information required by the INEC should be submitted free of charge.



Section I. Functions and Faculties

Article 12.-

Create the National Institute of Statistics and Census, as an independent public institution, that shall have its own legal status and assets and shall possess the functional and administrative independence given by Article 188 of the Political Constitution. It shall be the technical entity governing national statistics and coordinating the SEN. The Institute shall govern its activities in accordance with this Act and its bylaws.

Article 13.-

The INEC shall have the following functions and faculties:

- a) Establish the standards, models, formats and terminology that shall govern the processes of production and statistics created by itself and the entities that make up the SEN, to integrate, in a consistent way, all the economic, social and environmental data of the country, without prejudice of the independence and particular needs of the other entities' activities, which shall be taken into account by the INEC.
- b) Request –from all departments of the public administration, members or non-members of the SEN- purely statistical information, not classified as State Secret or by other specific legal provisions preventing its submission or access. Public agencies shall comply with these requests in accordance with this Act and its principles, within the terms established by the bylaws.
- c) Disseminate to the public, in a clear and timely manner, the results of its statistical activities as well as the methodologies employed. The INEC shall publish statistical data in accordance with the schedule provided annually, which shall be published in January of each calendar year, in La Gaceta and other national mass communication media. Also, after consultation with the entities of the SEN, it shall set minimum standards for the frequency and quality of the dissemination of particular statistical information by the agencies.
- d) Produce statistics directly; coordinate their production with other public or private agencies; or contract their production from other public or private institutions.

- e) Assess the quality of its statistics and those produced by the SEN; promote research, development, perfection and application of the statistical methodologies in agencies that generate basic or synthetic statistics; as well as support and give technical assistance to the statistical services of the State and other users through agreements of mutual cooperation.
- f) Create and keep updated population directories with the aim of extracting samples for public and private sector surveys. Such directories are necessary for the collection of statistical information carried out by the INEC.
- g) Give technical and methodological advice for the production of international agreements of statistical nature.
- h) Any other function assigned by law and compatible with the nature of its functions.

Article 14.-

The INEC shall prepare population directories for statistical purposes, based on the information it collects in accordance with this Act.

Article 15.- (*)

The INEC shall produce the following national statistics:

- a) Those coming from administrative records: vital statistics, education, tax, transportation, demographics, environmental, foreign trade, and construction permits.
- b) Those coming from national population and housing censuses, including those regarding the types of disabilities present in the population, those regarding agriculture and those coming from economic censuses related to the collecting of statistical information of the activities carried out by financial agents. The period between one preparation and the next one shall be of maximum ten years for the population and housing censuses and of five years for the economic and agricultural ones.
 - c) Those originated from home surveys, from multiple purposes, agricultural surveys, home income and expense surveys, economic surveys and consumer price indexes, manufacturer of goods and services and those of foreign trade.



- d) Basic statistics required by the Central Bank of Costa Rica to prepare national accounts and the rest of macroeconomic accounts. For financing effects, the Bank and the INS shall proceed in accordance with Articles 34 and 35 of this Act. (*)
- e) All statistics that are not prepared by other institutions but the INEC's Board of Trustees deems relevant.
- (*) Subsection d) of this Article has been amended by Act No. 8284 of May 28, 2002. LG# 114 of June 14, 2002.

Article 16.-

When developing new statistics, the INEC shall consult qualified users about their information needs, with the aim of analyzing the viability and cost of satisfying the requirements. When those works involve additional costs not contemplated in the INEC's budget, they shall be covered by the interested parties.

Article 17.-

The INEC may carry out special procedures and tabulations of the data it possesses for the use of particular persons or organisms, provided always that they pay for such work the rates fixed by the Board of Trustees for the rendering of services and that the principles of this Act are not distorted.

Article 18.-

Authorize the INEC to charge for the cost of the statistical information services it renders, including population directories as well as publications and any other media for the dissemination of the statistical information it prepares.

Article 19.-

The INEC shall be endowed with the same tax exemption regime applicable to the Executive Power.

