



Serviap Global

Costa Rica Country Facts 2025





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Costa Rica Country Facts

Costa Rica is widely regarded as one of the most stable nations in Central America, with a democratically elected legislature and a judicial system that is generally perceived as impartial.

With its increasing focus on exporting technologically manufactured products, Costa Rica is called the “Silicon Valley of Latin America.” This move diversifies businesses away from traditional export crops. Costa Rica is an excellent place for businesses to expand internationally.

1.- The Economy

Costa Rica is incredibly popular with foreign investors due to the stable political environment. The country has garnered some of the highest levels of investment per capita in Latin America and is one of the most prosperous markets in Central America.

The gross domestic product (GDP) of this country, per capita, is currently ranked around 50–55th in the world. This country is also an attractive investment destination—Costa Rica is a leading recipient of foreign direct investment (FDI) in Central America, particularly in services, advanced manufacturing, and technology.

2.- The Importance of Small and Medium-Sized Companies

Like many countries around the world, Costa Rica’s economy relies heavily on small and medium enterprises (SMEs). Of all the businesses in the country, more than 97% are SMEs, with about two-thirds of those qualifying as micro-businesses, defined as those that employ fewer than ten people.

3.- Population Characteristics

With approximately 5.2 million people, Costa Rica is the sixth-most populous nation in Central America.

Costa Ricans are highly literate, with a literacy rate of about 98%. While the nation’s official language is Spanish, a significant number of people in Costa Rica speak English fluently, especially in tourist destination areas. This makes conducting international business there fairly easy.

4.- Economic Opportunities

Costa Rica was once primarily known for agricultural products like bananas, coffee, plantains, and pineapples. The nation has made a strong effort to diversify its economy to meet 21st-century challenges. This successful adjustment means that, while Costa Rica still produces many export crops, they represent a much smaller portion of the economy.

Beyond agriculture and manufacturing, the service economy has risen to prominence, now contributing more than 70% of the nation’s gross domestic product (GDP).

5.- Key Sectors of the National Economy

Human Talent

Costa Rica is well-known across Latin America for its technical innovations. Its workforce is highly skilled in coding, programming, and other STEM-related fields (science, technology, engineering, and mathematics). Several government initiatives aim to attract women into STEM careers, creating greater workplace diversity.

With a strong technical knowledge base and more than 350 multinational corporations currently operating in the country, Costa Rica is well-positioned to continue providing high-value services for companies worldwide.

6.- Liberia City

Liberia is one of Costa Rica’s largest cities by land size and a growing tourist hub. With an international airport, pristine beaches, five-star resorts, colonial-style architecture, and unique natural attractions, Liberia has become an increasingly popular destination for both locals and foreign visitors. Its economy is driven by tourism and services, rather than mining (the earlier projections tied to mining expansion are no longer relevant).

San José

San José is the capital and largest city in Costa Rica, with a population of over 340,000.

6 It serves as the nation’s political, economic, and business hub. The city hosts several free trade zones (FTZs), which allow exporters to bring goods into the country without paying nationalization taxes. This, combined with a competitive business environment and innovation-driven growth—especially in the IT sector—makes San José a strategic location for investment.

7.- Technological Ecosystem

Technology exports form another major part of Costa Rica’s economy. While the country initially focused on microprocessors, it has since expanded to manufacturing and exporting a wide range of medical devices, pharmaceutical products, and IT services.

Costa Rica is home to 16 of the top 100 IT companies in the world, including Intel and Microsoft, which have successfully established operations in the country thanks to the highly skilled workforce.

8.- Facilities for Foreign Investment

Costa Rica is one of the few nations where foreigners can own businesses without needing residency. It is possible to start a company in Costa Rica even on a tourist visa.

However, one important restriction remains: while foreigners can own a business, they cannot legally work as employees of that company without the appropriate residency or work permit. This regulation ensures compliance with labor laws, though it does not limit their ability to manage or direct business operations.

9.- Business Culture in Costa Rica

Unlike in the U.S. or other fast-paced business cultures, Costa Rica’s business environment tends to be more relaxed. Professional relationships are highly valued, and business interactions often prioritize trust and long-term collaboration.

