CASHING OUT

The Great Canadian Retirement Guide to Costa Rica

By Kevin Barker

2nd Edition

Copyright 2012 Notion Publishing

All Rights Reserved. No part of this book covered by the copyrights heron may be used in any form by any means without the express written permission of the publisher. Sections of the work may be quoted with attribution by media, educational institutions, societies, professional associations, foundations, newsletters, and the public at large. Authors must accredit the publisher in an acknowledgements section.

Editorial office

General Delivery, Roberts Creek, British Columbia

Library and Archives Canada Cataloguing in Publication

ISBN 978-0-9880538-4-7

http://fleefundamentalism.com

Table of contents

About the author

Preface

About this book

What it's like living here

Why Costa Rica

Costa Rica discovered

Main Attractions

Eluding the taxman

Really doing it!

Eco villages

Residency

Banks

Buying real estate

Miscellaneous

Appendix

About the author

Kevin Barker offers a wealth of experience and insight to those seeking a cost effective retirement solution in Latin America. He is a former investigative reporter for Canada’s award winning business journal Equity Magazine, and a veteran business writer with 30 years experience. As the founding editor of The BarkerLetter he covered the most significant mineral and technology stories of the 20th century. Over the past 15 years he has lived abroad and travelled widely as both journalist and itinerant blogger.

http://www.barkerletter.com

Preface

Are you an adventurer at heart? Wait, let me rephrase that - did you feel different after opening this book? Did you imagine a little ray of sunshine peeping through the clouds to warm your toes? Did you glimpse for a brief moment in your mind’s eye the brilliant hues of jungle flora? Could you smell the haunting fragrance of night blooming hibiscus or plumeria on the night air?

If so, a new and better lifestyle is definitely waiting for you, just a few baby steps away, beginning with this book. It represents a new and unforgettable chapter in your life, if you have the courage to grasp it.

In simple geographical terms, Costa Rica is a tiny nation on the isthmus which joins the Americas. In a metaphorical sense it has meant far more to the countless people who have visited its shores, whether they stayed or not, because Costa Rica represents freedom from the cares and woes of daily life.

The time to do it is now. After all the idle chit chat and empty promises. I wish I had a dollar for every time a friend has threatened to chuck it all and move to Costa Rica but failed to do so. After all the false starts and hastily drawn plans that were just as quickly dashed to pieces, you owe it to yourself to finally do this. While you can. While the window of opportunity remains open. You're not getting any younger.

About this book

This information is based on my own experience and those of my friends and relations. It is not sponsored by any commercial enterprise. I'm not selling teak plantations or real estate or condos or investment schemes nor are any of those quoted or cited herein. As such it should be viewed as a supplement to the regular guidebooks, providing insight and perspective as well as basic information. It's been said there's no expat like an old expat because you can't beat experience. Very true!

In some cases I've included information about Costa Rica's neighbours and even South America, for the simple reason that living in Costa Rica does not limit you to it. You can just as easily bank, or find income, or travel elsewhere from your base in the Central Valley or the Pacific or Caribbean beaches. And you should! The rest of Latin America is just out back.

However, this book will help you get free of your various responsibilities in Canada and set up a life in Costa Rica. It is intended as an orientation, with key facts on things to do and see. There are many guides which do offer information on parks and transportation, budget travel and accommodation, such as Fodor's and Lonely Planet, and I highly recommend them.

One other, equally famous book is the Golden Door to Retirement in Costa Rica, written by Chris Howard -- who I've always believed was a kind of a hologram. In nine years of living here I've never met him or anyone else who has. His name is often invoked by realtors though, and I read a flyer recently suggesting he is being 'channelled' from beyond, so maybe he’s passed away. I don't know. Anyway it's not a bad book though a little self serving.

But I do know Ryan Piercy of the ARCR, who helped write it. He has lots of really good information about the expat life in C.R. and he's always happy to share it. Ryan is a great guy.

Why leave Canada?

Your reasons for leaving may be purely personal, or you may have financial reasons. Indeed, many retirement age Canadians are wary of the future.

Hamish Jackson, a Vancouver chartered accountant I talked to, says anyone moving their residence or funds out of the country should at least be aware of the tax implications and arrange their affairs accordingly.

I agree that's an excellent place to begin. Once I delved into the topic, however, I found citizenship to be a sticky commodity, at least from the taxation perspective.

Hamish refrains from giving detailed advice, for the simple reason that every person's financial scenario is as individual as their genetic fingerprint. However, he says that generally speaking, the implications of a permanent move versus staying put may not be readily apparent. Especially with respect to the pending changes to the OAP and the Canadian tax regime. "The potential impact of an estate tax (for example) should cause everyone to review their present assets and attempt to minimize the effects of any such tax," he advises.

Canada at present has no estate tax per se, but there hidden taxes aplenty, wrapped up as probate fees and the like. For example, capital gains are assessed on the appreciated value of real estate owned by the typical boomer's deceased parents, (excepting the principal residence) and the liquidated RRSPs will have taxes payable. There are others that vary from province to province. That's how it stands now. But in view of the government's recent move to reset the retirement age of the OAP, I think it's merely prudent to expect more such surprises in the future.

A very good question for your accountant is, how do I minimize the sundry taxes and fees associated with my parent`s estate. And tell him all options are on the table, including emigrating, staying home, and/or pulling up stakes forever. In addition to tax exposure, one should factor in extraordinary costs, such as regular visits back to the homeland, which will skew your annual budget substantially. A return ticket from Vancouver right now stands at $1,200, less from Toronto. Not cheap!

Retirement in Canada

There`s the weather, not great for creaking bones. Also, retirement back in the homeland isn't what it used to be. Costs for everything are higher, and everything now costs. Canada is the land of the user fee. What used to be economical or even gratis is now subject to some kind of rapidly escalating service charge: A swim at your community pool, bank services, or availing yourself of the many services offered by mundane public institutions like libraries. To say nothing of staples like food and energy! Try taking your dog to the vet, having your teeth fixed, buying your grandkids running shoes, or getting a haircut. You need a bank loan!

Perhaps you're fed up with that, or the Canadian climate, and you're leery of those popular U.S. snowbird destinations like Southern California and Arizona. Perhaps you've noticed Mexico isn't as economical as it used to be, or as safe (no place is!) Whatever the case, you're looking for alternatives, as I was when I began researching this book. I found many. I asked dumb and wise questions and scrutinized the answers. Finally I settled on a handful of prospects and traveled to them all, including Costa Rica where I stayed, though I have to admit it wasn't high on my list at the time. I just kind of washed up on shore as many do, and ended up staying. Call it Kismet.

Nor did my quest end there. After nine years in Costa Rica I went further afield, living in Chile and Colombia. You're not stuck with your choice once you've made it. South America is a big continent, and it's closer than you think. What seemed like the far pavilions suddenly come into sharp focus as potential retirement destinations when you get closer and the realm of choice widens.

There are indeed challenges to living in another country. Language and culture are definitely among those, and adjusting to ‘how things work’ can be challenging. But those are details. Languages can be learned, cultural hurdles can be overcome. One amends, adapts, and adjusts. The only real difficulty, the only real challenge, is finding the willingness to do so. What if I find it’s not for me? you ask. Well you just get back on the plane, muttering something like,“…what was I thinking with that!..” , and fly home. That’s the only inherent risk in chucking it all and coming down here to live. That you goofed. But the chances are that Costa Rica will be right for you. The living is easy and the climate wonderful and it costs far less than living in the land of user fees.

There's another fact about Canada that I won't sugar coat which is merely this - we're in trouble. The Bank of Canada has made two revealing statements in recent months. One, that the real estate sector across the country is overpriced, primarily condos. The second is the fact that Canadian productivity has dropped 30% since 2002. I found that rather shocking, but it's consistent with so-called Dutch Disease, the preoccupation with a single resource industry at the expense of all others. As Canadian productivity languishes, more than half the anticipated investment capital over the next five years in Canada is destined for the oil industry. I don’t know how that can possibly make the nation more productive or competitive in the global economy. I’m all in favour of the Alberta tar sands but does it have to be the only game in town? That play is locked up by a de facto cartel, comprised of Exxon, Shell, Talisman, and the rest of their tribe. Junior exploration companies, retail investors, and the broader service sector just have their noses pressed against the glass. Manufacturing withers on the vine, chiefly due to the high Canadian dollar pegged to oil prices, while we feather-bed a single industry.

