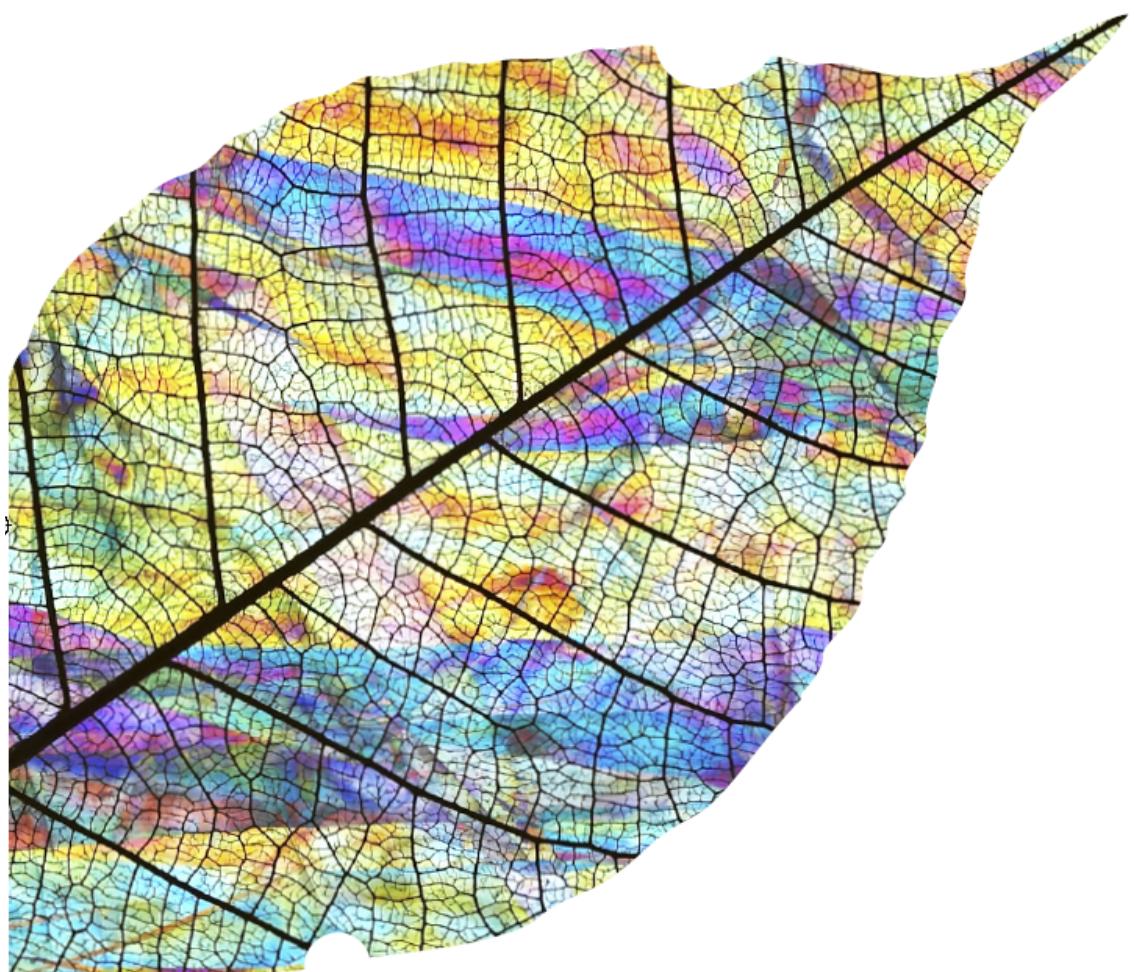


World Universities Comparative Law Project

Legal rating of Costa Rica

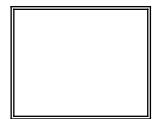
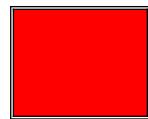
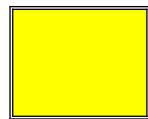
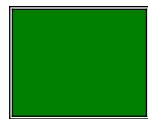
carried out by students at Universidad de Costa Rica

A production of the Allen & Overy Global Law Intelligence Unit



November, 2017

World Universities Comparative Law Project
Legal rating of Costa Rica
carried out by students at Universidad de Costa Rica
November, 2017



Produced by the Allen & Overy Global Law Intelligence Unit

World Universities Comparative Law Project

The World Universities Comparative Law Project is a set of legal ratings of selected jurisdictions in the world carried out by students at leading universities in the relevant jurisdictions. This legal rating of Costa Rica was carried out by students at the University of Costa Rica

The member of the Faculty of Law at the University of Costa Rica who assisted the students was:

Msc. Juan Jose Obando Peralta

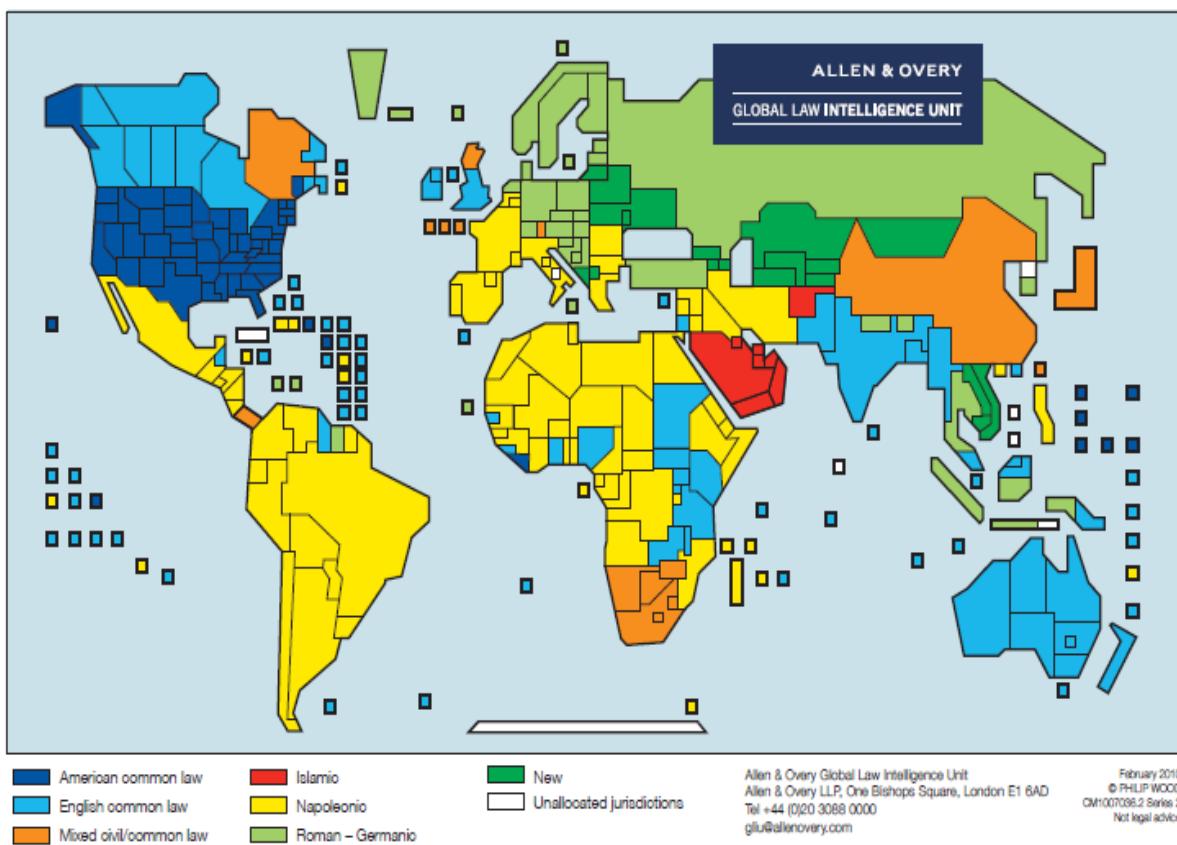
The members of the Practitioner Expert Panel with whom the students could discuss the questions in the survey were:

Eduardo Calderón, Adriana Castro and Andrés López.

