

About Costa Rica

Columbus called it the "Rich Coast" upon his discovery in 1502. Rich in beauty, rich in ecology and rich in flora and fauna with thousands of species of plants, animals, birds and insects that live in magnificent and sometimes mysterious tropical forests. Costa Rica's wealth of natural resources is so abundant that it even exports oxygen, an essential nutrient for a better, healthier and cleaner way of life.

Some call Costa Rica the "Switzerland of the Americas", others call it "Paradise on Earth". You can call it what you like but one visit to Costa Rica and the memory of it will be etched in your mind forever.

About the size of West Virginia, Costa Rica encompasses about 51,000 square kilometers of enchanting rainforests, majestic mountains, and countless virgin beaches among rocky bluffs, enclosed by numerous peninsulas and bays of unsurpassed scenic beauty. Its natural heritage form one of the world's most outstanding biological reserve and national park systems.

THE PEOPLE

The expression "Pura Vida," literally translated as "Pure Life," best describes the Costa Rican way of life. Ticos, as the locals commonly call themselves, are their country's greatest asset and are renowned for their friendliness. They are warm hearted, gracious, educated, entrepreneurial and ready to accept you into their country, their lives, and their homes. In addition, foreigners are usually pleasantly surprised to discover how many of their neighbors are also from foreign soil.

THE LANGUAGE

The official language of Costa Rica is Spanish, but a great many Costa Ricans speak English. Additionally, as Costa Rica continues to attract visitors from the United States, Canada, Europe and Asia, other languages such as French, German, Italian, Chinese and Dutch are becoming more and more prevalent. Learn Spanish in Costa Rica!

THE CLIMATE

Costa Rica boasts about as many microclimates as could be found in any country in the world. Like it cool, very cool? Try high up in the mountains above the Central Valley. Hot and dry on the beach? Try the Guanacaste Gold Coast. Want to live in the rain forest? Like remote? Check out the Osa Peninsula. Whatever your preference, Costa Rica has something for everyone.

Some areas such as Grecia and Atenas, forty-five minutes from San José, claim the best climate in the world. In fact, the whole of Costa Rica boasts spring-like climate at least ten months out of the year. Temperatures in the Central Valley and the mountains average 68° degrees Fahrenheit (20° degrees Celsius) and in the lower coastal areas , about 79° degrees Fahrenheit (26° degrees Celsius). In the northern province of Guanacaste they say half the year is like living in Hawaii and the other, like living in Palm Springs, California.

THE CURRENCY

The national currency of Costa Rica is the Colon. U.S. dollars can be easily exchanged throughout the country at any bank, national or private, and also at most hotels and money exchange companies. In addition, nearly all hotels plus some restaurants and shops will accept U.S. dollars as payment. Canadian dollars may be exchanged at branches of Banco Nacional and other monetary currencies should be converted in San José at either Banco Central de Costa Rica or at a currency exchange house. Be certain to check daily exchange rates at local banks, currency houses or in the local newspaper as it changes continually.

BANKING

The banking system in Costa Rica is very modern and offers all local and international services. This includes issuing credit and debit cards, loans and both personalized and computerized banking. Automatic Teller Machines (ATM's) are available throughout the country and will accept PLUS cards as well as local ATM cards. Visa credit card advances are easily obtained at most local banks.

COST OF LIVING

The cost of living is probably one of the most important issues concerning prospective full-time residents. Although the cost of living here is less than that of the United States, the difference is not dramatic. Housekeeping and gardening help is very affordable, as are other conveniences, which are often considered a luxury. On average, a monthly income between \$1,500 to \$2,500 with established accommodations will provide for quite a comfortable lifestyle.

TAXES

Foreigners owning property or companies in Costa Rica have a fairly strong tendency to neglect certain types of taxes, namely land and corporate taxes.

Land Tax. Many foreigners who purchase land in Costa Rica, perhaps accustomed to more advanced tax-collection systems in their countries of origin, erroneously assume that they will receive a notice from the tax authorities when their land-tax payments are due.

In Costa Rica, land taxes are administered and collected by the municipality that has jurisdiction over the county in which the property is located. These taxes, which correspond to 0.25% of the property's value as established by the municipality, are used to directly benefit the municipality and the county.

When land taxes are due, property owners must go to their respective municipality's offices and provide the property number (folio real) and the name and identification of the property owner. If property transfer to the current owner was not reported, the appropriate documentation must be presented prior to payment so that records may be updated.

