



COSTA RICA
Investments

Relocating to Costa Rica

YOUR GUIDE TO RELOCATING TO
- COSTA RICA -



So, you are thinking about relocating to Costa Rica?

This guide will help you understand everything you need to know, from the pre-relocation stage up until you are already moved in and installed in the country.

We hope you find it helpful, and if you'd like assistance for the relocation process, please contact us at: ana@investingcostarica.com

The Process



PRE-RELOCATING

- Who you are
- What is important to you
- Why you are moving
- Define possible locations
- Define steps to move
- Explore schools



VISIT

- Explore areas
- View properties
- Understand lay of the land
- Understand Costa Rica's way of life
- Choose school



RELOCATING

- Residency
- Arrange a car (rent or purchase)
- Open a bank account
- Cell phone
- Transport to new home
- Set up with utilities
- Kids in school



Residency Options

Many families begin with a short bout of perpetual tourism, which is a kind of try-before-you-buy status for families who are just testing the waters OR who are in the residency process OR who won't be in Costa Rica for long enough to reap the benefits of residency.

That said, if you're relocating your family abroad, you'll likely crave the security and permanence of legal residency.

Benefits of Residency

- **Legal Right to Reside:** As a resident, you can stay in Costa Rica for as long as your residency is valid. No forced exits. And no worries about changing tourist requirements.
- **Costa Rican Driver's License:** Your home country's driver's license is only valid for as long as your passport stamp (max: 90 days). As a resident, you can transfer ("homologar") your home license to a Costa Rican license.
- **CCSS Healthcare:** As a resident, you'll pay into Costa Rica's public healthcare system, known as the Caja or CCSS. This grants you access to all public healthcare services, with no copays, deductibles, or additional fees, ever.
- **Permanent Residency:** While the residency categories below begin as temporary residency, most allow you to upgrade to permanent residency after three years. Not only does permanent residency grant you longer residence periods and the right to work in Costa Rica but it's also a path to citizenship, were you to so desire it.
- **Tax Exemptions:** Coming soon! A recent law (still in process) will grant certain residency categories significant import tax exemptions on household goods and vehicles.
- **Ease of Daily Life:** Life is just easier as a resident. You can easily open bank accounts, connect utilities, get a cell phone, request a "firma digital" (digital signature hardware, widely used in Costa Rica), and more.
- **Resident Discounts:** Did you know that Costa Ricans and residents have access to discounts throughout Costa Rica, from ₡1,000 entrance to national parks to hotel discounts?

Types of residency



RENTISTA

This two-year temporary residency category requires a \$60,000 deposit, usually via a trust in your home country or a funded bank account in Costa Rica. The primary applicant can cover a spouse and dependents.



INVESTOR

This two-year temporary residency category requires a \$150,000 investment slated for reduction in real estate or a business. The primary applicant can cover a spouse and dependents.



DIGITAL NOMAD

This one-year estancia (essentially, a right to reside) grants short-term residency to families earning a minimum of \$4,000/month from foreign sources.



FIRST-DEGREE RELATIONSHIP WITH A COSTA RICAN

For most families, first-degree relationship status is achieved through marriage to a Costa Rican or giving birth in Costa Rica (all children born here, regardless of parentage, are granted immediate Costa Rican citizenship).

Additionally, depending on your family circumstances, you may also qualify for Pensionado residency, which is a two-year temporary residency extended to pensioners earning a pension or lifetime annuity for a minimum of \$1,000/month. The primary applicant can cover a spouse and dependents.



Buying a Car in Costa Rica

Many foreigners who decide to live in Costa Rica, or come to visit seasonally, find that it is necessary for them to acquire a vehicle to get around. In this way, the high costs of renting a vehicle are avoided, since it is not an occasional visit. However, some have encountered bad experiences when acquiring a vehicle that has been salvaged, total lost, suffered odometer alterations, and the like. Therefore, care must be taken to avoid buying a “lemon” car.

