

BANKING IN COSTA RICA

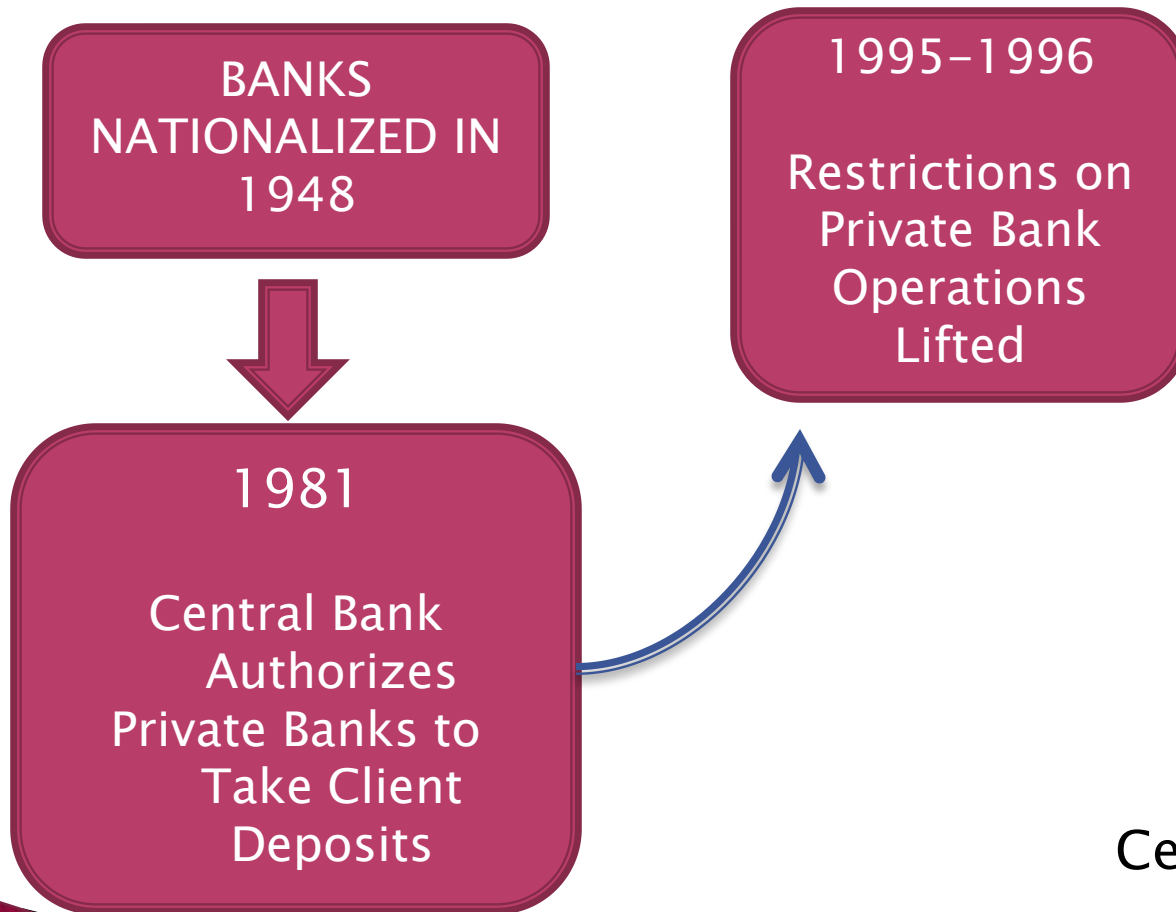
Opening an Account and Mortgage Financing

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A BRIEF HISTORY OF BANKING IN COSTA RICA

In Costa Rica banks were nationalized and owned by the government in 1948. It took 47 years for the government to lift all restrictions on private banking.



Central Bank of Costa Rica
Created 1950-1953

How are Banks Regulated in Costa Rica ?