As a business reporter for 25 years I watched Canada make the slow, arduous climb out of a resource-based economy, only to see us sliding back into it. We´re back to living with the vicissitudes of commodities pricing: Boom-bust cycles, interprovincial bickering, a handful of transnational owners. And without a pipeline from the oil fields to B.C.´s west coast, which is years away, if it ever gets built at all, the whole country is exposed to those precipitous, and inevitable, whipsaws in oil pricing.

It´s all rather ominous actually.

What it's like living here

The chances are very good you’ll forget all about that, and everything else that keeps you tossing and turning at night, the minute you step off the plane.

Morning here bursts into life at five am year-round with an explosion of light and colour. The palm fronds begin to stir and sway in the fresh tropical breeze. The shimmering hues of tropical birds and flowers are everywhere, the bright greens of tiny lloros sweeping out of the trees, the reds and yellows of macaws and parakeets. The delicate scent of night blooming hibiscus lingers in the air, which is fresh and clean because there is no heavy industry. You can drink the water from the tap.

You'll miss the seasons of Canada and discover newer, subtler ones. Spring is indistinguishable from summer for awhile. Then you'll notice more or less rain. You'll be surprised to see the mangos ripen and fall four times a year in step with the country's more numerous growing seasons (five for coffee, depending on the region). The wind changes.

On any particular day you may decide to travel a short distance into the mountains or down the slopes of the Central Cordillera to the east or west coasts. You may come back the same day or linger awhile, or press on. There are many things to do. You can join some companions on a rafting trip down the Pacuare River in Sarapiqui, go dive a wreck at Puerto Viejo on the Caribbean coast, hike in the temperate cloud forests of Monteverde. All are less than five hours from the capital city.

Or you may just stay home, wander over to a neighbourhood soda where the friendly proprietor sells you farm fresh eggs, or home roasted coffee and peanuts, or a light sour cream called natilla. You may have breakfast and greet your neighbours as they come and go all day long. The juices are fresh made daily, from mango, guanabana, orange, any one of dozens of tropical fruits grown locally. The local coffee you're served is rich and aromatic, prepared campesino style by pouring boiling water through a cloth filter suspended from a small wire frame.

Whatever you choose to do with your day, it won't be impeded by the fast moving events of the world. Costa Rica is a world apart in that sense, forgotten by the world, simply not involved in the big events occuring elsewhere. Refreshing!

In time you will count Costa Ricans among your friends. The society here is inclusive. There is no invisible wall between foreign residents and locals such as one finds in Mexico. All are welcome. There is a practical reason for this attitude. Ticos are entrepreneurial and resourceful, eager to borrow or learn what they can from visitors, even language. Words from the local vernacular such as tuanis, a form of greeting, is not Spanish at all but a derivative of an English phrase, too nice, which was adapted for local use.

The people are ingenuous, authentic, and warm and welcoming, and over time you'll be invited to their weddings and outings and nights on the town. Into their families, as it were, which are quite large and quite important. You will see beautiful young people everywhere, mostly under 30 years of age. They have very white teeth, partly from the local diet, partly due to a strange obsession with dental hygiene which I've never quite figured out. A street worker looks up from his dustbin and flashes a brilliant, genuine smile. There is salsa playing on the local bus, in the shops, on street corners. Everywhere there is laughter and song and celebration of pura vida, or pure life.

You may wander out at night to a casino, or a salsa club, or attend an avante gard show at the Centro NorteAmericano in Barrio Escalante, or wander the student district known as La Madrugada, where black-clad, sullen intelligensia haunt the bars, mutter darkly of politics, and flock to midnight concerts featuring touring metal bands from Europe and the U.S. or a local group formed last week. Closer to the centre is Barrio La Soledad, the glittering theatre district, showing original plays featuring local celebrities.

It's just - well, different. You'll see.¬

You can do it!

Okay you`ve made the decision. You`re ready to take the plunge. You`re pulling up stakes forever. Don`t be surprised if you feel a cold chill run down your spine. That`s normal. ``What am I doing?', you ask yourself. Ignore that tiny voice. It's the same one that kept you from scoring the winning goal in hockey, that made you shy when you tried to talk to that attractive member of the opposite sex. Plain old jitters, nothing more. Behind it is the exciting feeling that you're embarking on the adventure of a lifetime. Yes, you're entering the unknown, leaving your comfort zone. But that's titillating, as well as frightening isn't it? Remember the words of FDR, in the depths of the Great Depression. 'You have nothing to fear, but fear itself.'

Still nervous? Try this: Make a list of everything that can go wrong. Try and keep it realistic. Now try and picture what you would do if all of those came to pass. Would you survive?

So let's go already¬

Why Costa Rica

Indeed, why not Costa Rica? I’ve lived here for nine years, after which I relocated for six months of the year to Colombia, which is similar but bigger. Nine years in a small foreign country is a very long time, longer in fact than what most expats spend. It's a testament to how great it is. I straddle both countries, as my Colombian wife is in Costa Rica.

Oddly enough, what initially attracted me to Costa Rica is the very same thing that led to go further afield: Its size. I like Central America and South East Asia because they comprise small regions with several countries in close proximity. The capitol of San Jose is a mere five hour drive to Nicaragua, about seven to Panama, from the Caribbean side. However, I found myself yearning to explore larger cities after several years. I craved variety. Now, having traveled extensively through South America over the past five years I’m craving the relative tranquility of good old C.R.

Costa Rica remains a still point in a sea of instability. With Nicaragua to the north and Panama and Colombia to the south, it looks pretty darn good! The country abolished its army in 1949 and the subsequent destabilization of its neighbouring countries led to ever friendlier overtures from the U.S. , which has responded with economic aid and unlimited foreign investment over the years.

The greatest advantage of Costa Rica is merely that your dollar goes further, great for those on a fixed income. Certainly the battered dollar has created higher prices, but remember all Latin American countries have a two- tiered pricing system, meaning you can spend a lot of money there or very little, depending on where you shop. Also, the absence of military expenditures means the country has more to spend on education, a national priority enshrined in the constitution, and services. The government also has a proactive stance on the environment and its efforts to preserve its landscapes, flora and fauna is unrivalled in the west. Today, the country finds itself the Central American destination of choice for a growing number of retirees.

There are certainly other destinations in the world, even within Central America, that offer more from a cultural perspective. But even Guatemala for all its ethnic charm does not have the services you and I would require for a prolonged visit or permanent relocation. The compelling factor really is prices. Tax havens such as the Caymans and Bermuda have island economies and are prohibitively expensive. And the proximity of conspicuous wealth drives prices even higher.For many years Mexico was a preferred choice for budget minded retirees. But the North American Free Trade Agreement has changed it for both better and worse. Free trade has sparked a boom in the country's regions, with a resulting hike in real estate prices and those of goods and services, not to mention population! Mexico has decent highways now, yes, but thanks to privatization one must pay tolls to drive on them. Locals still rely on the old road infrastructure, which is more dilapidated than ever.

But home is where the heart is! If you've spent countless enchanted hours on Mexico's beaches or in its zocalos and feel tied to its culture or people, then that's the place for you - no matter what changes have taken place.

Thousands of older Canadians are discovering they can live economically and well in these or other places. Costa Rica still makes the most sense of them all, from almost every perspective¬

Costs

Expect to pay about 30% less for things, generally speaking. Less if you're careful. And even less for others. For example, a dentist two years ago charged me $500 for two crowns with a bridge, a cleaning, and a couple of fillings. Shortly before I`d had surgery to treat periodontitis for approximately the same amount. More recently, I got a root canal with a crown for $600 and some cosmetic work to close some gaps which included more than a dozen fillings for $630.I also recently availed myself of the country`s health care system, paying $75 for an ambulance ride, a doctor`s visit, and three stitches in my head after walking into a low overhang. That comprises my total medical costs since 2001. I also need to get a colonoscopy, the cost for that at a clinic is $150.00. If you want coverage you can opt to pay the voluntario, which is a monthly stipend paid to the Caja, or Caja Costarricense de Seguro Social, to give the agency its full panoply of names. You can register at their offices in the major hospitals, notably the CIMA hospital in Escazú and Clinica Biblica in downtown San José. Expect to pay approximately $50 per month. The local health care system is excellent for emergency care, such as a broken limb or pnemonia. If you have complex health issues you should subscribe to one of the private health care systems.

