

# Mobility: Immigration alert

July 2022



## Costa Rica

### Costa Rica begins accepting applications for Digital Nomad Visas

#### Executive summary

Further to its introduction of a law on Digital Nomad Visas in August 2021, the Costa Rican government recently announced that it began accepting Digital Nomad Visa applications from qualifying applicants earlier this month.

#### Background

Digital Nomad Visas allow eligible non-Costa Rican nationals to work remotely from within Costa Rica for an initial period of one year and sponsor family members to accompany them as dependents. Holders of Digital Nomad Visas, including dependent family members, are prohibited from receiving remuneration from Costa Rican sources and performing work or delivering services that generate revenue for Costa Rican entities.

Qualifying dependents include opposite- and same-sex spouses and common law partners, children aged 25 or younger and older dependent relatives (e.g., parents) of the primary applicants. Primary applicants may sponsor children above the age of 25 if they depend on the primary applicants for financial support (e.g., dependents with disabilities).

#### Application requirements

Individuals who apply for Digital Nomad Visas on their own (i.e., without family members) must prove that they received a monthly income of at least USD 3,000 (or its equivalent in another currency) in each of the 12 months immediately preceding the filing of their application. Applicants who seek to sponsor qualifying family members must prove that they earned at least USD 4,000 per month in each of the 12 months immediately preceding the filing of their application.

Applicants must also hold medical insurance policies with a coverage of at least USD 50,000 per applicant (including dependents).

Applicants must submit an [electronic application form](#) and recent passport-size photographs and copies of the biographic page of each applicant's passport, and pay the application fee of USD 100.

Applicants who wish to sponsor dependents must also submit proof of their relationship with their dependents, such as:

- ▶ A marriage certificate or an equivalent document confirming a *de facto* union (for spouses and common law partners)
- ▶ A copy of their birth certificate (for children under the age of 25)
- ▶ A certificate issued by a competent authority confirming their relationship (for older adults such as parents)
- ▶ A medical certificate (for dependents with disabilities)

The Costa Rican Immigration Authority will process Digital Nomad Visa applications within 15 calendar days of receiving the application.

#### Benefits

Digital Nomad Visa holders may reside in Costa Rica for an initial period of one year, with the possibility of extending their visas for an additional year, for a maximum stay of two years. They are eligible to renew their visa provided they are physically present in Costa Rica for at least 180 days during the validity of their visa and meet all other requirements (e.g., their past

monthly income equals or exceeds the minimum required amount). Additionally, holders of Digital Nomad Visas may apply to change to another immigration category while in Costa Rica (e.g., temporary residence) provided they meet the eligibility and application criteria for that category.

Digital Nomad Visa holders also enjoy the following benefits:

- ▶ A one-time exemption from all import taxes on household goods (e.g., furniture, appliances, home décor)
- ▶ 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 visa, provided that the primary applicant is a registered owner of the property/properties
- ▶ An income tax exemption on the earnings used to qualify for the Digital Nomad Visa
- ▶ An income tax exemption on income earned by the primary applicant and their dependents outside of Costa Rica
- ▶ The right to open bank accounts in Costa Rica and use foreign driver's licenses to drive while in Costa Rica

### 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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EYG no. 006424-22Gbl

2101-3682263  
ED None

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