Costa Rican workers are known for their diligence and commitment. The key difference is that work-life balance is strongly emphasized, with significant importance placed on family and personal time. Employers should plan accordingly, allowing for longer timelines in projects that require collaboration across cultures.

10.- Costa Rica Gastronomy: Regional and Traditional Cuisines

Rice is a staple food in Costa Rica. “Gallo pinto,” a traditional rice-and-beans dish, is one of the most popular meals in the country. Lunch is generally the largest meal of the day, typically served from 11:00 am to 3:00 pm. It is common for workers and students to return home for lunch, reflecting the cultural importance of family mealtime.





General Highlights

Year	2025
Country	Costa Rica
Capital	San José
Num. States / Provinces	7 provinces
Principal Cities	San José, Alajuela, Cartago, Heredia
Language	Spanish
Local Currency	Costa Rican Colón (CRC)
Major Religion	Catholic
Date Format	DD/MM/YY
Thousands Separator Format	135,250,000
Country Dial Code	506
Time Zone	Central Standard Time CST (GMT-6)
Population	~5.2 million
Border Countries	Nicaragua (north), Panama (southeast)
Continental Surface	51,100 km ²
Fiscal Year	1 October – 30 September
VAT %	13%
Minimum Wage	Costa Rica’s minimum wage varies by occupation. The lowest category (unskilled worker) is approx. CRC 358,600 monthly (~USD 675) in 2025.
Taxpayer Identification Name	“Cédula de Persona Física” (Physical Identification Number)
Current President	Rodrigo Chaves Robles (since May 2022)



1. Laws that Regulate Labor Relationships

Laws	Brief Description
Constitution of Costa Rica	The Constitution of Costa Rica was signed in 1948 and is the supreme law. One unusual fact is that the military was abolished, making Costa Rica the second country in the world to do so. Citizens are guaranteed fundamental rights, such as the right to live in a healthy environment.
Labor Code	The Labor Code regulates employment conditions. Workers may not work more than 8 hours per day or 48 hours per week for daytime schedules. Night shifts are capped at 6 hours per day or 36 hours per week. Mixed shifts cannot exceed 7 hours daily or 42 hours weekly.
Tax Code	Corporate income tax rates in Costa Rica are progressive and range between 5% and 30%, depending on annual gross income.
Social Security	Managed by the Ministry of Labor and Social Security (MTSS) and the Costa Rican Social Security Fund (CCSS). It includes family and child benefits, maternity benefits, unemployment, work accident coverage, disability and survivors' pensions, as well as healthcare protection. Social Security is funded through contributory (employer/employee) and non-contributory (state-funded) schemes. The CCSS also administers most public hospitals and healthcare centers.

2. Key Tax and Labor Authorities

Authority	Description
The Ministry of Finance	The main authority on tax matters. Divided into two sections: the General Customs Administration and the General Tax Administration.
Social Security Law (CCSS) – Costa Rican Social Security Fund	The CCSS is the public social security institution responsible for medical assistance, pensions, and healthcare. It operates most hospitals and healthcare facilities, making Costa Rica’s healthcare system one of the strongest in Latin America.

3. Labor Contracts

Law/Provision	Description
Contracts (Section 18 LC)	Employment contracts may be written or verbal. In the absence of a written agreement, an employment relationship is presumed if services are provided in exchange for payment. Current working conditions take precedence over verbal agreements.

Law/Provision	Description
International Labor Organization (ILO)	Costa Rica is a member of the International Labour Organization (ILO) and adheres to its conventions, treaties, and rulings.
Work Hours (Section 136 LC)	- Day shift: maximum of 8 hours/day or 48 hours/week. - Night shift: maximum of 6 hours/day or 36 hours/week. - Mixed shift: maximum of 7 hours/day or 42 hours/week.

Basic Requirements for Labor Contracts

According to the Labor Code, contracts must include at minimum:

- Employee’s full name and identification
- Scope of work/position
- Clear description of duties and responsibilities
- Remuneration terms (salary, payment frequency, etc.)
- Benefits and allowances (mandatory or additional)

4. Payroll

Payroll taxes in Costa Rica cannot exceed the maximums set by law. Income tax rates for individuals range progressively from 0% to 25%, depending on income levels. Employers must comply with these regulations to avoid penalties.

