

# FREE ZONE REGIME GUIDE

## SPECIAL REGIMES

Special regimes are legal mechanisms that governments implement to encourage direct foreign investment, exports, and the development and dynamization of the countries' economies. Foreign Trade Agency of Costa Rica administers three of the special regimes in force in Costa Rica, including: Free Trade Zone Regime (hereinafter FZ), Inward Processing Regime (hereinafter PA) and Duty Drawback Systems (hereinafter DD).

**This guide details the free zone regime.**

Important remark:

The links and all the docs referred in this guide are official, for this reason, those are available only in Spanish, which is the Costa Rica official language.



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## FREE ZONE

### 1. GENERAL INFORMATION

The Costa Rican State offers the Free Zones Regime (FZ) to national and foreign companies that wish to develop their operations in the country, with the aim of encouraging Foreign Direct Investment (FDI), commercial exchange and job creation in our country.

The companies that opt for this regime of incentives and benefits must comply with the requirements and obligations established in Law No.7210, its reforms and its regulations.

We invite you to access the following links for more information:



**GENERAL PRESENTATION  
PF FREE ZONES**



**PRESENTATION OF THE  
BALANCE SHEET OF THE  
FREE ZONES 2014-2018**



**LIST OF FREE ZONE  
COMPANIES**

For more information you can write to: [asesores@procomer.com](mailto:asesores@procomer.com)

### 2. TYPE OF COMPANIES THAT MAY BE A FREE ZONE

#### **2.1 What type of companies can benefit from the free zone regime?**

The activities are established in article 17 of the [Free Zone Law](#).

The most used are the following:

##### ***2.1.1 Trading companies - category subsection b)***

They do not produce, they simply manipulate, repackage, or redistribute non-traditional products for export. They cannot sell in the local market

##### ***2.2.2 Services in the strategic sector- category subsection c)***

It provides services to people or companies domiciled in Costa Rica, abroad or to other companies in the Free Zone. As long as they comply with the [Strategic Eligibility Index for Service Companies \(IEES\)](#).



### 2.2.3 Park administrators- category subsection ch)

They are companies dedicated to the administration of parks destined to the installation of companies under the Free Zones Regime.

| PARKS COMPANIES PROCESSOR / MIXED |                       | PARKS COMPANIES SERVICES /<br>MARKETERS / RESEARCH |             |
|-----------------------------------|-----------------------|--|-------------|
| Inside GMA                        | Outside GMA           | Inside GMA   | Outside GMA |
| 6 Companies or 1000m2             | 3 Companies or 1000m2 | 1000m2   | 1000m2      |

### 2.2.4 Manufacturing in strategic sector -category subsection f)

They transform raw material into finished or semi-finished products. The level of export is not a requirement to enter, as long as they belong to a strategic sector or are established outside of GAM. This category also applies to manufacturing companies that currently provide at least 40% to other Free Zone companies.

## 2.2 What activities are prohibited to develop under the free zone regime?

- Mining extraction.
- Exploration or extraction of hydrocarbons.
- Production or commercialization of weapons and ammunition containing depleted uranium.
- Companies that are dedicated to the production or commercialization of any type of weapons.
- Companies that are dedicated to the generation of electrical energy, unless the generation is for self-consumption.
- Banking, financial and insurance entities.
- Natural or legal persons dedicated to providing professional services.

## 3. BENEFITS

**The companies established in the Regime will enjoy the following benefits:**

1. Exemption in the importation of merchandise necessary for the operation and administration of the activity authorized to the company.
2. Exemption on the importation of vehicles such as:



Chassis with cabin of 1 to 2 tons of load capacity



Pickup of one or two tons of load capacity



Trucks or truck chassis



Vehicles with a minimum capacity of fifteen passengers

**NOTE:** cannot be imported with exemption under the Regime, vehicles such as:

- Quadricycles
- Motorcycles
- Articulated Vans
- Cars

3. Tax exemption on local purchases, goods or services necessary for the operation and administration of the activity authorized to the company.
4. Export exemption.
5. Exemption for a period of 10 years from taxes on:
  - Transfer of real estate
  - Municipal patent
6. Exemption from remittance tax.
7. Exemption from all taxes on profits, as well as any other whose tax base is determined in relation to gross or net profits, dividends paid to shareholders or income or sales.

This benefit is granted according to the location if it is inside or outside the GMA and category of the company.

SERVICES, MARKETING COMPANY & FZ PARK ADMINISTRATORS

| INSIDE GMA<br>INCOME TAX RATES     |                                      |                             | OUTSIDE GMA<br>INCOME TAX RATES     |                                       |                             |
|------------------------------------|--------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|-----------------------------|
| <b>0%</b><br>FROM YEAR 1 TO YEAR 8 | <b>15%</b><br>FROM YEAR 9 TO YEAR 12 | <b>30%</b><br>AFTER YEAR 12 | <b>0%</b><br>FROM YEAR 1 TO YEAR 12 | <b>15%</b><br>FROM YEAR 12 TO YEAR 18 | <b>30%</b><br>AFTER YEAR 18 |

REGULAR PROJECT MANUFACTURING

| INSIDE GMA<br>INCOME TAX RATES     |                                      |                             | OUTSIDE GMA<br>INCOME TAX RATES    |                                     |                                       |                             |
|------------------------------------|--------------------------------------|-----------------------------|------------------------------------|-------------------------------------|---------------------------------------|-----------------------------|
| <b>6%</b><br>FROM YEAR 1 TO YEAR 8 | <b>15%</b><br>FROM YEAR 9 TO YEAR 12 | <b>30%</b><br>AFTER YEAR 12 | <b>0%</b><br>FROM YEAR 1 TO YEAR 6 | <b>5%</b><br>FROM YEAR 7 TO YEAR 12 | <b>15%</b><br>FROM YEAR 12 TO YEAR 18 | <b>30%</b><br>AFTER YEAR 18 |

