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Investment Strategies

Guide to Obtaining Residency/Citizenship in Costa Rica



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Why Apply for Residency Outside of the United States?

The descent of many Western governments into fascist police states is accelerating. Protestors are being violently rounded up and denied their right to free speech and assembly. The U.S. government has passed the Patriot Act and National Defense Authorization Act (NDAA), the latter of which eliminates habeas corpus, due process and the right to an attorney, while allowing the government to indefinitely detail citizens without evidence or trial. Any objective observer should see this as an unconstitutional power grab.

Taxpayer money is being used to bail out private banks from their gambling losses. This allows the banks to privatize their gains, but socialize losses, creating moral hazard. The Supreme Court has allowed unlimited campaign donations by corporations, viewing them as persons, and more recently ruled that the government can penalize/tax citizens for not buying a product/service from a private business.

The government is telling us what we can and can't eat, what type of herbs/medicines we can use, yet refuses to allow labeling of genetically-modified foods. On so many issues, we are losing our privacy and freedoms in a country that is supposed to be the shining beacon on the hill. Unfortunately, it more closely resembles fascism or corporatism at present.

The U.S. locks up more citizens per capita than any other nation, largely fueled by the growth ambitions of the for-profit prison industry and failed war on drugs. We are the world's bully with our military, starting wars under false pretenses, killing innocent civilians, breaking international treaties with inhumane torture tactics and generating blowback at home. The U.S. spends more on the military than the next 15 nations COMBINED and many times more money on war than on education.

Lastly, the United States and many other Western democracies are now bankrupt and desperate. The U.S. has amassed the largest debt of any nation in history and continues deficit-spending despite the red flags. Social Security has been looted years ago by money-hungry politicians looking to spend beyond their means, buy political support and give kickbacks to campaign donators. Both political parties have sold out the people long ago, leaving only the illusion of choice within the false left-right paradigm. Divide and conquer.

With the economic strains growing, the FED is now forced to monetize nearly 70% of U.S. debt, as other nations are beginning to balk at buying Treasury notes. Many believe the government will now start to cut benefits, introduce austerity, raise taxes and look for excuses to control IRAs and 401k accounts, limiting withdrawals and stipulating which investments are 'patriotic.'

No matter how you look at it, Western society is in a state of decline. Expatriating to a country with a greater freedoms, more privacy, less authoritarian rule and less of a materialistic, consumer-driven mindset is becoming an increasingly popular option these days. Gaining residency status or citizenship from another country can often afford you many protections that you otherwise would not enjoy. You can more safely invest in that country, open a bank account, minimize your tax burden and live your life free from the over-reach of nanny states that wish to control you.

Obtaining a second passport does not mean that you are being unpatriotic or abandoning

your home country. Unless you also choose to renounce your citizenship in your home country, you will still be able to travel back and forth, spend time with family/friends and help restore your country's freedoms should the opportunity develop. It is simply giving yourself and your family another option or 'out' should conditions continue to worsen and warrant a full-time move away from your home country.

Why Costa Rica?

In the case of Costa Rica, you will also be moving to one of the most beautiful countries in the world, with near perfect weather, pristine beaches, a rich culture and warm/welcoming people. Costa Rica is a very diverse country offering a variety of landscapes for just about anyone. Whether you prefer white sand beaches, jungle living, views of Lake Arenal, cloud forests, the mountains and coffee farms of the Central Valley, Caribbean culture or city life, Costa Rica likely has something that will appeal to you.

Costa Rica was voted the greenest country in the world, due to their protection of the environment, as well as being voted one of the happiest places to live. Modern ocean-view homes can be had for under \$300,000 and the annual property tax rate is just 0.25%!



Costa Rica, which means "Rich Coast", constitutionally abolished its army permanently in 1949. It is the only Latin American country included in the list of the world's 22 older democracies. Costa Rica has consistently been among the top Latin American countries in the Human Development Index (HDI), ranked 69th in the world in 2011.