- Payment frequency: Manual workers must be paid at least every 15 days. Domestic and professional service workers are usually paid monthly.
- 13th-month bonus (Aguinaldo): Employers must pay a Christmas bonus equivalent to one month’s salary. This payment must be made between December 1st and December 20th.

Legal Benefits in Costa Rica

- Employment contracts must state salary and compensation in Costa Rican colón (CRC), not in foreign currency.
- Employees are entitled to a 13th-month bonus (Aguinaldo), paid between December 1st and December 20th.
- Employees must receive paid sick leave for the first 3 days of illness. Employers pay 50%, and the Costa Rican Social Security Fund (CCSS) pays the other 50%. From the 4th day onward, CCSS covers the payment.
- Employees are entitled to 14 vacation days per year after completing 50 weeks of continuous work.
- Costa Rica is a member of the World Trade Organization (WTO).
- Shareholders may remain anonymous, ensuring privacy protections under corporate law.
- Costa Rica maintains numerous free trade agreements (FTAs) with countries such as Mexico, Chile, Canada, the European Union, China, and others.

Category	Description
Minimum Wage (National Council on Wages)	Costa Rica does not have a single national minimum wage. Instead, minimum wages are set by occupation and revised every six months by the National Council on Wages (La Gaceta). • As of 2025, the lowest monthly minimum wage (unskilled worker) is approx. CRC 358,600 (~USD 675). • Professionals with a university degree earn at least CRC 682,607 monthly (~USD 1,285).
Vacations	• Employees accrue 1 day of vacation for every month worked. • After 50 weeks of continuous work, employees are entitled to 2 full weeks of paid vacation. • Employees are not entitled to carry over vacation unless otherwise agreed in writing with the employer.
Overtime (Section 136 LC)	• Any hours worked above the legal limit (48 hrs/daytime, 36 hrs/night, 42 hrs/mixed) are considered overtime. • Overtime must be paid at 150% of the regular hourly rate. • Employees cannot work more than 4 extra hours per day or exceed 12 total hours per day.
Christmas Salary (Aguinaldo)	• All employees are entitled to a 13th-month bonus, equivalent to the average monthly wage earned during the previous 12 months (Dec 1–Nov 30). • Payment must be made between Dec 1 and Dec 20.
Occupational Risk Insurance (INS, Articles 195 & 218 LC)	• Mandatory coverage protecting employees against workplace accidents and occupational risks. • Provides access to medical, surgical, hospital, pharmaceutical, and rehabilitation care, plus cash benefits in case of temporary or permanent disability.
Public Holidays	Costa Rica observes 11 mandatory paid public holidays: • Jan 1 (New Year’s Day) • Apr 11 (Juan Santamaría Day) • Holy Thursday & Good Friday (Easter Week) • May 1 (Labor Day) • Jul 25 (Annexation of Guanacaste Day) • Aug 2 (Virgin of Los Angeles Day) • Aug 15 (Mother’s Day) • Sep 15 (Independence Day) • Oct 12 (Cultures Day) • Dec 25 (Christmas)
Leaves of Absence	• Sick Leave: First 3 days paid (50% employer + 50% CCSS); from day 4, CCSS pays full salary. • Maternity Leave: 4 months (1 month pre-birth + 3 months post-birth), fully paid (50% employer + 50% CCSS). • Paternity Leave: 2 paid days per birth (employer-funded). • Parental Leave: May be granted under specific arrangements; limited scope. • Bereavement Leave: 3 paid days in case of death of an immediate family member.

Employers Contribution or Labor Cost

Employers in Costa Rica are subject to various taxes and mandatory contributions when hiring employees. These costs cannot be recovered by the employer.

