



GENERAL INFORMATION

This regime is granted with the objective of promoting Direct Foreign Investments (IED for the initials in Spanish), trade exchange, and the generation of employment for the country. The Costa Rican Government offers this Free Trade Zone (ZF for the initials in Spanish) Regime to domestic and foreign companies desiring to develop operations in the country.

Companies opting for this incentive and benefit regime must comply with the requisites and obligations established in Law No. 7210, its amendments and regulations. We invite you to learn more by using the following links:

- General Presentation on Free Trade Zones
- Download the List of Free Trade Zone Companies.

What kind of companies can benefit from the Free Trade Zone Regime?

• Export Manufacturers

An export requirement is established. The company should export at least 75% of its production. (As of 2015, this category shall no longer be granted).

• Marketers

These are not manufacturers, but manipulate, repackage or redistribute nontraditional products for export or re-exportation. These products may not be sold in the local market.

• Service Exporters

These correspond to companies exporting services to people or companies domiciled abroad, or to other Free Trade Zone companies.

• Park Managers

These are companies dedicated to the management of parks destined for the installation of companies covered by the Free Trade Zone Regime.

• Scientific Investigation Companies

These are dedicated to improving technological advancement of industrial or agribusiness activities and of the country's foreign trade.

• Companies operating dockyards or dikes

Construction, repair or maintenance of shipping (in dry-dock or afloat).





- **Manufacturers, independently of whether exporting or not/Suppliers to Free Trade Zones**

Level of exports is not a requirement for this category. (This category also applies for manufacturers which supply a minimum of 40% of their production to other Free Trade Zone companies).

BENEFITS

Companies inscribed in this regime enjoy the following benefits:

Exemptions for the importing of goods necessary for operation and management of the company:

- Machinery and equipment
- Semi-elaborated manufacturing and products
- Other products necessary for operation
- Packaging materials
- Spare parts, components and parts

Exemptions for the importing of vehicles with the following characteristics:

- Chassis with cabins with one to two ton load capacities.
- Trucks or truck chassis
- Pickup trucks with one or two ton load capacities.
- Vehicles with a minimum capacity of fifteen passengers

Tax exemptions on domestic purchases of goods and services.

Tax exemptions on exports.

Tax exemptions for a period of 10 years for:


- Conveyance of real estate
- Municipal permits

Exemption on remittances.

Exemption from all taxation on profits. This benefit is awarded in accordance with the company's location and category. In the case of location, it is determined with respect to its location in terms of the Enlarged Greater Metropolitan Area.

Access to training and education programs:





In accordance with Article 21 of the Free Trade Zones Law, undertakings may request the incentive training, training and training for workers and would-be workers, in accordance with the regulations established in the Executive Decree No. 39081 -MP-MTSS-COMEX, published in the official Gazette No. 144 of July 27, 2015, entitled "Regulations to Promote the Development of Human Resources of the beneficiary companies of the Free Trade zones."

CLICK HERE to download the form.

DOMESTIC SALES


Companies may sell their products or services in the domestic market (outside of the area occupied by the Free Trade Zone). This implies payment of taxes and consular duties similar to those of any other import originating abroad. In the case of export manufacturers and service providers, the income exemption percentages shall be reduced to the same proportion as that of sales in the domestic market.

Export manufacturers may only sell 25% of their products in Costa Rica. Marketing companies may not sell to the domestic market and service providers can supply up to 50% of their services to the domestic market.

Manufacturers, independently of whether they export or not (Category F) do not have minimum percentages for domestic sales. In all cases, it is necessary to send a sales projection to PROCOMER before transacting domestic sales.