The Allen & Overy Global Law Intelligence Unit produced this survey and is most grateful to the above for the work they did in bringing the survey to fruition.

All of those involved congratulate the students who carried out the work.

Families of law



Foreword

I am proud to present this legal rating of Costa Rica, as part of the World Universities Comparative Law Project. This innovative effort of the Allen & Overy Global Law Intelligence Unit will contribute to a better understanding of the convergence process in national legislations around the world.

Globalization and multilateralism have lost their shine in recent years, in the midst of nationalist and populist narratives springing up in unlikely places. But the harmonization of business law should not fall by the wayside in these troubling times. On the contrary, a sustained progression towards harmonization and mutual understanding will only result in increased efficiencies and reduced transaction costs in international trade and investment.

A small country like Costa Rica will continue to depend on the rule of law and predictable institutions to support its place in the global economy. The hope is that we can continue to live up to these expectations, and communicate our legal traditions and ways of doing things through formal reviews like the present one.

Credit for this important contribution should first go to the student team for their thorough research and dedication. Also to University of Costa Rica professor Juan José Obando, a leading light in the promotion of private international law in our country. I will also like to thank my colleagues Eduardo Calderón, Adriana Castro and Andrés López, who conformed the Practitioner Expert Panel in this very interesting project.

Mauricio Salas, LLM.
Head of Litigation and Arbitration – BLP
Professor of International Law – Lead University

Description of the legal rating method

Introduction

This paper assesses aspects of the law in Costa Rica with a view to rating the law in the relevant areas.

The survey is concerned primarily with wholesale financial and corporate law and transactions, not with retail law.

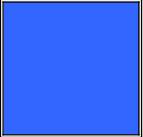
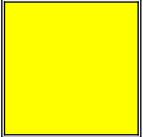
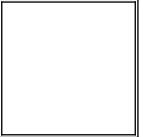
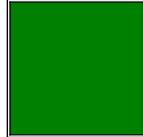
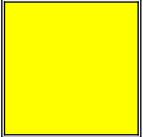
Legal risk has increased globally because of the enormous growth of law; because of its intensity; because many businesses are global but the law is national; because nearly all countries are now part of the world economy; and because the law is considered to play a very significant role in the fortunes of our societies. Liabilities can be very large and reputational losses severe.

The survey was carried out by students at University of Costa Rica. The survey was designed by the Allen & Overy Global Law Intelligence Unit.

The students were requested to express their views freely and in their own way. The views expressed are their views, not necessarily those of University of Costa Rica, the members of the Practitioner Expert Panel or the Global Law Intelligence Unit, the members of Allen & Overy.

Methodology

The survey uses colour-coding as follows:

True	False	Can't say
		
		
		

Blue generally means that the law does not intervene and the parties are free, ie the law is liberal and open.

Red generally means that there is intense legal intervention, usually in the form of a prohibition.

Green and **yellow** are in-between.

The purpose of this colour-coding is to synthesise and distil information in a dramatic way, rather than a legal treatise. The colours correspond to a rating of 1, 2, 3 or 4, or A, B, C or D.

The cross in the relevant box signifies the view of the students carrying out this assessment of the position of Costa Rica. This is followed by a brief comment, e.g. pointing out qualifications or expanding the point. These comments were written by the students.

The colour-coding does not usually express a view about what is good or bad. Whether the law should intervene in a particular arena is a matter of opinion. The scale is from low legal intervention to intense legal intervention or control. This is not a policy or value judgment as to whether or not the law should or should not intervene. Jurisdictions often disagree on whether the law should intervene and how much. So one of the main purposes of this survey is to endeavour to identify some of the points of difference so as to promote fruitful debate.

Black letter law and how it is applied

This survey measures two aspects of law. The first is black letter law, ie what the law says or the written law or law in the books.

The second measure is how the law is applied in practice, regardless of what it says. Thus, the law of Congo Kinshasa and Belgium has similar roots but its application is different.

Although there is a continuum, these two measures have to be kept separate. Otherwise we may end up with just a blur or noise or some bland platitude, eg that the law depends upon GDP per capita.

In fact, only the last two questions deal with legal infrastructure and how the law is applied. All of the others deal with the written law, without regard to enforcement or application.

Key indicators

The survey uses key indicators to carry out the assessment. It is not feasible to measure all the laws or even a tiny fraction of them. The law of most jurisdictions is vast and fills whole libraries.

The key indicators are intended to be symptomatic or symbolic of the general approach of the jurisdiction. To qualify as useful, the indicator must usually be (1) important in economic terms, (2) representative or symbolic and (3) measurable. In addition, the indicators seek to measure topics where jurisdictions are in conflict. There is less need for measuring topics where everybody agrees.

An important question is whether this method is useful or not, and, if it is, whether the indicators are relevant.

Legal families of the world

Most of the 320 jurisdictions in the world, spread just under 200 sovereign states, can be grouped into legal families. The three most important of these are: (1) the common law group, originally championed by England; (2) the Napoleonic group, originally championed by France; and (3) the Roman-Germanic group, originally championed by Germany, with major contributions from other countries.

The balance of jurisdictions is made up of mixed, Islamic, new and unallocated jurisdictions.

Many aspects of private law are determined primarily by the family group, but this is not true of regulatory or economic law.

Excluded topics

This survey does not cover:

- transactions involving individuals
- personal law, such as family law or succession
- competition or antitrust law
- intellectual property
- auditing
- general taxation
- macroeconomic conditions, such as inflation, government debt, credit rating or savings rates
- human development, such as education, public health or life expectancy
- infrastructure, such as roads, ports, water supply, electricity supply
- personal security, such as crime rates, civil disorder or terrorism.

Banking and finance

Introduction

Banks and bondholders (typically also banks, but also insurance companies, pension funds and mutual funds) provide credit or capital. Their main risk is the insolvency of the debtor and therefore the key indicators intended to measure whether the law supports those habitual creditors or debtors, such as large corporations as borrowers, when it matters, ie on bankruptcy. This is when commercial law is at its most ruthless in deciding who survives and who drowns.

This debtor or creditor decision is implemented mainly through the bankruptcy ladder of priorities. A feature of common law systems is the presence of super-priority creditors who are paid before anyone else - creditors with a set-off or a security interest and beneficiaries under a trust. For example, if a bank has universal security over all the assets of a company, the bank is paid before all other creditors, including employees and trade creditors. This regime therefore protects significant creditors who such as banks.

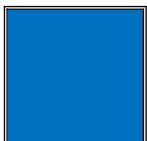
Jurisdictions based on the English common law model give super-priority to all three claimants. Traditional Napoleonic jurisdictions typically do not allow insolvency set-off, have narrower security interests and do not recognise the trust. Their bankruptcy ladder favours greater equality of creditors. Most traditional Roman-Germanic jurisdictions are in-between. They allow insolvency set-off and have quite wide security but most do not recognise the trust. There are wide exceptions to these generalisations.

Insolvency set-off

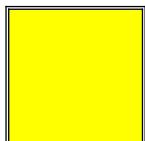
Generally If set-off of mutual debts is allowed on insolvency, the creditor is paid. If it is not allowed, then effectively the creditor is not paid. Very large amounts are involved in markets for foreign exchange, securities, derivatives, commodities and the like, so that the question of whether exposures should be gross or net is a matter of policy as to who the law should protect.

Q1 In Costa Rica, creditors can set off mutual debts on the insolvency of a debtor if they are incurred before notice of the insolvency.

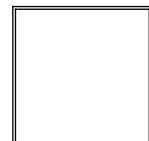
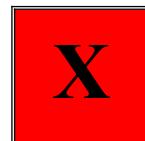
True



False



Can't say



Comment:

In Costa Rica, creditors cannot set off mutual debts on the insolvency of a debtor. Under article 982 of the Civil Code, which refers to the *Par Conditio Creditorum* principle, all creditors should be treated equally unless they have a legal privilege. The creditors are paid as per the following legal privilege order: 1) child support, 2) unpaid employee wages and benefits, 3) mortgage creditors (which includes taxes) and pledgees, 4) expenses of the insolvency, 5) unsecured creditors. If assets are insufficient to pay for all the debts, these will be paid proportionally within the same category of creditors.