MEGAPROJECT MANUFACTURING  
(>¢10MM INVESTMENT IN DEPRECIABLE FIXED ASSETS, 100 JOBS)

| INSIDE GMA<br>INCOME TAX RATES     |                                      |                             | OUTSIDE GMA<br>INCOME TAX RATES     |                                       |                             |
|------------------------------------|--------------------------------------|-----------------------------|-------------------------------------|---------------------------------------|-----------------------------|
| <b>0%</b><br>FROM YEAR 1 TO YEAR 8 | <b>15%</b><br>FROM YEAR 9 TO YEAR 12 | <b>30%</b><br>AFTER YEAR 12 | <b>0%</b><br>FROM YEAR 1 TO YEAR 12 | <b>15%</b><br>FROM YEAR 13 TO YEAR 18 | <b>30%</b><br>AFTER YEAR 18 |

MANUFACTURING STRATEGIC SECTOR, 100 JOBS, OUTSIDE GMA

| OUTSIDE GMA<br>INCOME TAX RATES     |                                       |                             |
|-------------------------------------|---------------------------------------|-----------------------------|
| <b>0%</b><br>FROM YEAR 1 TO YEAR 12 | <b>15%</b><br>FROM YEAR 13 TO YEAR 18 | <b>30%</b><br>AFTER YEAR 18 |



8. Tax credits
  - Exclusively for manufacturers, who can apply for tax credits as long as they are reinvestment of earnings in fixed assets or in training expenses
9. Access to training and education programs:
  - In accordance with article 21 of the Law of the Free Trade Zone Regime, beneficiary companies may request the training, education and training incentive in favor of workers and aspiring workers, in accordance with the regulation established in Executive Decree Number 39081-MP-MTSS-COMEX, published in the official gazette La Gaceta N ° 144 of July 27th, 2015, called

[“Regulation to Promote the Development of Human Resources of Beneficiary Companies of the Free Trade Zone Regime”](#)

- For the Request

[CLICK HERE](#)

## 4. ENTRY REQUIREMENTS

### 4.1. Minimum investment level

When a company is interested in applying to the Free Zones regime, it must make a new initial minimum investment, backed by new fixed assets subject to depreciation and real estate.

By law, it has a maximum term of three years counted from the presentation of the application to enter the regime and following the following conditions:

#### 4.1.1 Minimum investment for companies within the Greater Metropolitan Area

- **Within Industrial Park:** \$150,000.00
- **Outside the Park:** Exceptionally and only when the characteristics of the project require the company to be established outside a park, this possibility may be granted, by making a minimum investment of \$2,000,000.00.

#### 4.1.2 Minimum investment for companies outside the Greater Metropolitan Area

- **Within Industrial Park:** \$100,000.00.
- **Outside the Park:** Exceptionally and only when the characteristics of the project require the company to be established outside a park, this possibility may be granted, by making a minimum investment of \$500,000.00.

#### 4.1.3 Minimum investment exclusively for manufacturing companies classified as Megaprojects:

They are companies whose minimum initial investment is \$ 10,000,000.00, in fixed assets subject to depreciation. Regardless of its location; has a maximum term of 8 years to comply with and maintain it.



#### **4.1.4 Minimum investment considerations:**

- That the assets are owned by the applicant for the Scheme and acquired by them from the date of submission of the application to obtain said Regime.
- In the case of movable fixed assets, whether they are new or used assets from abroad, or new assets acquired in the country.
- Fixed assets subject to a guarantee trust, whose settlor and / or trustee is a beneficiary of the Regime, as long as they are duly registered in the beneficiary's accounting records.
- Real estate and improvements to own or leased property

#### **4.2. Minimum level of employment**

This level will be established by the same company, which undertakes to maintain it while it is enjoying the benefits of the Regime.

There are only two exceptions, exclusive to category f) manufacturers:

1. If the manufacturing company applies with the [Strategic](#) employment sector, which requires maintaining a minimum of 200 jobs on the payroll from the start of productive operations
2. If the manufacturing company applies as a “megaproject”, which requires maintaining a minimum of 100 jobs on the payroll from the start of productive operations

#### **4.3. Additional requirements**

##### **4.3.1 Manufacturing -category f**

They must meet the following requirements:

1. Belonging to a [strategic sector](#) (if the company is located outside the Greater Metropolitan Area, it is not necessary to belong to a strategic sector)
2. New investment in the country must be subject to the principle of international mobility:
  - I. It must refer to the fact that the investment could reasonably be made or moved to another country.
  - II. That the controlling entity of the company operates abroad outside of Central America and Panama, at least one processing plant similar to the processing plant in Costa Rica.
3. Be totally or partially exonerated or not subject to income tax when applying to the FTZ.
4. In the case of supplier companies that supply companies in Free Trade Zones, they will be able to enjoy the benefits without complying with the aforementioned requirements of points 1 to 3, as long as they sell at least 40% of their production to said companies.





### 4.3.2 Services -category c)

They must meet the following requirements:

1. Belong to a strategic sector
2. Comply with a new investment
3. Be exempt from income tax
4. Comply with the [“strategic eligibility index for services” \(IEES\)](#)

The following formula will be presented as a projection. Every year, its variables must be verified in the annual operations report submitted to Foreign Trade Agency of Costa Rica. The result of the formula must be equal to or greater than the value of 101, in order to be considered suitable to enter the free zone regime.

$$IEES = s * (100 + g) * \left(\frac{W}{I}\right)^{\frac{1}{150}}$$

#### 1. s= Strategic nature of the activity.

Identify the strategic nature of the company's activity. Assumes the value of one the company's business line is classified in the “list of strategic sectors”.