Get vaccinated for Hepatitis A, Yellow Fever, in case you visit Panama or Colombia, (you'll need proof of same to return to Costa Rica), and Typhoid. Malaria is known along the Caribbean and dengue is widespread so take precautions against mosquitos.

Health care

If you become a permanent resident of Costa Rica you must pay into the local health care system. That means you're paying double if you're maintaining your OHIP or BCMSP. Let it lapse. If it comes down to it, you can always return to Canada and resubscribe by paying some back premiums.

If you're in your fifties or sixties and in reasonably good health I urge you to move now before you get any health issues. If you've had a health scare recently you'll want to thoroughly investigate the services available in Latin America before making the move. Bear in mind that some heart and stroke medications are not widely available in Costa Rica. Flying a doctor from Miami to San Jose to administer a specialized heart drug will cost you plenty - I know folks who have done it! If you're on any kind of medication be sure it's readily available here. But in any case, you won't need to be overinsured once you get arrive because you're going to get better. A lot better. Trust me on that.

Food

It's important to remember that Costa Rica, and Latin America generally, has a two tiered pricing regime. You can buy a $30 yearly membership to PriceSmart in Escazu and buy American goods there, all of them very expensive, as many do, or eat locally for pennies. You may be disappointed by the local cheeses, but there are fringe benefits. Your local soda (a kind of vernacular for cafe) may roast and sell its own coffee, or make its own sour cream, both excellent and economical, and the comida tipica - or local food - is quite healthy, a constant variation of rice and beans called gallo pinto. Hey, when in Rome...

Food at retail outlets is expensive, comparable to North American prices, possibly owing to the pricing policies of WalMart which is the largest food retailer. WalMart is an interesting story. The company tried to set up shop some years ago but found it next to impossible to impose their corporate culture on Costa Ricans, for whom the lunch hour is sacred and pilfering a national pastime. I think they were about to throw up their hands when they got an interesting offer. The entire food industry is, or was, controlled by a handful of families, one of which had invested heavily in U.S. Food, a public company that supplied American prisons and got into trouble with the regulators. So that family`s broker on Wall Street -- JP Morgan -- went to WalMart with an offer to sell.

WalMart agreed on one condition: That it could acquire a majority stake in the entire food industry, including the holdings of the other families, with a promise to invest several million dollars (I heard the figure was $20 million but that`s rumour) over the next decade or so. The deal went through and now Wal Mart controls Pali, the discount food store, plus the higher end Mas X Menos. In fact, Wal Mart is now the largest retailer in all of Central America, headquartered in San Jose. I don`t know if that`s why food is so expensive in Costa Rica or not. It`s a good question to put to them.

Kids

You can get your kids into a fully bilingual school for about $250 per month per head, if you opt for one of the Catholic schools like Yorkin School for Boys, located in a fashionable suburb. At the higher end are the secular Lincoln or Country Day schools which will cost you roughly double that amount.

People

Costa Ricans have a wry, homespun kind of humour, a la Will Rogers. They tend to be passive. For example, the other day I saw a bum approach someone at a bus stop for a cigarette, which was duly given. When he walked away without a word of thanks, his benefactor mumbled a low, con mucho gusto, translated as you're welcome. This is typical Tico irony.

A former president, the Nobel Peace prize winner Oscar Arias, once suggested rather archly after elections in Cuba that Fidel and brother Raul should reconsider whether they want to spend another 20 unpleasant years, 'sacrificing themselves to serve the Cuban people'. Tico sarcasm!

You will encounter cultural taboos. The typical North American impatience, hissy fit, or tantrum is considered very bad form. Costa Ricans are passive aggressive so expect swift retribution if you behave that way. We North Americans are critical thinkers; we use the logic of Descartes. We separate things and examine them, pick them apart. Latins think more holistically, focusing on the big picture. It's not wrong, just different, and you'll have to adjust to it.

It's wise to refain from using the term third world when referring to the country. Most people have a car and a cell phone, widely deemed to be first world attributes, and consider themselves prosperous. After a disasterous hospital fire in San Jose a few years ago, a different former president, Abel Pacheco, made the incalculable error of defending the government by saying Costa Rica was a poor country that couldn't afford to fireproof all its hospitals. In addition to being insensitive (eight people died in the fire), it was incredibly unwise to call the electorate 'poor'. People hated him for that.

The traffic is nuts, and when walking in urban areas the best strategy is to follow someone else, and closely too. Traffic signals are largely ignored, and pedestrians seem to rely solely on their intuition when crossing the street¬

How things work

Shopping is a nightmare by North American standards. Yes, there are malls, small by our standards but nice. Don't be surprised if you go to one and find everything you don't need and nothing you do. Conversely, you may be wandering some non descript industrial zone and suddenly come upon a shop that sells herbal remedies, or shoes.

Smaller shops can't afford to carry much inventory. When I took my motorcycle to a small shop or taller in Escazu to get the brakes fixed, I ended up with a new chain. They had no brake parts in stock. "So why did you put on a chain?' I asked out of mild curiosity. "Because we had one," was the simple reply. Tico logic.

Streets have names and no house numbers. An address is described in relation to some landmark. When I had my credit card replaced recently, I had to instruct Visa to send it to, 'El Viejo Embajada Brasil, frente de Subaru, Avenida Central' - which was merely 'the old Brazilian Embassy across from the Subaru dealership on Central Avenue'. Some years ago the city of San Jose commissioned a Canadian company to study a numerical grid system but it was never implemented (quel surprise!). This creates problems in some neighbourhoods where the landmarks no longer exist. One such has addresses in relation to the number of meters from 'the old tree', which has since been cut down, confusing generations of postal clerks.I also know of a street, a rather large one with a boulevard, near Heredia which has no name at all. Taxi drivers just call it, 'the street'. You have to laugh...

Obviously the country has managed to sustain its colonial charm in spite of modern infrastructure and services. Costa Rica is a country of contrasts that refuses to conform to the Latin American stereotype. It enjoys a stable, democractic government, adheres to high standards of education and health services, and is quite prosperous. Costa Rica offers a near perfect blend of recreational and cultural activites. Geographically and symbolically, the nation could be said to combine the best of both North and South America.

Within a relatively compact area between the Pacific and the Caribbean lies a great variety of landscapes. Estimates are varied as to how much of the country is devoted to the preservation of nature and wildlife under the protection of the national park system. I've heard from 12% to 20%. Costa Rica offers the visitor a view of rare birds, turtles, mammals, and thousands of species of ferns and flowers. It is sometimes referred to as the garden of the Americas¬

Costa Rica discovered

There are enough distractions to keep you busy for a lifetime, or like me you may be happy just contemplating your navel. It has a distinct 'tico' culture, best summarized with the widely quoted greeting of pura vida, which literally means pure life in English. The phrase is the national credo, and one which citizens live up to. It means good wishes, thanks for the favor, nice to meet you -- all of the above. Costa Rica has its share of problems, but to the expat it's more of a tropical theme park than a nation, a kind of Disneyland full of pleasing sights and sounds and attractions.

And it's easier than most tax havens to indulge in them, owing to the moderate cost of living. Moreover, the country offers a wide variety of climate zones and topography within a very small area: The Caribbean flavour of its Atlantic coast; the misty highlands of the central cordillera; the cloud forests of Monteverde; the opulent hotels of the Pacific coast; the dry savannas and spreading guanacaste trees of the northwest; the marshlands of the Rio San Juan bordering Nicaragua; the virgin jungle and pristine beaches of Manuel Antonio and Dominical and Drake Bay to the south. All within a few hours drive of the capital city!

