

Mobility: Immigration alert

May 2021



Costa Rica

Proposed bill to create a new immigration category for remote workers and service providers

Executive summary

In September 2020, a bill was introduced in the Costa Rican Congress to create a new non-resident immigration category designed to attract foreign remote workers and service providers. The new immigration category would allow successful applicants and their qualifying family members to remain in Costa Rica for up to one year initially and perform work for clients and companies that are outside of Costa Rica, subject to certain requirements. The bill is currently under review by the Costa Rican Government. If approved, it would confer immigration benefits to foreign workers that were not previously available, and that are particularly relevant in light of the impact of COVID-19 on global travel and mobility.

Background

The bill, titled "Law to Attract International Remote Workers and Service Providers" (the Law), was originally introduced to the Costa Rican legislative assembly on 24 September 2020, in response to the outbreak of the COVID-19 pandemic and the resulting demand for remote work opportunities worldwide. In March 2021, the Costa Rican Special Permanent Committee on Tourism, which is promoting the Law, began its formal review of the bill. The Law, which could go into effect before the end of 2021, is designed to increase spending in Costa Rica by foreign nationals, by offering them a long-term non-resident stay option that is easily accessible, and offers multiple benefits, including exemptions from certain tax obligations.

Eligibility requirements

Under the proposed bill, applicants would need to possess health insurance that covers the costs of medical treatment in Costa Rica for the duration of their proposed stay. They would also need to provide evidence that they: (i) received an average income of at least US 5,000 per month (or its equivalent in another currency) for the 12-month period immediately preceding the filing of their application, and (ii) will receive an average monthly income of at least US 3,000 or its equivalent (for applicants entering without family members) or at least US 4,000 or its equivalent (for applicants entering with family members). Applicants would be able to apply online and benefit from rapid processing of their applications. They would need to remain compliant with the eligibility criteria set forth in the Law for the entire duration of their stay in Costa Rica, and they may be subject to ad hoc reviews/audits by the Costa Rican authorities to ensure their ongoing compliance with the requirements under the remote worker and service provider category during their stay in Costa Rica.

Benefits

If/when the Law goes into effect, successful applicants would enjoy multiple benefits, including:

- ▶ The right to remain and work remotely in Costa Rica for up to one year initially, with the possibility to extend their stay by six months
- ▶ An exemption from income tax obligations in Costa Rica
- ▶ An exemption from taxes on the importation of technological equipment needed to perform their work or deliver services from Costa Rica

Next 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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