Land taxes are due quarterly; however, prepayment of the full year is possible and advisable, for convenience and for the substantial discounts offered by most municipalities for early payment.

If a landowner fails to pay these taxes, even though he or she has never received a notice requesting payment, his or her property is subject to foreclosure procedures so the municipality can collect - plenty of reason to keep payments and records with the municipality up to date.

When distance is an issue, many municipalities allow phone consultations to calculate the amount due. In such cases, payment is made through a deposit to the municipality's account with a local bank, and the deposit slip is faxed to the municipality, which in turn faxes a receipt to the taxpayer. Even this system, which at least simplifies the procedure, can be challenging, especially with respect to proper crediting of funds and the prerequisite of registration of the current owner with the municipality.

The law requires the properties to be appraised every five years, with a sworn statement made by the owner to the municipality. After the sworn declaration is made, the value of the property is calculated and determined by the municipality according to several variables, such as street frontage, location and total area, among others. If this mandatory sworn statement for property appraisal is not filed when due, the owner is subject to often arbitrary appraisals by the municipality. Negotiation of what is a fair value for the property is often more likely if this requirement is met voluntarily.

Municipalities often collect other monies on properties in their jurisdiction, referred to generally as municipal taxes, which may include local roads, garbage collection and maintenance of public lighting, among others.

Corporate Taxes. Local corporations do not always need to file income tax statements at the end of each fiscal year (Sept. 30 in Costa Rica). Consulting with an accountant and an attorney is a good way to start in determining if declarations and possible income tax payments are required.

Whether a company declares and pays income tax or not, a special tax called the timbre de educación y cultura (education and culture stamp) must be paid every March, and is applicable to all Costa Rican corporations. The amount is usually relatively small - the maximum is 9,000 colones (\$18) - and can be paid at the tax authorities' offices or at most banks.

As in the case of land taxes, you will not receive a notice that this tax is due, but must take the initiative to fill out the special form and make payment. If payment is not made, penalties apply that increase over time, and the corporation will not be in good standing.

third parties. When distance is an issue, especially when the taxpayer is not in Costa Rica or has difficulty with Spanish, a knowledgeable third party, usually an attorney or accountant, may be retained to assist.

The speed and ease with which such advisors will be able to get the property owner or corporation in good standing will depend on how many of the abovementioned steps have been met in the past.

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HEALTH SERVICES

There are numerous quality hospitals operated by the National Social Security System located throughout the country. In addition, private healthcare is quite common and considered inexpensive. Privately operated hospitals offer highly educated physicians and personnel, excellent facilities and multidisciplinary Medical Corps catering to the needs of many

foreign visitors who frequently take advantage of the better value and best professional medical care offered in Costa Rica. Cosmetic surgery plus dental and optical care are very affordable and are in particularly high demand.

EDUCATION

Costa Rica provides free education for its residents and boasts the highest literacy rate in Central America, rivaling even that of many larger and much wealthier industrialized nations. The right to primary education for both sexes was established in 1869 and has been declared obligatory. In addition to free public education, there are several high quality private institutions extending from the primary level up through the university. Although most of these institutions are located in and around San José, the rapid development of the Guanacaste Gold Coast area has begun to attract some of the private, higher quality schools to the region.

EMPLOYMENT

Employment opportunities are limited, as Costa Rica gives job priority to its residents and requires work visas for any foreign visitors who seek employment in this country.

RELIGION

Perhaps as much as 90% of the population practices Catholicism, the country's official religion. Other religious beliefs exist freely although and are protected by the Constitution as well.

GOVERNMENT

Costa Rica is a free and independent republic and its people have enjoyed a peaceful, democratic way of life since 1889. The military as a division of the Costa Rican government was abolished in 1948 and is now prohibited by the Costa Rican Constitution. The current leadership consists of three branches of government including the President, elected by popular vote for a period of four-years and exercising executive powers; the Congress, a single chambered legislature, whose members are also elected by popular vote for a four-year term; and the Supreme Court, acting as the judicial body of the nation. The Constitution guarantees and protects its people's right to life, freedom and basic civil liberties. The death sentence was abolished in 1882, which has provided an ideal environment for several prestigious international human rights organization who have established their headquarters here in Costa Rica.

The country enjoys a quiet co-existence with its neighbors aided in part by president Dr. Oscar Arias, a Nobel Peace Prize winner, for his negotiating efforts throughout Central America. Perpetual Neutrality was proclaimed in Costa Rica in 1983.