If you're the stay at home type that's fine too. Over a hundred social groups are registered in the country, all of them warm and welcoming. You'll find them in the classifieds of The Tico Times newspaper. There is also a very large and active Canadian expats club which meets for special events such as Canada Day and regularly scheduled Sunday brunches. Great folks, you’ll love them¬

Main Attractions

Natural beauty, black and white sand beaches, deep sea fishing, casinos, surfing, whitewater rafting, wildlife, birdwatching, volcanoes, climbing, hiking, horseback riding, jungles, beaches, friendly people, economy, proximity -- what's not to like? Although the country is more developed for tourists than neighbouring Panama and Nicaragua, conditions outside the resort areas don't offer first class comforts. So don't rent a car and expect to find many Hiltons during your excursions inland. What you will find, at least among the expat crowd, are charming bed and breakfast establishments, yoga and meditation centers, communal farms devoted to sustainability and the environment (more on those later in this book), and a largely agrarian society. There is no heavy industry, and hence less air and water pollution. And there isn’t likely to be in the near future, despite the proliferation of mining projects in neighbouring Panama. Let's look at some general features before discovering what to see and do.

Geography

Costa Rica comprises 51,000 square kilometers of highland plateaus and Pacific and Caribbean coastline. Three quarters of its population live on the central plateau. Over 90% of the population are of European stock, and about 30% are of black descent, living primarily on the east coast, concentrated in the city of Limon. Like its neighbours, Costa Rica offers a lot of variety within a very small package. Canadians are amazed at how they can travel from one climate zone to another in a few hours (or minutes!) Costa Rica may be small compared to Canada, but the rapid changes in elevation and endless micro climates make it seem like several different countries in one. There are five politically delineated provincias: Guanacaste on the north Pacific coast, San Jose and Alajuela in central/north region, Cartago to the south, Puntarenas on the middle and south Pacific coast, and Limon bordering the Caribbean.

The central valley

In the central highland region of the country are three mountain ranges which run northwest to southeast. A fourth crosses the widest portion of the country, forming a huge cross.Geographically speaking, it's best to orientate yourself by the positions of cities and volcanoes.

Within the central range lies San Jose, the capital city, Alajuela, the second largest, and Heredia; Cartago is some 30 kilometers south; Limon to the east. To the northwest, two volcanic ranges dominate; the first is the Serra Volcanica Guanacaste, with volanoes Orosi, Miravalles, Tenorio, and the spectacular Arenal, (the evening eruptions are a great show!) plus Rincon de la Vieja, which keeps the mud in the foothills bubbling permanently.

Also in this region is Lake Arenal, the central valley's primary source of hydroelectric power and watershed, and home to a growing tourist destination. To give you some idea of the compactness of the country, the various eruptions of Arenal are visible at night from the town of Tilaran, located across Lake Arenal an hour's drive away.

The most accessible volcanoes, at least from San Jose, are in the transverse chain of the central highlands; Poas, Barva, Irazu, and Turrialba. Any or all are certainly worth a visit. I personally like Arenal. It looks like Mount Doom, and the surrounding hills and valleys are incredibly lush owing to the verdant soil.

The best infrastructure in terms of transportation and facilities lies in the Central Valley. Volcanoes, national parks, and biological reserves are all close by, along with four national museums, fine restaurants, nightclubs and shopping malls. And if the urban life isn't your cup of tea there are plenty of quaint, gringo-friendly, coffee-growing towns nestled in the mountains a stone's throw away which are really the ideal location. The beach towns are sweltering hot¬

North of San Jose

The countryside north of the capital city is rolling, forested hills and finally cattle country. You'll pass through the city of Alajuela, a coffee growing region and capitol of its namesaked province, to several communites including Grecia and Zarcero, good places to find hand made home furnishings made of teak and tropical woods, and finally to the rather vaguely defined region of San Carlos. The capital here is the farming center of Ciudad Quesada but it's not far from La Fortuna, gateway to the Arenal Volcano, and thence to the cloud forests of Monteverde and Tilaran, and on to the Pacific coast of Guanacaste.

The region is very popular with expatriate establishments, many specializing in eco tourism. They thin out the further north you go, through the pineapple plantations of Dole and finally to Los Chiles on the Rio San Juan, the border with Nicaragua. Though rarely visited except through specialized tours from La Fortuna, the area is a naturalist's paradise, dotted with fresh water marshes and teeming with birdlife. The Rio Frio here drains the lowland fresh waters of Cano Negro and finally empties into the Rio San Juan at it's entrance to giant Lake Nicaragua.

Launches at the tiny town of San Carlos on the Nicaraguan side ferry tourists to the numerous hard to get to but ultimately rewarding, river based eco camps. The marshes here are really interesting, and the river itself winds past several remnants of the past, including El Castillo, an ancient fortified town, and various former outposts from the colonial era, through various rapids and narrows all the way to Bluefields on the Caribbean coast¬

The coastlines

Costa Rica is still in the early stages of developing its coastlines to the east and west, and there are no decent roads to either the north of the Atlantic side or south of Dominical on the Pacific coast. You can drive along the Pacific on Nicoya Peninsula, a short distance from the regional capital of Liberia, to Jaco, Quepos, and Dominical, in the mid coast region. After that you must swing inland to San Isidro de General, a larger agricultural town, and back to Golfito, a former banana port and now a free trade zone where people go to buy electronics.

One can find tremendous bargains on properties south of Dominical. However, they are likely to be remote, tropical (in the wet, steaming sense), and lack good road access and power. Don't be surprised to find large multi acre parcels for under $200,000, many with houses, generators, and other features. However, they may be further from the madding crowd than you would like to be and more suitable for the rugged individualist.

This is not to say there aren't excellent, well serviced communities on either coast. There are. But they're few and far between and fetch higher prices.

The Pacific coast

The coastline meanders along 1,200 kilometers from Nicaragua to Panama, and offers a wide variety of landscapes, islands, gulfs, headlands, swamps, bays, and peninsulas. Santa Elena, Nicoya, and Osa are the main peninsulas.

Famous for its excellent beaches, surfing points, and national parks, as well as a shorter rainy season, the north Pacific coast is fast realizing its enormous tourism potential. It also has its own airport at Liberia, a 30 minute drive from the sea. Originally a staging ground for flight ops into Nicaragua during the revolution of the 1980s, it was seconded by then president Oscar Arias after designating the CIA persona non grata in the country. In fact there was a surfing destination nearby which locals designed Ollie`s Point, named for the infamous secret document shredding Marine Colonel Oliver North.

This zone runs from Parque Nacional Santa Rosa on the border with Nicaragua to Playas Coco, Famingo, and Tamarindo, named for the popular tropical fruit. The province`s namesake, Guanacaste, is a kind of large, spreading tree which dots the landscape everywhere. The infrastructure here is adequate but not excellent. Gravel roads, occasional water shortages, and difficult access to power and telephone lines are common problems encountered by developers. Despite these shortfalls, most major resort and hotel investments are located here.

The Nicoya Peninsula, which juts into the Pacific from Liberia like a large hammer, is dotted with bays and coastal towns and the coastline is driveable to Malpais, Montezuma, and Tambor, and beyond where a ferry service over the Gulf of Nicoya to the mainland. There is also a bridge at the northern end which was built by the Taiwanese as a gesture of friendship. Alas, Costa Rica and Taiwan are no longer friends, since Beijing trumped it with a new soccer stadium in downtown San Jose. Costa Rica also revoked an invitation to the Dalai Lama a few years back at Beijing's request.

The Gulf of Nicoya has many small islands, the largest being Chira and San Lucas. Others of great natural beauty are Venado (deer), Bejuco, Caballos, Negritos, and Cedros. Back on the mainland and heading south one passes through Puntarenas, which is a mere one hour drive from San Jose, and the port of Calderas.

Middle Pacific

Further south, beginning at Tarcoles, lies the traditional gold coast of Costa Rica with scores of beaches and many hotels. The centerpoint is really Jaco, but there are numerous beach villages all the way to Domincal including Playa Hermosa, Esterillos East and West, Quepos, and Manuel Antonio (another hotspot!), among others. A superhighway from the Central Valley has been in the planning stages seemingly forever, and I have no doubt it will be built. It`s just that nobody can say when.