It is important to mention, that when the insolvency is ordered, a “*suspect period*,” is established. This “*suspect period*,” or look back period allows the court to examine every action taken by the debtor within a time frame that comprehends from 3 to 6 months prior to the declaration of insolvency. If a debt is set off during the *look back period* and such *set off* is determined to affect the *mass of creditors*, this action will be considered void and against the legal provisions in this matter. This is why, a *set off* of mutual debts cannot proceed according to the local legislation.

Security interests

Generally Security interests give priority to the creditor with security - typically banks - who are the main providers of credit in most countries.

In traditional common law jurisdictions, a company can create universal security over all its present and future assets to secure all present and future debt owed to a bank. Once registered, the security is valid against all creditors, except that the floating collateral ranks after preferred creditors - typically wages and taxes. The security can be granted to a trustee for creditors. On a default there are no mandatory grace periods and the creditor can enforce out-of-court by appointing a receiver (a type of possessory manager) or by private sale. But in some common law jurisdictions there are freezes on enforcement in the event of a judicial rescue of the debtor. Also, in some of these jurisdictions there are stamp duties.

On the other hand, in many traditional Napoleonic jurisdictions, universal security is not possible, neither is security for all future debt. There is no trustee to hold the security. On enforcement, there are grace periods and no receiver. Sale is through the court and a public auction. Preferential creditors rank ahead. Some countries have a freeze on enforcement under a judicial rescue statute.

The main policy issue is therefore whether security should be encouraged or whether the law should intervene to impose greater equality.

The main tests are (1) scope of eligible assets, (2) debt secured, (3) trustee, (4) priority over preferred creditors, (5) private enforcement and receiver, (6) no rescue freezes and (7) low costs.

Q2 In Costa Rica, the law offers a security interest which is highly protective of the secured creditor.

True	False	Can't say
<input type="checkbox"/>		
<input checked="" type="checkbox"/>		
	<input type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	

Comment:

Costa Rican law offers highly protective security interests in favour of the secured creditor. The legal figure of security interests is divided into two different categories, depending on whether the interest exists over a movable or fixed asset.

The Commercial Code of Costa Rica carefully regulates the structure and effects of security interests on fixed assets, known as mortgages. These are widely considered to be trustworthy and protective of the creditor, since they are invariably recorded on the Costa Rican National Public Registry, they have legal binding effects against third parties.

On the other hand, the Statute on the Regulation of Security Interests on Movable Goods ("Statute 9246") is exclusively intended to create a system of security interests over movable assets. In accordance with its article 5, this security applies, in general, to any good, right, share, or contract to which the signatory parties (debtor and creditor) assign an economic value. Its structure is inspired in article 9 of the Uniform Commercial Code of the United States.

In practice, however, the secured creditor must deal with procedural obstacles when enforcing the security. These obstacles include, inter alia, the excessive delay of the courts and overly strict interpretations of statutory formalities. Nevertheless, these do not impede the final result from being sufficiently satisfactory for the secured creditor.

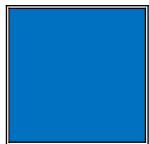
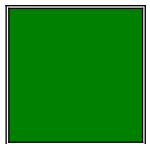
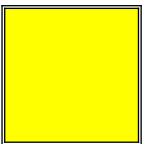
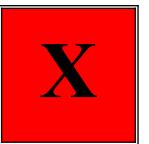
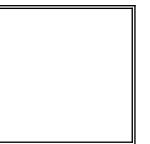
Universal trusts

Under a trust, one person, called the trustee, holds title to the assets of another person, called the beneficiary, on terms that, if the trustee becomes insolvent, the assets go to the beneficiary and are not used to pay the trustee's private creditors. The assets are immune and therefore taken away from the debtor-trustee's bankrupt estate.

The main examples of trusts are custodianship of securities, pension funds, securities settlement systems and trustees of security for bondholders and syndicate banks. The amounts involved are enormous.

All jurisdictions have an effective trust of goods (called bailment or deposit). The common law group has a universal trust for all other assets (land and intangible property). Most members of the civil code group do not have a universal trust, subject to wide exceptions, especially for custodianship of securities. A few countries in this group have a universal trust by statute, e.g. France and China.

Q3 Costa Rica has a universal trust for all assets:

True	False	Can't say
		
		
		
		
		

Comment:

In Costa Rica, the law does not expressly contemplate a universal trust for all assets; however it is not prohibited to agree to a private trust that covers all assets. Costa Rican law regulates four types of trusts: a) testamentary, b) warranty, c) honorary trusts and d) management trusts. It is important to clarify that this list is not exhaustive; the law allows for more types as long as they are not unlawful as to their purpose. In practical terms, universal trusts are not part of the customary domestic legal practice, and are virtually unheard of.

Other indicators

Other bankruptcy indicators not measured here include freezes on the termination of contracts, fraudulent preferences, the priority of rescue new money, the presence and intensity of corporate rescue proceedings and recognition of foreign insolvencies. Director liability for deepening the insolvency is dealt with below.

Other financial law topics not covered in this survey include the regulatory regime, especially capital, liquidity, authorisation of financial business, conduct of business, control of prospectuses, control of market abuse and frauds, such as insider dealing, and the insolvency regime for banks. Financial regulation is a very large field.

Corporations

Introduction

Financial law involves competition between debtors and creditors so that jurisdictions can be positioned on a straight line. Corporate law however involves three main competitors: (1) shareholders, (2) creditors and (3) managers - a triangle. If the key indicators show that a jurisdiction strongly favours one or other of the parties at the points of the triangle, whether creditors, shareholders or management, then one can begin to build up a picture of the choices which the jurisdiction habitually makes in resolving the conflicting interests of the parties.

For example, a very tough prohibition on financial assistance (which is protective of creditors against shareholders) tends also to support an attitude to other principles of the maintenance of capital or to support the proposition that mergers by fusion are difficult (because they can prejudice creditors). This would be true of the English regime in 1948. Similarly, a view which easily imposes personal liability on directors for deepening an insolvency might also show a legal approach which is not supportive of the veil of incorporation in other areas, eg shareholder liability and substantive consolidation on insolvency.

The two extreme corporate law models are the Delaware model and the traditional English model, exemplified by the English Companies Act 1948 (now superseded). Napoleonic and Roman-Germanic models are in-between to varying degrees.

The Delaware regime is highly protective of management in the key areas. The traditional English regime favours creditors on most of the key contests and, where creditor interests are not involved, it tends to favour shareholders as opposed to managers.

Director liability for deepening an insolvency

Generally if the law imposes personal liability on directors for deepening an insolvency, eg carrying on business and incurring debts where there is no reasonable prospect of paying them, then the regime is hostile to the interests of management. The legal risks of management are increased.

There are basically four regimes internationally: (1) directors are hardly ever liable for deepening the insolvency, eg Delaware and most US jurisdictions, plus some traditional English jurisdictions which only punish fraudulent trading; (2) directors are liable for serious negligence (England, Singapore, Australia, Ireland); (3) directors are liable for mere business misjudgements deepening the insolvency (France); and (4) directors are liable if they fail to file for an insolvency proceeding after the company becomes insolvent (France, Germany and others).

Q4 In Costa Rica the law rarely imposes personal liability on directors for deepening the insolvency and there is no rule that the directors must file for insolvency when the company is insolvent.

True	False	Can't say
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Costa Rica imposes a personal liability on company directors for deepening the insolvency. Such is the case of the felony of fraudulent bankruptcy, which leads to a criminal responsibility of the director. On the other hand, referring to the existence of a rule that requires directors to file for insolvency when the company is insolvent, Costa Rican law does not impose such duty. Although the director can file for insolvency, the law does not require him expressly to do so.

Financial assistance to buy own shares

Generally Many jurisdictions prohibit a company from giving financial assistance to buy its own shares. The typical example would be where a bidder finances the acquisition of a target company by a loan and after the takeover arranges for the target to guarantee the loan and charge its assets to secure the guarantee.

The commercial effect is similar to the repayment of the share capital of the target before its creditors are paid. Shareholders should be subordinated to creditors.

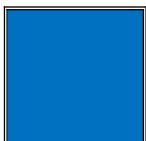
The prohibition therefore favours creditors against shareholders of the target.