Section II. Roard of Trustees

Article 20.-

The Board of Trustees is the maximum authority of the INEC. It shall be composed of five members, who must display moral solvency, ample capacity and professional experience that qualifies them for the performance of that position, and who shall be appointed as follows:

- a) Two professional experts in statistics, selected by the Governing Council.
- b) One professional with experience in statistics selected by the Governing Council from a shortlist of three candidates proposed by the Economic Science Association.
- c) Two professional experts in statistics selected by the Governing Council from a shortlist of three candidates proposed by the National Council of Rectors.

The members of the Board of Trustees shall be appointed for a six-year period and may be re-appointed for equal-length periods.

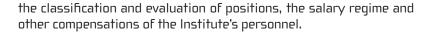
Article 21.-

Members of the Board of Trustees shall earn allowances per session, as established by the competent authority for the independent institutions of public law. No more than four sessions shall be acknowledged per month. The Board shall hold its sessions validly with the presence of three members.

Article 22.-

The Board of Trustees of the INEC shall have the following functions:

- a) Define with regulations, the technical rules and norms referred to in Articles 3 and 13 of this Act.
- b) Determine the general policies and strategic plans of the INEC.
- c) Approve the work plan, annual ordinary and extraordinary budgets, and any budget amendments, as well as agree with resource investments, in accordance with this Act.
- d) Approve the financial processes and procedures necessary to execute the activities carried out by the INEC.
- e) Approve, reform and interpret the INEC's internal rules and regulations and regulate the organization and administration services. The rules and regulations issued by the INEC for those purposes shall be published in La Gaceta.
- f) Dictate the general norms of organization, hiring of personnel, functioning of its internal audit and other norms for the development of the Institute's work. Additionally, it shall dictate the policies for



- g) The Board of Trustees of the INEC shall define, through internal rules and regulations for the process of hiring personnel, the requirements, the guarantees and duties of the employees, the means of development and promotion of all the policies regarding human resources necessary for performing their functions.
- h) Name the manager, sub-manager and internal auditor.
- i) Define the criteria to be complied by the INEC's administration to answer the service requests mentioned in Article 17 of this Act.
- j) Any other derived from this Act and its bylaws.

Section III. Management

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Article 23.-

The Board of Trustees shall appoint for a one-year period, a President, Vice-president and Secretary, who shall perform their duties in accordance with the General Public Administration Act and may be reelected.

Article 24.-

When a member of the Board of Trustees must be replaced before ending its term, its substitute shall be appointed to its position for the remaining time.

Article 25.-

The Board of Trustees shall appoint a manager and sub-manager for a six-year period and may reappoint them. The highest administrative position of the Institute shall be the manager; the sub-manager must comply with all the functions assigned to him or her by the manager and shall substitute him or her when absent.

Article 26.-

The manager and sub-manager must meet the following conditions:

a) Professionals graduated from university with merits, experienced and with training that qualifies them for the position.

- - b) Older than 25 years of age.
 - c) Costa Rican nationals by birth or naturalization.
 - d) Full time civil servants; consequently, they shall not be allowed to perform other public positions or exercise any liberal profession.

Article 27.-

The manager must:

- a) Exercise, in the name and behalf of the INEC, its judicial and nonjudicial representation for the functions of his or her office, vested with power of attorney without limit in amount.
- b) Attend the sessions of the Board of Trustees, where he or she shall have a say but no vote, as well as execute the agreements and resolutions decided by the Board.
- c) Appoint, promote, suspend and remove civil servants and employees of the INEC, except the sub-manager and internal manager. For that purpose, he or she shall apply the general provisions established in the personnel norms. When dealing with internal audits, the manager shall have the approval of the internal auditor.
- d) Propose to the Board, for its approval, the norms it deems necessary to develop the tasks that the INEC must perform in regards to the statistical services rendered to the public sector.
- e) Propose the internal organization of the INEC to the Board of Trustees.
- f) Present to the Board of Trustees, for its approval, the INEC's annual budget plan, accompanied by a work plan and the budget amendments required to carry out such plan.
- g) Provide the Board of Trustees, in a periodic and convenient form, all the essential information necessary for the good functioning of the INEC.
- h) Dictate the Institution's technical norms and coordinate its activities.
- i) Produce the Institution's annual memory.
- j) Coordinate, with the necessary centralized and decentralized institutions and departments of the public sector, the terms of the collaboration and support that these shall provide for carrying out national censuses.



 k) Evaluate national censuses from a technical and administrative point of view.