South to Golfito

The south Pacific coast is primarily the Osa Peninsula, separated from the mainland and the town of Golfito at the lower end by the Golfo Dulce. The Osa conservation area is one of the most biologically intense places on earth, and home to at least half the species living in Costa Rica. The main town is Puerto Jimenez, the access point to Corcovado National Park, which totals some 425 square kilometers. Drake Bay is at the further end, at the top of the peninsula, accessible by road but the preferred mode of arrival is by air. My friend Larry Hustler is part owner and sometime proprietor of the Corcovado Surf Camp bordering it (hello there Larry!).

Larry has an interesting story. In the '80s he came to Costa Rica as a tourist, but upon arriving back in Los Angeles he gave his head a shake, packed a small suitcase, and promptly returned. To my knowledge he's been here ever since, having manned numerous local businesses including a hugely successful t-shirt company, and was even involved in the Osa's shortlived gold rush during the 1980s. Larry is one of the old timers here, along with Sue England who runs the Los Locos Resort at Playa Zancudo to the south (Hi Sue!). It's accessible by boat from Puerto Jimenez at the south end of Osa, or from the city of Golfito across the Golfo Dulce.

The southern interior

This is plantation land, agrarian. The capital is San Isidro de General, a few hours south of San Jose, and the turn off to Dominical. The drive from the capitol crosses the treacherous Cerro de la Muerte (3,300 meters), which incidentally offers a great three day hike to the highest point in the country (Chirripo National Park) , where you can sometimes see the Pacific and Caribbean at the same time.

The Caribbean

The coastline stretches for 212 kilometers and can be divided into two distinct sections divided by the port of Limon. The Rio San Juan borders Nicaragua to the north; the rio Sixaola with Panama to the south.

Located near the regional capital of Limon is a series of freshwater lakes fed by numerous rivers, known famously as the canals of Tortuguero, a network of more than 100 kilometers of marshy freshwater which is the habitat of seven species of turtles. There is an urban myth that Fidel Castro and Che Guevara stashed weapons here prior to the Cuban revolution. A more tangible rumour, which I got from a source from the aforementioned Ryan Piercy of the ARCR, is that a grateful member of the retiree association bestowed some property located here to the group. It caused a stir of excitement until they found out the court in Limon had received no less than 100 individual homesteading claims against it, effectively tying it up forever. Land title on the Caribbean coast is never a sure thing owing to the country’s homesteading laws,which explains in part why most of the really big hotel developments are on the pacific coast.

Access to the Caribbean from the central valley is from a highway which winds over the central mountains and slopes down a long plain to the port of Limon, the country`s center of African Caribbean culture. Carnavales in February is a huge deal here, and the city has the typical joie de vivre of any Caribbean town. Lots of wooden latticed windows and delicious coconut milk rice dishes, and the ceviche is famous. The island of Uvita lies just offshore, originally named Cariari by Christopher Columbus who made a water stop here during his fourth voyage to the New World.

There are several river systems which tumble down from the mountains, the Rio Pacuare, popular with river rafters, and the Sarapiqui and Colorado.

South of Limon is the tiny town of Cahuita, named for the national park which surrounds it, and the popular surfing destination of Puerto Viejo a little further along. The road ends about 30 kilometers south at the tiny hamlet of Manzanillo. Heading inland from Puerto Viejo one passes through the largely indigenous community of Bri Bri, and from there a short drive through a series of banana plantations takes you to Sixaola and the border with Panama.

And that is Costa Rica in a nutshell¬

Eluding the taxman

There are two things worth noting here: One, don't expect Revenue Canada to follow the rules it sets out for you and I. Those rules are created for us to follow, and for them to interpret at their discretion. Moreover, there is a big difference between 'the rules' and what really matters, which is merely whether or not you are paying taxes in some jurisdiction of the world. If not here, then it has to be there. It has to be somewhere. It doesn't matter if you live outside the country for more than half the year, or if you fill out a form and declare yourself a non resident, or if you sell all your Canadian assets and pay a departure tax. Unless you are legally resident somewhere else, If you have income anywhere in the world, the government will deem you a Canadian resident for tax purposes and you're back on the hook. So you have to become a legal resident of Costa Rica to get free. I'll explain just how to do that later.

But doing so merely gets you out of being taxed on your world income. You`re still on the hook for income derived from Canadian sources.

Tax on Canadian income

There are three tax scenarios involved here: Non resident, deemed resident, and deemed non resident, or DNR for short. As always, Canada plays both sides of the fence. If you seek to become a deemed non resident, which makes your international income non taxable, they'll apply a 25% tax surcharge to your 'qualifying Canadian source income' -- OAP, CPP, and QPP, superannuation and pension benefits, RRSP and RRIF payments, and deferred profit-sharing plan payments, among others.

However, the government will waive that surcharge if you complete a Form NR5 every five years and agree to file yearly returns. It's the government's way of keeping tabs on your world finances, since you'll have to report everything. There are strings on everything they do!

Right now you're a deemed resident for tax purposes and it's easiest to stay that way. However, it may suit you to become a deemed non resident, or DNR, lose 25% of your pension income, and keep everything you earn outside the country - depending on what that amounts to. Just remember, to get that surtax back as a DNR you'll have to elect to file yearly returns under Section 217 of the Tax Act and report all world income going forward, taxable or not. It's not money the government is really after here, but disclosure and transparency. That's the name of the game these days.

Section 217 of the Act gives you several options for reducing your tax payable on Canadian income as a non resident. But whether it's a little or a lot you'll be paying something, you can count on it. Governments are very cunning when it comes to tax revenues and the loopholes have been closed. Everyone has to pay.

Rental income in Canada is a bit different. Your property agent or tenant will need to remit the 25% withholding tax, which you can claim back against the difference with your net income from the property.

However, if you're selling a non principal residence it may be cheaper to pay the 25% departure tax as a deemed non resident than the assessed capital gains.

But look, if you play CRA's game they'll have you jumping through hoops forever. If your financial life is uncomplicated, try and keep it that way -- remain a deemed resident, sell your Canadian assets, pick up some foreign income, pay some local tax and file a general return every year, and apply for the GST/HST tax credit. They won't be happy, but they'll give it to you. Hey, if the taxman can play both sides of the fence then why can't you?

Patriotism and Canada

I get tired of hearing the old 'unpatriotic' argument, like I'm getting something for nothing by living offshore and using Canadian government services. Well, the government is good at tallying up costs, so I've done some of my own: I lost two uncles in the Great War, two cousins in World War II; my ancestors were prospectors, merchants, and soldiers who built the country brick by brick, created jobs and economic development, and shed blood for it. And they made some men rich, men who never left their businesses or their families, all of them honorable, who now tell me I'm not entitled to anything.

I've used the Canadian health care system twice in the past 12 years. One doctor never looked up from his computer screen, and the other was incoherent. I was deemed a high risk for colon cancer but it still took 10 months to get a colonoscopy. So I had it done in Bogota, Colombia for $250.00. I don't want to heap scorn on Canada or the health care system. Canada's great, even though it has its share of problems. It's these 'honourable men', motivated by greed, I object to. Now the federal government wants to cap health care payments to the provinces. It's not doctors who will feel the pinch, they'll keep getting regular raises. In fact they just did. It's the paramedics, nurses, and orderlies who will get marginalized. The people on the front lines. The people who serve us taxpayers. Canada is evolving into a privileged society where the 'honourable men' get more and everybody else less.

And incidentally there isn't much these honourable men won't do for a few lousy bucks. Currently, Enbridge is ramming an oil pipeline most citizens don't want through our backyards so Pat Daniel can waterski behind a bigger boat. Sure we'll get a few jobs. Whoop ti doo! But who cares about a few uppity citizens when the likes of Chinese petroleum giant Sinopec, the driving force behind Canadian oil exports, are willing to lay out $4.65 billion for a piece of Syncrude and the Alberta tar sands? And we sold it to them, notwithstanding the fact that company chairman Chen Tonghai was sentenced to death for taking bribes.

Personally I don't do business with convicted felons, but if the tar sands cabal and their apologists in Alberta and Ottawa want to, well that's their perogative.

Foreign income

Of course deemed residents need to pay Canadian taxes on their world income. But you can elect to pay local taxes because Costa Rica has a double taxation treaty with us.