The safest way is to buy a new car from an authorized dealer. That allows starting from scratch with care and maintenance. A new car can last for years in good working order. Most new car dealers offer a warranty that is typically three years or 100,000 kilometers, whichever comes first. However, some new vehicles sometimes have problems that are out of the ordinary. New car dealers provide the manufacturer’s warranty manual only and do not necessarily conform to local regulations.

The warranty on a new vehicle includes the free repair of any defect or problem that the vehicle may present, except for any damages or unauthorized modifications made by the buyer. However, such repairs are understood as occasional defects or problems, considering that the vehicle must meet a standard of performance and quality. When major components such as the engine or gearbox are damaged, requiring the vehicle to be left for weeks or months, said quality standard is not met.

Nor is the quality standard met when there are multiple small failures, which require applying the

guarantee on five, six or more occasions. In this case, the law allows for the delivery of another identical new vehicle, or the full refund of the price paid. One major problem is that the price of a new vehicle is too high, due to high import taxes. In Costa Rica, such taxes reach approximately 52%, to which must be added the profit of the distributor, registration costs and the so-called property tax, better known as “marchamo”.

Some recent regulations could help buying a new vehicle with lower costs. For example, law # the 9518 named “Incentives and Promotion for Electric Transport” establishes a 100% exemption on sales taxes, selective consumption tax, and customs value tax, for electric vehicles whose CIF value does not exceed USD \$ 30,000. There are also important exemptions for higher value electric vehicles, as long as the CIF price does not exceed US \$60,000. Likewise, by decree 41426-H-MINAE-MOPT, 100% of the selective consumption tax is exonerated on used electric vehicles whose CIF value does not exceed US \$30,000.

Another recent Bill approved at Congress in June 2021 creates a number of incentives to attract investors wanting to get residency status, which includes the possibility to import up to two motor vehicles (boats and planes also) for personal or family use, free of all import, tariff, sales and other taxes. Despite this, it must be considered that said Bill must still be published in the official newspaper and then regulated by different government institutions, which will take several months before becoming a reality.

The other option that exists is to buy a used car. In this case it is important to try to determine the origin, specifically if it was sold since new in Costa Rica, or if it has been imported as used. It has been a common practice to import used vehicles from the United States. In many cases, they are vehicles that have been sold at auction as salvage and later restored here, with an adulterated odometer showing a lower mileage. And there are also imported vehicles that are in excellent condition..

Homework must be done before purchasing. If it is a vehicle imported from the USA, a simple tool is to look up the VIN number and put it in Google. Many times, with just that some important data and even pictures appear. Otherwise, there is the possibility to buy a report on popular sites like Carfax or Vin Check. If it was sold domestically, trying to obtain maintenance records can help. In any case, it is recommended to bring a trusted mechanic to check it.

Some may consider bringing their own vehicle from the United States. It is important to consider several aspects. It is best to contact a Costa Rican Customs Agent. There will be a list of documents required. To name a few:

- a. Passport and driver license
- b. Vehicle registration certificate
- c. Title of ownership
- d. Certified emissions test
- e. Bill of lading
- f. Commercial invoice

The approximate amounts on import taxes are: 52% for vehicles 3 years or newer, 64% for vehicles 4-5 years old and 79% for vehicles older than 6 years.



Most **new car** dealers typically offer a warranty of **3 years** or **100,000 km.**



Import taxes in Costa Rica reach approximately **52%.**



Under certain conditions a **100% tax exemption** for **electric vehicles** is possible.



The approximate amounts off **import taxes** are: **52%** for vehicles **3 years or newer**, **64%** for vehicles **4-5 years old** and **79%** for vehicles **older than 6 years.**

Now let's see what rights the law guarantees. The first thing to consider is that if the vehicle is purchased from an individual who is not dedicated to the sale of vehicles, the buyer has few or no options, since in that case it is the buyer's obligation to verify the condition of the vehicle. But if the vehicle, whether new or used, is acquired from a car dealer, the Law of Effective Consumer Protection applies. There are two types of procedures, one in front of administrative authorities and the other in the courts.