Assumed Value = 1

They will not be considered strategic activities:

- The ones not listed;
- Companies subject to the payment of ISR;
- Investment projects, activities or main assets resulting from the acquisition, absorption, division or assignment of rights or shares, of a company not exempt (totally or partially) or subject to ISR.

#### 2. g= Chains

Recognizes the importance of the chains of service companies benefiting from the regime.

Assumed Value = 1

Requirements:

- This condition is fulfilled when the former (service companies benefiting from the regime) provide at least 45% of their total sales to the latter (companies in strategic sectors of articles 2 and 21 bis clause a) LRFZ)
- It is not a mandatory variable, but if it is offered to enter the FTZ it must be met.
- NOT FULFILLED: when the chain is with related companies.

#### 3. W = Annual value of remuneration

It corresponds to the annual monetary value of the total compensation to qualified employees of the service company, duly reported to the CCSS. Assumed value = It will depend on the amount of remuneration.

Requirements:

- Must be reported to the CCSS.
- Must be expressed in thousands of dollars (\$) USD) legal currency of the United States.
- Social charges and Christmas bonus are recorded.

#### 4. I = New investment in fixed assets

Corresponds to the monetary value of the new investment in fixed assets that the company undertakes to make in the country.

Assumed value = It will depend on the amount of investment committed.

Requirements:

- The Committed investment cannot be less than \$ 150,000 (one hundred and fifty thousand dollars)
- Must be expressed in thousands of dollars (\$) USD) legal currency of the United States.

The exponent “1/150” is a parameter with a fixed value that works as a compression factor, preventing the results of the formula from giving many decimal numbers.

The reference exchange rate will be that of the sale of the Central Bank of Costa Rica, in force on the day the application is submitted.

## 5. OBLIGATIONS

### 5.1 General

The beneficiary companies of the scheme must comply with the following obligations:

- Keep and record, in specific books and records, the operations of the company related to the goods that enjoy tax exemptions authorized by the Ministry of Finance.
- Sign an operations contract with Foreign Trade Agency of Costa Rica and fulfill the investment and employment commitments established in the Agreement for the Granting of the Regime.
- Use customs declarations, seals and other instruments required, legally or by regulation, for documentation or control of its operations.
- Establish accounting and operational systems that allow permanent control of the entry, stay, and exit of goods, own or on consignment.
- Have computer systems and means that allow the electronic transmission of one hundred percent of the Unique Customs Declarations (DUAS its Spanish Acronym) corresponding to the different transactions under the regime.
- Inform the General Directorate of Customs of the arrival and departure of goods by means of a message known as “End of Trip” and “Trip Out”. This message will be made by electronic data transmission, through a software known as “VAN”, which must be downloaded by the company.
- Have a digital signature device (token) for the digital signature of this message.
- Submit an annual operations report to Foreign Trade Agency of Costa Rica, which must be accepted within four months after the company’s fiscal closure.
- Render and permanently maintain a guarantee deposit in favor of Foreign Trade Agency of Costa Rica (minimum \$ 5,000 or three months the amount of the monthly fee paid to Foreign Trade Agency of Costa Rica).
- Comply with environmental, urban, health and other applicable regulations depending on the type of activity carried out by the company, and permanently have the corresponding operating permits.
- Payment of monthly fee: beneficiary companies must pay a monthly fee (minimum of \$ 200) to Foreign Trade Agency of Costa Rica for use of the regime. This monthly payment will be calculated in the following terms:
  - [Sales Report](#).
  - For the monthly payment, it must be done through the following [canon payment system](#).
  - *Service, marketing and administration companies: they pay the monthly fee in relation to the total amount of their income and a fee of 0.30% applies (within the park); 0.50% (out of park) on total sales.*



- Manufacturing companies: are subject to the payment of this fee according to the square meters of their industrial ceiling. The fee inside the park will be \$ 0.25 and outside the park will be \$ 0.50. For the purposes of distinguishing the measurement areas and the exact charge per meter, you can verify [Executive Decree No. 25612-COMEX “On Mandatory Contributions”](#).

## 5.2 Annual operations report

As part of the obligations of the Free Trade Zone regime, beneficiary companies must submit -annually- a report on the fulfillment of the commitments acquired.

This report must be made through the [SIAN system](#)

It is mandatory that the annual report contains the digital signature of the legal representative. Below, we provide you with the instructions in PDF format, which exemplify the process you must follow.

1- ANNUAL REPORT OF OPERATIONS OF THE FREE ZONE REGIME, PROCESSING COMPANIES

2- ANNUAL REPORT OF OPERATIONS OF THE FREE ZONE REGIME, TRADING COMPANIES

3- ANNUAL REPORT OF OPERATIONS OF THE FREE ZONE REGIME, ADMINISTRATING COMPANIES

4- ANNUAL REPORT OF OPERATIONS OF THE FREE ZONE REGIME, SERVICE COMPANIES

Please download the training videos available in the following [link](#)

For more information, contact: [informes\\_anuales@procomer.com](mailto:informes_anuales@procomer.com)

## 5.3 Audit and its requirements

Learn about the main aspects that beneficiary companies of the Free Trade Zone regime must comply with and which will be reviewed by the Foreign Trade Agency of Costa Rica Supervision and Control Unit.