The Delaware regime does not prohibit financial assistance. The traditional English regime has a wide prohibition (not England any more). Most Roman-Germanic regimes are against it, with Napoleonic regimes hesitant. The EU has a prohibition against financial assistance by public companies. Some countries allow financial assistance by private companies if solvency is established.

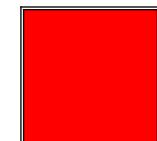
A contravening transaction is usually a criminal offence and void.

Q5 Costa Rica permits a company to grant financial assistance for the purchase of its own shares.

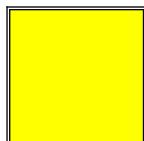
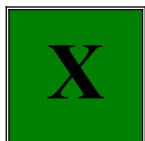
True



False



Can't say



Comment:

Costa Rican law does not forbid a company to grant financial assistance for the purchase of its own shares. However, should this financial assistance be granted during a suspect period, declared so by an insolvency judicial procedure, a court could annul the purchase.

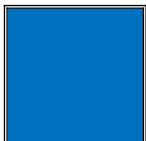
Public takeover regime

Generally A public takeover regime which is free and open tends to favour managers who can guard against takeovers by poison pills and the like and who have relative freedom to acquire other companies. An example is the Delaware regime. A restrictive regime on the lines of the British system tends to favour shareholders.

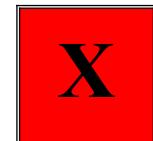
The chief features of a restrictive regime are: (1) the bidder must make a mandatory bid in cash when a threshold of shares in the target is reached, eg 30%; (2) the bidder must pay the same price to all shareholders (sharing the control premium); (3) no partial bids (getting control on the cheap); (4) proof of certain funds to implement the offer; (5) compulsory acquisition of dissenting minorities (squeeze-out); (6) fixed timetable; (7) no ability of the managers to frustrate a bid by poison pills without shareholder approval; and (8) control of the content of circulars, especially forecasts.

Q6 Apart from exchange controls and restrictions on foreign direct investments, the public takeover regime in **Costa Rica** is open and has few restrictions.

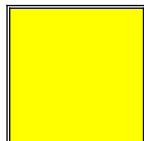
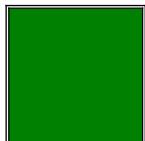
True



False



Can't say



Comment:

In Costa Rica, the public takeover regime is open, but considerably regulated. Any public offer of securities, and in this particular case, any public takeover must be approved by the General Superintendence for Securities (Article 2 of the Stock Market Regulatory Statute and Article 107 of the Regulations for the public offer of securities).

Additionally, the offeror company must meet specific requirements in order to obtain the approval of the General Superintendence for Securities, such as the presentation of an application with the company's name, its representatives, the public takeover offer (this compensation can consist on shares of another company, not necessarily cash), and its rules (deadline, shares distributions, etc.).

Other indicators

Other important indicators are corporate governance (difficult to measure), free ability to merge companies by fusion, the one-share-one-vote rule, and, to a lesser extent, minority protections. Other indicators relate to quick and cheap incorporation, the *ultra vires* rule, maintenance of capital, no par value shares, shareholder liability, substantive consolidation on insolvency and disclosure. These are not measured here.

Commercial contracts

Introduction

Contract is at the heart of commercial life, and is everywhere. In fact, the main tenets of contract law across the main families of jurisdictions are consistent - it is in the fields of insolvency and property law where the main differences emerge. It is true that there are contract differences, for example, between writing requirements, open offers, the time of acceptance and specific performance, but often these differences are of lesser significance in practice in the business field.

The key indicators the survey chooses all tend to symbolise whether the approach of the jurisdiction to contract is hard or soft. If the approach is hard, then the jurisdiction tends to support predictability in business contracts so that certainty and freedom of contract are valued more than mitigating the risk of occasionally abusive behaviour and unfair results, especially for weaker parties. A soft jurisdiction tends to give greater primacy to notions of good faith and the like.

Exclusion of contract formation

Generally Commercial parties often wish to be able to negotiate heads of terms commercially without being bound by a contract. In some jurisdictions, the courts are ready to infer that the parties are bound if the terms are sufficiently clear, even if they have said expressly that they do not intend to be bound.

Q7 In Costa Rica, parties are not bound to heads of terms if they expressly state that the terms are "subject to contract" or some such clear phrase.

True	False	Can't say
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment:

Costa Rican law does not contemplate any legal figure equivalent to heads of terms in Common Law. Nevertheless, national case-law and doctrine have developed similar legal concepts, such as *preliminary negotiations* (in Spanish, “*tratativas preliminares*”) and *precontractual agreement* (in Spanish, “*precontrato*”).

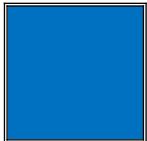
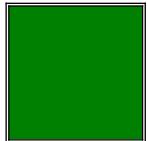
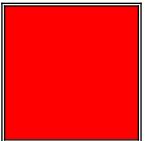
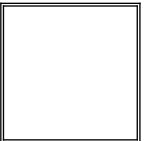
The former generally do not constitute one single document, but instead a series of communications and negotiations between the parties. *Preliminary negotiations* are used to possibly achieve an agreement among the parties, it means that they are generally revocable and have no legally binding effects on the parties, especially if it is expressly stated that the terms are “subject to contract” or some such clear phrase.

However, an exception to this rule occurs (i) whenever there is an abrupt and unawaited rupture of the preliminary negotiations, (ii) once the conclusion of the contract is to be expected, and (iii) one of the parties has incurred in necessary expenses for the execution of the contract.

Termination clauses

Generally Many contracts, especially loan contracts, leases of goods and long-term sales contracts, contain events of default on the occurrence of which one party can terminate the contract. Jurisdictions which uphold freedom of contract and the literal interpretation of contract give effect to these clauses and do not rewrite the contract according to the court's notions of what is fair. Other jurisdictions prefer good faith. We ignore consumer contracts - where there may be consumer protections.

Q8 In **Costa Rica**, a termination clause in a loan or sale of goods contract between sophisticated companies (not individuals) providing for the termination of the contract immediately on certain events is usually upheld, even if the event concerned is relatively trivial.

True	False	Can't say
		
		

Comment:

It is important to clarify that, in Costa Rica, there is no such concept as *sophisticated companies*.

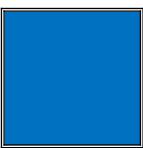
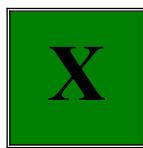
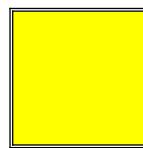
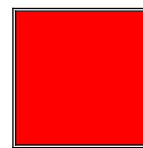
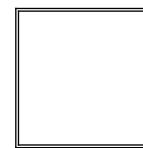
In application of the principle of party autonomy, which is core to the Costa Rican commercial legislation, a clause providing for the termination of the contract immediately on certain events is usually upheld, disregarding whether the event concerned is relatively trivial.

Generally, any clause agreed upon by the parties is valid and upheld. There is however, an exception to this rule. In the case of adhesion contracts, Article 1023 of the Civil Code contains an exhaustive list of particularly unfair clauses that are considered abusive and null, and cannot therefore be validly agreed upon by the parties. Should a termination clause of an adhesion contract qualify under this list, it would not be upheld by a Court.

Exclusion clauses

Generally Contracting parties often seek to exclude their liability for defective performance of the contract. So the issue is whether these exclusion clauses are generally upheld if they are clear and whether freedom of contract is allowed in this area.

Q9 In Costa Rica, exclusions of liability in most commercial contracts between sophisticated companies, such as a sale of goods contract, are generally upheld if they are clear.

True	False	Can't say
		
		

Comment:

It is important to clarify that, in Costa Rica, there is no such concept as *sophisticated companies*. The only classification stated is as follows: *Commercial legislation shall apply to merchandisers (Costa Rican Commercial Code Articles 5 & 6)*, and civil legislature shall apply to non-merchandisers. Exclusions of liability, in most commercial contracts between sophisticated companies, such as a sale of goods contract, are generally upheld if they are clear, except in case of adhesion contracts. Article 1023 (m) of the Costa Rican *Civil Code*, which applies in a subsidiary manner to adhesion contracts between companies, allows the courts to declare null any contractual clause that limits the liability of the seller or vendor.