CRIME

The biggest crime facing Costa Ricans is petty theft. Violent crime is nearly non-existent and virtually all crimes committed are in and around the larger cities.

COMMUNICATIONS

Costa Rica's communication network is among the very best in Central American. Postal, facsimile, telephone and cell phone services, as well as electronic mail (Internet), are readily available anywhere in the country.

TRANSPORTATION

Costa Rica now enjoys the convenience of three international airports. The largest and most frequently used, located about twenty-five minutes from San José, is the Juan Santamaria Airport. It is serviced by several major intercontinental airlines with direct flights between North and South America, Europe and Asia. The Tobias Bolaños International Airport in Pavas is much smaller and receives flights from the United States and Canada only. The new airport in Liberia, Daniel Oduber International, in the province of Guanacaste, began operations several years ago, receiving international flights from the United States, Canada and Europe, catering essentially to the tourist industry with mostly charter flights. A domestic network of internal airports also serves local travel needs with daily flights to popular tourist destinations and other parts of the country from any of the international airports. There are also several private airline companies that offer charter flights to anywhere in the country with a landing strip. Their equipment includes twin-engine aircraft, helicopters as well as other aircrafts.

BUS SERVICES

There exists an excellent network of ground transportation throughout the country serviced by private enterprises. Regularly scheduled trips between San José and all parts of the country are reliable and very economical. In addition, there are several bus companies that offer scheduled departures to Panama, Nicaragua and the rest of Central America

at competitive rates. There are also several companies that offer micro-bus direct transportation to/from and between the airport and major tourist spots around the country for about \$20 USD.

CAR RENTALS

There is an impressive choice of car rental companies to choose from in Costa Rica and this can be a fun way to see the country. It is a good idea to shop around for the best deals though. Costa Rica's highway system is very good and most areas are paved or have 2-WD passable dirt roads, as is the case in remote and rural areas. It is important to remember that some roads that may be drivable in the dry season can become impassable during the rainy season and may require 4-WD. Renting a 4-WD though is not necessary if you plan on sticking to the major routes. There are a few tollbooths throughout the country, but the charge is minimal. Gas stations are plentiful and many are open 24 hours, although if you are heading into remote areas it's a good idea to fill up when you can and there are no self-service gas stations in Costa Rica so sit back and enjoy the luxury. Other important tips to remember: pay the extra full coverage fee when renting a vehicle; if in doubt about road conditions - it's best not to try it; maps are not always up-to-date and may not reflect current existing road conditions. Do not be afraid to ask directions, the people in this country are extremely friendly and are always willing to steer you on the right track.

HOTELS

Costa Rica offers a wide variety of hotel, bed & breakfast, and other short and long-term accommodations catering to even those with the most discriminating needs. Whether you want to be in the city, at the beach or in the mountains the choices are endless. There are also many self-contained resorts offering a great range of amenities and activities from golf, tennis, fishing, diving, and surfing to casinos and day spa facilities. Whatever your preference, Costa Rica has it!

ACTIVITIES

The variety of recreational and cultural activities available in Costa Rica is unlimited. From sailing, beachcombing, snorkeling, diving, kayaking, water skiing, parasailing, fishing, and surfing at the beach to hiking and bird watching in the rainforests - the possibilities are infinite. If adventure is what you seek, you will find it here. You can raft down class III and IV white water rapids, swing through the trees with monkeys on a canopy tour, bungee jump over a raging river, experience world-class wind surfing on Lake Arenal or catch a spectacular volcanic firework display. Horseback tours to local waterfalls and hidden beaches are abundant throughout the country as well. Or if more relaxing is your style, spend a day golfing at any of the number of championship golf courses, pamper yourself at a local spa or just enjoy a dip in some of the volcanic hot springs.

If you're looking for a taste of the cultural experience, you can enjoy a theater show, visit historical sights and museums, catch a movie, or sample the wide variety of cuisines found in and around the capital, San José. For those who live outside the metropolitan area, climb in your car, hop on a bus, or catch a flight on SANSÁ or Travelair into the big city for a couple of days.

INVESTING IN COSTA RICA

Costa Rica is quickly becoming an international hot spot. As more and more people begin to discover the beauty and temptation of the "Pura Vida" lifestyle, the more they want to become a part of it.

"When choosing a country to invest in, we find Costa Rica is greatly attractive to investors and their families," says Ricardo Monge, director of the Costa Rican Investment and Trade Development Coalition (CINDE), a private, nonprofit organization. And the proof is in the numbers as several international companies have already chosen this country as a prime investment location.