Section IV. Internal Audit Department

Article 28.-

The INEC shall have an internal audit report directly to the Board of Trustees. Its main function shall be to verify compliance, the sufficiency and validity of the internal control system established by the Institution.

Article 29.-

The internal audit shall function under the responsibility and direction of an internal auditor and deputy auditor, both appointed by the Board of Trustees, by the affirmative vote of a least three of its members.

Article 30.-

The Internal Audit Department shall have the following functions:

- a) Perform the duties of its or her office, monitoring and auditing the organization and functioning of the Institute.
- b) Advise the Board of Trustees on matters within its competence, and warn it of the possible consequences of certain behaviors or decisions.
- c) Ensure compliance with Acts, regulations, resolutions and decisions of the Board of Trustees.
- d) Other functions set by this Act and its bylaws.

Article 31.-

Within the Internal Audit Department, the INEC should have a quality comptroller of the services provided by the Institute. This unit shall carry out regular assessments and assessments whenever a user makes a reasonable request.

Section V. Funding System

Article 32.-

The INEC shall prepare its own annual, ordinary and extraordinary budgets, subject to general guidelines promulgated by the competent Budgetary Authority. The Government of the Republic of Costa Rica shall provide funding for these budgets; consequently, the Government shall deposit these funds via a wire transfer, provided an agreement is reached by and between the Department of Treasury and the INEC. The budget shall cover the expenditures and provide adequate funding for optimal operation and fulfillment of the functions granted under this Act.

Article 33.-

The preparation, execution and publication of censuses shall be conducted every five to ten years at the most, as applicable, and shall be funded by the Government of the Republic of Costa Rica. To this end, the INEC shall furnish duly justified budget reports two years in advance, notwithstanding preparation and planning activities. This funding shall be in addition to the terms set forth in Article 32 of the National Statistical System Act, and shall be used solely for the purpose of preparing and executing the aforementioned censuses.

Article 34.-

Earnings obtained by the INEC from the sale of goods and services are part of this funding.

Article 35.-

Under this article, the INEC shall be authorized to:

- a) Receive transfers, contributions and donations from public institutions, natural persons, legal persons and any other domestic or foreign entity, in addition to the international cooperation resources made available to the State for funding any activity related to the compilation, processing and dissemination of statistical information.
- b) Enter into internal or external loan agreements in accordance with the governing law.



Under this article, state agencies shall be authorized to temporarily assign qualified personnel to the INEC, in addition to any necessary financial resources, in furtherance of executing and fulfilling specific projects.

Article 37.-

Under this article, State agencies and public non-state institutions shall be authorized to contribute towards, and donate to, the INEC in furtherance of its goals.

Chapter III. National Consultative Council on Statistics

Article 38.-

Create the National Consultative Council on Statistics, for the purpose of acting as a consulting body of statistical knowledge, for the purpose of advising its informants, producers and users on federal statistic and social services, and for the purpose of representing business organizations and trade unions, among other social, economic and academic groups and/or institutions.

Article 39.-

The Council shall be composed of the following representatives:

- a) One representative for each of the following areas that compose the public sector: health, labor, economy and education. They shall be appointed by the Governing Council.
- b) Two representatives of the Chamber Association.
- c) Two representatives of the largest trade unions.
- d) Two representatives of the National Council of Rectors.
- e) One representative of the Central Bank.

Article 40.-

The Council shall be established before the President of the INEC, no later than the first day of March of the corresponding term; council members shall serve for a two-year term in accordance with the governing law. Representatives shall serve ad honorem.

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Article 41.-

The Council shall be granted the following functions heretofore:

- a) To act as advisor and collaborator of the INEC in furtherance of the functions herein granted.
- b) To develop proposals and recommend solutions, in the field of statistics, for nation-wide and user requirements.
- c) To give its opinion on work-related strategies brought forth by the INEC.
- d) To coordinate with various statistic centers and its users.
- e) To recommend regulatory measures for statistic reports produced by public entities to the INEC's Board of Trustees.