In San Jose you can register a foreign company by filling out a form D-140 at the Ministerio de Hacienda and pay tax voluntarily to the Banco Nacional. They will send you to another office of the Hacienda where you`ll get a special tax number which you can use to invoice.

I wouldn`t go through the pain of actually setting up and registering a legal foreign entity, nobody is going to audit you. Just fill out the form, pay the bank some arbitrary amount on a quarterly basis, and keep the receipt. Make it up. Be creative!

I know this is a hard sell to you straight arrows but understand that corresponding tax legislation between nations is like a plate of spaghetti with a lot of loose ends leading here, there, and nowhere in particular. Your story to the taxman doesn`t have to be right in that sense as much as it just has to make sense. Keep it simple. You made money there, and you paid taxes there, and now you don't need to pay taxes here. Kitchen sink logic.

Anyway, who really understands Canada's labyrinth of tax laws? Not even the guys out in Tunney's Pasture who are making it all up. In fact I know they don't because in 2012 I got assessed $8,000 in penalties and interest for outstanding taxes from 2001, a sum which I'd already paid down twice over by installments. Call me a nitpicker but it seems to me that charging interest on interest is rightly called usury.

There were extenuating circumstances in my case. The CRA got grouchy after I claimed eight years of GTS credits in 2010, but only after the CRA denied my application for deemed non resident status! They wanted it both ways.

Long story short, they seized my Canadian bank account and demanded payment in full but relinquished after I complained. Usury is still illegal apparently but I had to hold their feet to the fire.

Ok, maybe they weren't deliberately out to get me. My point is that these days they shoot first and ask questions later. No doubt Ottawa is trying to recover the $75 billion cheque it wrote to Canada Mortgage and Housing in the wake of the 2008 subprime crises, and the best way to do that is with a directive from the PMO for everyone to pull out the stops and raise revenues. When that happens no one is safe.

And we're far from being out of the woods. Housing in Canada is a government cash cow, along with oil, and if the real estate market tanks in '13 we'll be making another trip back to subprimeville to prop it up. That means more government bailouts, which trickle down to more pressure on us tax deadbeats. Ottawa has already halved the minimum investment for business immigrants, whose favoured strategy is buying a Canadian house. That's a fire sale!

Accountants who are reading this are no doubt crying foul, but my explanation is twofold: One, I`m not a tax lawyer or accountant, merely a businessman, and I'm just relaying what I've learned from experience. There's nothing wrong with that. The second point brings us to the whole issue of Canadian accountants in general. They're legally obligated to ensure their clients pay their taxes. In other words, your accountant really works for the government, you're just paying them to make sure you do. (Isn't there something wrong with that? Just asking...)

Not that there's anything wrong with paying taxes. I'm just saying that you don't need an accountant to make the move offshore, and you should seriously consider whether you're better off doing it without one.

Sure, tax lawyers and accountants have a lot of knowledge. If you do engage one, be specific about what you want them to do, and make sure they do it. Don't ask open ended questions, such as should I leave the country? ¬

Money strategies, legal issues

I've divided my readers into three categories: wise guys, steady eddies, and cultural creatives, or what the first two would deem flakes. I have specific comments for each but first I want to make a few general comments. For starters, don't bring a lot of walking around money. You won't need it. And you don't need to tell people what you're up to, especially if you have real money. And you certainly don't need to disclose to anyone that you haven't, if that's the case. It's nobody's business. Beware of enquiring minds.

In spite of what I've said earlier in this book, you can always leave your legal residence for tax purposes -- and your money -- in Canada; especially if you don't have any. Sure, why not? Get a postal box with a street address in Toronto. You can even continue collecting your GST refund. Keep your receipts in Costa Rica, try to earn a little income, make up a balance sheet, pay a little local tax, and file a general tax form every April. That makes sense, right?

Why do this? Because Revenue Canada has a long memory. If in five, or 10 or 15 years you want to return, or if you have a windfall, somebody somewhere is going to ask what you've lived on for all those years you didn't file. You'll have a lot of explaining to do and who wants that?

Just because you retire to Costa Rica doesn't mean you have to bank or do business here. Many of my friends continue to own businesses in Canada. My point is your particular solution may not be entirely black and white. There may be shades of gray: many half measures and options are available and may suit you. Look at them all. Keep an open mind. Be creative¬

Really doing it!

There is a common answer in Costa Rica for just about every question from expats, actually there are two: One is, it depends -- on who you are, what you want, how difficult it is to provide, what you're willing to pay, and what the market rate is. The second common response is, '...that will be an extra hundred colones!' Ticos are very self reliant and they expect you to be as well. Anything you can easily do yourself will run into a lot of money if you hire a Costa Rican to do it, because they sense intuitively that they're being exploited.

Bear in mind that rules are subject to interpretation. When asked by an immigration official at the airport in San Jose why I had so many entry visas in my passport, I merely replied I had a Tica girlfriend. He smiled and asked me to invite him to the wedding! There is a limit to the number of entries you can make over a calendar year but no one will enforce it except with trouble makers.

Alright, you're a stand-up Canadian citizen and you still want to do things right! That's fine, but remember that driver licences, cedulas, legal residency, banking, and shipping/receiving furniture through customs, importing vehicles, require time and money -- and mostly time - if you want to do them by the North American standard of what is right. It's not uncommon to spend days in line getting a Costa Rican drivers licence. Yet many do it just because they want to. Mad dogs and Englishmen go out in the noon day sun! There's no reason why you can't continue to drive with your Canadian driver's licence. Absolutely none¬

Civil versus common law

Legal is another term you need to redefine. Canada has common law, based on precedent. Costa Rica has civil law, based on legislation. This means that anything to do with government involves forms, stamps, seals, and the literal interpretation of some legislative act. So doing something right involves a lot of moves. Yet because civil law is so ponderous people have invented ingenious ways to circumvent it.

Costa Rica is a fairly pluralistic society. For generations, the descendants of black slaves who escaped from ships have lived on the beaches in the Caribbean region. Many don't have passports, or citizenship, title to their land, or even telephones. They're the descendants of homesteaders. There is also a population of indigenous people living in Bri Bri, near the Panama border. Same story.

How does the government deliver services to these people when they can't even prove who they are? They bend the rules. And here's the other important difference between Costa Rica and Canada. In our culture, the rules take precedence over the individual, and are unbendable. Here, it's the other way around.

Anyway, most of the so-called rules applying to foreigners living in Costa Rica are actually merely suggestions. There is always another way to do something. If you get caught offside for whatever reason it may cost you time and money, but no punitive measures are taken.

Though sometimes you can be just plain unlucky. A few years back, the police began setting up regular roadblocks on the popular San Jose to Sixaola bus route to the Caribbean coast, which tourists take to cross the border into Panama and renew their three-month visas. Some whose documents were not in order were detained. I was almost detained too, because the transito had misread the date on my visa, thinking it was expired. I had to point out that the visa was in fact valid until the following day!

Civil laws, or even the lack of them, can get you into trouble in a number of ways. One example is the case of a well-known gambling concession which operated out of the infamous Del Rey hotel in downtown San Jose. One day some representatives of the city showed up with a closure order. Turns out the concession - a sports book - was operating without a permit, even though permits for sports books do not exist. Why? Because sports books are illegal to operate as a place of business. That didn't stop them from flourishing. However there can be no legal permitting process for an illegal activity, so there can be no permit issued. But the mayor's office says you can't operate without one and who is going to argue with the mayor? It's a catch 22. It's also a unique illustration of Tico logic.

Here's another one I know of: Some tourists with a late model Range Rover were involved in a traffic accident. The police are legally entitled to impound the vehicle -- it's called inventorio -- until the incident is resolved. But after 90 days in the country any foreign vehicle is subject to a duty, up to 100% of the purchase price for late models. Cha ching! Ring the cash register, boys.

Finally, a cautionary tale from personal experience. One afternoon I was riding my motorcycle along the highway outside Limon when a 10 year old kid sprang out of the ditch like a jackrabbit and right into my path. I swerved, but my right brake handle struck his head and he went down unconscious. I stopped, went back, (I'm not the hit and run type!), talked to a small crowd which had gathered there. The police arrived and I took a breathalyser test and filled out an accident report, noting that the only question in English was '...do you have any assets in Costa Rica?" I wrote no. I had taken a much earlier precaution of registering all of my assets in Panama. Later, I filed a statement with a local lawyer, paid him $200 to get my motorcycle out of the police impound, and went home. The kid recovered after 10 days in hospital.