SUPERINTENDENCIA GENERAL DE ENTIDADES FINANCIERAS

Certificada con ISO-9001/2008



INFORMA AL PÚBLICO

1. ENTIDADES SUPERVISADAS POR LA SUGEF AL 30 DE JUNIO DEL 2010

1.1 BANCOS COMERCIALES DEL ESTADO

- Banco Crédito Agrícola de Cartago
- Banco de Costa Rica
- Banco Nacional de Costa Rica

1.2 BANCOS CREADOS POR LEYES ESPECIALES

- Banco Hipotecario de la Vivienda
- Banco Popular y de Desarrollo Comunal

1.3 BANCOS PRIVADOS

- Banco BAC San José S.A.
- Banco BCT S.A.
- Banco Cathay de Costa Rica S.A.
- Banco Citibank de Costa Rica S.A.
- Banco CMB (Costa Rica) S.A.
- Banco General (Costa Rica) S.A.
- Banco HSBC (Costa Rica) S.A.
- Banco Improsa S.A.
- Banco Lafise S.A.
- Banco Promérica de Costa Rica, S.A.
- Scotiabank de Costa Rica S.A.

The SUGEF (Superintendencia General de Entidades Financieras) regulates all financial institutions in Costa Rica. They must be licensed and regulated by SUGEF to operate in Costa Rica.



Which Banks Operate in Costa Rica ?



1. Costa Rican Government Owned Banks
2. Costa Rican Private Banks
3. Regional (Central America) Banks
4. Multinational Banks

I. Government Owned “Public” Banks

There are 4 government owned banks in Costa Rica. Since there is no deposit insurance in Costa Rica only the government banks over the backing of the government to cover all deposits.



II. Private Costa Rican Owned Banks

The Banking sector in Costa Rica has been consolidating in the past couple of years and Regional and Multinational Banks entered the Costa Rica financial services market and have been purchasing locally owned banks. As a result there are only 2 local (Costa Rican capital) banks.



The Regional and Multinational Banks have expanded their presence in Costa Rica.

III. Private Regional Banks



IV. Private Multinational Banks



TYPES OF ACCOUNTS IN COSTA RICA

- I. Personal Checking / Debit Account
[*Cuenta Corriente Persona Fisica*]
- III. Savings Account [*Cuentas de Ahorros*]
- II. Corporate or Commercial Checking Account
[*Cuenta Corriente Persona Juridica*]
- IV. Certificates of Deposit [*Certificados a Plazo*]



The Personal Savings Account

To Open a Personal Savings Account you will need to provide the bank with the following

1. Identification Document
2. Utility Bill indicating a Physical Address or Lease Contract
3. Proof of Income Sources
4. Complete Know your Customer Forms (Conozca Su Cliente)

Corporate Checking Account



REQUISITOS PARA APERTURA DE CUENTA CORRIENTE COMERCIAL

- ❑ Perfil de la empresa
- ❑ Copia de cédula jurídica vigente
- ❑ Copia del acta constitutiva de la empresa.
- ❑ Certificación Notarial o Registral - De los Estatutos.
- ❑ Original personería jurídica (máximo 30 días de emitida)
- ❑ Carta del apoderado generalísimo autorizando a otros a firmar en la cuenta e indicando el número de cuentas corrientes a abrir, así como su moneda y propósito.
- ❑ Para los firmantes de la cuenta: fotocopia de la cédula de identidad por ambos lados, pasaporte o cédula de residencia más otra identificación
- ❑ Dos cartas de referencia bancarias dirigidas a Scotiabank de Costa Rica
- ❑ Detalle según el libro de accionistas de quienes son los dueños de la empresa (actualizado) o certificación de accionistas.
- ❑ Si los dueños de la empresa tienen posesión de más del 10% de acciones de la empresa se necesita dos copias de identificación de cada uno de ellos así como la autorización para poder hacer estudios de protectora de crédito a los inversionistas.
- ❑ Estados Financieros de la empresa del último período fiscal, estados de cuentas de los últimos 6 meses. En caso de no tener Estados Financieros, reportes de Renta o Ventas ante Tributación Directa del último año en el caso de renta o de los últimos tres meses si es el reporte de ventas.
- ❑ Depósito inicial indispensable de ₡100,000.00 o \$1,000.00
- ❑ Firmar Documentación Interna de Scotiabank de Costa Rica, S.A.