1- AUDIT MANUAL

2- INTERNAL CONTROL QUESTIONNAIRE

3- TICA CUSTOMS PROCESSES MANUAL

4- OPERATIONS CONTROL BOOK

5- INSTRUCTION FOR THE OPERATIONS CONTROL BOOK

For more information, contact: [supervisores@procomer.com](mailto:supervisores@procomer.com)



## 6. APPLICATION TO THE REGIME

Companies that are interested in entering the Free Trade Zone regime must apply online to Foreign Trade Agency of Costa Rica, in the system designed for that purpose, according to the following categories:

- Trading companies -category subsection b)-, services companies –category subsection c)-, park administrator companies -category subsection ch); manufacturing companies- category subsection f- must submit their request through <https://inversion.vui.cr/>
- Request for entry to the Free Zone Regime article 20bis of Law N°7210 and its reforms, must submit their request through <http://sistemas.procomer.go.cr/solicitudZF/> or [www.procomer.com](http://www.procomer.com) following the path: INVESTOR > TOOLS > ADMISSION REQUEST SYSTEM

Be sure to review the following guidelines before completing each form according to the type of activities, consider that the form must be completed online:

1- APPLICATION FOR ENTRY TO THE FREE ZONE REGIME

2- REQUEST FOR ENTRY TO THE FREE ZONE REGIME FOR PROCESSING COMPANIES CLASSIFYING IN SECTION F OF ARTICLE 17 OF LAW 7210 AND ITS AMENDMENTS AND REQUEST FOR AUTHORIZATION OF AUXILIARY OF THE CUSTOMS PUBLIC FUNCTION

3- REQUEST FOR ENTRY TO THE FREE ZONE REGIME ARTICLE 20 BIS OF LAW NO. 7210 AND ITS REFORMS.

### PROCESS:

- 1) Apply online:
  - Submit the application online through the links specified above.
  - The request must be submitted in Spanish and accompanying attachments.
- 2) If the application is received by PROCOMER in good order, the requester will receive an email acknowledgment of receipt, and the assigned analyst will review the application within 2 business days.
- 3) If the application is rejected by the analyst, the requester will be provided with only one amendment opportunity within 10 business days after its notification. If the requester exceeds this period or the application is rejected a second time, it will be automatically discarded.
- 4) If the application is approved by the analyst, PROCOMER will continue with the request analysis.



- 5) Once PROCOMER has finalized its revision, the application will be forwarded to the Ministry of Foreign Trade of Costa Rica for final decision.
- 6) Afterward, the Executive Agreement for Admission to the Free Zone Regime will be sent to the Ministry of the Presidency to be signed by the President and by the Foreign Trade Minister.
- 7) PROCOMER will notify the company about the authorized means to conduct the guarantee's payment of at least \$ 5,000 USD, preferably using a CDP, as Foreign Trade Agency of Costa Rica beneficiary.
- 8) The Company must sign the Operations Contract with PROCOMER.
- 9) PROCOMER will notify the Admission to the Free Zone Regime.
- 10) The Company must publish the Executive Agreement in the Official Journal (La Gaceta).
- 11) The General Directorate of Customs (DGA) will notify its admission resolution with the Customs Public Service Auxiliary Code.

The average time to complete the admission process is about 3 months. For more information about the process, please refer to [asesores@procomer.com](mailto:asesores@procomer.com) or [analistas\\_ingresos@procomer.com](mailto:analistas_ingresos@procomer.com)

## 7. OPERATIONS WITHIN THE REGIME

Companies benefiting from the free zone regime may:

### 7.1 Reinvest within the regime

ARTICLE 20 bis.- The Free Zones Regime will not be granted to natural or legal persons to operate or develop a company or investment project already benefited from the incentives of the Regime, even if it has been under the protection of a different natural or legal person, except that it is shown that it is a new project or, in exceptional cases, when the nature and magnitude of the additional investments justify it; all in the opinion of the Ministry of Foreign Trade and in accordance with the provisions of the regulations of this law.

This option is not an acquired right, but must go through an analysis and approval process, so you must formally make the application for admission for 20 bis.

See APPLICATION section

**DOWNLOAD PDF 20 BIS  
APPLICATION GUIDE**

For more information: [asesores@procomer.com](mailto:asesores@procomer.com)



## 7.2 Belonging to more than one company category

1. Keeping separate accounts (in the case of categories with differentiated rental rates)
2. Assets and flows separated by activity
3. Payment of the respective fee for each activity

## 7.3 Customs procedures

Due to the status of being an auxiliary to the customs public function, the beneficiary companies may in certain cases choose whether to carry out their customs procedures themselves or through a customs agent.

### **7.3.1 Mandatory through a customs agent:**

1. Nationalizations
2. Local sales
3. Settlement of taxes for the sale of buildings and structures

### **7.3.2 Procedures that the company or customs agency can carry out:**

1. Export
2. Internment from abroad
3. Internment from another Free Zone company
4. Temporary internments to national territory
5. Mobilization of merchandise to Warehouse or other locations of the same company
6. Inventory operations request message (Donation, destruction, transfer and recycling)

### **7.3.3 Procedures that are the obligation of the company:**

1. End and beginning of travel

### **7.3.4 System for customs procedures SADAZF**

The [SADAZF System](#), developed by Foreign Trade Agency of Costa Rica, it allows your Free Trade Zone company or your agency to manage the authorization of merchandise movements before Customs (exports, internments, mobilizations, etc.)

Instructions on how to carry out the different customs movements:

1- INSTRUCTION FOR TEMPORARY  
INTERNMENTS

2- END OF TRIP INSTRUCTION

3- TRAVEL DEPARTURE  
INSTRUCTION

4- INSTRUCTION FOR DUAS  
INTERNMENTS

5- INSTRUCTION FOR  
DUAS EXPORTS

6- INSTRUCTION FOR SENDING A MESSAGE  
TO REQUEST AUTHORIZATION OF  
INVENTORY OPERATIONS

For more information: [asesores@procomer.com](mailto:asesores@procomer.com)



## 7.4 Local Purchases

These purchases do not require exoneration notes or be registered in EXONET since the exoneration is granted by Law 7210. These transactions do not need a Single Customs Document (DUA).