The Comision Nacional del Consumidor or National Consumer Commission is the government's entity that can handle complaints against car dealers.

That authority can order that the full price paid be returned if the vehicle has defects that cannot be covered by the warranty, as well as impose fines on the seller. It does not have the power to order the payment of damages, fees or interest on the money paid.

In Court, the way is a process called "Consumer summary." You need to hire a lawyer. In this process,

the Judge can order the refund of the price paid, cover interest from the date of purchase, the reimbursement of fees and other expenses of the process. It is very important that, before establishing any claim, the buyer delivers a letter to the seller indicating the problems encountered. And that said letter be delivered with a copy of receipt, or failing that, that a Notary certifies the delivery and that the seller refused to sign the copy.

In the sale of used vehicles, it is important to know that the minimum warranty period is 30 business days, and not 1 month as most indicate. Some used car dealers provide a warranty document stating that it only covers the "engine and gearbox", which is illegal as the warranty covers all parts of the vehicle for 30 business days. If the complaint letter is delivered in that period, the term to go to the Consumer Commission is 2 months and to go to court is much longer. In any case, both procedures take months and sometimes even years. The best idea is still to take precautions before purchasing.

Purchase Price

Be prepared for a little bit of car-price sticker shock: Like it or not (agree with it or not...), cars are subject to high import taxes AND they retain their value better and longer in Costa Rica.

And that all boils down to a higher purchase price – usually, anywhere from 1.5 to 3 times more expensive than you might expect "back home." For example, in 2021, a 2006 Toyota RAV4 costs about \$8,000; a 2017 Hyundai Tucson is over \$20,000; and an ultra-compact 2016 Suzuki Swift costs about \$9,000.

Just remember, when it comes time to sell, your sales price will also be higher (especially if you've purchased one of the bigger brands).



Opening a Bank Account in Costa Rica

What documents are needed to open an account?

Requirements also vary among the different banks. If you are a resident, you will generally need to provide the following:

- **Identification** (either a passport or a DIMEX ID card, which will be issued by the immigration department)
- **A minimum deposit** (usually around \$25, although this will vary)
- **Proof of address** (such as a utility bill or rental agreement)
- **Proof of income from your local employer or, if you work freelance, a letter from an accountant** (alternatively, some banks will give you the option of providing proof of assets from your foreign bank)
- **Three months of bank statements from your current bank** (although this is not always required)

Most welcoming banks for Foreigners

Banco Nacional De Costa Rica



Banco Lafise



How to Get a Cell Phone in Costa Rica



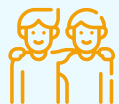
OPTION 1:

Non-residents can purchase a prepaid SIM card (through Claro, Kolbi, Movistar and other companies) for their unlocked cell phone. If you purchased your phone in the States, it may be locked to a U.S. carrier. Call the company that you purchased it from and ask for an unlock key so your Costa Rican SIM card can function. Unlock codes are also available on eBay for about \$10. All you need is the phone model and serial number.



OPTION 2:

The second method is to open a company known as an S.A. – pronounced “essay-ah”. This stands for Sociedad Anonima, which is a corporation that can operate exactly like a legal resident. With an S.A., you can acquire a cell phone line in your company’s name and avoid the hassle of bothering your Costa Rican friends.



OPTION 3:

If you are not a Costa Rican citizen or legal resident, you can ask a friend or family member who is a legal resident to obtain an extra cell phone line in their name. Keep in mind that only the owner will have authorization to make changes to the line.

Utilities in Costa Rica

Electricity is one of the most important utilities in Costa Rica. The national electricity provider is the Instituto Costarricense de Electricidad (ICE). The average cost of electricity varies from \$0.12 to \$0.15 per kilowatt-hour (kwh), depending on the region in which you live. In addition, some areas may require a monthly service fee.

Water is another utility in Costa Rica that is generally affordable for the expat community. The average monthly cost for water is \$10. However, this cost can be affected by the availability of water, the quality of water, and the distance from a water source.