Several months later the police arrived at my address and asked me to accompany them to a legal office downtown. I was interviewed briefly by a lawyer there and told to sign a form, which I did. I didn't call lawyers, or ask questions (it was all inexplicable and probably pointless anyway), or complain, or lie, or try to flee. I just did what they told me and kept smiling. I haven't heard anything since, even though I was charged with driving sin prudencia, or recklessly. That was 10 years ago, and it's still on the books. They just forgot about it.

Need I repeat it? Keep it simple. Smile a lot, be patient and helpful, do what they tell you without complaint, and don't forget to say pura vida. If you want to own things and get involved in the local economy it's a good idea to have your assets registered to a Société Anonyme, or S.A. corporation. It limits your personal exposure and liability.

You'll go a long way on that advice¬

Wise guys

Most of you characters want to know how to make your money disappear from Canada without a trace. Whatever you choose to do, prepared to change it up in a few years to stay ahead of the guys in CRA’s compliance department.

As you probably know, the OECD has been putting a lot of pressure on tax shelters to make their dealings with the likes of us more transparent. In its efforts to 'play ball' to a certain extent with these jurisdictions, Revenue Canada, which is known for its carrot and stick approach to compliance, and decidedly unlike the IRS, which is all 'stick', signed a deal with Barbados about six years ago allowing Canadian nationals to incorporate businesses there and pay a local tax rate, which was cheap like borscht at 5%. Over time, you could repatriate the business and maintain the same tax rate. Very generous!

Even better was a Canadian owned trust, which could be registered by a Barbadian lawyer, allowing the trustee to remain anonymous.

But the government always keeps the edge, like a casino that has slightly better odds than the gambler. In 2009, a trust got nabbed selling hundreds of millions of dollars in securities from Barbados, which the principals or at least their nominees thought was exempt owing to the tax treaty. The Government of Canada however ascertained that the trustees were resident in Canada for tax purposes and therefore taxable, and the courts agreed.

I think this reveals a kind of a bait and switch strategy: Stampede everyone into a supposedly safe tax haven, and then change the rules, or re-interpret them, or dust off some old ones.

Actually I'm with CRA on this one. Trusts are supposed to hold passive investments, not going concerns. And it alarms me when I see corporate directors using them to shield their liquid assets from potential litigants, because they inevitably end up being used for tax avoidance. It’s called function creep. The taxman is never far behind these asset protection trends. I wouldn't advise players, someone with a couple of hundred million in assets for example, to use a trust now because I believe regulatory changes are in the wind.

And btw, in November 2011, Barbados signed tax treaty amendments which allow the CRA to tax residents of Canada who have interests in a company, partnership, trust, or other entity there. Costa Rica has also ratified a new banking transparency law with regard to Canadians. Panama too is changing its banking laws to comply with the OECD standards. However, a foundation in Panama remains a favorite instrument for asset protection. And the disposition of foundation assets are not deemed taxable by Panamanian authorities if the buyer is outside the country¬

Seek Safety

What I'm seeking is plain old safety, like the CPI indexed bank accounts offered in Chile. They're called UF (unidad de fomento) accounts. The monetary value of a UF in Chilean pesos is tied to the rate of inflation so its value remains constant, and earns a tiny fraction of interest as well. With inflation running a tick higher in Chile than Canada you might actually make money if you repatriate it. Not a bad place to park your money. Even better than gold at the moment, which I think is due for a correction. Yes, bank accounts in Chile are next to impossible for foreigners to get, but there are ways and means. All you really need is a RUT, or a tax number, and/or a national ID. Both are quite obtainable from various means. Far from impossible.

The minute you talk to a financial or tax expert about this you'll get two kinds of answers. You'll be told there are easier ways to park your money than going through some labour intensive process that involves traveling to a foreign land. My response is merely that managing your money wisely is a labour intensive task, and you shouldn't shirk it or delegate it to some stranger. The other is that there are easier ways to hedge against inflation and/or get exposure to other currencies. Yes there probably are, but they expose you to risk -- unscrupulous brokers, taxes, fees, government scrutiny, mismanagement, covetous ex-spouses, frivolous lawsuits. Need I go on?

Banking and finance in Latin America are based on personal relations and trust, kind of like it was in Canada before 9/11. If you go into it cold you'll be repulsed. Using a nominee or solictor will be expensive and time consuming. But get in the door and a world of services opens up: mortgages, credit cards, lines of credit. The rules per se are relegated to mere details. How do you get in the door? It depends...!

Transparency

Wise guys should bear in mind that legal residency in Costa Rica will make you easy to find. Individual privacy here isn't what it is back home. Once you have a cedula, or national ID card, just about anybody can get access to your personal information: ID number, address, name, photo, the works. That kind of information is just a bribe or two away for someone who really wants to locate you or your assets.

Economic Stats

GDP - real growth rate: 4% (2011 est.)

Inflation: 5.33% (2011 est.)

Labor force: 2.093 million

Unemployment rate: 6% (2011 est.)

Public debt: 44.5% of GDP (2011 est.)

Commercial bank prime lending rate: 16.5% (31 December 2011 est.)

Industrial production growth rate: 3.9% (2011 est.)

Exports - partners: US 33.6%, China 11.7%, Netherlands 11.7%, UK 11.5% (2010)

Imports - partners: US 40.1%, Mexico 6.6%, Japan 5.6%, China 5.3% (2010)

519.53 (2007)N.B. The current rate of inflation in Costa Rica is pegged at

(Source - CIA Country Reports)

Steady Eddy

Let's say you're a 55 year old truck driver who owns his house and has about $50,000 in an RRSP. Retirement is looming and it doesn't look pretty. Expect to pay at least a full third less to live in Costa Rica than Canada. Your assets now look 30 percent better. Let's look at your options.

By all means, spend a few months at the beach, Nosara and Samara on the Nicoya Peninsula are good, and when you get tired of the heat and incessant party scene you can come back to the central valley. Boost your income by renting your house back home and get yourself a little garden apartment here for $400 to $500 per month. Santo Domingo is nice, it's a small coffee growing town nestled in the mountains about six kilometers from the city. The temperature averages 68 degrees farenheit.

San Isidro is a little further afield and a little bigger, or you can live in one of the more remote communities like Barva which lie nestled in the cordillera that borders the central Valley to the south. If you like a warmer climate, cross over to Sarapiqui, on the vast plain that slopes down to the Caribbean Sea. It's just a few kilometers away!

Escazu on the northern side of the central valley, and about six kilometers to the west of the city, is gringo gulch, as is Santa Ana a little further along: Lots of good vibes here, but the cost of living is higher. I have a friend who rents a lovely ground level studio apartment in a gated community here for $300 per month but you`re not likely to find that from the get-go. Expect to pay $700 or more to set up your household. Food, utilities and services are also more expensive because Escazu is the high end of the country`s two-tiered economy. It`s designed and priced for those who can afford the semblance of life in a place like southern California, though it`s still much, much cheaper.

Back on the other side of the valley you can expect to pay about $400 for utilities and food, making your monthly nut about a thousand dollars, and coincidentally, the same monthly income required by the government for your pensioner status.

Another option if you like the warmer climes and don't mind being further from the city is Dominical on the south Pacific coast, now accessible by highway from the popular sports fishing mecca of Quepos and the adjoining Manuel Antonio Park. I particularly like the Diamante Valley which is largely undeveloped but widely populated with the more eco minded. Spectacularly beautiful, and you can live here for a pittance if you get connected with the local expat community, many of whom live in agrarian communities and run a kind of barter economy.

I've recently seen multi acre properties with dwelling, outbuildings, gardens and even a waterfall selling for $80,000 here. You might get a bit lonely, but it's a great option for someone who was raised on a farm. You can basically live this way forever, travelling to Panama or Nicaragua every three months to renew your tourist visa.