Given the entry into force of the VAT tax, and the invoicing for this type of companies, we clarify that as long as the goods or services that the FZ companies acquire at the national level are useful and necessary for the administration, operation and production of these companies, You can make use of the benefit stipulated in articles 20 and 23 of Law 7210, buying them exempt from VAT, this benefit is emphasized again in Article 8- Exemptions, of CHAPTER III EXEMPTIONS AND TAX RATE, Law Strengthening of public finances Ni 9635:

### *Law on Strengthening of Public Finances Ni 9635*

#### *CHAPTER III EXEMPTIONS AND TAX RATE*

*“Article 8- Exemptions. The following are exempt from paying this tax:  
...2. Sales of goods or services for export and between beneficiaries of the free zone regime. Likewise, the purchase of goods and the provision of services that are intended to be used by the beneficiaries of the free zone regime or provided between beneficiaries of said regime will be exempt ... “*

#### **7.4.1 The free zone company must ...**

It is important to safeguard both the conditions and probative documents, detailed in Article 76 of the Regulation to the Law of Regime of Free Zones Ni 34739-COMEX-H:

- The purchase order or equivalent document issued by the beneficiary, together with a copy of the Executive Agreement of the beneficiary company
- And electronic invoices issued by the national provider
- Additionally, each year in the presentation of the annual operations report, the company must attach a copy of the corresponding form issued by the General Tax Office (D 151)
- The beneficiary company must keep the documents and information on local purchases for the period established by the Code of Tax Regulations and Procedures.

#### **7.4.2 The local provider must ...**

- Request Executive Agreement and verify that the company name indicated is the same as that indicated in the purchase order
- Verify that the applicant company is actually registered in the [list of free zone companies](#)



- Electronic invoicing must be done in accordance with what is indicated in the following table:

What spaces must a taxpayer complete when issuing an electronic invoice for the sale of merchandise or the presentation of services to taxpayers under the free zone regime

In the biller option called “taxes and exemptions” enter the following information

| SPACES TO BE COMPLETED    | DATA THAT THE INVOICE ISSUER MUST ENTER |
|---------------------------|---|
| Tax type                  | Value Added Tax                         |
| Tariff Code               | General Rate 13%                        |
| Tariff %                  | 13.00                                   |
| Doc. Exonera Type         | Authorized by Special Law               |
| Document Number           | 9635                                    |
| Institution Name          | Ministerio de Hacienda (Treasury)       |
| Date of issue             | 12/04/2018                              |
| Percentage of exoneration | 13%                                     |

- Report the sales made to beneficiary companies of the regime through the presentation of the sworn declaration of the general sales tax (Formula D-104)
- The Company must in turn report these sales by filling in the box corresponding to exports, so that they will not form part of the tax base.
- In said declaration they must include the information corresponding to the purchase order of the beneficiary of the Free Zone

### 7.5 Subcontract

The manufacturing companies, which have entered the Regime in accordance with paragraphs a) and f) of article 17 of the Law, may subcontract part of their production or their production process with other beneficiaries of the Regime and any established natural or legal person within the national customs territory, as long as at least fifty percent of the total production of the company under the Regime is carried out in the subcontracting company.

#### Steps:

1. Request username and password to enter the online procedures system by email [tramitesregimenes@procomer.com](mailto:tramitesregimenes@procomer.com) | [ksanchez@procomer.com](mailto:ksanchez@procomer.com) | [jaguiar@procomer.com](mailto:jaguiar@procomer.com)





2. Make a request <http://sistemas.procomer.go.cr/tramitesEnLinea>
3. If the company to be subcontracted is national, [apply](#) for national company registration.
4. Comply with the customs procedure to mobilize goods for subcontract

For more information: [asesores@procomer.com](mailto:asesores@procomer.com)

## GUIDE FOR DIGITAL SIGNING OF DOCUMENTS

## EXECUTORS FOR CONFIGURING THE TIME STAMPING OF THE DIGITAL SIGNATURE SERVER

### 7.6 Selling in the local market

Local sale is the procedure by which the beneficiary company of the Free Zone Regime introduces a percentage of its total sales into the national customs territory, that is, of its final export product, be it these goods or services.

The conditions that the regime maintains for the sale of goods or services in the local market are defined as follows:

#### **Category a) export processor: max 25%**

- It is restricted, and pays full income tax from the expiration of its Executive Agreement
- Nationalizes final product DUA 01-18

#### **Category b) TRADING COMPANY**

- IT IS NOT ALLOWED TO SELL IN THE LOCAL MARKET

#### **Category c) services:**

- Yes to local sale, no max%
- No Foreign Trade Agency of Costa Rica permit
- Nationalizes final product DUA 01-17

#### **Category f) manufacturing:**

- Yes to local sale, no max%
- Nationalize resources DUA 01-46
- VAT to the finished goods DUA 01-47
- No Foreign Trade Agency of Costa Rica permit
- Pay special income tax rates

**Local sales procedures must be carried out with a customs agent.**



## 7.7 Permissions and authorizations

There are different permits and authorizations that the beneficiaries of the Free Trade Zone regime must process with Foreign Trade Agency of Costa Rica through the [Online Procedures System for Free Trade Zones](#).

USER GUIDE TO DIGITAL SIGNATURE IN  
PROCEDURES OF DIRECTORATE OF  
SPECIAL REGIMES.

