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# Costa Rica for Business

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Costa Rica has long been a beacon for tourists seeking Pura Vida – a pure, simple life – but beneath the lush canopy and vibrant culture lies a robust and increasingly attractive landscape for international business.

James Turner, Director, Turner Little

Costa Rica, often synonymous with natural beauty and eco-tourism, is emerging as a compelling jurisdiction for international business incorporation. With its stable political climate, investor-friendly legislation, and increasing global reputation as a sustainability leader, Costa Rica is becoming an attractive destination for entrepreneurs and businesses looking to establish a presence in Central America.

### Why incorporate in Costa Rica?

Costa Rica offers a unique mix of economic incentives, legal protections, and strategic advantages for international companies and investors. From robust privacy laws to flexible corporate structures, the jurisdiction continues to grow in appeal for those seeking a foothold in Latin America.

- **Political stability and strong legal framework** – Costa Rica is one of the most politically stable countries in Latin America. It has a long-standing democratic tradition and no standing army, focusing instead on education, healthcare, and infrastructure. Its legal system, based on civil law, provides clear and enforceable protections for investors and corporations.
- **Corporate privacy and asset protection** – Costa Rican corporations, particularly the Sociedad Anónima (S.A.) and Sociedad de Responsabilidad Limitada (S.R.L.), offer strong privacy protections. Shareholder information is not publicly disclosed, offering a layer of confidentiality. Additionally, company assets are treated separately from personal assets, offering a degree of protection from personal liabilities and claims.
- **Tax advantages and free trade zones** – While Costa Rica is not a zero-tax jurisdiction, it does offer significant tax benefits, particularly through its Free Trade Zone Regime (FTZR).

Companies operating within these zones may qualify for tax exemptions of up to 100% on corporate income tax, import duties, and other local taxes especially in sectors like tech, manufacturing, and logistics.

The country also has territorial taxation, meaning that only income earned within Costa Rica is subject to local taxes. Foreign-source income is generally not taxed, which can be advantageous for international businesses.

- **Strategic location and global trade access** – Located between North and South America and bordered by two oceans, Costa Rica is an ideal logistics hub. It has modern port infrastructure, and its international airports offer direct access to North American, European, and Latin American markets. This strategic position makes Costa Rica a prime choice for companies engaged in global trade or seeking regional expansion.
- **Skilled workforce and education-driven economy** – Costa Rica boasts a highly literate, bilingual, and well-educated workforce. The country invests heavily in education and digital infrastructure, making it attractive for companies in knowledge-based industries such as IT, customer service, and biotechnology.
- **Commitment to sustainability and ESG principles** – Costa Rica is globally recognized for its leadership in sustainability and environmental protection. With a national electricity grid powered almost entirely by renewable energy, the country is particularly appealing to companies seeking to align with Environmental, Social Governance (ESG) goals. This makes Costa Rica a strong fit for brands looking to demonstrate long-term social responsibility and sustainable growth.







## Considerations before incorporating in Costa Rica

While Costa Rica offers numerous benefits, there are also some considerations to bear in mind:

- **Administrative and regulatory complexity:** While the legal framework is strong, navigating bureaucracy can be challenging without expert local guidance.
- **Minimum local presence:** Depending on the type of entity, certain businesses may be required to have a registered office and local agent.
- **Annual reporting requirements:** Companies must comply with annual filing obligations and tax declarations, even if operating under tax-exempt regimes.

Working with a knowledgeable advisor or corporate service provider is essential to navigate these requirements effectively.

## Is Costa Rica right for your business?

Costa Rica is ideal for entrepreneurs and businesses seeking:

- Asset protection with confidentiality;
- Tax advantages through free trade zones;
- A stable, well-regulated environment in Latin America;
- A base for sustainable and ethically aligned operations.

Its combination of economic openness, skilled talent, and commitment to clean energy makes it particularly suitable for industries like technology, logistics, manufacturing, and eco-enterprises.

## Conclusion

Costa Rica is more than a paradise for tourists; it's an increasingly attractive jurisdiction for international business. This Central American gem is stepping into the spotlight as a premier destination for investment and expansion. Its appeal extends far beyond its natural beauty, built upon a solid foundation of strategic policy, a highly educated workforce, and a proven track record of democratic stability that sets it apart in the region.

The core of Costa Rica's business appeal is its unparalleled human capital. With a literacy rate hovering around 98% and a deep cultural commitment to education, the nation produces a steady stream of bilingual and highly trainable professionals.

Furthermore, Costa Rica offers a remarkably stable and predictable operating environment. Unlike some of its neighbours, the country boasts Latin America's oldest continuous democracy, providing a secure political and legal framework essential for long-term investment. This stability minimizes operational risks and offers businesses peace of mind. The government actively courts foreign direct investment (FDI) through enticing incentives, notably the Free Trade Zone (FTZ) regime. Businesses operating within these zones benefit from significant tax exemptions, streamlined customs processes, and the ability to repatriate capital, making the logistics of international trade exceptionally smooth and profitable.

The government's long-standing decision to abolish its army in 1948 freed up significant resources, which were strategically redirected into public health and education systems. This investment has fostered a sophisticated talent pool that readily meets the demands of high-tech industries, particularly in medical

devices, engineering, and shared services. Companies like Intel, Procter & Gamble, and Amazon have established significant operations here, leveraging this local expertise to drive innovation and efficiency across their global networks.

Geographically, the country serves as an ideal nearshoring hub for North American markets. Its favourable time zone (CST/MST), advanced telecommunications infrastructure, and access to both Pacific and Atlantic ports ensure efficient supply chain management and seamless communication across the Americas. Coupled with a strong commitment to environmental stewardship – Costa Rica generates over 98% of its electricity from renewable sources – businesses can align their operations with global sustainability goals, enhancing their corporate responsibility profile.

In essence, Costa Rica presents a compelling blend of human intellect, economic incentives, democratic stability, and strategic location. It is a nation that manages to balance its commitment to the environment with robust economic development, offering international businesses not just a place to operate, but a place to thrive sustainably and strategically.

So, whether you're looking to expand your operations, protect assets, or tap into new markets, incorporating in Costa Rica could offer the strategic benefits you're seeking.

At Turner Little, we specialize in helping clients establish companies across multiple jurisdictions, including Costa Rica. Our expert team can guide you through incorporation, compliance, and long-term corporate structuring.



If you need further support with wealth management and similar, please get in touch with one of our experts at Turner Little to find out more information  
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*James Turner, Director at Company Formation Specialists, Turner Little, has a proven track record in helping clients maximize their assets in creative and bespoke ways. He is directly responsible for sales and marketing, with considerable specialist knowledge of UK and offshore banking.*

*James doesn't just have drive in the world of business. In his spare time, he has a passion for fast cars and boats.*