It was also the only country to meet all five criteria established to measure environmental sustainability. The country is ranked fifth in the world, and first among the Americas, in terms of the 2012 Environmental Performance Index. In 2007, the Costa Rican government announced plans for Costa Rica to become the first carbon-neutral country by 2021. The New Economics Foundation (NEF) ranked Costa Rica first in its Happy Planet Index. The NEF also ranked Costa Rica in 2009 as the "greenest" country in the world.

The country's immensely diverse landscapes and microclimates, coupled with its geographic position on a tenuous land bridge between two continents, give Costa Rica arguably the highest biodiversity density anywhere in the world. At 51,000 km² Costa Rica covers only 0.3 % of our planet's landmass, but it contains around 4-5% of all species estimated

worldwide. Barely bigger than the state of New Hampshire, Costa Rica harbors more butterfly species than the whole of Africa, and more bird species than all of North America.

According to the UNDP, in 2010 the life expectancy at birth for Costa Ricans was 79.3 years, compared to 78.2 for those in the U.S. The Nicoya Peninsula, where I have lived on and off for many years, is considered one of the world's few Blue Zones, where people commonly live active lives past the age of 100 years.

In the small and secluded area of Santa Teresa/Mal Pais, you will find incredible surf, yoga retreats, international fine-dining and accommodations ranging from cabinas at \$30/night to luxury ocean-front homes for \$1,000/night.

Costa Rica's national park system protects much of the country's ecosystems, covering over 25% of national territory. Nature lovers can admire prolific animal and bird life in habitats as varied as dry forest and savannah, rain and cloud forest, volcanoes, mountains, beaches, mangrove swamps, coral reefs and breathtaking waterfalls. Besides eco-tourism, Costa Rica offers many other outdoor adventures. You can go whitewater river rafting, do a zip line tour through the jungle canopy, or cruise Costa Rica on a motorcycle, mountain bike or ATV. At a more leisurely pace you can ride on horseback down the beach, or glide through the water in a kayak.



Costa Rica also has some of the best surfing in the world, with beaches and breaks for the beginner, professional and anywhere in between. Many international surf competitions are held each year in Costa Rica. While I originally learned to surf in California, I hardly ever go in the ocean there anymore, where the water is cold, polluted and the waves are overcrowded. When living in Costa Rica, I surfed nearly every day due to the consistent and forgiving waves, warm and clean waters and endless breaks where you don't have to fight over every good wave.

Health Care

30	Canada
31	Finland
32	Australia
33	Chile
34	Denmark
35	Dominica
36	Costa Rica
37	United States
38	Slovenia
39	Cuba
40	Brunei
41	New Zealand

In health care and life expectancy, Costa Rica ranks better than the United States according to the World Health Organization (WHO).

In our experience, we found the hospitals and doctors to be on par with the United States, but at a fraction of the cost. Our hospital was newly-constructed, JCI accredited and full of doctors that spoke fluent English. Major operations are done for around 1/3 to 1/2 the cost in the United States and you get the sense that the doctors are really concerned about your health and not simply trying to push pharmaceuticals and drain your bank account.

The dental service is also excellent in Costa Rica. I paid \$30 for a cleaning and check up and then paid \$50 to have a cavity filled. I chose to do it without anesthesia and it ended

up being a rather painless 15-minute procedure. You can use the public health care system (caja) for just a few hundred dollars per year or opt for the private health care system, paying more but getting faster and higher-quality service.

Culture & Climate

The literacy rate in Costa Rica is 95%, one of the highest in Latin America. When the army was abolished in 1949, it was said that the "army would be replaced with an army of teachers." Education is thus highly regarded in Costa Rica and about 6% of the country's gross domestic product is dedicated to education. There are over 5 main public universities to choose from. Costa Rica also has roughly 15 private universities with tuition fees at a fraction of the prices paid in the United States.