Other indicators

Other contract indicators not assessed here include writing formalities, open offers, mistake, frustration, damages, penalties, specific performance and whether notice of assignment of the contract to the debtor is mandatory if the assignment is to be valid on the insolvency of the assignor.

Litigation

Introduction

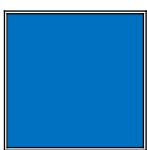
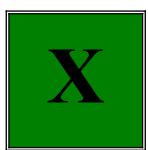
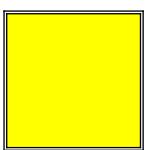
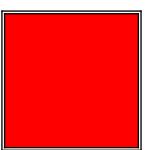
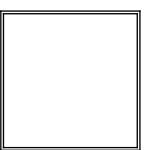
The first three key indicators of governing law, jurisdiction and arbitration tend to show whether the jurisdiction does or does not place a high value on international comity and freedom of contract as opposed to national primacy.

The indicator on class actions tends to show whether or not the jurisdiction's litigation system is orientated towards plaintiffs, especially mass plaintiffs in product liability cases. This indicator may also show the attitude of the jurisdiction to the protection of individual parties as against business parties, both in terms of the incidence of costs and enforcement.

Governing law clauses

Generally most countries apply a foreign governing law of a contract even if there is no connection between the contract and the jurisdiction. If the courts do not uphold the governing law, the effect is that the contract obligations may be different.

Q10 The Costa Rican courts will apply an express choice of a foreign law in a loan or sale of goods contract between sophisticated companies, even though the contract has no connection with the foreign jurisdiction, but subject to Costa Rican public policy and mandatory statutes.

True	False	Can't say
		
		

Comment:

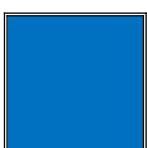
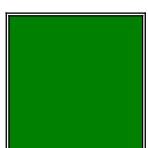
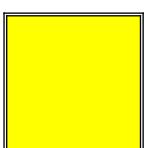
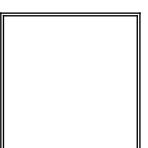
In Costa Rica, if both parties initially agreed to apply an express choice of foreign law in a loan or sale of goods contract, courts must apply the foreign law. Article 18 of the Costa Rican Civil Code expressly allows parties to determine the law applicable to a contract, as long as it does not affect public policy or the interests of third parties.

In case the parties do not agree on a choice of law provision, article 27 of the Civil Code states that Courts will apply the law of the place where the contract was concluded or, should the parties have the same nationality, the law of their country.

Foreign jurisdiction clauses

Generally Many contracts confer jurisdiction, sometimes exclusive, on the courts of a foreign jurisdiction, usually accompanied by a choice of foreign governing law.

Q11 The Costa Rican courts will generally uphold a clear submission in a loan or sale of goods contract between sophisticated companies to the exclusive jurisdiction of the courts of a foreign country, even if there is no connection between that country and the contract.

True	False	Can't say
		
		

Comment:

In Costa Rica, the possibility of submitting a loan or sale of goods contract to the exclusive jurisdiction of the courts of a foreign country varies, depending on the nature of the claim. Generally, such a submission would be upheld. However, according to Article 47 of the Code of Civil Procedure, a Costa Rican judge has exclusive jurisdiction over claims regarding, entirely or partially, property rights over movable and immovable goods that are situated in Costa Rica. Thus, in such cases, the submission to the exclusive jurisdiction of a foreign court would not be upheld.

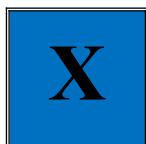
However, according to Costa Rican case-law, there must be a connection between the jurisdiction chosen and the contract. Should this connection not exist, the clause providing for it would be considered null.

Arbitration recognition

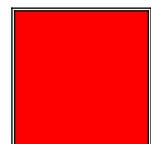
Generally Contracting parties, especially in trading and construction contracts, but less so in loan contracts, wish to submit disputes to arbitration, sometimes in a foreign country. The resulting award is often enforceable locally under the New York Arbitration Convention of 1958, to which most countries have adhered.

Q12 In Costa Rica, the courts allow sophisticated contracting parties to submit contract disputes to a foreign arbitral tribunal to the exclusion of the Costa Rican courts.

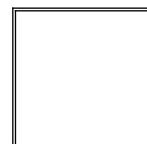
True



False



Can't say



Comment:

Article 43 of the Costa Rican Constitution expressly protects the right of all citizens to solve their controversies through arbitration. This mandate is generic; it does not discriminate in any way between sophisticated and unsophisticated contracting parties, between national and international arbitration, or between foreign and domestic tribunals.

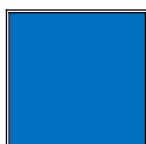
In 2011, Costa Rica enacted Statute 8937, which is based on the Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law (UNCITRAL). This statute regulates international arbitration matters, and takes into account the possibility of having the place of arbitration in a foreign land (Article 3(b)(i)), with exclusion of Costa Rican courts. Statute 8937 expressly recognizes the parties' right to freely determine the place of arbitration (Article 20), the language of arbitration (Article 22), and the substantive law applicable to the arbitration (Article 28), among many others.

Class actions

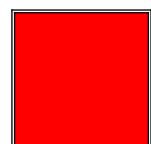
Generally In some countries, such as the United States, a plaintiff can be authorised by the court to sue on behalf of all claimants who are similarly situated. Claimants have to opt out or they are bound.

Q13 In Costa Rica, class actions where the class is bound if they do not opt out are generally not allowed.

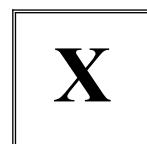
True



False



Can't say



Comment:

In Costa Rica, judicial proceedings do not contemplate *class actions*. However, the national legislation does contemplate a different concept, known as *diffuse interests*, which allows one individual to represent the

interests of the collective mass in court. However, the individuals of this mass are not bound to the legal action, and have no saying in the procedure. The final ruling will have widespread effects on the *mass*, but not on the individuals that conform it.

Other indicators

Other indicators not covered by this survey include contingent costs, loser pays the costs of the winner, prejudgment freezes or arrests, appeals, scope of disclosure (discovery of documents), efficacy of waivers of sovereign immunity and the enforceability of foreign judgments.

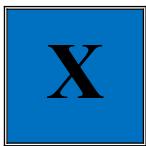
Real property

Ownership of land

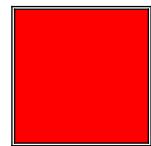
Generally In most countries, nationals can own land absolutely and are not restricted simply to leases for a limited term or simple rights of occupancy. However, in some jurisdictions, absolute ownership of land is not available to nationals or local corporations. If this is so, then the jurisdiction would be coloured green if citizens can lease land for a very long term without material restrictions, such as 999 years, and can also mortgage or sell the land or give it away or bequeath it under their wills without official consent because the ownership is a close proximate of absolute ownership. If on the other hand citizens are entitled only to a lease of, say, 70 years or less, or to similar rights of occupancy, and if there are limitations on dealing with the land without official consent, such as mortgaging, selling or bequeathing it, then the jurisdiction would be red.

Q14 In Costa Rica, nationals and local corporations are entitled to own land absolutely.

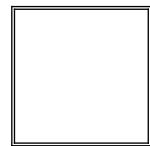
True



False



Can't say



Comment:

Nationals and local corporations in Costa Rica are entitled to own land absolutely according to Article 45 of the Costa Rican Constitution, which states that private property is an inviolable right. However, if there is a confirmed public interest concerning the property, the land can be expropriated. There are certain limitations/restrictions imposed on land ownership and its use, such as environmental controls.

In matters of specific land ownership, not all lands can be subject to ownership, for example public domain assets as national railroads, airports, and ports.

In Costa Rica there are restrictions for indigenous lands. For example, article 3 of the National Board of Indigenous Communities (in Spanish: “Comisión Nacional de Asuntos Indígenas”) establishes that these properties are inalienable, non-transferable, non-seizable, and exclusive for indigenous communities.