Internet and telephone services costs can vary significantly, depending on the type of service and the provider. Generally, the cost of internet service is around \$50 to \$100 per month. Telephone services can range from \$15 to \$50 per month.

Finally, the cost of gas can vary widely, depending on the location and type of fuel. The cost of regular unleaded gasoline is around \$5.30 per gallon. The cost of diesel is usually slightly higher, ranging from \$5.5 per gallon.



The average cost of **electricity** varies from **\$0.12 to \$0.15 /kwh**



The average monthly cost for **water** is around **\$10**.



Internet costs between **\$50 to \$100/month**.
Telephone service costs **\$15 to \$50/month**.



Regular unleaded gasoline is around **\$5.30/gallon**.
Diesel is around **\$5.5/gallon**.



Schools in Costa Rica

There's no sole descriptor for schools in Costa Rica. We have a little bit of everything – public and private, Waldorf and Montessori, Costa Rican and International Baccalaureate. It's really across the board but the bottom line is that there is a school in Costa Rica for every type of learner.

That said, schooling is a major consideration for families. Our best advice is to structure your move around your school choice: Search first for schools that meet your family's needs, then begin to look to the surrounding towns and communities for a home that fulfills your other needs.



North Pacific



Tamarindo/Flamingo

Costa Rica International Academy (CRIA)	https://criacademy.com
Educarte Bilingual High School	https://educartecostarica.com/homepage
Pacific Waldorf School	https://waldorf.cr
IREN Instituto Renacimiento	https://www.irencr.com
Journey School of Costa Rica	https://www.journeyschoolofcostarica.com
La Paz Community School	https://lapazschool.org
TIDE Academy	https://tideacademy.com

Playas del Coco

Academia Teocali	https://educacion.cr/centros-educativos/colegios/academia-teocali
Colegio Bilingüe Ciudad Blanca	https://www.cbc.ed.cr
La Paz Community School (Tempisque Campus)	https://lapazschool.org
Lakeside International School	https://www.lakeside.school
Sea Wonders Academy	https://seawonders.ed.cr

Nosara

Del Mar Academy	https://delmaracademy.com
Academy Del Sol	https://directmap.ws/nosara/904
HomeSchool Beach Academy Nosara	https://homeschoolnosaracostarica.education
Casa De La Estrellas	https://www.casadelasestrellas.org

South Pacific



Uvita

Casa del Nino Uvita Montessori	https://uvitamontessorischool.org
Uvita Christian Academy	https://uvitachristianacademy.org
Centro Educativo Costa Ballena	https://www.facebook.com/centroeducativocostaballena
Liceo de Uvita	https://www.facebook.com/liceolauvita/?locale=es_LA



Ojochal

Life Project Education	https://www.lifeprojecteducation.org
Liceo Pacifico Sur	https://www.facebook.com/liceopacificosuoficial/?locale=es_LA
Escuela Nieborowski	https://www.facebook.com/escnieborowsky.puertocortes/?locale=es_LA
BMS Bilingual and Multidisciplinary School Virtual School	https://www.bmscostarica.com/en

Central Valley



Greater Metropolitan Area:

American International School	https://ais.ed.cr
Blue Valley School	https://www.bluevalley.ed.cr/en
British School	https://thebritishschoolofcostarica.com
Country Day School	https://www.nordangliaeducation.com/cds-costa-rica
European School	https://www.europeanschool.com
International Christian School	https://ics.ed.cr
Lincoln School	https://www.lincoln.ed.cr/en
Marian Baker	https://mbs.ed.cr
Pan American School	https://www.panam.ed.cr/?gclid=CjwKCAjwoqGnBhAcEiwAwK-OkYACqOTYHpQCqzMBTqpiqx2iFdnuZsFTAk92_XILOg1Scui7bw7nrRoC5SYQAvD_BwE

Atenas

Green Valley Athens School

<https://gvas.ed.cr>

San Rafael Bilingual School

[https://www.facebook.com/
colegiosanrafaelatenas/?locale=es_LA](https://www.facebook.com/colegiosanrafaelatenas/?locale=es_LA)

