

I, **Ana Marcela Gómez Salas**, Certified Translator & Interpreter for the Ministry of Foreign Affairs of the Republic of Costa Rica, appointed by Executive Agreement Number 532-000-AJ, dated February 25th of the year 2002 published in Official Newspaper La Gaceta # 11 of January 16th of the year 2003, HEREBY ATTEST, that in the English Language, the document to be translated, **Legislative Decree N° 9977**, reads as follows:

COSTA RICA
BICENTENNIAL
GOVERNMENT
2018-2022

200 YEARS OF
INDEPENDENCE
COSTA RICA
1821-2021

LA GACETA
Official Newspaper

RICARDO
SALAS
ALVAREZ
(SIGNATURE)

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LEGISLATIVE POWER

LAWS

LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA

PLENARY

PROMOTION OF TOURIST MARINAS

AND COASTAL DEVELOPMENT

LEGISLATIVE DECREE NO. 9977

FILE NO. 21,990

SAN JOSE - COSTA RICA

N° 9977

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA

DECREES:

PROMOTION OF TOURIST MARINAS

AND COASTAL DEVELOPMENT

ARTICLE 1- A new article 3 bis is added to Law 7744, Concession and Operation of Marinas and Tourist Berths, of December 19, 1997. The text is as follows:

Article 3 bis - Responsibility of the Government in the operation of marinas and tourist moorings

The Government must guarantee the service in marinas and tourist berths, through the efficient operation of government institutions in charge of controlling and carrying out the necessary procedures for the entry, either physically or by means

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of online management, of the permanence and departure of vessels, their captains and crew members using marinas and berths, as well as the necessary procedures for the temporary importation of provisions on board. All these responsibilities must be carried out in accordance with the principles of speed, timeliness, proportionality, justice and equity established by law, in a uniform manner in all maritime control posts.

The governmental authorities must receive the digital documentation provided by the foreign flag vessels for the procedures to be carried out in our country.

ARTICLE 2 - It amends paragraph n) of numeral 2) of article 3 of Law 7744, Law of Concession and Operation of Marinas and Tourist Berths, of December 19, 1997. The text is as follows:

Article 3

[...]

2)

[-]

n) A physical area free of charge, to be made available to government institutions, for the exercise of public competencies, as appropriate. In addition, the Government must guarantee the necessary officials in these physical areas to carry out the required procedures and online management, in a timely and expeditious manner.

[-]

ARTICLE 3- The second paragraph of article 21 of Law 7744, Concession and Operation of Marinas and Tourist Berths, of December 19, 1997, is amended. The text is as follows:

Article 21- Foreign flag vessels

[-]

During the permanence in Costa Rican waters and territory, the foreign flag vessels, including mega yachts and their crew, may not practice lucrative activities of aquatic transportation, diving, fishing or other activities related to tourism, except for the provisions of article 24 and following of this law related to the chartering service. Failure to comply with this provision will result in the imposition of a fine equivalent to forty base salaries, in addition to expulsion from the site by the municipal authorities.

[...].

ARTICLE 4- Articles 11 and 23 of Law 7744, Concession and Operation of Marinas and Tourist Berths, of December 19, 1997, are amended. The texts are as follows:

Article 11- Determination of the concession term and its extensions

The corresponding municipality or the Costa Rican Tourism Institute (ICT), in the case of the Gulf of Papagayo Tourist Pole, may grant the concession of a tourist marina for a maximum term of forty years, extendable for periods of twenty years, and for a tourist berth for a maximum of thirty-five years, extendable for ten years, as long as the requirements established for this process are fulfilled, which are as follows:

a) The technical endorsement issued by the Interinstitutional Commission of Marinas and Tourist Berths (Cimat) that the interested party has complied with the legal and technical requirements established in this law and the concession contract.

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b) The certification, issued by the National Technical Environmental Secretariat (Setena), on compliance with environmental commitments.

c) The certification that the interested party is up to date in the fulfillment of its obligations with the Costa Rican Social Security Fund (CCSS).

The minimum term for which the concession will be granted for marinas will be fifteen years and five years for tourist berths.

The terms of the concession contract and its extension will be determined considering the characteristics, complexity and magnitude of the projects, as well as their economic viability and financial profitability.

In those cases where the term of a concession already granted is less than forty years, the concessionaire may request at any time the adjustment of the term of his concession, which may never exceed the maximum term stipulated in this article. The extension or adjustment of the term may be granted provided that the legal and regulatory requirements are met.