The country's well-known motto is "Pura Vida." This literally means pura (pure) and vida (life). However "Pure life" in Spanish would be "Vida pura" instead, so the real meaning is closer to "plenty of life", "full of life", "this is living!", "going great" or "real living." It can be used both as a greeting or a farewell, universally known in Costa Rica and it has been used by many Costa Ricans (and expatriates) since 1956.



I have always interpreted it to mean something close to... "another day in paradise, living the good life." This is not just a catchy phrase to lure tourists to the country, but is reflective of the attitude, outlook and level of happiness amongst those living in Costa Rica. The culture is for the most part non-materialistic, lacking the Western brainwashing and constant advertisements urging you to buy things to become happy. The pace is slower, more relaxed and stress seems to be largely non-existent in the areas that I have traveled.

The climate of Costa Rica is tropical, situated between 8° and 11° North latitude, fairly close to the equator. Although in the mountains above 2000 meters you get much cooler temperatures, the average annual temperature for most of the country lies in a ideal range between 21.7°C (71°F) and 27°C (81°F). The coolest months are from November through January, and the warmest from March through May. San José, the capital, where over a third of the population lives, stands at approximately 1170 meters altitude and has a mean annual temperature of 20.6°C (69°F).

The nation's climate is classically divided into two major seasons: rainy and dry. The dry season runs from January through May and the rainy season from May to November/December.

Despite being a big fan of constant sunshine, we ended up preferring the rainy season for a variety of reasons. It is often cooler, much greener and the pricing for accommodations is around half of the rates charged in the high season. If you are far outside of the city on dirt roads, the rain also keeps the dust down. Lastly, the rains near the coast tend to downpour for a few hours and then clear up, so we rarely experienced long periods of constant gloomy overcast skies. The sun always finds a way to peak through no matter the season.

Costa Rica is not as far away as many believe, with several direct flights from Los Angeles, Houston, Miami and Denver taking around 4-5 hours. Furthermore, round trip tickets are often under \$500. You can also make the trip via boat or car within a few days if desired.

Downsides/Negatives

All these good points make it sound as if Costa Rica is paradise on earth but there are downsides as well. With a minimum wage of around \$500 to \$700 and food prices often higher than in the U.S., there is also poverty. This poverty leads to a good degree of theft, with tourists often a prime target. Costa Ricans are accustomed to a simple lifestyle and when rich tourists come around flashing expensive jewelry, laptops, cameras, etc., the temptation often gets the best of the youth.

However, in my experience a little common sense can help to avoid it. Most of the theft occurs when you leave valuables unattended or unsecured. It is rarely violent theft, mugging or being held up at gunpoint.

Living in a secluded oasis where the jungle meets the beach sounds idyllic, but a sense of cabin fever can set in after a while. The same variations on rice and beans loses its appeal, the cultural activities are not very diverse and if you are used to all of the energy, hustle, variety and culture of a big city, Costa Rican living may get boring at some point.

The positive of lower tax rates also means less developed infrastructure, road maintenance and public services. Many areas will have trash overflow, large potholes in the roads, decaying sidewalks, parks and town squares. Any type of public facility or government administration building will have long lines and slow service. I guess the same can be said about most government offices in the U.S./Canada (such as the DMV), making government inefficiency a truly global phenomenon.

While coastal real estate is significantly less than in the U.S., a large number of products will actually end up costing more due to the cost of importing everything. We certainly had sticker shock when shopping for a vehicle, as prices are roughly double what they would be in the United States. Importing your car doesn't help much, as the government enforces heavy tariffs that make it economically unpalatable. But overall, we felt that the few downsides were a small price to pay for all of the benefits of living in Costa Rica.

Benefits of Residency

As a resident of Costa Rica, you can stay in Costa Rica as long as you like (normally 3-month visa limit) and diversify your assets outside of your home country. You also gain:

- ✓ Access to the health care system
- ✓ Access to the free education system
- ✓ Discounted airfare and hotel stays
- ✓ Easier/safer access to the Costa Rican banking system
- ✓ The ability to work in Costa Rica
- ✓ Minimized risk of property confiscation or other legal issues
- ✓ Ability to buy beach-front concession property
- ✓ Ability to apply for full citizenship and a Costa Rican passport

How to Gain Residency and/or Citizenship in Costa Rica?