REGISTRATION OF A NATIONAL  
SUBCONTRACTED COMPANY

### Guides for digital signature of documents:

- a) To guarantee the validity of the digital signature over time, the Ministry of Science and Technology (MICIT), the entity in charge of everything related to Digital Signature in Costa Rica, prepared a series of guides for the incorporation of the Advanced Signature in tools for signing documents; to access these guides, enter the following link to download it: [Download](#)
- b) For your ease, we have created some files that carry out the actions detailed in the guides: Documents in PDF format must be signed with the time stamp of the TSA-SINPE server; for your configuration download the following file and run it: [Download](#)

To request the access code to the procedure system and make inquiries, contact the email: [tramitesregimenes@procomer.com](mailto:tramitesregimenes@procomer.com)

#### ***7.7.1 Reference files of the free zone procedures system***

- [1. Expansion of activity, product or service](#)
- [2. Expansion of the approved activity, production process or service](#)
- [3. Company: Area increase or location closure](#)
- [4. Company: Enlargement or reduction of area](#)
- [5. Company: Park Transfer](#)
- [6. Company: Transfer within the same park](#)
- [7. Satellite plant or secondary plant authorization](#)
- [8. Start date of Satellite plant or secondary plant operations](#)
- [9. Change of location between main plant and satellite or secondary plant](#)
- [10. Sale to the local market \(25% or 50%\)](#)
- [11. Local sales for companies with a profit of 40%](#)
- [12. Extension of local sales for companies with a profit of 40%](#)



- [13. Subcontract](#)
- [14. Loan of machinery and equipment for subcontracted companies](#)
- [15. Authorization of productive activities outside of the Free Zone](#)
- [16. Industrial park: Increase, expansion or reduction](#)
- [17. Modification of company name or company transformation](#)
- [18. Modification of the minimum level of employment and / or compliance date](#)
- [19. Modification of the start date of productive operations](#)
- [20. Modification of the total minimum level of investment and / or compliance date](#)
- [22. Modification of the master plan](#)
- [23. Modification of the initial new investment date to an additional year](#)
- [24. Modification of the investment plan for processors subsection f\)](#)
- [25. Modification of strategic sector, type of project and location G.A.M.A](#)
- [26. Waiver of the Free Zone Regime](#)
- [27. Substitution of beneficiary company](#)
- [28. Suspension of productive operations](#)
- [29. Reinvestment of Profits](#)
- [30. Merger between beneficiary companies](#)
- [31. Application to assume the status of park management company](#)



## 7.8 Disposal of Goods

There are several types of merchandise over which companies must exercise control and follow the procedures established by Law 7210 and its Regulations for their proper disposal.

These types of wastes are:



### 7.8.1 How to dispose of waste, by-products and waste from the production process?

Although article 16 of the Free Zones Regime Law establishes that the ownership of the waste, by-products and waste discarded by the beneficiary companies, corresponds primarily to the Municipality of the Canton where said companies are located, it is also correct indicate that this will be fulfilled ALWAYS AND WHEN the company DECIDES TO DISCARD IT; this is established in article 109 of Executive Decree 34739-COMEX-H.

Therefore, the first thing that the Free Trade Zone company must establish is if it really wants to dispose of those by-products, waste, scraps, dregs, that come from the production of its final export products, or if, on the contrary, it does not want to discard them and what you want is to give them another destination or find another use for the same company.

If the Free Trade Zone company does not decide to dispose of these products taking into account that the company continues to be the owner of them and considering what is established by the Ministry of Foreign Trade in resolution DAL-398-01, the companies can re-export and / or sell them, either to another company in the Free Trade Zone (no cancellation of taxes is necessary) or to a company in the national territory (after payment of the corresponding taxes).

To proceed with what is indicated in the previous paragraph, in case it is a sporadic action it will be necessary to prepare an invoice and for a customs agency, based on the value of that invoice, to manage a Definitive Import DUA (DUA 01-17) ; that is, a DUA to cancel taxes). Once the payment is made, with the Definitive import DUA canceled, the waste can be delivered to the buyer.

**NOTE:** If the company decides to nationalize these wastes constantly for sale, it must modify the activity that the company has approved in its Grant Agreement (initial Executive Agreement), to include these waste sales as one more product of the company, and therefore, such recurring sales will no longer be considered nationalizations, but will become Local Sales. If it is a category a) Export Processing company, only up to 25% of its production can be sold locally; for the payment of taxes, the DUA to be used would be 01-18. Additionally, the company must present the authorization or sales projection, and will suffer the loss of income exemption in the same percentage that it sells locally. In the case of a processing company of subsection f), it may sell said merchandise in the local market without restriction or impact on the established rental conditions. But if you do it constantly, and you convert it as part of your line of business, it is important that you make the request for extension to the authorized activity so that the sale of these by-products is covered by the executive agreement. Once you have authorized the sale you can proceed with the corresponding local sale DUAS for this category 01-46 and 01-47.

Now, if in the end the company decides to dispose of the waste, by-products and waste, it must apply what is stated in article 16 of the regulation to the aforementioned free zone law, and that allows it to dispose of these goods through a process of donation and / or destruction offering it as a priority to the municipality of the canton.

### ***7.8.2 How to dispose of capital goods?***

By capital goods we mean all those goods that are used in the production process and in the administration of the company.

If a company considers that it must discard a capital asset that was acquired exonerated, it must continue to donate or destroy it. See the DONATION / DESTRUCTION section as appropriate.

### ***7.8.3 How to dispose of administrative, organic or accessory packaging material?***

At this time, no controls have been put in place on these goods, so they can be disposed of in any way the company considers.

### ***7.8.4 Destruction Process***

In order to destroy an asset, the company must follow the procedure set out below:

In the first place, it is necessary for the company to establish the method of destruction that it will apply, according to the type of merchandise, without affecting the environment.