Costa Rica Income Tax for Lucrative (Profit-Generating) Activities – Individuals

Over this amount	Not over this amount	Tax % on Excess
0	CRC 2,747,000 (≈ USD 4,293)	0%
CRC 2,747,000 (≈ USD 4,293)	CRC 4,102,000 (≈ USD 6,410)	10%
CRC 4,102,000 (≈ USD 6,410)	CRC 6,843,000 (≈ USD 10,131)	15%
CRC 6,843,000 (≈ USD 10,131)	CRC 13,713,000 (≈ USD 22,990)	20%
Above CRC 13,713,000 (≈ USD 22,990)	—	25%

Corporate Income Tax Rates (2025)

Taxable Gross Income	Tax % on Excess
0 – CRC 41,112,000 (≈ USD 64,452)	10%
CRC 41,112,000 – CRC 82,698,000 (≈ USD 64,452 – 129,647)	20%
Above CRC 82,698,000 (≈ USD 129,647)	30%

5. Disabilities and Leave

Types of Disabilities

Approximately 10.5% of Costa Rica’s population has some form of disability. Costa Rica has been a member of the UN Convention on the Rights of Persons with Disabilities since 2008. Employers are required to provide equal employment opportunities and workplace accommodations for employees with disabilities.

Maternity Leave

- Pregnant employees are entitled to 4 months of maternity leave:
 - 1 month before birth and
 - 3 months after birth.
- Payment responsibility: 50% covered by the employer and 50% by the Costa Rican Social Security Fund (CCSS).
- The leave is fully paid for the entire 4-month period.

Sick Leave

- Employees are entitled to paid sick leave from the first day of illness.
- Payment structure:
 - First 3 days: 50% paid by the employer + 50% paid by CCSS.
 - From the 4th day onward: 100% covered by CCSS.
- Sick leave must be certified by a licensed doctor within the CCSS health system.
- There is no fixed statutory limit on the duration of sick leave, but extended absences must be periodically reviewed and validated by CCSS medical authorities.

6. Migration

Work Visas in Costa Rica

General Rule

- Foreigners who wish to work in Costa Rica must obtain a work permit, which is always tied to a temporary residence permit.
- The process is regulated by the General Directorate of Migration and Immigration (DGME), with approval from the Ministry of Labor and Social Security (MTSS).

Types of Work Permits

Standard Work Permit (Employee-Based)

- Requires a valid job offer from a Costa Rican employer.
- Employer must demonstrate that the position cannot be easily filled by a Costa Rican citizen (labor market justification).
- Valid for 1–2 years, renewable as long as employment continues.

Special Category Work Permits

- Granted to foreign nationals working in roles considered of national interest, such as:
 - Technical specialists.
 - Executives or managers of multinational companies.
 - NGO, humanitarian, or academic workers.
- May have expedited processing depending on the case.

Key Requirements

- Valid passport (minimum 6 months validity).
- Signed employment contract with a Costa Rican company.
- Employer’s proof of registration with CCSS (social security) and tax authorities.
- Proof that no local candidates are available (labor market test).
- Police clearance certificate from the home country.
- Apostilled/legalized personal documents (birth certificate, marital status if applicable).
- Proof of payment of immigration and filing fees.

Conditions & Restrictions

- Work permits are employer-specific and role-specific.
- Changing employers requires a new application and authorization.
- Processing time is usually 3–6 months.
- Employees may only begin working once the permit has been formally approved.

7. Termination

The Labor Code establishes the rules for ending an employment contract.

Types of Termination

Type of Termination	Brief Description
Without Cause	• Employees dismissed without cause are entitled to severance pay (Prestaciones Laborales). • The employer must provide 30 days’ notice. During this period, the employee continues working and receives pay but is also entitled to one paid day per week to search for a new job. • If no prior notice is given, the employer must pay 30 days of salary in lieu of notice.
For Cause (Articles 81 LC)	• The employer must provide sufficient and well-documented justification. • Employers must personally deliver a written dismissal letter clearly stating the reasons behind the termination. • Employment disputes are now litigated orally in labor courts, typically resolved in two hearings, replacing the former written procedures.

Additional Compensation

Upon termination, employees are also entitled to:

- Payment of any unused vacation days.
- A pro-rated portion of the Christmas bonus (Aguinaldo).