There are numerous paths to residency in Costa Rica. The easiest path to *permanent residency* is having family ties to a Costa Rican citizen, which includes marrying a citizen or having a baby in Costa Rica. We chose to have our daughter in Costa Rica, which gives her instant dual-citizenship, in addition to our gaining permanent residency. With the health care system ranked higher than that of the U.S. and costs at a fraction of the price, it wasn't a difficult decision. It was a beautiful experience and I am happy to discuss further with any subscribers that are considering this route.

The other quick way to permanent status by marrying a Costa Rican citizen can be accomplished legally or illegally. The illegal method is to pay a citizen to marry you and convince the government that you live together. After a short while, you can divorce and keep your citizenship. This is obviously frowned upon by the Costa Rican government and can land you in trouble if you aren't discreet, but it is certainly doable. In fact, many attorneys will advise and assist in the process.

Lastly, you can gain permanent residency by holding *temporary residency* for 3 years. This can be accomplished via:

Pensionado (Retiree) Status – Show proof of a pension that pays out \$1,000 per month or more. This can be social security, disability, private or governmental pension. It qualifies you and a spouse.

Rentista Status – Show investment income of at least \$2,500 per month from an investment account or funds deposited into a Costa Rican bank. This qualifies the whole family. You must show a letter from the bank or brokerage.

Investor Status – Invest at least \$200,000 in a business in Costa Rica.



You can make this process easier by hiring a good attorney to handle it for you. The price ranges from \$750 to \$1500 per person and can be well worth the money, time and frustration saved. If you don't speak and understand Spanish reasonably well, you will have to hire an attorney or non-attorney service to take care of it for you. They wait in lines, translate, notarize, stamp and submit documents. They also handle any rejections, corrections and re-submittals. If you choose to do it yourself, be advised that the lines can average 1-2 hours and there will be several to navigate.

Whether you are doing it yourself or hiring an attorney, this is what you will need to do...

- 1) Certificate of Good Standing from Local Police Department
- 2) Birth Certificate from your hometown Vital Records Department
- 2) Marriage Certificate (if applicable)
- 3) Proof of Income Letter (if applicable)
- 4) Certified Copy of Entire Passport
- 5) Fingerprinting from police headquarters in San Jose, Costa Rica
- 6) Proof of registration with local embassy in Costa Rica

All of these documents must be certified/authenticated by the Secretary of State and legalized by the Costa Rican consulate in your home country.

Sample Legalization

**Document Certified by
Secretary of State**

**Document Legalized by Costa Rican
Consular Office**

The next step is to receive your receipt of filing from immigration and wait 6 to 12 months to hear back. At that point you will either be accepted and issued a residency card or be

rejected and have to correct issues with the application.



You must visit Costa Rica at least once per year to maintain residency, as well as paying into their public health care system "Caja," which will be around \$250-\$500 for the entire year.

Full Citizenship

You can apply for full citizenship after being a resident and living in Costa Rica at least 4 months out of the year for 7 years. You may be required to take a basic Spanish language exam and Costa Rican history exam (6th grade level).

The benefits of full citizenship (in addition to residency benefits) include:

- ✓ Laws against extradition of Costa Rican citizens
- ✓ The mutual visa exemption agreements between Costa Rica and all the European Union countries, Scandinavia, Canada, Japan and Russia
- ✓ Ability to lower your total tax burden
- ✓ The ability to vote in Costa Rican elections

I have recently completed the residency application process so if you have any questions, please feel free to email me directly. If you are planning a trip to Costa Rica, I can also send you some information on the best places to visit and to avoid. [Click here for detailed info on taxes in Costa Rica.](#)

Pura Vida,



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