Shoreline protection areas and borders are public domain. Nevertheless, licenses can be granted for its use. Article 31 of the Maritime-Terrestrial Zone Act states that only national citizens and companies are allowed to participate in tourist development, as long as they are granted the corresponding authorization. Foreign companies may be authorized if 50% or more of their capital stock is owned by Costa Rican citizens.

Security of land title and land registers

Generally Many jurisdictions improve the security of title to land by a registration system which, although not necessarily state-guaranteed, has high reliability. An example is the Torrens system developed in Australia and used in many other countries, eg Canada and England.

Most countries in the civil code groups do not have a title register but instead require documents concerning land to be notarised and filed at the registry so that they can be searched. The United States does not generally have title registers for land although there may be mortgage registers. They rely on title registration companies which provide title insurance.

Q15 Most land in Costa Rica is registered in a land register which records most major interests in land, eg ownership, mortgages and longer-term leases.

True	False	Can't say
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Comment:

The Costa Rican National Registry records most major interests in land. This register was created by Statute 5695, which regulates its object and duties. Article 2 specifies that it will be mandatory to register the following information: registration of property rights (ownership, possession, etc.), securities (all kinds of non-legal mortgages), special land ownership regimes (condominium regimes, shoreline protection areas, and marinas), and cadastral plans. On the other hand, Article 468 of the Civil Code contemplates provisional registry annotations, which include land lawsuits, seizures, and forfeitures.

Land development restrictions

Generally Many countries restrict development and the change of use of land and require permits to be obtained for any development or change of use.

Q16 In Costa Rica, apart from environmental controls (dealt with later), the control of commercial development and the change of use of land is very light and, where required, permits are quick and cheap to obtain.

True	False	Can't say
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Comment:

The permits for the control of commercial development and the change of use of land are requested before the Municipalities according to the location of the property.

In Costa Rica, there are 81 Municipalities, organized according to specific geographic areas. Each Town Hall has a constitutionally granted degree of autonomy from the central government, allowing it to manage independently local affairs such as the permits of the properties that correspond to their administrative jurisdiction.

In each Municipality, there are two permits regarding the use of land, which differ in the purpose for which they are requested (construction or commercial use). The requirements for each permit may vary from jurisdiction to jurisdiction, based on the autonomy that each municipality has. Some of them are more open to commercial activities and land development than others, depending on the Municipality's Regulatory Plan. To obtain a commercial license applicant needs to comply with various requirements including other permits granted by the Ministry of Health and registration before tax authorities and social security authorities. Each of these permits and registrations usually take approximately 10 business days to obtain.

Referring to the quickness of obtaining the land use permits, the submission must be resolved within 10 business days after the request is filed, the commercial license request usually takes up to 30 business days. These deadlines could be extended if there exists a technical reason regarding the complexity of the case and the Municipality could request criteria of another public institution to resolve, which will be notified to the applicant.

Regarding the economic costs, it is important to mention that the submissions for a business license and the use of land does not have any cost. However, to maintain the business license, the companies must pay an annual tax, which depends on the amount declared on the applicant's tax return.

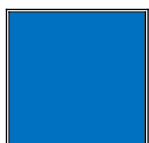
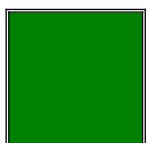
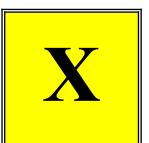
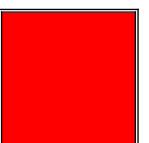
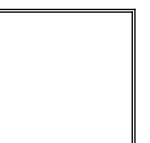
Other indicators

Other indicators not surveyed include transfer costs, stamp duties and lessee protections.

Employment law

Generally the indicator here is whether it is easy or hard to hire and fire employees. The measures include high minimum wages, maximum hours, minimum holidays, maternity rights, equal pay for equal work (non-discrimination) and severance costs.

Q17 In Costa Rica, there are few controls on hiring and firing employees or on the terms of employment.

True		False		Can't say
				

Comment:

In Costa Rica, it is strictly prohibited to hire workers younger than 15 years old. Additionally, article 87 of the Labour Code establishes a special protection regime in order to hire under-age workers (older than 15 years old and younger than 18 years old) to work on heavy and dangerous duties.

About firing employees, in our legislation the parties have freedom to terminate a contract or employment relationship with or without "legitimate cause", with some specific exceptions below indicated, by paying the other party the corresponding rights and indemnifications.

According to the above, the employer can proceed with the termination of a labor contract with legitimate cause (without the employer's responsibility) when an employee commits a serious fault against the contractual obligations. Such faults are expressly indicated in articles 81 and 369 of the Labour Code.

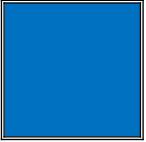
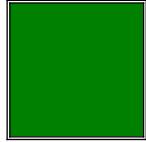
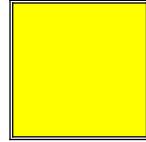
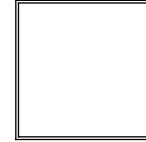
Furthermore, the employer has the authority to dismiss an employee without a legitimate cause provided that he pays the employee the following benefits: pending vacations, 13th month payment, prior notice and severance.

The private sector does not require any type of dismissal procedure, with some exceptions. Hence, the employer is only limited to present a dismissal letter to the employee according to the article 35 of the Labour Code. Such letter must be a short document that uses simple vocabulary, but precise enough to describe the motive to terminate the employment relationship.

As mentioned before, there are special situations in which our law demands to follow a particular procedure in order to terminate a labour contract. Those situations include the dismissal of pregnant women or in nursing period, the dismissal of employees that are part of a union representation or syndicate, and the justified dismissal of under-age people.

Environmental restrictions

Q18 In Costa Rica the rules governing the environment and liability for clean-up are very light and relaxed.

True	False	Can't say
		
		

Comment:

Costa Rica is attempting to be carbon-neutral for 2021. There are numerous strict laws that regulates this matter and the country has also joined a considerable number of international declarations and conventions. Article 50 of the Costa Rican Constitution states that everyone has the right to enjoy a healthy environment.

Factories and projects (i.e. condominiums), are subject to environmental controls and feasibilities before and during their manufacturing process. In a global perspective, regulations are comprehensive of three major areas: air, water, and land.

Regulations towards air aims to control pollution due to ozone depleting substances aired by companies and vehicles in general. All vehicles in Costa Rica are object to an annual revision that controls gas emission. An example of this kind of regulations, is the vehicular restrictions in the metropolitan area to decrease the gas emission of cars, motorcycles, buses, trucks, etc.

In the case of water, there are very restrictive regulations towards the water consumption and treatment. For example, to exploit underground water resources for residential or commercial use, studies for environmental impact, permits, and licenses are required.

Water availability is necessary to grant permits for the development of any immovable project, as it is stated in the regulatory plan of each town council.

Industrial and residential projects are required to follow water treatment plans (Eg. water treatment plants), to avoid water contamination once the substances are released. Ships and vessels are also controlled to avoid the release of polluting substances such as oils and fossil fuels.

For land control, ground use permits are required before initiating any new construction. In case the private property has an environmental interest for the public domain (Eg. certain species of flora) restrictions to the land use are applied. The activities allowed in the different parts of the country are determined by the town council regulatory plan to achieve environmental balance. It is important to mention that 20% of the Costa Rican territory represents national parks and reserves. These are specially protected areas that aim for environmental sustainability and endangered species protection. Another important subject in this matter is the waste treatment, transportation, and disposal, which is highly regulated.

The non-compliance of these regulations leads to administrative, economic and criminal liability.

Openness to foreign business

Generally These indicators measure the degree to which the country is open to foreign businesses. The indicators are quite generic and therefore subjective.

Foreign direct investment

Q19 In Costa Rica foreigners may freely own and control local companies outside protected industries, such as media, banks and defence.