Severance Pay Scale

Length of Employment	Severance Pay (Days of Salary)
3–6 months	7 days
6–12 months	14 days
1 year	19.5 days
2 years	20 days
3 years	20.5 days
4 years	21 days
5 years	21.24 days
6 years	21.50 days
7 years	22 days



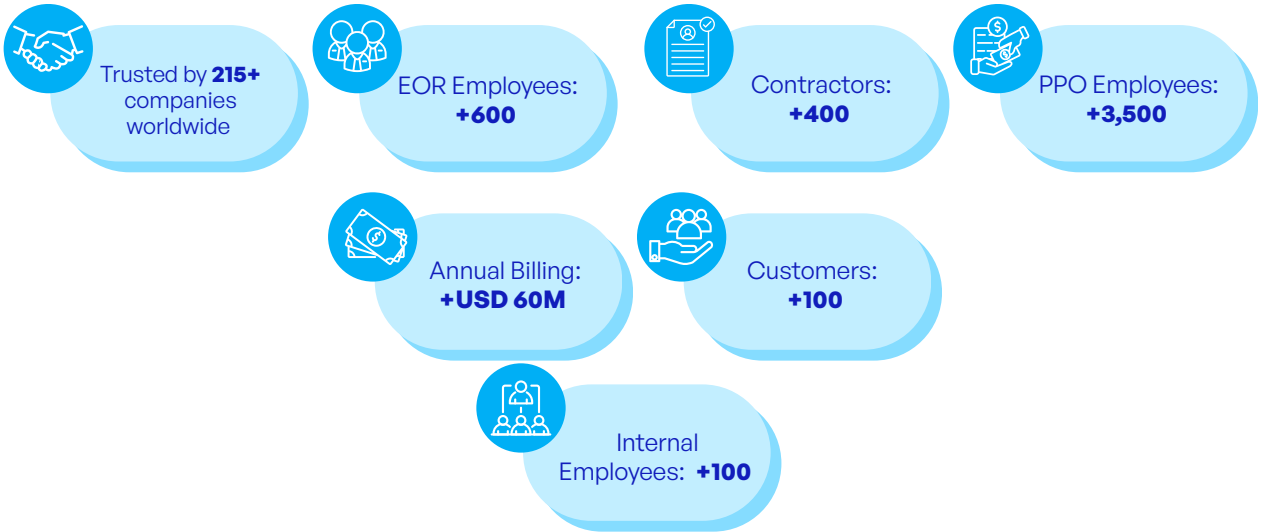
A man in profile is working on a laptop. Overlaid on the scene are several floating windows showing the faces of other people, suggesting a virtual meeting or global collaboration. The background is a blurred office setting with a blue tint.

How Serviap Global Supports Your Expansion

Who we are?

Serviap Global, headquartered in Mexico City, brings over 25 years of local HR expertise and **15 years as a global Employer of Record (EOR) leader.**

With teams across the Americas, Europe, and Asia, we help companies build international teams without the complexity of foreign entities or regulations.



Our Solutions

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At Serviap Global, we provide comprehensive HR and workforce solutions to help companies expand and manage teams anywhere in the world.



How We Help You Hire and Onboard Talent

At Serviap Global, we simplify your international hiring process by managing every step , from contract creation to onboardin, ensuring full legal compliance in each country.

Below is an overview of our standard onboarding process for new hires, whether local or foreign:

Step	Description	Estimated Timeframe
1. Validate Onboarding Data	We verify candidate information and prepare the Service Order for client review.	2 business days
2. Formalize Service Order & Payment	The process begins once the Service Order is signed and advance payment is received.	2 business days (depending on client response)
3. Create Onboarding Documents	Draft job offer and employment contract.	1-2 business days
4. Send Documents to Candidate	Deliver approved documents to the candidate.	1 business day
5. Candidate Response	Candidate reviews, signs, and provides personal documentation.	2-4 business days
6. Confirm Acceptance & Finalize Onboarding	Receive signed documents and complete onboarding.	1 business day

Please note: timelines may vary depending on country-specific requirements such as background checks, pre-employment medical exams, or visa processing.

Why partner with us?

- **15+ Years of Expertise:** Proven track record in global expansions across 180+ countries.
- **LATAM Specialists:** Deep local knowledge for seamless hiring in high-growth regions.
- **Full Compliance & Agility:** Handle regulations so you can focus on business growth.
- **Human-Centered Support:** Multilingual team provides personalized, responsive service.
- **Cost-Effective Solutions:** Save on setup and operations with tailored, scalable plans.
- **All-in-One Platform:** Serviap Hub for total control and visibility.
- **Client-Driven Success:** 4.7/5 satisfaction, trusted by 215+ companies.
- **Value Differential:** Unlike competitors, we combine tech with human expertise for faster, more reliable global expansion.

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