Likewise, through the system that the company uses to generate DUAS, whether it is the one prepared by Foreign Trade Agency of Costa Rica (SADAZF-TICA) or the one that the company or its customs agency has, it must prepare and transmit a message called "Request for Inventory Operations" With which they will notify Customs Control that they are going to carry out a Destruction. The company must wait for said Customs to approve the destruction, assign the approval number, and indicate if the customs official will participate.

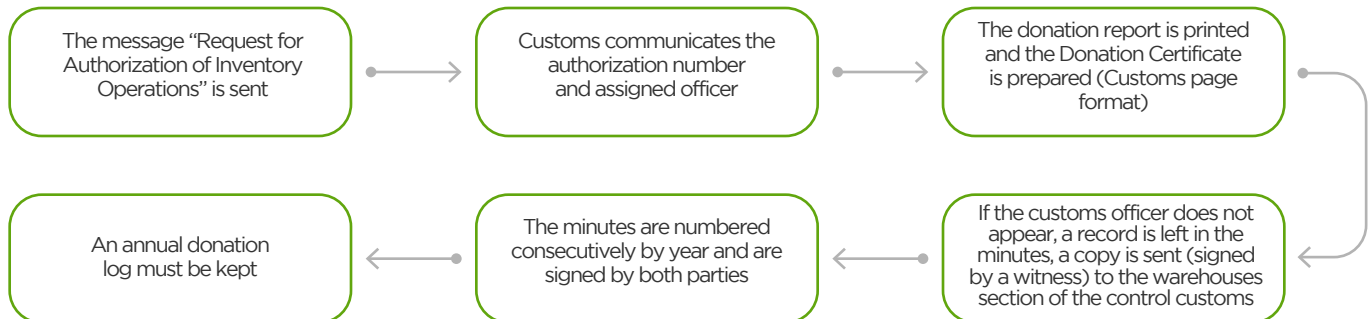
Subsequently, in order to carry out the destruction, it is necessary to prepare a certificate of destruction and complete the information with the same data that was indicated in the request message for inventory operations, such as description, item, brand, model, series, asset number among others. Also, indicate the day, time, and date when the destruction will be carried out and the method to be used. If the customs official indicated that he will be present, the record must be signed by him and by a representative of his company; on the contrary, if there is no participation of the customs official, or the official does not appear, the record must be signed by the representative of the company and a witness. Finally, the company must send a copy of the document duly signed to the customs office of jurisdiction.

It should be clarified that this type of merchandise is not subject to the application of what is established by article 16 of the Free Zones Regime Law, nor what is indicated in article 104 (definition of merchandise) of the Regulation to said Law, since it they are not part of or are a consequence of the company's production process, that is, they should not be offered as a priority to the Municipality of the Canton.



Likewise, the destruction certificate (with the respective complete description of the property to be destroyed, the method used, consecutive numbering and duly signed and stamped by the customs authorities) will be the document that your client must use to “give de lowers” the assets from its accounting records, from the fixed asset auxiliary, and will be the support for compliance with due process before the relevant authorities, be it Customs, Foreign Trade Agency of Costa Rica or another authority.

Here is a diagram that summarizes the above



a) Deadline for review 1 day for perishable and 3 days for the others, after the deadline the request is approved

### **7.8.5 Donation process**

As established by articles 112 and 113 of the Regulation to the Free Zones Law, when the company makes the decision to donate capital goods, it must do so to charities, education centers and public institutions registered with the Mixed Institute of Social Assistance, (IMAS). In this case, the procedure to follow in the first place involves ensuring that it is registered with IMAS, then coordinating with the customs authorities the day, time and date to make the donation. Likewise, draw up the respective minutes in the presence of a representative of the institution, a representative of the company and the assigned customs official.

Once the institution has been identified within the aforementioned IMAS lists, a “Request for Inventory Operations” message must be prepared and transmitted, with which they will inform the Control Customs that they are going to make a donation, then they must wait for said customs approves it, and assigns an approval number and indicates if the participation of the customs official will be involved.

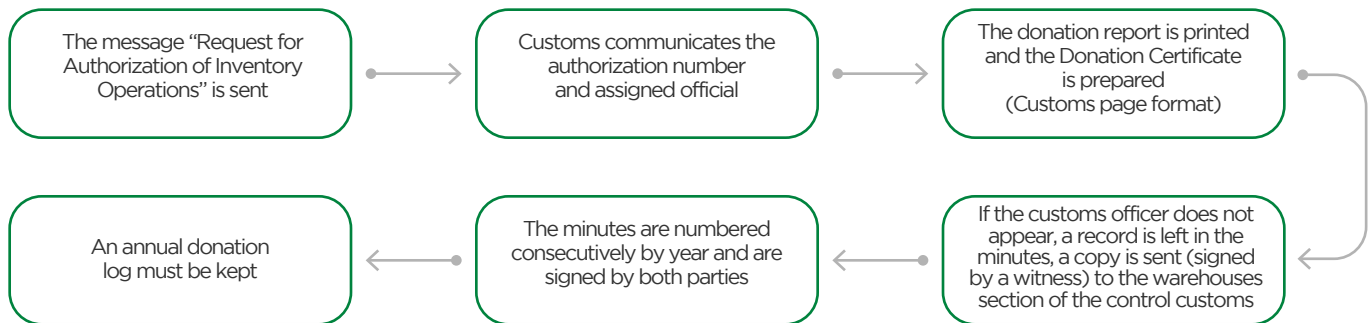
Later, to make the donation, they must draw up the donation certificate and complete the information with the same data that was indicated in the request message for inventory operations such as description, item, brand model, serial number of asset, as well as the day, time and date when the donation will take place and the method to be used. If there is a customs official present, the certificate must be signed by him, by a representative of his company, and by a representative of the entity that will receive the donation; On the contrary, if there is no participation of the customs official, or the official does not appear, the certificate is signed by the representative of the company and an official of the institution that receives the donation, and a duly signed copy of the certificate is sent to control customs.