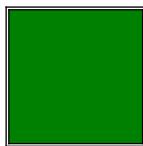
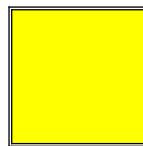
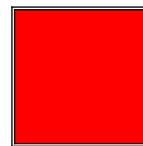
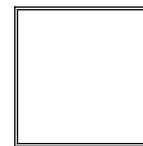
True	False	Can't say
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Comment:

Foreigners in Costa Rica may freely own and control local companies outside protected industries. Such powers are obtained through the ownership of stocks, and there is no legal restriction related thereto. Foreigners and nationals have the same rights in this matter.

Exchange controls

Q20 In Costa Rica, there are no exchange controls. Businesses may therefore have foreign bank deposit accounts in foreign currency, borrow in foreign currency and repatriate profits to foreign shareholders in foreign currency.

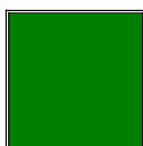
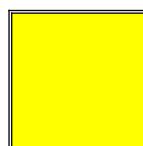
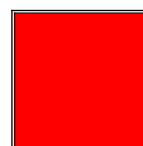
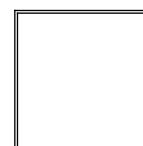
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		
		

Comment:

There are no exchange controls in Costa Rica. The legitimate international movement of currencies is not restricted or prohibited to any extent. There are, however, measures aimed to control, prevent, and repress illegal activities, such as money laundering and the financing of terrorism. These are applied in accordance with Article 16 of Statute 8204, to transactions with a value equal or superior to 10,000 US Dollars.

Alien ownership of land

Q21 In Costa Rica, foreign-controlled companies have the same rights as nationals or residents to own or lease land without a permit.

True	False	Can't say
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		
		

Comment:

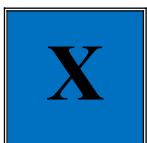
In Costa Rica, there is no distinction between foreign-controlled and national-controlled businesses, as they have the same rights and obligations. This means that, as a general rule, businesses – independently from the nationality of its owner/s – may own or lease land without a special permit. The general rule has its exceptions, especially in terms of land located in the shoreline area, natural reserves or other expressly limited zones.

Application of the law

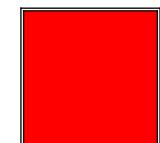
Generally These indicators deal with the application of the law, as opposed to what the law actually says. They are bound to be generic and subjective, a matter of impression.

Q22 In **Costa Rica**, the higher courts usually treat big businesses as fairly as they treat individuals and do not favour local interests over foreigners.

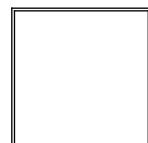
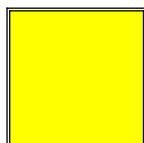
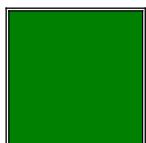
True



False



Can't say

**Comment:**

In Costa Rica, all courts' treat big businesses as fairly as they treat individuals and do not favour local interests over foreigners. Article 33 of the Costa Rican Constitution states that all individuals are to be equally treated under the law and no discrimination incompatible with human dignity is allowed.

Article 41 of the Constitution establishes all courts' obligations to guarantee a swift and complete justice, which leads to the principle of "impartiality of the judge". Article 8 of the American Convention of Human Rights, ratified by Costa Rica, determines the right of been judged by a competent, independent, and impartial court.

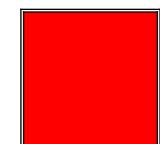
Costs and delays of commercial litigation

Q23 The costs and delays of commercial litigation in the higher courts in **Costa Rica** are not considered materially greater than in other comparable countries.

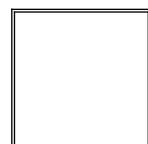
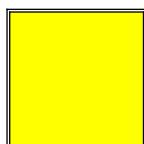
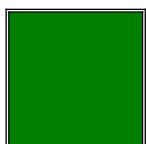
True



False



Can't say

**Comment:**

Commercial litigation in Costa Rica is of easy access, and the costs are not to be considered materially greater. The litigation before higher courts does not differ from the costs of litigation before lesser courts. Plaintiffs must pay tax stamps in order to file a lawsuit. The costs will vary depending on the estimated value of the claim.

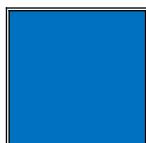
However, the civil jurisdiction – which is in charge of commercial matters– presents a noted delay in the procedures. Although there are no official statistics solely for commercial proceedings, the average duration of civil proceedings varies between 5 and 12 years.

Overall ranking

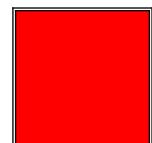
This overall ranking is achieved by a survey of all the rankings as shown in this table:

	Question	Rating
1.	Insolvency set-off	Red
2.	Security interest	Green
3.	Universal trusts	Yellow
4.	Director liability for deepening insolvency	Yellow
5.	Financial assistance to buy own shares	Blue
6.	Public takeover regime	Yellow
7.	Exclusion of contract formation	Green
8.	Termination clauses	Blue
9.	Exclusion clauses	Green
10.	Governing law clauses	Blue
11.	Foreign jurisdiction clauses	Red
12.	Arbitration recognition	Blue
13.	Class action	Can't say
14.	Ownership of land	Blue
15.	Security of land title and land registers	Blue
16.	Land development restrictions	Yellow
17.	Employment law	Yellow
18.	Environmental restrictions	Red
19.	Foreign direct investment	Blue
20.	Exchange controls	Blue
21.	Alien ownership of land	Blue
22.	Court treatment of foreign big business	Blue
23.	Costs and delays of commercial litigation	Blue

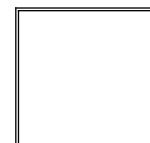
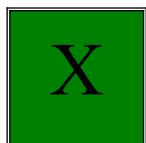
True



False



Can't say



The University of Costa Rica

Established in 1850 as one of the first faculties in the Costa Rica, under the “Santo Tomas University”, its existence underwent dramatic changes when it closed in 1888 due to education reforms. The Faculty of Law remained in existence under the supervision of the National Bar Association. In 1952, with the establishment of the University of Costa Rica, the school regains its faculty status and continues in existence ever since.

The Faculty’s undergraduate program grants a bachelors degree, emphasizing the students’ formation by offering an integral approach to the Costa Rican legal system and a humanistic formation to promote diverse professional skills in the labour market.

Through a masters and research based education, the faculty ensures that the graduates will have the necessary humanistic skills to analyse and contribute to the public. In the graduate program, education is focused not solely in the theoretical aspects of the law but in its practical applications, executing this task by promoting cooperations between the student body and both private and public institutions.

The Faculty of Law commits to an educational development with an international projection in the reality of Social Sciences to offer the society a qualified academic preparation of its graduates. The University of Costa Rica improves the teaching-learning process with an optimum integration that aims to achieve greater efficiency and effectiveness in the application of humanistic legal sciences. As humanistic professionals, the Faculty promotes the development of critics whose aim is to transform the conjunctural reality of the country.

The aim of Faculty of Law of the University of Costa Rica is to offer its students a solid academic education, based on the teaching of Law from a humanistic and legal perspective, committed to a sustainable development of social, economic, and political progress for the benefit of the country. This training not only stimulates a high academic performance in teaching, research, and social action, but also allows to promote competition both nationally and internationally, as required by the increasingly demanding and globalized world of today.