Article 42.-

This Act's bylaws set forth the rules involved in ensuring the Council's proper operation, including number of sessions, meetings and quorum conditions.

Chapter IV. Penalty Provisions

Section I. Applicable Principles

Article 43.-

Public officials who fail to comply with the obligations herein established shall be penalized in accordance with this chapter. In the event that an official unaffiliated with the INEC commits and offense, this Institute shall opportunely notify the corresponding authority of the situation, so as to avoid the resulting penalties and to proceed accordingly.

Regarding any offense committed by the INEC officials, the Institute shall exercise the legal authority to impose penalties through its Board of Trustees, with the right to due process and to present a defense.

Article 44.-

When an offense results in more than one infraction, whichever penalty is most severe shall be imposed.



The right to impose penalties expires after a two-year term following the date of the infraction.

The statute of limitations for imposing penalties shall be interrupted upon notice of the alleged offense and upon filing a claim related to the infringement.

Articles 46.-

Notwithstanding any civil, criminal, labor or any other kind of liabilities incurred in by the infractors, the INEC and other public institutions shall impose the corresponding sanctions, in accordance to the strict and due process of law. In regards to procedural matters, the general provisions of the Public Administration Act shall apply.

If the offenses were object of criminal actions, the competent institution will be obliged to take the necessary actions to the judicial authorities and shall abstain from any respective sanctioning procedures, while a judgment is issued by a judicial court.

When the penal process ends, the sanctioning procedure may be started in the administrative way, unless the sanction imposed by court is equal in nature to the sanction that would be imposed in the administrative way, in accordance to the non bis in idem principle, or that the judicial procedure had ruled, in a definite way, that the supposed infraction that could have been object of a sanctioning procedure did not exist. In both exceptional cases, the sanctioning process in the administrative way shall not proceed.

Article 47.-

For purposes of imposing fines as a sanction for the infractions referred to in this chapter, the unit of calculation will be a base salary, understood in accordance with article 2 of Act No. 7337.

Article 48.-

The person who commits any of the following minor offenses shall be liable to a fine equivalent to one to four base salary wages:

a) Delay or failure to submit the statistical information necessary to calculate the national statistics established under article 15 of the

National Statistical System Act, within the applicable term formally established by the INEC, provided that the delay or that the failure to submit information has NOT severely affected the service.

b) Incomplete or inaccurate data submission; provided this does NOT severely affect the service.

Section II. Penalties & Infractions

Article 49.-

The person who commits any of the following serious offenses shall be liable to a fine equivalent to five to seven base salary wages:

- a) Delay or failure to submit the statistical information necessary to calculate the national statistics established under article 15 of the National Statistical System Act, within the applicable term formally established by the INEC, provided the aforementioned delay or failure to submit information severely affects the service.
- b) Incomplete or inaccurate data submission; provided this severely affects the service.
- c) For every third minor offense after having previously committed two other minor infractions within one year of the date the first penalty was imposed.

Article 50.-

The person who commits any of the following very serious offenses shall be liable to a fine equivalent to eight to ten base salary wages:

- a) When false data is submitted before the competent statistic authorities.
- b) When data submission is met with resistance, whether recurrent or otherwise, and obvious false allegations or excuses.
- c) For every third serious offense after having previously committed two other serious infractions within one year of the date the first penalty was imposed.



Failure to comply with the confidentiality of official statistics as established by the National Statistical System Act, whether effected by public officials or any other natural or legal person providing services to the National Statistical System (SEN), or any agency thereof, shall be penalized in accordance to article 203 of the Penal Code and, when effected by public officials, it shall be considered a serious offense.

Article 52.-

The severity of the penalties established under this chapter's Article 48, Article 49 and Article 50 shall be adjusted, on a case-by-case basis, depending on the gravity of the infraction and the nature of the damages and/or losses.

Article 53.-

Offenders shall be bound to pay the penalty for any committed infraction within the term specifically established, under this Act, for such an effect; offenders in default shall be required to pay the late payment interest under the commercial law.