As indicated in the destruction procedure, this type of merchandise is not subject to the application of the provisions of article 16 of the Free Zones Regime Law, nor that indicated in article 104 (definition of merchandise) of the Regulation. to said Law, since they are not part of or are a consequence of the company’s production process, that is, they should not be offered as a priority to the Municipality of the Canton. Likewise, the destruction certificate (with the respective complete description of the property to be destroyed, the method used, consecutive numbering and duly signed and stamped by the customs authorities) will be the document that your client must use to “lay off” the assets from its accounting records, from the fixed asset auxiliary, and will be the support for compliance with due process before the relevant authorities, be it Customs, Foreign Trade Agency of Costa Rica or another authority.

**NOTE:**” ... The municipalities may establish agreements with the beneficiaries in order to authorize them to deliver directly to a third party, designated by the municipality and expressly established in the agreement, the losses, by-products and waste that the beneficiaries decide to discard. Said authorization may be granted for a maximum period of six months, extendable. Once the agreement is signed by the parties, the beneficiary company of the Regime will not need to notify the municipality each time it decides to dispose of a waste, by-product or scrap. In this case, delivery will be made directly to whoever has been designated in the agreement, under the terms and conditions set forth, of which a record must be drawn up, according to the electronic format provided by the Management, signed by a representative of the Zone company Franca and the third beneficiary of the donation. ...”

Here is a diagram that summarizes the above:



a) Deadline for review 1 day for perishable and 3 days for the others, after the deadline the request is approved



**7.8.6 How to proceed to nationalize imported machinery with less than five years of having entered the regime?**

Full entry taxes to the country (Import Customs Duties-DAI- and Emergency Law) must be paid in the following cases:

- If the equipment or merchandise that entered the Free Trade Zone company was removed from storage or entered the country exonerated with a Foreign Internment DUA (DUA 09-02)
- It was bought from another Free Trade Zone company with an internment DUA (09-03) or with an old Free Trade Zone customs declaration.

In order to nationalize these merchandise, Free Zones companies draw up an invoice, with the value of the equipment or machinery and a customs agency manages a Definitive Import DUA (DUA 01-17); that is, a DUA to cancel the taxes. Once the payment has been made, the equipment or machinery can be delivered to the buyer and the Free Zone company may cancel the equipment and remove it from the regime. Once equipment or machinery is nationalized, they have free movement. The above applies only and exclusively if the team has less than 5 years of having entered the Regime.

If it were imported merchandise exempted under the regime that is going to be returned to a supplier abroad or to its parent company, this return must be made as a normal export under the regime, through a DUA 40-46 indicating the Previous DUA, invoice and bills of lading (BL, Air Waybill, etc.).

**7.8.7 How to proceed to nationalize machinery and equipment imported with more than five years of having entered the regime?**

In the case of equipment that was imported exonerated under the regime and that is more than 5 years old, permission to nationalize it must be requested from the control customs office. Subsequently, a definitive import DUA known as DUA 01-28 must be processed, however, it is important to take into account that this DUA does not imply the cancellation of taxes as indicated in article 20 subsection b) paragraph 5, of the Law 7210 and its reforms.

Now, it is relevant that the company has the documents that prove that the equipment entered the regime five years ago or more, in that case the customs declaration of the import free zone with which it entered. Otherwise, according to a query made to the General Directorate of Customs, it will be necessary to cancel all the corresponding taxes through a study through the National Value Body, on the Customs Value to determine the value on which the taxes would be canceled.





## 7.8.8 Settlement of taxes on goods purchased in the local market

### PROCEDURE FOR LIQUIDATING VAT - ISC FOR LOCAL PURCHASES OF FREE ZONE COMPANIES



#### BENEFICIARY COMPANIES OF THE FREE ZONE REGIME

The procedure for the voluntary settlement of exonerated taxes on local purchases, by beneficiary companies of the Free Trade Zone Regime in Costa Rica, is regulated by the resolution: RES-DGH-054-2018-DGT-R-035-2018 published in La Gaceta No. 185 of October 08, 2018



#### STEP 1 SETTLEMENT

All payment of the tax will be made in **colones** through **form D-110** under the Sales tax code (01) and / or Selective Consumption Tax (02) respectively and for the “administration liquidation” concept (05) or by the **means defined by the Tax Administration.**



#### STEP 2 SUPPORT DOCUMENTATION

##### DISABLING AREAS

- Expert opinion of the materials used to build, expand or remodel (incorporated into the CFIA)
- CPA Certification for assets entered under the ZF Regime

##### Both certifications must contain:

List of Exonerated Assets that includes:

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| 1- Purchase order or invoice date | 5- Quantity                     |
| 2- Invoice number                 | 6- Value                        |
| 3- Provider name                  | 7- Depreciation and method used |
| 4- Description                    |                                 |

- Customs Control Act, where the information on goods and destination of component D-110 is recorded

##### MOVABLE PROPERTY

- Original purchase invoice  
In the absence of the invoice, the calculation will be made on the price of the asset on the settlement date **without applying any depreciation, supported by a proforma invoice.**



#### STEP 3 SUBMISSION OF THE APPLICATION

- It is presented to the competition TA, with previous supporting documentation
- The TA has 2 months to resolve the request
- Process ends with the issuance of the Resolution by the TA

*Basis of the request Article 102 CNPT*

**ISC:** Selective Consumption Tax  
**TA:** Tax administration  
**CFIA:** Federated College of Engineers and Architects

**CNPT:** Code of Tax Regulations and Procedures  
**CPA:** Public Accountant



*essential*  
**COSTA  
RICA**