REQUIREMENTS FOR THE OPENING OF A COMMERCIAL CURRENT ACCOUNT

- ❑ Letter from the company describing its line of business, when incorporated, etc.
- ❑ Copy of official company ID (issued when company was incorporated in Costa Rica)
- ❑ Copy of Deed of Incorporation
- ❑ Certified copy of the by-laws of the company.
- ❑ Original, notarized Power of Attorney of individual authorized to open the account (issued within past 30 days from date of account opening)
- ❑ If applicable, letter from the Attorney in fact authorizing other Officers of the company to sign in the account, indicating the number of current accounts to be opened, the currency of the accounts and their purpose.
- ❑ For each one of the authorized signing officers, copy of both sides of the official ID (Cédula de Identidad) or passport or official resident permit, plus one other ID document
- ❑ Two letters of reference addressed to Scotiabank of Costa Rica
- ❑ List of shareholders of the company, with percentage participation, as per the company's shareholder register.
- ❑ For each shareholder owning more than 10% of the shares of the company, copies of two official ID documents and written authorization for the Bank to request a Credit Bureau report.
- ❑ Financial statements of the most recent fiscal period or copies of account statements of the last 6 months. If financial statements are not available, copy of latest annual tax return or sales reports of the last 3 months.
- ❑ Minimum initial deposit of ₡100,000.00 or \$1,000.00
- ❑ Sign internal account documentation of Scotiabank of Costa Rica, S.A.

This is a sample account opening requirements. These requirements are discussed in the next page.

- ❑ Recibo de agua, luz o teléfono donde se consigne la dirección FÍSICA del cuenta correntista (indispensable, solicitado por la SUGEF), también de los firmantes e inversionistas
- ❑ Water, electricity or telephone bill showing the address of the company. This requirement also applies to the authorized signing officers and to shareholders owning over 10% of the shares of the company.
- ❑ Si la sociedad se dedica a las siguientes actividades:
 - a. Operaciones sistemáticas o substanciales de canje de dinero y transferencias mediante instrumentos, tales como cheques, giros bancarios, letras de cambio o similares
 - b. Operaciones sistemáticas o substanciales de emisión, venta, rescate o transferencia de cheques de viajero o giros postales.
 - c. Transferencias sistemáticas substanciales de fondos realizadas por cualquier medio.
 - d. Administración de fideicomisos o de cualquier tipo de administración de recursos efectuada por personas físicas o jurídicas que no sean intermediarios financieros
- ❑ If the company is involved in any of the following activities:
 - a. Frequent and/or significant cash transactions and money transfers by way of cheques, bank drafts, bills of exchange and the like.
 - b. Frequent and/or significant transactions related to the issuance, sale or transfer of Travelers Cheques or Postal Drafts.
 - c. Frequent money transfers for substantial amounts, by any means.
 - d. Management of trusts or management of any type of financial resources by individuals or companies that are not authorized financial intermediaries.
- Deberá de presentar la autorización de inscripción emitida por la SUGEF. It must provide evidence of the authorization issued by SUGEF (Costa Rican Superintendence of Financial Institutions).

NOTA: Toda transacción igual o superior a \$10,000.00 en efectivo o su equivalente en colones, deberá completar nuestra fórmula de DECLARACION DE FONDOS, según nuestras políticas internas y reglamentación de la Superintendencia General de Entidades Financieras

NOTE: For each cash transaction of at least \$10,000.00 or its equivalent in local currency, the DECLARATION OF FUNDS form must be completed.

Corporate / Commercial Account

To open a checking account with a corporation will require extensive documentation as set forth below:

1. Identification of Corporate Activity: Letter from the company describing what it does.

2. Certified Copy of Articles of Incorporation

3. Official Certificate of Corporate Standing (Certificate must be less than 30 days old)

4. Copy of Corporate ID card or Corporate Certification from Registrar

5. Corporate Officer Identification

For each signatory on the account a copy of their identification card, passport or residency permit PLUS one other form of identification document

6. Letters of Reference

One Bank Reference Letter and One
Commercial Reference Letter

7. Identification of Shareholders.

Provide a copy of the shareholder registry book and Notarized certification indicating the percentage participation of each shareholder in the company.

9. Financial Information.

Provide financial statements for the last fiscal term, or copies of account statements for the last 6 months.

If financial statements are not available the alternatives are: Copy of last annual tax return, print out of sales reports for the last 3 months, Certified Public Accountant certification of income.

10. For each shareholder owning more than 10% of the shares of the company: Provide copy of two forms of identification.

Getting a Mortgage Loan

It is possible to apply for a mortgage loan in Costa Rica. However the lending criteria is more conservative than what you may have been accustomed to.

In this section we will review the lending criteria and interest rates available in Costa Rica.