OBLIGATION

Companies benefitting from this regime must comply with the following obligations:

- The recording and annotation in books and specific records of company operations relative to goods accorded tax exemptions authorized by the Ministry of Finance.
 - The signing of an operations contract with PROCOMER and compliance with the investment, employment and value-added commitments established in the Awarding of the Regime Agreement
 - The use of the customs declarations, seals and other instruments required by law or regulations for the documentation and monitoring of operations
 - The establishment of accounting and operational systems allowing for permanent monitoring of the entry, permanence and exit of all materials and goods, whether belonging to the company or held on consignment.
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- The holding of systems and information tools necessary to allow one hundred percent digital transmission of the Declaraciones Únicas Aduaneras (DUAS for the initials in Spanish, Single Customs Declarations) corresponding to the different transactions covered by the regime.
- The informing of the Dirección General de Aduanas (Directorate-General of Customs) of the arrival and issue of goods through a message known as “Fin de Viaje” (End of Journey) and “Salida de Viaje”(Departure on Journey). This message is sent by the electronic transmission of information using Software known as “VAN” which must be downloaded by the company. A digital signature token must be held for the signing of this message.
- Presentation of an annual operations report to PROCOMER, which must be accepted within the four months after the end of the business year.
- The yielding and permanent maintenance of a guarantee deposit in PROCOMER’s favor (minimum of \$5000 or three months’ worth of the monthly fee paid to PROCOMER).
- Compliance with environmental, urban, and sanitary regulations, and all other regulations applicable to the company’s activities, and the permanent holding of the corresponding operation permits.
- Payment of a monthly fee: companies benefiting from this regime must pay a monthly fee (minimum of \$200) to PROCOMER for use of the regime. This monthly payment is calculated as follows:

- **Sales Report.**

- Service, marketing and management companies: monthly fees are paid in relation to the total amount of income earned with a tariff of 0.30% paid on total sales.
- Export manufacturers and producers independent of whether exports occur or not (Category F): these are subject to payment of this fee in accordance with the quantity of square meters taken up in industrial land. The tariff is of \$0.25 inside a park and \$0.50 outside a park. In order to verify calculating the measurement of areas and exact fees, see Executive Decree No. 25612-COMEX “On Obligatory Contributions”.

APPLICATION REQUIREMENTS AND ADMISSION PROCEDURE

1. Minimum Investment Level

when a company is interested in applying for the Free Trade Zone Regime, it should make a minimum initial investment in fixed new assets subject to depreciation and real estate in a maximum period of three years from the moment of presentation of the regime admission application and meeting the following conditions:





Considerations to take into account for the minimum investment:

- Assets should be property of the party applying for the regime and acquired as of the date of presentation of the regime admission application.
- In the case of moveable fixed assets, these should be new or used assets from abroad, or new assets acquired domestically.
- Fixed assets are subjected to a guarantee trusteeship whose trustee and/or settlor should be a beneficiary of the regime, provided that these are found in the accounting records of the beneficiary..
- Improvements to the property owned or leased.

2. Minimum Level of Employment

This level shall be established by the company itself, which commits itself to maintaining this level while enjoying the benefits of the Regime.

3. Additional Requirements for Producers Independent of whether Exports Occur or Not, or Category F

The belonging to a strategic industry (if the company is located outside the GAMA, it is not necessary to belong to a strategic industry). Industries considered strategic to the development of the country are established by a special commission according to that published in Government Gazette N° 229 on November 25, 2010.

The new investment in the country must be subject to the principle of international mobility:

- It should refer to the fact the investment could have reasonably been made or moved to another country.
- The controlling entity of the company should operate at least one processing plant similar to the processing plant in Costa Rica abroad and outside of Central America and Panama. Being totally or partially exempt or not subject to income tax at the moment of applying for the Free Trade Zone Regime.

In the case of suppliers, these must demonstrate that they sell at least 40% of their production to said companies.





APPLICATIONS


Companies which are interested in being admitted to the Free Trade Zone Regime should present an admission application to PROCOMEER using the appropriate form.

Steps

- 1.**Registration: to apply for admission to the regime, access the following link: Admission to the Regime
- 2.**A PROCOMER admissions analyst will check the digital application (draft) and will reply with the relevant recommendations of the case.
- 3.**Once the application made online has been approved by the Admissions Analyst, the company should present a copy of this with legal documents to PROCOMER's Gerencia de Regímenes Especiales (Special Regimes Management) which is responsible for the carrying out of technical analysis. All information should be presented in Spanish.
- 4.**As part of this same process, the Directorate-General of Customs should be applied to for the granting of the status of Auxiliary of the Public Customs Function (Natural or legal persons who regularly appear before the National Customs Service, on their own behalf or that of third parties for customs procedures).
- 5.**PROCOMER remits its recommendation to the Ministry of Foreign Trade for approval. Once approved by this Ministry, a Conferment Agreement is made up to be signed by the Minister of Foreign Trade and the President of the Republic.
- 6.**Once the admission is duly approved, the company is notified such that it can proceed to make the compliance guarantee and sign the Operations Contract with PROCOMER.
- 7.**The company should publish the Executive Conferment Agreement in the official publication La Gaceta (The Gazette).
- 8.** The beneficiary should request resolution of the application for the Auxiliary of the Public Customs Function status and the respective auxiliary code in order to be able to make exempt imports.