Article 54.-

All funds collected in consequence to penalties levied shall be the property of the Department of Treasury and shall be deposited, to the treasury's name, by the offending legal entity in accordance with the Financial Administration Act of the Republic of Costa Rica, in addition to any related or complementary provisions.

Chapter V. Final Provisions

Article 55.-

The INEC shall determine the most suitable organizational structure apropos of the functions and powers granted heretofore.

Article 56.-

Abrogate the General Statistics Act, No. 1565, of May 15th, 1953, and its bylaws.

Article 57.-

This public order act abrogates the general and/or special provisions that may be determined to be invalid or unenforceable.

Article 58.-

The Executive Branch shall regularize this act within a three-month term following its publication.

Transitory Provisions

Transitory Provision I.-

The parties shall, at the time this act comes into force, appoint their respective members of the board.

In order to ensure proper rotation of the Board of Trustees: (i) one of the board members cited in paragraph a) of Article 20 shall serve for a mandate of four years; (ii) the board member cited in paragraph b) shall serve for a mandate of two years; & (iii) the board members cited in paragraph c) shall serve for a mandate of five years.

Transitory Provision II.-

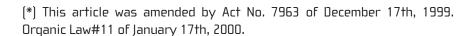
Once this act comes into full force and effect, the material and financial resources assigned to the Department of Census and Statistics shall be transferred to the INEC. Regarding the financial resources assigned to this Department, the Executive Branch shall allocate the corresponding amount upon drafting the Republic of Costa Rica's national budget.

Transitory Provision III.- (*) Abrogated

Transitory Provision III.- (*)

The INEC shall prepare and publish the national accounts in January 2003. To this end, the Central Bank of Costa Rica shall transfer the information and the material resources assigned in furtherance of this activity to the INEC, in accordance with a resource-transfer strategic plan made and entered by and between the institutions.

The Central Bank of Costa Rica shall fund the preparation of the national accounts for a five-year term following the date on which the functions granted heretofore — in furtherance of preparing the national accounts — are transferred. Upon expiration of this term, the Government of the Republic of Costa Rica shall be authorized to finance the project, in accordance to Article 32 of the National Statistical System Act.



(*) This transitory provision was abrogated by Act No. 8284 of May 28th, 2002. Organic Law#114 of June 14th, 2002.

Transitory Provision IV.-

Any official of the Department of Census and Statistics that no longer wishes to provide services to the INEC must duly notify the respective authorities of this Institute in writing, within six months following the date this act came into full force and effect, and shall receive the resulting benefits within a month following the date of termination. Whosoever exercises this option shall receive one month's pay for each year labored, or fraction thereof exceeding a period of six months, in accordance with paragraph f) of Article 37 of the Statutes of Civil Service of Costa Rica, notwithstanding that these officials may be re-hired under a new employment relationship in the public sector.

Transitory Provision V.- (*) Abrogated

Under this provision, the Central Bank shall be authorized to — by virtue of the transfer of functions cited in Transitory Provision III — restructure its Department of Social Accounting. Any official dismissed in the interest of the restructuration process shall receive a settlement under the terms of paragraph f) of Article 37 of the Statutes of Civil Service of Costa Rica, notwithstanding that these officials may be re-hired under a new employment relationship in the public sector. The Central Bank of Costa Rica shall assume the settlement's full amount, and shall fulfill payment thereof within a month following the termination date.

(*) This transitory provision was abrogated by Act No. 8284 of May 28th, 2002. Organic Law#114 of June 14th, 2002.

Transitory VI.-

The INEC shall start operating and performing its statistical activities within 6 months of the date this act comes into full force and effect; at this time, the INEC shall be disposed to develop a strategy and restructure its internal organization, in addition to coordinating and entering any interinstitutional agreement the INEC deems necessary for optimal operation.

Transitory Provision VII.-

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he internal work-related regulations cited in paragraph g) of Article 2 Shall be completed within six months of the date this act comes into fu
orce and effect. Insofar as these regulations are not met, the INEC official
shall retain the rights and obligations granted under the Republic of Cost
Rica's Civil Service System.
FI. 111

In witness whereof I issue this Official Translation from Spanish to English comprising 11 pages. I hereby sign and affix my seal hereto in San José, Costa Rica, on this the 20th of November of the year 2014.