

COYOL

FREE ZONE

DESIGNED TO INNOVATE

fdi
FREE ZONES
OF THE YEAR
2024

WINNER: AMERICAS

INDUSTRIAL ZONES

fdi
FREE ZONES
OF THE YEAR
2024

TOP 10 GLOBAL

OVERALL

fdi
FREE ZONES
OF THE YEAR
2024

WINNER: AMERICAS

SUSTAINABLE ZONES



COSTA RICA'S FREE TRADE ZONE REGIME:

OPERATION-BOOSTING INCENTIVES



Life Sciences and Advanced Manufacturing exports from Costa Rica have been growing exponentially in recent years, totaling a value over US\$ 7 billion in 2023, and representing 43% of Costa Rica's outgoing trade. The country is first in Medical Devices exports per capita, and only second to Mexico as a medical device exporter in Latin America.

Several companies conduct business under the country's Free Trade Zone Regime – a regime granted by law and a region-leading fiscal incentive in which firms are permitted allowed to operate tax-free for several years according to expected investment and recruitment level numbers.

This regime provides a competitive advantage for companies looking to set-up operations.



Contact us

HISTORY



The Costa Rican Free Trade Zone Regime has been created to promote foreign direct investment, trade exchange, and to generate quality employment. The country's Government offers this Free Trade Zone Regime to domestic and foreign companies that wish to install and develop their operations and create value chains.

The companies established in Free Zones have managed to grow in number and in the variety of exported goods. The core business of companies established within the Free Zone Regime has evolved from textile and makeup manufacturing in the late 1980s and



early 1990s, to more complex and quality-driven operations, such as R&+D, data analytics, and engineering processes for global solutions.



Contact us

A TIMELINE OF THE FREE ZONE REGIME

IN COSTA RICA

» **1960's – 1972**

Costa Rica targets boosting exports and creates the Center for the Promotion of Exports and Investments and the Law on the Promotion of Exports.

» **1981**

The first government-run Free Zone is created.

» **1985**

The first privately held Free Zone was allowed to start operations in Cartago.

» **1990**

The official Free Zone Regime Law was enacted (Law #7210). This allows the creation of multiple manufacturing, service and industrial parks in the country.

» **2010**

The Free Zone Regime Law (Law #7210) is reformed to comply with the World Trade Organization standard procedures.

» **2024**

More than 17 Free Zones host the operations of more than 400 multinational companies.

COSTA RICA'S FREE ZONE

INCENTIVES

Exemption on corporate income tax:

- » 100% exemption on corporate income tax for 8 years and 50% for 4 years.
- » No tax for companies with an investment of US\$10MM and 100 employees, or 6% tax for companies with an investment of US\$150,000, including suppliers, both are for 8 years and 15% for 4 years.
- » 100% exemption for 10 years on Property Transfer Taxes.





Incentives with no expiration period:

- » 100% exemption on custom duties on imports/exports.
- » 100% exemption on withholding tax on royalties, fees (statutory tax up to 25%)
100% exemption on interest income (statutory tax is 8%).
- » 100% exemption on sales tax on local purchases of goods/service (statutory tax is 13%).
- » 100% exemption on stamp duty (statutory tax is 1%).

Worldwide Access

- » 93.9% of exports of goods covered by signed FTAs which provide access to 57 trade partners.
- » Market access: 2.5 billion people and 2/3 of worldwide GDP.
- » 15 Investment Promotion and Protection Agreements.
- » The country was ranked as the sixth most competitive country in Latin America in 2024.



CONDITIONS AND REQUIREMENTS OF THE

FREE ZONE REGIME

When a firm is looking to apply for the benefits of the Free Trade Zone Regime, it should make a minimum initial investment in fixed new assets subject to depreciation and real estate at a maximum period of three years from the moment of the presentation of the regime admission application and meeting the established conditions.



Companies must qualify with one of the following:

- » Export manufacturing companies.
- » Export trade companies (not producers).
- » Export service companies.
- » Companies or organizations engaged in scientific research.





Minimum Employment Level

- » The minimum employment level shall be established by the company itself, which will commit to maintain this level while enjoying the benefits of the regime.

Minimum Investment Level

- » Assets should be property of the party applying for the regime and acquired as of the date of presentation of the regime admission application is presented.

- » 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 settler should be a beneficiary of the regime if these are found in the accounting records of the beneficiary.

- » Improvements to the property owned or leased.

Companies opting for this incentive and benefits regime must comply with the requirements and obligations established in the law, its amendments and regulations.



ABOUT

COYOL FREE ZONE



Coyol Free Zone is a leading industrial park located in Alajuela, Costa Rica. With 17 years of running this successful project, Coyol Free Zone does business in a strategically attractive location and in a sustainable way. It is the best option available for the Life Sciences industry cluster and Smart Manufacturing companies, confirmed by the awards and recognitions received from multiple entities and it being among the top Free Trade Zones in the world. Coyol Free Zone offers much more than just tax incentives and optimal infrastructure. It also provides a proven expertise in the construction of buildings for the Life Sciences industry, and the services required to support the successful operation of a any company from within Costa Rica.

Contact us

Are you looking for more information?
Click the button and contact our team

Contact us

 Coyol Free Zone

 Coyol Free Zone

 Coyol Free Zone

 coyolfz.com

 msanchez@code-cr.com

COYOL
FREE ZONE
DESIGNED TO INNOVATE

