

## THE REPUBLIC OF COSTA RICA

### Important Information on Costa Rica Corporations

#### COMMERCIAL TRANSACTIONS

Costa Rica Corporations may carry out any type of legitimate business in any country, as well as carry out transactions in the currency of its choosing.

#### TAXES

Tax exemption of any activity or transaction carried out outside of Costa Rica.

#### AUTHORIZED CAPITAL / SHARES

- Only registered shares may be issued.
- Liquid capital is not a requirement.
- There are no minimum or maximum limits on amount of capital.

#### DIRECTORS, OFFICERS AND SHAREHOLDERS

- Shareholders, Directors and/or Officers must be natural persons.
- Any initial or subsequent changes to the Board of Directors or Officers must be recorded in the Public Registry of Costa Rica.
- Shareholder information is considered confidential and is only recorded in the Share Register, not in the Public Registry of Costa Rica.
- Directors may issue general or special powers of attorney.
- Neither the Directors nor the Officer are required to be Shareholders as well.
- Shareholders, Directors and Officers may be of any nationality and may reside in any country.
- Shareholder and/or Director Meetings may be held in any country and proxies may be used via power of attorney.
- INTERNATIONAL LEGAL HUB offers Nominee Directorship services.

#### ANNUAL RETURNS

It is not obligatory to present income tax returns, annual performance reports, financial statements, or to hold annual general Shareholders or Directors Meetings as long as the Corporation remains inactive within Costa Rica, since it does not carry out any economic activity within national borders.

\*This information is subject to change. Please visit [www.ilhlaw.com](http://www.ilhlaw.com)

## INCORPORATION AND MANAGEMENT

- Wide availability of company names for incorporation.
- Simple denomination system. Corporations end in "S.A."
- We offer translation services for all corporate documents, from any language to Spanish.
- Fast incorporation procedure and simple management system.
- The incorporation process takes approximately 3 weeks, but for shelf companies, shares may be transferred in about 10 minutes, prior to the change of Board of Directors, if applicable.
- The Public Registry of Costa Rica boasts a modern and sophisticated computer system that increases speed and efficiency in corporate document processing.
- Shelf companies available.

## REGISTERS

We have legal and accounting colleagues in Costa Rica who assist with corporate bookkeeping, and are able to carry out the activities necessary to activate or discontinue companies, as well as present the necessary declarations whenever necessary.

## CORPORATE SEAL AND LEGALIZATION

- The corporate seal is optional.
- Costa Rica is member of the Appostille Authentication Methods. However, Consular paperwork is the standard method of legalization in Costa Rica.

## FEES AND EXPENSES

Reasonable incorporation and maintenance fees and expenses.

## COSTA RICA CORPORATIONS – MAIN USES

- Holder of bank accounts, term deposits, investment projects and any other financial or commercial titles.
- Shareholder for other companies or legal entities.
- Owner of real estate, ships and any other assets. For assets within Costa Rica, there is no capital gains tax.
- Manager or facilitator of international commercial transactions.
- International leasing of vehicles, machinery, ships, etc.

\*This information is subject to change. Please visit [www.ilhlaw.com](http://www.ilhlaw.com)

- Marketing and promotion of products and services.
- Other financial and commercial activities.

#### RELEVANT INFORMATION ABOUT COSTA RICA

- Excellent corporation law.
- Flexible corporation law.
- No tax on international and banking transactions.
- No rules on exchange control.
- Political and economic stability.
- Serviced by major international airlines.
- Accommodation in top-quality hotels.
- State of the art communication technology.
- Qualified personnel.
- No capital gains, income and other taxes.
- Conveniently located close to major Latin American markets.
- Management of companies may be carried out from Panama.
- Bearer shares have always been forbidden.

#### SOCIAL AND ECONOMIC INDICATORS

Location: Central America, between Panama and Nicaragua. Area: 51.100 km<sup>2</sup>.

Population: 4,253,897 (July 2010 est.)

Climate: Tropical.

Official Language: Spanish

Government: Presidential Democracy. Standard of Living: High. Banking: Variety of local and international banking institutions.

Currency: Costa Rican Colon.

Industries: High Technology, Agriculture, Tourism.

\*This information is subject to change. Please visit [www.ilhlaw.com](http://www.ilhlaw.com)