

Mobility: Immigration alert

February 2023



Costa Rica

President signs regulations to Law for Attracting Foreign Investors, Rentiers and Pensioners

Executive summary

Effective 23 February 2023, the regulations to the Law for the Attraction of Investors, Rentiers and Pensioners (i.e., "Law 9996") went into effect in Costa Rica.

Background

On 14 July 2021, the Costa Rican authorities published Law 9996, which aims to revitalize the domestic economy following the outbreak of the COVID-19 pandemic. Law 9996 introduced enhanced benefits for foreign investors (i.e., individuals who seek to invest in Costa Rican businesses), rentiers (i.e., individuals who receive a stable monthly income of at least USD 2500 from any legal source) and pensioners (i.e., individuals who receive a monthly pension that equals or exceeds USD 1000). Under Law 9996, qualifying foreign nationals will benefit from:

- ▶ A reduction of 25% in the investment threshold for becoming residents under the category of investors (i.e., USD 150,000, down from USD \$200,000 previously)
- ▶ A one-time exemption from all import taxes on household goods (e.g., furniture and appliances)
- ▶ An exemption from all import and value-added taxes and other tariffs on up to two land, air and/or sea vehicles acquired for personal use
- ▶ A 20% deduction on the total transfer tax applied to real estate acquired in Costa Rica during the validity of their status as residents, provided that the primary applicant is a registered owner of the property/properties
- ▶ An income tax exemption on the earnings used to qualify as investors, rentiers or pensioners

Key developments

On 14 February 2023, Costa Rican President Rodrigo Chaves signed the [regulations](#) to Law 9996, which were published in the official government newspaper "[La Gaceta](#)" on 23 February 2023 and went into effect on the same day. Foreign nationals who have applied to become Costa Rican residents under the categories of investors, rentiers or pensioners are now eligible to receive the benefits under Law 9996, provided their applications are approved.

Impact

The implementation of Law 9996 is expected to boost the Costa Rican economy by attracting foreign investment.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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