Article 23- Concession and facilities as collateral for loans and assignment to the condominium regime

The concession, its buildings, improvements and facilities may be pledged as collateral by the concessionaire, for purposes of credit applications, pursuant to article 16 of the present law.

The banks of the national and international financial system may grant guarantees to the marinas or tourist berths on the concession, whether partial or total. The competent municipality may authorize partial assignments of the concession to the concessionaire and its economic group, for credit purposes. Private parties that assume partial assignments of the concession shall be jointly and severally liable with the concessionaire before the administration for civil liability, without prejudice to other legal liabilities.

The marinas may submit their facilities to the condominium property regime, in accordance with the provisions of Law 7933, the Condominium Property Regulatory Law of October 28, 1999 and its regulations.

ARTICLE 5- New Articles 24, 25, 26, 27, 28, 29, 30 and 31 are hereby added to Law 7744, Concession and Operation of Marinas and Tourist Docks, of December 19, 1997, and the numbering of the current Articles 24, 25, 26 and 27 is corrected. The texts are as follows:

Article 24- Tourist and recreational activity of foreign-flagged vessels

The vessels of foreign flag with length equal or superior to twenty-four meters (24m), that its use is commercial or of entertainment and not transport of mercantile load, will be able to develop in Costa Rican waters and territory activities of aquatic transport, diving and of recreation, under the modality of lease or charter.

For performance of the tourist, recreational and sport activities under the modality of lease or charter established in the present article, the boats must have an authorization issued by the Costa Rican Tourism Institute (ICT), as well as to formalize a contract with a tourist marina and to fulfill the requirements established via regulation.

Article 25- Licensing of charters

The chartering license is created, which must be paid by foreign flag vessels, authorized to develop aquatic transportation, diving and other activities related to tourism and recreation, under the modality of lease, in Costa Rican waters and territory.

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The chartering license will be cancelled immediately and irrefutably, without obliging the State to any compensation, when the beneficiary party incurs in the crime of drug trafficking, money laundering, human trafficking, sexual exploitation or any other violation of a criminal nature. At the same time, the vessel, its captain and crew must leave the country within a non-extendable period of twenty-four hours.

Article 26- Charter license fees

The foreign flag vessels authorized to provide services for recreational nautical tourism, such as charters and similar, must hire the services of a tourist marina and pay a license fee corresponding to two and a half percent (2.5%) of the gross income of the service provided.

Said amount in favor of the Costa Rican Government will be collected by Migration and Foreign Affairs and will be destined to finance the obligations established in articles 3 bis and paragraph n) of numeral 2) of article 3 of the present law.

Article 27- Temporary imports regime for foreign-flagged vessels

The foreign flag vessels using the marinas or berths may enter the country and remain under a temporary importation regime for up to six months, extendable for equal periods continuously up to a maximum of two years. Once the maximum period has expired, the vessel must remain at least ninety days outside national waters, in order to opt again for the temporary imports' regime.

In case of vessels under the special chartering regime, they may remain in territorial waters for one year, extendable for equal periods. The Costa Rican Tourism Institute (ICT) will verify that the vessel complies with all its obligations to the Costa Rican State, which will be defined via regulations.

Article 28- Equipment and items on board

Foreign flag vessels using a marina may include, within their temporary imports, all those vehicles, equipment and articles that it carries, such as but not limited to jet skis, surfboards, outboard inflatable boats, inflatable boats with outboard motors, inflatable dinghies, surfboards with paddles and the like, for the conduct of authorized water sports and recreational activities.

Article 29- Master of foreign-flagged vessels

The captain or person in charge of the vessel shall be responsible for the technical direction of the vessel and, as representative, shall carry out the formalities of the vessel and its crew before the governmental authorities, in compliance with the requirements established by the regulations.

In case of requiring replacement of the captain of the boat, the procedure may be carried out before the governmental authorities present at the marina or the customs office where the boat entered. To accredit the new captain, the latter must present a sworn statement before a Costa Rican notary public regarding his or her status as the owner's representative and a certificate from the marina, signed by its manager, stating that the vessel has a valid contract.

Once the requirements have been met, Customs will accredit the new captain within a maximum period of forty-eight hours and notify the port captaincy and the marina. Both nationals and foreigners may be replacement captains for the remainder of the vessel's term.

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While the replacement is being processed, the vessel may remain in national waters and will sail again until the accreditation of the new captain is completed. The procedures described in this article may be carried out by the authorized shipping agent.

Article 30- Crew of foreign flag vessels

Governmental authorities shall respond, within ten working days, to requests for temporary work permits for the crew of foreign flag vessels, under the chartering regime, when so required.

