



## ESTABLISHING A BUSINESS IN COSTA RICA

The process of establishing an ongoing business in Costa Rica requires to carry on with certain steps:

Steps	Timeframe estimated
1. Incorporating a company or purchasing a built-in shelf company	From 3 to 4 weeks There is a new alternative for a digital incorporation of companies that will reduce this estimate timeframe to 3-5 days
2. Registering the company as tax payer before the Tax Administration	1-5 days after incorporation date
3. Registering the company as employer and report the initial payroll at the social security administration, Caja Costarricense del Seguro Social (CCSS)	1-5 days after incorporation as tax payer
4. Acquiring for the company's payroll the labor risk insurance of the National Insurance Institute (INS)	1-3 days after registering the company as employer
5. Obtaining the operation permit from the municipality	1 to 3 months (including the time required to obtain the sanitary permit)
6. In order to obtain the operation permit it is necessary to obtain first a sanitary permit from the Health Department	1 month
<b>Total Time expenditure</b>	<b>3 months</b>

For the purpose of incorporating a total new company or purchasing a build-in company (step 1), the basic information required is as follows:



### Information on corporate governance in Costa Rica

Alternatives for corporate company type	The most used types of company in the country are sociedades anónimas (SA's), a kind of corporation but not of a public nature and sociedades de responsabilidad limitada (Ltda.'s), limited liability companies	
<b>Differences between SA's and Ltda.'s</b>		
	<b>SA's</b>	<b>Ltda.'s</b>
Incorporation	<ul style="list-style-type: none"> <li>▪ Both types require incorporation through subscription of the stock capital in public deed, by at least 2 partners that require to appear before a notary public in the country or Costa Rican consulates abroad</li> </ul>	
Stock Capital	<ul style="list-style-type: none"> <li>▪ There are no limits up to a minimum amount of stock capital for any of the company types. The stock capital may be in Costa Rican currency, in US \$ or in any other currency and must be deposited in one of the banks of the Costa Rican banking system.</li> <li>▪ The stock capital contribution by the shareholders may also be in any kind of assets</li> </ul>	
Management	<ul style="list-style-type: none"> <li>▪ Board of Directors (BOD) of at least 3 members: Resident, Secretary and Treasurer</li> </ul>	<ul style="list-style-type: none"> <li>▪ No Board of Directors but 1 or 2 managers</li> </ul>
Shareholders accreditation	<ul style="list-style-type: none"> <li>▪ Common and nominative shares, that can be freely transferred unless the by-laws determine otherwise</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quotas participations that can only be transferred if the rest of shareholders approve it. In case of rejection the other shareholders must acquire the quotas</li> </ul>
Representation	<ul style="list-style-type: none"> <li>▪ President of the BOD shall have the legal representation with full powers of attorney, with no limit as to any amount</li> <li>▪ Other members of the BOD or managers may be appointed and granted with powers and authorities that the shareholders meeting decide</li> </ul>	<ul style="list-style-type: none"> <li>▪ At least one manager shall have the legal representation with full powers of attorney, with no limit as to any amount</li> </ul>
Corporate Books (Legalized before the	<ul style="list-style-type: none"> <li>▪ 3 corporate books (Shareholders Register, Shareholders Meetings and Board of Directors)</li> <li>▪ 3 accounting books (Daybook, Ledger</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2 corporate books (Shareholders Register and Shareholders Meetings)</li> <li>▪ 3 accounting books (Daybook,</li> </ul>

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