Profiles

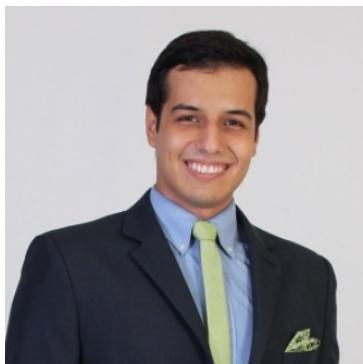
The survey was carried out by the following students:

Lucía Quesada León



Lucía finished her last year of career on December, 2016 and she graduated with honors. Her graduation thesis was on commercial law and it was approved with the highest honors. Her areas of interest are corporate law, commercial law, and Free Trade Zone Regime, practice in which she has been working at a large law firm in Costa Rica since 2014. Lucía can be reached at: luciaquesada94@gmail.com

Édgar Méndez Zamora



Édgar finished his last year of law school on December, 2016, and is currently writing his graduation thesis on International Commercial Law. His main areas of interest are civil, commercial, and criminal litigation, as well as domestic and international commercial arbitration. He is currently working at the litigation and arbitration department of a large firm in Costa Rica, holds the position of Editor-In-Chief for the Costa Rican International Law Journal, and serves as vice president of the Costa Rican Association of International Law. Édgar can be reached at: edgarmz@gmail.com

Silvia Tercero Hernández Carranza



Silvia is soon to complete her law degree at the University of Costa Rica, and has completed two and a half years of medical school at the University of Medical Sciences (UCIMED). She is currently writing her graduation thesis on International Labour Law. Her main areas of interest are labour, tax, environmental law and civil litigation. She is currently working at the labour and employment department of a large law firm in San José, Costa Rica. Also, she is an active member of the International Private Law Commission of the Costa Rican Association of International Law. Silvia can be reached at: silvia.hernandez@pragma.legal

Juan Ignacio Rodríguez Porras



Juan Ignacio is soon to obtain his law degree, and he is currently working on his graduation thesis on the topic of the utilization of transboundary hydrological resources and the international responsibility on damages to the environment. His main areas of interest are public international law, human rights, as well as the law regarding social and corporate responsibility of transnational companies. He is active in extracurricular activities and he has participated for three consecutive years as a participant and coach for the University of Costa Rica's Jessup representation. He is also a member of the Costa Rican Association of International Law and has thereby engaged in several academic and research activities. Juan Ignacio currently works as a paralegal in the Inter-American Court of Human Rights and can be reached at: juanicropo92@hotmail.com

Won Yu Qin Zheng



Won is soon to be a graduated student at the Faculty of Law of The University of Costa Rica. He is currently writing his graduation thesis on Insurance Law. His areas of interest are labour law, insurance law and commercial law. Won can be reached at: ronaldqin@gmail.com

Rony Sanchez Masis



Rony Sanchez finished his last year of law career in December 2016, and currently is writing his graduation thesis on class action procedure related to environmental damage. He also studied industrial engineering in Universidad Latina and Public administration in University of Costa Rica, graduated in both careers. He works in his family company in pork and chicken production, with more than 180 directs jobs, advising in the legal and business field. Rony can be reached at rony907@gmail.com

Jose Paulo Sánchez Castro



Jose Paulo is a fifth year student at the University of Costa Rica, Faculty of Law; as well as a first year student at the Sociology School of the same University. His areas of interest are intellectual property law, as well as property and criminal law. Paulo can be reached at paulo08sanchez@gmail.com

The faculty member managing the survey

Msc. Juan José Obando Peralta

Juan José is a Law graduate from Universidad de La Salle, Costa Rica, LLM in International Private Law, Universidad Latina. LLM in International Private Law, University of Murcia, Spain, specialized in International Private Law, University of Salamanca, Spain. Professor at University of Costa Rica, Universidad de La Salle and Universidad Latina of International Private Law and IT Law. Assistant Secretary to the *Academia Centroamericana y Del Caribe de Derecho Internacional Privado* (ACECADIP) and *Asociación Americana de Derecho Internacional Privado* (ASADIP). Author of various articles and books in the field of International Private Law and IT Law. He is also partner at OPRLEGAL law firm in Costa Rica.

Members of the Practitioner Expert Panel

Eduardo Calderón

Eduardo has over 18 years of experience in the legal profession. He specializes in Corporate & Commercial, Real Estate, Banking & Finance, and Telecommunications, Media & Technology. Eduardo has been highly recognized as an outstanding lawyer in his practice areas by prestigious publications, such as Legal 500, Chambers & Partners, Latin Lawyer, Who's Who Legal and IFLR 1000. He has been ranked in the top positions in Corporate Law, Telecommunications, Media & Technology, and Real Estate by Chambers and Partners. In 2005 he was selected by Latin Lawyer as one of the top 40 corporate lawyers under 40 in Central America. Eduardo graduated with honors from Universidad de Costa Rica in 1998. In 2000, he graduated from the Executive Program "Legal aspects of international businesses" of Instituto Centroamericano de Administración de Empresas (INCAE). He also obtained a Master's Degree from the Law School of Georgetown University, and an LLM Degree from the Law School of Columbia University in New York City, where he graduated with honors as a "Harlen Fiske Stone Scholar" back in 2002. He was also a scholar of the Organization of American States (OAS). Currently an active member of the New York State Bar Association (NYSBA), where he also serves as Vice-president of the Latin American Council, of the International Bar Association (IBA) and other international organizations. He is also an active member of BritCham and INFOCOM, and partner at BLP lawfirm since 2007.

Adriana Castro

Adriana specializes in the Corporate & Commercial practice area. She also has knowledge in corporate dispute resolution issues. After working for a year as an assistant at the Office of the President of the Costa Rican Legislative Assembly, she joined BLP as a legal assistant in 2003 and became an associate in 2007. Adriana graduated with the best grade score of her class from Universidad de Costa Rica (Summa Cum Laude, 2007) and from Northwestern University with a Master's degree in Corporate Law (2011). In addition, she has completed seminars on family business administration organized by INCAE, and was an honorary scholar of the IE Foundation during its Business Administration Certification programs, where she also graduated with honors (Summa Cum Laude). Adriana served as a Private Law professor at Universidad de Costa Rica for three years from 2008 to 2011, and is part of the International Bar Association.

Andrés López

Andrés has more than 20 years of experience in the legal profession. He specializes in Corporate & Commercial, Banking & Finance, and Real Estate. He is currently highly recognized -and has been for many consecutive years- as an outstanding attorney in his areas of legal practice by renowned publications such as The Legal 500, Chambers & Partners, Latin Lawyer, and Who's Who Legal. He is highly ranked in Chambers and Partners in Banking & Finance Law based on his transactional leadership. In 2005, he retired from the law firm Gómez & Galindo after eleven years of experience, where he practiced law as an associate, to join BLP law firm. He graduated in Law from Universidad de Costa Rica in 1996, and he held a post-graduate degree in Commercial Law in 2000. In the past, he has served as the sub-treasurer, secretary, and currently as vice-president of the Chamber of Commerce of Costa Rica and vice-president of the Board of Directors of the Costa Rican Chapter of the International Chamber of Commerce.

Allen & Overy Global Law Intelligence Unit

The Allen & Overy Global Law Intelligence Unit is part of the international firm of Allen & Overy and produces papers, surveys and other works on cross-border and international law within the field of its practice. Allen & Overy is one of the largest legal practices in the world with approximately 5,000 people, including some 512 partners, working in 40 offices worldwide. For further information, please contact Philip Wood, philip.wood@allenover.com or Melissa Hunt, melissa.hunt@allenover.com.

Philip R Wood QC (Hon) BA (Cape Town), MA (Oxon) LLD (Lund, Hon)

Head, Allen & Overy Global Law Intelligence Unit

Special Global Counsel at Allen & Overy LLP

Visiting Professor in International Financial Law, University of Oxford

Yorke Distinguished Visiting Fellow, University of Cambridge

Visiting Professor, Queen Mary University, London

Philip Wood is one of the world's leading comparative lawyers and practitioners. He has written about 18 books on financial law. He was formerly a partner and head of the banking department of Allen & Overy. For many years he has been developing innovative and pioneering methodologies for assessing legal jurisdictions and has produced a book of maps of world financial law. His university textbook on the Law and Practice of International Finance has been translated into Chinese and a Japanese version is forthcoming.

Melissa Hunt is project director of the Intelligence Unit and is responsible for the management of the project. She carries out other work for the Intelligence Unit, including the preparation of tables covering rule of law and legal infrastructure risks in the jurisdictions of the world.

Allen & Overy LLP
One Bishops Square
London E1 6AD

T: 00 44 (0)20 3088 0000

D. 00 44 (0)20 3088 2552

M. 00 44 (0)7785 500831

philip.wood@allenavery.com

intelligence.unit@allenavery.com

D. 00 44 (0)20 3088 2750

D. 00 44 (0)20 3088 2750

melissa.hunt@allenavery.com

Allen & Overy LLP

One Bishops Square, London E1 6AD United Kingdom | Tel +44 (0)20 3088 0000 | Fax +44 (0)20 3088 0088 | www.allenovery.com

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