To follow up on the admissions procedure, you can click **here to see a flowchart with the steps and times for each.**

Any queries can be consulted with a Special Regimes Advisor, by writing an email to **asesores@procomer.com**





ADMISSION TO THE FREE TRADE ZONE REGIME

In the following link you will find an admission application for the Free Trade Zone Regime which should be completed online **Free Trades Zone Application**

Before completing this admission application, please verify that you have:

- Firma digital, ('Digital Signature', official Costa Rican security software) duly installed and configured on your computer.
- Microsoft Office 2007 or later

Below are forms in PDF format demonstrating the procedure to be followed. At the same time, we remind you the application should be made online.

- Free Trade Zone Regime Admission Application
- Free Trade Zone Regime Admission Application for Manufacturing Companies which Classify in Subsection F of Article 17 of Law 7210 and its Amendments and Auxiliary of the Public Customs Function Authorization Application
- Free Trade Zone Regime Article 20 bis of Law No. 7210 and its Amendments Admission Application

[Click here to find a quick guide to its use.](#)

IMPORTANT: You will need to make a one-time installation of:

Procomer XML Viewer

This version is compatible only with Windows operating systems.

- NET Framework Version 4.0 (Where this application is not installed, the Procomer XML Viewer installer will inform you of this). The following link shows instructions on how to install it.
- You should check on an internal level that it is possible to browse the Internet with Port 555 enabled.





PERMITS AND AUTHORIZATIONS

There are different permits and authorizations which Free Trade Zone Regime beneficiaries should process through PROCOMER. Some of these are to be performed manually and should be presented on paper at Gerencia de Regímenes Especiales (Special Regimes Management), while others can be submitted online through the online procedures system.

- Manual for use of digital signature on Special Regimes Management procedures.
- Online Free Trade Zone Procedures System
- Reference files
- Registration for domestic companies subcontracted
- Application for Park Management Company Status.
- Application to Substitute a Beneficiary Company.
- Manual Procedures for Free Trade Zones.

To request a password for the procedures system and for any queries, email **mblanco@procomer.com**

ANNUAL REPORTS

As part of the obligations of the Free Trade Zone Regime, beneficiary companies should present a compliance report on the commitments they have acquired on an annual basis. This report should be elaborated using the **SIAN**.

- The report must contain the digital signature of the legal representative.
- Find below PDF format instruction sheets demonstrating the procedure to be followed.
- Free Trade Zone Regime Annual Operations Report for manufacturers.
- The Free Trade Zone Regime Annual Operations Report for Marketing companies
- Free Trade Zone Regime Annual Operations Report for Management companies.
- The Free Trade Zone Regime Annual Operations Report for Service providers.

For more information please email informes_anuales@procomer.com.





CUSTOMS PROCEDURES

Below you will find **SADAZF**, a system developed by PROCOMER to allow your Free Trade Zone company or your agency to manage customs authorization for the movement of goods (exports, storage, transport, etc.).

You can also find instruction sheets on how to perform the different customs procedures:

- DUA Transport Instruction Sheet.
- End of Journey Instruction Sheet.
- Departure on Journey Instruction..
- DUAS Storage Instruction Sheet.
- DUAS Exports Instruction Sheet
- Instruction Sheet for Sending of Request Message for Authorization of Inventory Operations.

For more information, email asesores@procomer.com.

AUDITING REQUIREMENTS

Get to know the main compliance requirements for companies which are beneficiaries of the Free Trade Zone regime which will be reviewed by PROCOMER's Supervision and Monitoring Department.

- Audit manual.
 - Internal Control Questionnaire.
 - TICA Customs Procedures Manual
 - Operations Control Book.
 - Instructions to use the Operations Control Book
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