Mortgage Documentation Required to Apply for a Mortgage Loan

1. Credit Report Check
2. Passport and one Additional Form of Identification
3. Certificate from Immigration of your Immigration Status
4. Copies Tax Returns (2 years)
5. Income Certification by Certified Public Accountant (CPA)
6. 2 Reference Letters
7. Copy of Bank Statements (3 months)
8. Copy of Credit Card Statement (3 months)
9. Proof of other Assets (deeds, CD's, savings etc..)
10. Qualify for a Life Insurance Policy in favor of the Bank

Information Required About the Property

1. Property Purchase Agreement

2. Property Survey Map

3. Property Title Report

4. Certificate of Property Taxes

5. Property Appraisal (done by the Bank)

Mortgage Financing Contingency Clause is not very common in Costa Rica

Sample Mortgage Application Requirements



Mortgage Requirements (Non Resident)

- Application form signed by the customer.
 - SUGEF authorization form (debtor / co debtor)
 - Credit Bureau (UK). US and Canadian applicants must present the social security number or the last residence address.
 - PPR form signed by the customer
 - Complete copy of the current passport and copy of a current second id with photo (driver license)
 - "Status migratorio" certification from "Dirección de Migración y Extranjería"
 - Income verification as following:
 - US Residents: Income verified to last two (2) Years of IRS Certified Tax Returns without exception, whether employed or self-employed. Salaried borrower working for a company must present income verification letter issued by the company and addressed to Scotiabank de Costa Rica. Income letter must indicate the time the person has worked for the company, job position, gross and net salary. (Valid 3 months)
 - Canadian Residents: Income verified to Last two (2) Years of CRA Revenue Canada Agency's Notice of Assessment without exception whether employed or self-employed. Salaried borrower working for a company must present income verification letter issued by the company and addressed to Scotiabank de Costa Rica. Income letter must indicate the time the person has worked for the company, job position, gross and net salary. (Valid 3 months)
 - UK Residents: The last two (2) Years equivalent of Certified Tax Return or Tax Department's Notice of Assessment without exception, whether employed or self-employed. Salaried borrower working for a company must present income verification letter issued by the company and addressed to Scotiabank de Costa Rica. Income letter must indicate the time the person has worked for the company, job position, gross and net salary. (Valid 3 months)
 - In both cases (employed and self employed) the customer must certified the income by an authorized CPA from Costa Rica. This document has to be addressed to Scotiabank de Costa Rica, and it must indicate the activity of the company, the time the person has worked for, job position, gross and net salary, and "Sellos y póliza de fidelidad vigente"
- *** Note: The income letter and CPA are valid for three months at the moment of the final approval. It is important when customer presents both documents income letter and CPA not to be closely to expire. It has to be considered the time of analysis.
- Two reference letters addressed to Scotiabank from the applicants primary bank (s)
 - Copy of the last three months of bank accounts statements which must indicated: name of the bank, name of the customer, number of account (If the accounts are under a company name, the customer has to present the power of attorney with the shareholder certification)
 - Copy of the last three months of credit card statements
 - Evidence of assets (deed of warranties, personal savings, certificate of deposits)
 - Evidence of down payment (certificate of deposits, account statements, etc.) with the verification and evidence form.
 - Purchase option agreement signed by the customer and the seller
 - Copy of the certified charts of the property (by catastro nacional)
 - Tax certification of the property from the " municipalidad"
 - Register Study of the property
 - Life Insurance and Know your customer form signed by the customer
 - Home Builder Loans :
 - Approved construction charts by " Colegio de Ingenieros y Arquitectos, Municipalidad, Ministerio de Salud, AYA, Setena (only when it applies)
 - Schedule of construction activities and budget of the construction (format provided by the bank)

Note: It is important to consider that the analysis of the application begins when all the requirements are 100% presented.