In addition, the General Directorate of Migration and Foreigners, at the request of the port captaincy, may grant a special migratory category in favor of the foreign workers of the vessels that maintain contracts with the marinas or the tourist berths, according to the conditions established by regulation.

In order to receive the benefit of the temporary work permit, any crew member or high-ranking officer of the vessel must demonstrate that he/she has no criminal record or convictions in Costa Rica or at an international level.

For this purpose, in the first instance, he/she must provide the respective official documentation from their country of nationality and/or residence, for the respective evaluation by the Costa Rican authorities.

If it is proven that the applicant provided false documentation or concealed key information related to any crime committed, he/she will lose the right to present or receive the temporary work permit and must leave the country immediately.

ARTICLE 6- The first paragraph of article 171 is amended, and a final paragraph is added to article 174 of Law 7557, General Customs Law, of October 20, 1995. The texts are as follows:

Article 171- On-board supplies

On-board supplies, regardless of the time of entry into the country, are goods temporarily entered and intended for the maintenance of crew members, to be consumed, purchased or given to passengers by the air or maritime company; in addition, those used in the operation, functioning, repair and maintenance of international passenger transportation vehicles, ships, tourist vessels under the temporary importation regime and those subject to the chartering regime, aircraft and trains.

[...]

Article 174- Provisions of ships and aircrafts

[...]

The customs authority must take the necessary measures so that the captain or person in charge carries out the respective procedure at the place of arrival of the maritime and air vessels.

TRANSITORY I- The Executive Branch shall elaborate the bylaws for this law, in collaboration with the Costa Rican Tourism Institute (ICT), within a maximum period of six months after its publication.

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TRANSITORY II- Individuals or legal entities that built and operate tourist berths will have a period of forty-eight months to initiate the process of approval of the concession and the corresponding operation permit, in accordance with the simplified procedure established by the Interinstitutional Commission of Marinas and Tourist Berths (Cimat).

TRANSITORY III- In those cases in which the term of a concession already granted is less than the term established in Article 11 of Law 7744, Concession and Operation of Marinas and Tourist Docks, of December 19, 1997, amended by Article 4 of the present law, the concessionaire may request at any time the adjustment of the term, which may never exceed the maximum term stipulated in said article. The extension or adjustment of the term may be granted provided that the legal and regulatory requirements are met.

Effective from the date of publication.

LEGISLATIVE ASSEMBLY- Approved on the seventeenth day of March of the year two thousand and twenty-one.

COMMUNICATE TO THE EXECUTIVE BRANCH

«Signature»

Eduardo Newton Cruickshank Smith
Chairman

«Signature»

Ana Lucía Delgado Orozco
First Secretary

«Signature»

María Vita Monge Granados
Second Secretary

LAW N° 9977

Issued at Marina Pez Vela, in the canton of Quepos, province of Puntarenas, on the fifth day of the month of April of the year two thousand twenty one.

EXECUTE AND PUBLISH.

«Signature»

CARLOS ALVARADO QUESADA

«Signature»

MICHAEL SOTO ROJAS
MINISTER OF GOVERNANCE & POLICE

«Signature»

ELIAN VILLEGAS VALVERDE
MINISTRY OF TREASURY

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«Signature»

GUSTAVO JOSÉ SEGURA SANCHO
MINISTRY OF TOURISM

1st time – Request N° DM-008-2021.—O. C. N° 21000900003.—(L9977-IN2021544411).

LAST LINE OF THIS TRANSLATION

This translation is accurate, and the translator is competent to translate. Any annotation after the line stating END OF DOCUMENT renders this document void. This translation does not imply responsibility concerning content of the original document.

I issue this Certified Translation from Spanish to English at request of the interested party, consisting of 7 pages, no text on overleaf. Witness my hand and official seal this 30th day of April of the year 2021. Legal stamps paid and attached.

I HEREBY CERTIFY FEES FOR LEGAL STAMPS FOR THIS DOCUMENT HAVE BEEN DULY PAID IN
BANK RECEIPT NUMBER 406926069

Detalle de la tasación			
Número de entero:	406926069	Registro:	ENTERO DE TIMBRES
Boleta de seguridad:		Acto:	ENTERO DE TIMBRES
Monto tasado:	125.00	Estado:	PAGADO

Timbre	Descripción	Monto Original	Descuento	Monto Total
005	TIMBRE FISCAL	125.00	7.50	117.50
TOTALES		125.00	7.50	117.50

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