



FEATURES OF COSTA RICAN CORPORATIONS (S.A.)

GOVERNING LAW

- The Code of Commerce or Law No.3284, published in Official Gazette No.119 of 30th April 1964, together with all its amendments.
- Law for Meeting the Tax Transparency Standard

BUSINESS TRANSACTIONS

- Costa Rican corporations may engage in any lawful business in any country and may carry out transactions in any currencies they may choose.

TAXES

- Any business activity or transaction carried out by a corporation outside Costa Rica will be fully exempted from taxation since this jurisdiction has a territorial tax system, except for technical and financial advice.

DIRECTORS AND SHAREHOLDERS

- A Corporation's Board of Directors must be made up of a minimum of three (3) persons: a President, a Secretary and a Treasurer.
- The corporation must have a Comptroller who will be individually responsible for the fulfillment of obligations in the law, the Articles of Incorporation and the Bylaws.
- By law, the President is the corporation's judicial and extrajudicial representative. In the event that the President's domicile is not located within Costa Rica, a Resident Agent whose function is to receive the corporation's communications needs to be appointed.
- A minimum of two (2) subscribers is required to act as the incorporators and there must be at least one (1) shareholder.
 - In general, these incorporators are the main shareholders at the registry and, immediately after signing and executing the Articles of Incorporation, they may transfer all of their shares to the beneficiary.
 - There are no restrictions regarding the number of shareholders after incorporation.
 - Neither the directors nor the officers need to be shareholders.
- Shareholders, directors and/or officers must be individuals or natural persons and there is no restriction concerning nationality or residence.
- Shareholders and directors may hold their meetings in any country and may attend such meetings by proxy.
 - Board of Directors meetings may be held remotely.
- The directors may grant special or general powers of attorney, provided that the Articles of Incorporation allow it.

RECORD KEEPING / ANNUAL RETURN FILINGS

- Annual returns must be filed only if the corporation carries out profitable activities in Costa Rica.
- Financial statements are not required, but there must always be sufficient information at the registered office to assess the corporation's financial status.
- Requirement to hold annual general shareholders/board meetings (at least one ordinary meeting within three months as of the closing of the fiscal year).
- Three legal records must be kept
 - Minutes of General Meetings
 - Minutes of Board of Directors Meetings
 - Shareholders Register

INCORPORATION AND ADMINISTRATION

- The name of a Costa Rican Corporation may be preceded or followed by the words “Sociedad Anónima” or by its abbreviation “S.A.”
 - The names may be expressed in any language provided that their Spanish translation is included in the articles of incorporation
 - It is possible to register the Corporation’s own Corporate Identification Number as its name.
 - The names of corporations may be changed at any time by amending the Articles of Incorporation.
 - The words “Limited”, “Corporation”, “Incorporated” or “Sociedad Anónima” or the abbreviations “Ltd”, “Corp” “Inc.” or “S.A.” may be used in a corporation’s name.
- Incorporation documents must be written in Spanish.
- There is no minimum authorized capital in a Costa Rican Corporation, but it is customary to incorporate a company with an authorized capital of CRC10,000 (approximately US\$20,000) of which 25% must be paid in.
- No limit on the number of shares which may be transferred through a nominative endorsement.
- The issuance of shares without par value is not allowed
- Bearer shares are not allowed; only registered shares are allowed.
- Shares may be issued in Colones, the legal tender of Costa Rica, or in any other currency (preferably in U.S. Dollars or any other currency whose exchange rate is published by the Central Bank of Costa Rica)
- The incorporation procedure takes approximately one (1) week.

REGISTERED OFFICE/CONTINUATION/ AUTHENTICATION

- The registered office must be located in Costa Rica.
- A corporate seal is not required.
- The Apostille is regularly used to certify documents.
- Corporations from other jurisdictions may be redomiciled to Costa Rica. Mergers are also allowed and either the Costa Rican or the foreign corporation may be the surviving entity.

COSTS AND FEES

- Reasonable incorporation and maintenance costs and fees

USES OF COSTA RICA CORPORATIONS (SA)

- Holder of investments and/or shares.
- Any lawful business activity, industry, agricultural activities, tourism, etc.
- Agent for foreign businesses.
- Conveying or receiving assets in trust.
- Holder of bank accounts, fixed deposits, investment plans and any other financial or commercial title.
- Owner of the shares of other companies or legal entities.
- Owner of apartments, houses, buildings, vessels and any other movable or immovable property or goods.
- Manager or promoter of international business transactions.
- International leasing of vehicles, machinery, vessels and others.
- Borrowing or lending money, paying or receiving funds in accordance with the law on commissions and others
- Marketing and promotion of products and services.
- Other commercial and financial activities.

HIGHLIGHTS OF COSTA RICA

- Flexible company law.
- Speedy incorporation procedure and simple administration
- No taxes levied on international transactions
- No exchange control regulations.
- Political and economic stability.
- Excellent worldwide communication facilities.

DOCUMENTS REQUIRED TO BE KEPT AT THE OFFICE OF I.E.L.C. , IN ACCORDANCE WITH THE LAW

The following information/documents must be kept at the office of the Resident Agent. Same will not be registered at the Costa Rica Registry:

- Appropriate due diligence references, as may be required.
- Consent to Act letter signed by each person to be appointed as director.
- Name, address and copy of the personal identity document of each person to be appointed as director.
- Address of the place where the original Register of Directors and the original Register of Shareholders are kept.
- A complete and updated copy of the Register of Directors and the Register of Shareholders must be kept at the office of the Resident Agent.

SOCIAL AND ECONOMIC INDICATORS

Location:	Central America, bordered by Nicaragua to the north, Panama to the southeast, the Pacific Ocean to the west and the Caribbean Sea to the east.
Area:	51,100 km ²
Population:	4,700,00 (2013)
Climate:	Tropical
Official Language:	Spanish
Government:	Presidential Republic
Standard of living:	High
Banking:	Wide network of banking institutions
Currency:	Costa Rican Colón (CRC)
Industry:	Tourism, technology and agriculture

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