Subgerencia General Banca de Personas
Dirección de Banca Hipotecaria

Lista Oficial de Requisitos Para el trámite de un crédito hipotecario de vivienda

1 Del Cliente

- 1.1 *Copia de Cédula, cédula de residencia y/ o pasaporte para el caso de extranjeros, en caso de sociedades se debe aportar copia de la cédula jurídica, estudio mercantil con los apoderados,*
- 1.2 *Copia de un recibo de servicios públicos (luz, agua o teléfono),*
- 1.3 *Original de constancia salarial (asalariados públicos o privados), certificación de ingresos realizada por contador público para trabajador independiente (nacionales o residentes), con un máximo de 90 días de antigüedad,*
- 1.4 *Copia certificada de W.2 y Tax Form de los 2 últimos años para el caso de norteamericanos (residentes o no residentes) y certificación de ingresos certificada por cónsul y referendada por cancillería en extranjeros no residentes de otras nacionalidades,*
- 1.5 *Copia de un recibo de servicios públicos (luz, agua o teléfono),*
- 1.6 *Original de credit report (transUnion, Equifax, Experian) para el caso de norteamericanos y referencias de protectoras de crédito para el caso de otras nacionalidades,*

2 Del Plan de Inversión a Ejecutar

- 2.1 *Opción de compra-venta con 60 días de vigencia en caso de compras de lotes, casas, apartamentos, villas, quintas, etc.*
- 2.2 *Planos visados, presupuestos y permisos en caso de construcciones,*
- 2.3 *Certificación de deuda o recibo de pago de deuda en caso de compra de saldos y liberaciones de hipotecas a favor de terceros,*

3 De la Garantía ofrecida

- 3.1 *Copia de planos catastrados de la propiedad en garantía,*
- 3.2 *Copia de escritura con citas de inscripción registral legibles,*

Banco Nacional.....en créditos hipotecarios más cerca de usted

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INTEREST RATES IN COSTA RICA

Sample of Interest rates from 2005–2010

Average Interest Rates Costa Rica						
Construction and Home Loans						
Month	July	July	July	July	July	July
Year	2005	2006	2007	2008	2009	2010
CONSTRUCTION LOANS						
Private Banks	9.30%	10.36%	9.87%	8.80%	12.29%	10.24%
Public Banks	10.54%	11.82%	9.37%	10.76%	10.55%	8.54%
HOME LOANS						
Private Banks	9.14%	10.30%	10.01%	8.57%	11.13%	9.02%
Public Banks	10.85%	12.37%	8.69%	10.61%	8.71%	9.30%

Source: Central Bank – www.bccr.fi.cr

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Sample Interest Rates offered at the Home Expo in Costa Rica

BANCOS

Información detallada créditos hipotecarios primera vivienda

BANCO	LINEA DE CREDITO	MONEDA	PLAZO MAXIMO. ¢	PLAZO MAXIMO. \$	TASA COLONES	TASA DOLARES	% MAXIMO FINANC. ¢	% MAXIMO FINANC. \$	CUOTA X \$1000	CUOTA X ¢1MILLON	CONTACTO	FUENTE
	VIVIENDA	\$, ¢	30 años	20 años	10%	8%	80%	78%	\$8 aprox.	¢8.776 aprox.	www.bnrcr.fi.cr 2211-2000	BANCA HIPOTECARIA BNCR
	VIVIENDA	\$, ¢	30 años	25 años	10.50%	7.75%	100%	80%	\$6.65 aprox.	¢9.638 aprox.	bancobcr.com 2287-9000	ING. MARIO RIVERA GERENTE GENERAL BCR
	VIVIENDA	\$, ¢	25 años	25 años	18%	8%	85%	85%	\$8 aprox.	¢15.374 aprox.	www.scotiabankcr.com 8001-SCOTIA	Óscar Ferrás Gerente de Negocios SCOTIABANK
	VIVIENDA	\$	/	25 años	/	9.50%	/	80%	\$9 aprox.	/	www.lafise.fi.cr lap@lafise.fi.cr 2281-0035	AREA DE NEGOCIOS Y MERCADO BANCO LAFISE
	VIVIENDA	\$, ¢	30 años	30 años	13%	9.45%	80%	80%	\$8 aprox.	¢11.258 aprox.	www.multivalores.fi.cr multivalores@multivalores.fi.cr 2234-3800 / 8819-8915	AREA DE NEGOCIOS FINANCIERO BANCO LAFISE
	VIVIENDA	\$, ¢	30 años	25 años	13.75%	9%	90%	85%	\$8 aprox.	¢11.651 aprox.	www.grupomutual.fi.cr www.cobanreggrupomutual.fi.cr 2437-1000	VICTOR ROJAS EJECUTIVO DE PRODUCTO DIRECCION DE MERCADO GRUPO MUTUAL

BANKING IN COSTA RICA A PRESENTATION BY:



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