Colina Azul School

<https://www.atenascolinaazul.com/es/inicio>

Grecia

ABC Educational Center

<https://www.educabc.com>

Maria Inmaculada School

<https://www.cmigrecia.com>

San Ramon

St. John's Christian School

<https://www.stjohnschristianschool.com>

Liceo Experimental Bilingue de San Ramon

<https://www.lebsanramon.com>

Colegio Patriarca

https://www.facebook.com/cpsjsr/?locale=es_LA



Taxes in Costa Rica

Costa Rica is known for its relatively low tax rate; however, they still require citizens and foreigners alike to pay taxes on a regular basis. The taxes that you must pay depend on your residency status and the type of income you receive.

Income tax in Costa Rica

Costa Rica has a progressive income tax rate that applies to both residents and non-residents. The rates range from 0% to 25%. For those who are considered a resident of Costa Rica, the rate is set at a flat rate of 15%. This rate applies to all income earned in Costa Rica, including wages, business profits, and capital gains.

For non-residents, the rate is set at 25%. This applies to all income earned in Costa Rica, including wages and business profits. Non-residents are also liable for an additional 10% capital gains tax.

Other taxes in Costa Rica

In addition to income taxes, there are also a number of other taxes that you should consider when planning your move to Costa Rica. These include sales taxes, property taxes, and social security taxes.

Property taxes in Costa Rica are at a flat rate of 0.25%. This applies to real estate owned in the country.

Social security taxes in Costa Rica are also a flat rate of 7.5%. This applies to all residents and non-residents who are employed in the country.

For those who are non-residents or temporary residents, you are only required to pay tax on any income that is generated in Costa Rica.

This includes income from employment, rental income, interest, or dividends. The tax rate on this income is established by the Costa Rican tax authority, known as the Superintendencia de Tributación.

If you are a permanent resident, you must pay taxes on all income generated in Costa Rica, as well as

income earned abroad. The tax rate for this income is also established by the Superintendencia.

In addition, there are a number of special taxes that may apply to you. This includes taxes on the purchase of land, capital gains tax, and stamp duty. The tax rate for these taxes varies depending on the specific situation.

Cost of Living by Areas

Sample monthly budget for a couple in Guanacaste:

Housing (rental of a furnished, two-bedroom apartment)	\$1300
Electricity (varies widely with A/C usage)	\$100
Water	\$20
Household help (maid once a week)	\$75
Internet	\$75
Cell Phones (x2)	\$30
Cable	\$60
Healthcare (four \$50 visits to a doctor per year for two people + monthly Caja payment)	\$150
Transportation (owning a car) - doesn't include Marchamo, or insurance	\$630
Food/groceries (including alcohol)	\$800
Clothing	\$50
Entertainment (two people dining out eight times a month at local restaurants or other entertainment, such as movies, concerts)	\$400
Misc. (rainy day fund and unexpected expenses)	\$100
MONTHLY TOTAL:	\$3,790

Sample Monthly Budget Breakdown for a couple in Uvita, Costa Rica:

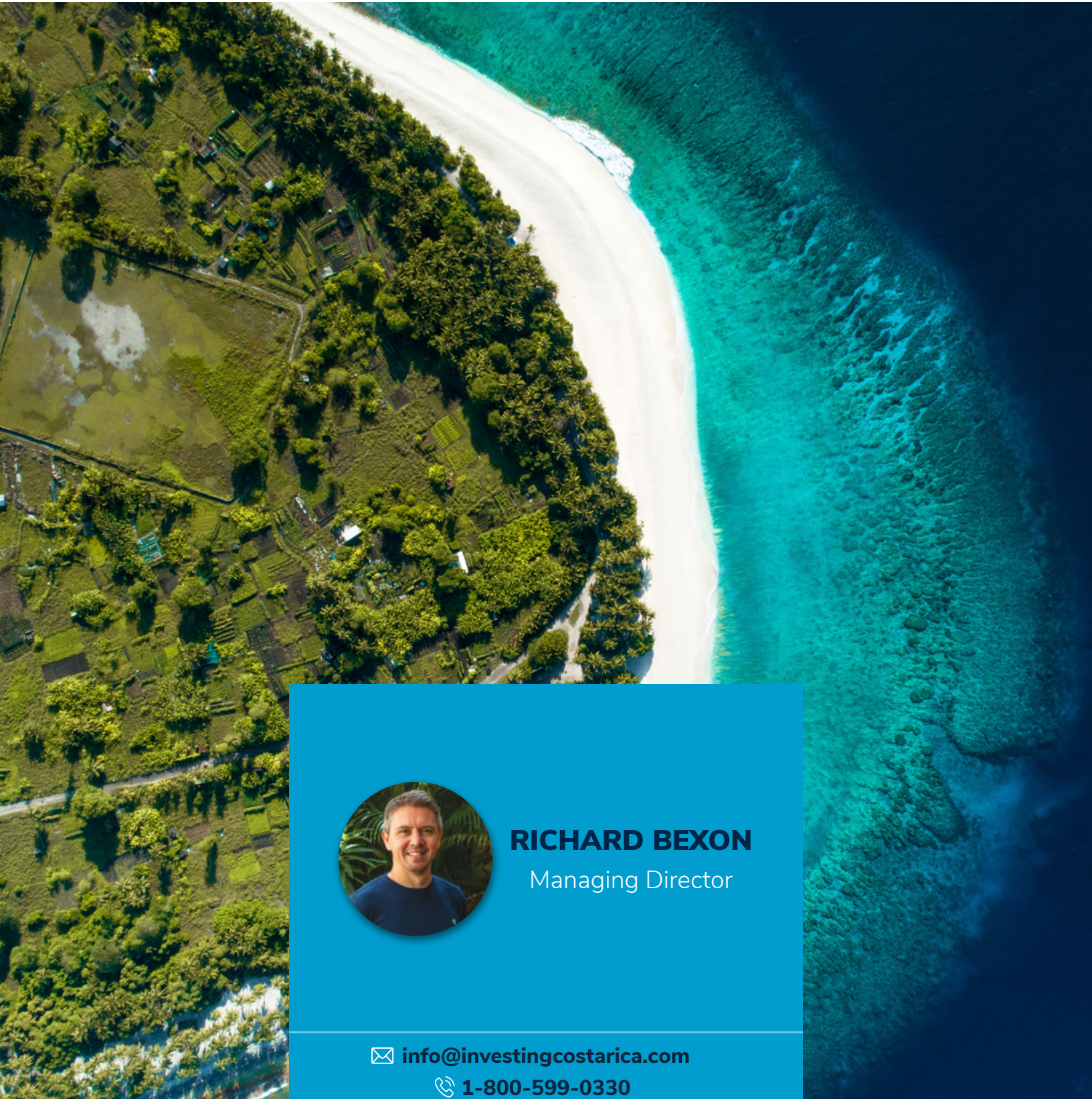
EXPENSE	U.S. \$
Rent	\$800 to \$4,000
Utilities	\$75 to \$400
Transportation	\$50 to \$200
Miscellaneous (yoga, medical, housekeeper)	\$255 to \$330
Groceries	\$400 to \$800
Entertainment	\$500 to \$1,000
MONTHLY TOTAL:	\$2,080 TO \$6,730

Sample monthly budget for a couple in the Central Valley, Costa Rica:

EXPENSE	U.S. \$
Rent (furnished, two-bedroom home)	\$1200
Utilities (including phone, electric, water, Internet, and cable TV)	\$300
Groceries	\$600
Maid (once a week)	\$75
Clothing	\$70
Entertainment (two people dining out eight times a month at top restaurants or other entertainment)	\$450
Health care (four \$50 visits to a doctor per year for two people, divided by 12 months)	\$33
TOTAL PER MONTH:	\$2,728



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RICHARD BEXON

Managing Director

✉ info@investingcostarica.com

☎ 1-800-599-0330