U.S. based giant, Intel Corporation, recently invested \$700 million into an assembly factory and testing plant, which began operations in 1998. Acer America opened a new customer service facility as a base to branch out to the rest of Latin America and Firestone is currently doubling the capacity of its tire factory for export to the United States and other Central America nations. In addition, Lucent Technologies has opened a corporate office in San José with plans for expansion. Other companies such as Baxter Healthcare, Conaire Corporation and Bali Company are just a few of the many new businesses to join this growing list.

"Costa Rica is at a historic turning point; if we do things right we will grow very rapidly," says Monge. "We are trying to apply logistics to gain private sector expansion in order to better our infrastructure. This is crucial to the development of our nation."

Costa Rica, the most politically stable country in Central America, has proven attractive to investors for its relatively open investment and trade policies. Laws governing private investments are the same for nationals and foreigners. In addition, there are virtually no controls on foreign exchange transactions conducted by commercial banks. The exchange rate is determined by the Banco Central of Costa Rica through open market operations, and has disposable funds guaranteed

by the export-import Bank of the United States and other major international banking organizations.

Ranking number one as far as investments are concerned, tourism remains in a dynamic role as Costa Rica's number one industry. A remarkable improvement in tourism has been noted in the past five years - nearly a 58 percent increase. The visitor count last year of 792,287, as reported by the Costa Rican Tourist institute's (ICT) statistical department, consisted namely of U.S. citizens, followed by Canadians, Germans, Mexicans, Italians, Colombians, Guatemalans, British, Spanish, French and Chinese.

As a result, there has been a tremendous surge in development within Costa Rica's hotel sector mostly in the regions of Guanacaste and Puntarenas with a reported \$711 million in investments to date. The total for tourism investment reported last year amounted to \$759 million. Some of the major developments included the Allegro Resorts' Caribbean Village and the \$33 million new Marriott Hotel in Jaco. At present there are numerous other hotel, resort and golf developments in the planning stages or under construction in the northwest Guanacaste region, where the ICT continues to promote development of the area.

To benefit the investment climate, the government supports free trade and international competition. Clearly, the most enticing factor for foreign investors has been the country's income tax laws, which allow complete exoneration of taxes on an average of 8 to 10 years, and 50 percent exoneration for 4 more years depending on the investment. There is virtually no screening of foreign investment in most areas .

The ICT recently signed a \$10 million, 12-step program for tourism development. Last year, they launched a very aggressive international advertising campaign with the tag line "Costa Rica, No Artificial Ingredients," which focuses on the country's unsurpassed beauty, adventure and natural environment, of which one quarter is dedicated to national forests, parks and reserves, and which the country continues to protect. The ICT and a number of private organizations, such as CINDE, have placed considerable emphasis on facilitating investments and streamlining government services. CINDE's U.S. office in New York aggressively promotes Costa Rica as an investment destination.

A big attraction for tourism-type investments is the current incentive law, which offers a 12-year income tax exemption on non-distributed profits, land tax exemption, and offers duty-free entry to yachts, sailboats and certain motor vehicles for use in tourist transportation. Additionally, Costa Rica has one of the strongest U.S. dollar reserves in Central America (nearly \$1 billion). It also has advanced electric and technological industries and Free Zones continue to be one of the backbones of Costa Rica's export and investment promotion strategies, contributing significantly to local economic growth. Investment in the Free Zones totaled close to \$500 million, mainly from U.S. businesses. Companies currently under the Free Zone Corporation have close to 100 percent exemption on raw materials for export on most products. Most of Costa Rica's export incentives have been undergoing reforms to serve the international tendencies, and are on a par with tourism development.

Costa Rica remains a member of the World Trade Organization and the Central America Common Market, and has investment treaties with Switzerland, Great Britain, France, Germany, the Netherlands and the Czech Republic. Another incentive for investors has been the free-trade agreement under the U.S. Caribbean Basin Initiative, which guarantees access to the U.S. markets for many products. Under its Free Market treaty with Mexico, over 8,000 products became tariff-free in 1995. It also has a free-trade agreement with Panama, and similar agreements are being negotiated with Colombia and Venezuela. Primary trade discussions have been held with Chile, the market they are currently strongly targeting. " Bringing in key players such as Intel gives Costa Rica a letter of recommendation. Soon, other electronic industry firms will follow." It is a prediction that already seems to be becoming a certainty.

So come to our little corner of paradise and let Century 21 Marina Trading Post help you make your dreams a reality