The cultural creative

You`re one of those grasshoppers who spent his or her life playing while the rest of us slaved away for 40 years. Or maybe you`ve had a financial disaster. Either way, you're broke. Yes, you can retire in Costa Rica too. Right now in fact! Flakes usually have a large set of marketable and/or transferrable - but somewhat vaguely defined - abilities. They also have very good social skills. Excellent! Make a list of those because you'll need them all. You're not retiring as much as starting a new life.

You'll need income. If you want to teach English as a profession you`ll need credentials. Register with www.language.ca and sign up for one of their free, TEFL one-week tutoring seminars which are usually offered in conjunction with a local university. Get a letter from your instructor to prove you took it. That`s all you really need to hang out a shingle as an English tutor. Even better, you can call yourself a specialist and charge more. You can make $10 to $25 per hour as a private tutor, or a couple of hundred a week working mornings. Modest, yes. But if you want Canadian wages you take Canadian government and cost of living. So choose already.

As I said before, governments aren't required to follow the rules they make. Strictly speaking you need a work permit but nobody objects to some humble tourist fulfilling a genuine need by giving English classes. You're not competing in the local job market.

Get rid of your debts by selling your possessions and declaring bankruptcy. It costs two grand and you get discharged in eight months. Go on welfare and tell them you're taking a teaching course and leaving the country. They'll be eager to help you. Why not? In a few months you'll be off the rolls and that's a feather in somebody's cap. Then follow through and leave.

You'll do really well down here if you have building skills. Plumbers, carpenters, welders, fix it or handy men are in high demand by those upper middle class retirees in Escazu, most of whom don't speak Spanish and distrust the local service sector. Hand out flyers, buy an ad in a local English newspaper (Ticotimes.net, amcostarica. com), network through those 100 or so social clubs I mentioned. You`ll do fine. You might even get rich! Costa Rica is a developers' paradise because there are no fixed commissions. Anyone can buy and sell and charge whatever they like. Its wide open.

Have any interesting hobbies? Painting, drawing, sculture? Excellent, you can sell your work on the street, or offer even get yourself a show somewhere. Practitioner of yoga, Qi Gong, meditation? Hang out a shingle and give classes.

Put on your thinking cap. You're bright and creative and unblocked. You'll come up with no end of bright ideas, I'm sure¬

Eco villages

The best option for low cost retirement in Costa Rica is one of the blossoming intentional communities,or what we called communes back in the ‘70s. For one thing you can grow your own food! I discovered this when I threw some compost out in the yard and had a seven foot high papaya tree in that exact spot 10 months later, with four harvests per year! Also attractive is the option to build your own cost efficient housing. One such establishment, EcoJoya in San Isidro de General, south of the central valley, (where many such projects are located!) is experimenting with earth-bag, bamboo, geodesic, bermed, cobb, and earth-brick dwellings. It wouldn`t bother me to live on a berm or in a tree. In fact I find the idea rather titillating.

For some reason Costa Rica attracts the environmentally-minded, and especially those progressive souls who are engaged in building the new society. I can't say why for sure but I have a few ideas. For one, Costa Rica has no army, having banned it through legislation back in the 1940s in favour of education. There's nothing for progressives not to like about that! Not surprisingly, the country has a kind of peaceful vibe you don't find among its neighbours and that acts as a sort of beacon I suppose, especially to war weary Americans and Colombians and Nicaraguans.

The other great thing is nobody will run you off your land, like they will in neighbouring Nicaragua or Panama, even if the title to it is rather, well let`s just say shaky. So is everyone else`s. There are many villages in development now, in various parts of the country. Most subscribe to a common set of values which place sustainability, environmental awareness, and self sufficiency at the top, and though isolated (I suppose you could call them outposts) they are linked globally with other kindred souls around the world.

My favourite person among this set is Jananda, a self-described rainbow Quaker from Missouri who is based in San Isidro de General, some hours south of San Jose. Jananda is a master of simplicity of living. While studying philosophy at Georgetown University he lived on $100 per month including rent and tuition! After many years as a communications consultant for Fortune 500 companies he became involved in promoting holistic retirement communities and health and healing.

Before I launch into all of that I should explain that these communities tend to fall into one of two loosely defined groups: Exclusive and non, and some that straddle both. For example, in Colombia there is a developing community I know of called The Jaguar Tribe, devoted to a Shamanistic philosophy tied in with cosmic energies and the like. These folks believe in the endtime prophecies derived from the Mayan Calendar and all that entails and unless you do too, it's unlikely you'll have much in common with them. In a similar vein, while traveling in San Pedro Sula in Honduras I met some nice young men at a shopping mall and when I asked what they were doing there one said, '...building the new society brother." I was quite silenced by that!

The majority of alternative communities in Costa Rica however are non secular and based on values and principles, not belief systems. In that respect they are inclusive because anyone likeminded - or even vaguely interested - is welcome to join the merry band.

There are a handful I'm prepared to recommend, and I want to write a little more about Jananda too, but first I want to encourage my more bourgeois readers to get involved with these people. Whether you're a merchant banker, or tradesman, or lawyer or politician, if you're ready for a change, and I suspect you are or you wouldn't be reading this, why not go all the way?

Look, you can dismiss the people building these outposts as dreamers, or just plain silly by your standards. And I suppose they are. But there's another side to the story. Take a look at your own life, the once you've always lived and are eager to change. That's so great? Haven't you had enough of schedules, appointments, planning, paying down bills and mortgages and car loans and shelling out $5 for a handful of strawberries at the supermarket? Fighting the traffic, waiting in line, dealing with bosses or managing employees, envious co-workers, nosy neighbours, in laws? Being a good parent and neighbour and employee and taxpayer and citizen? Look at the food you eat, laced with chemicals and hormones, the air you breathe, passed through a thousand internal combustion engines. How many people do you know with colon or stomach troubles, cancer, thyroid conditions, allergies, adrenal fatigue, seasonal adjusted disorder? That's the pay off for your lifetime of toil? That's the reward for manning up? The pot of gold at the end of your rainbow? Stress, toxic air and food, rules ...?

We live in a hurry up society. Hurry up and graduate, hurry up and get a career, hurry up and get a wife and kids and a house and a cottage. Hurry up and save and plan and get ahead. Hurry up and retire. Hurry up and die. When exactly did you sign up for that?

Screw it. And screw your banker and your accountant and your job and the government and the people living and dead who are running your life. Get yourself free.

A common mistake I've observed is the retiree who recreates an identical lifestyle here, with all the drama of it, in retirement. Many I know are stressed to the max, going flat out buying and selling property or building hotels or houses. That's not retirement. Your life isn't a soap opera. If you're going to change it up, then do so. Don't just rebuild the life you have now in a different place. But even in retirement you have to do something, right? You can't just sit on your duff. Well why don't you try something totally new? Learn some new skills while contributing your own to something worthwhile? Amend, adapt, adjust, change. That's what it's about.

Retirement isn't the end of your life, it's the beginning of a brand new one if you have the courage to embrace it. The Swedes have a saying about that, '... grab it by the balls and hope you get a good view!' My sentiments exactly.

I'll let Jananda have the last word on this. He says, "The last I've heard over 80% of people over 50 are taking two medications that are prescribed for the rest of their lives. And one survey showed that of the three top worries of (retiring) boomers, two were related to health. One is that they will outlive their assets because they are living longer than anyone expected; another is that they will outlive their health, and the third is that health costs will consume their assets."

Sobering words indeed!

So there`s the argument in favour of a communal, holistic livestyle. Back in the 1970s when I homesteaded with my hippie pals it was a lifestyle choice, a lark. Now, I believe it`s a matter of survival. Cut your stress to zero and eat organic or get sick.

And there's something else about those fruits, nuts, and flakes running around the forests of Costa Rica. They tend to be happy¬

Prices

Fifty grand will get you a lovely piece of property at an intentional community where you can build a house and garden and shmooze with your near (but not too near!) country neighbours. I`ve seen similar deals for a lot less.

That's the high end for a simple deal. I`ve also seen partnerships offered in the neighbourhood of $200,000 but those are fully developed retreats which double as going concerns, selling what I call yoga tourism packages. Typically these are 5, 10, or two-week accomodation packages which offer guided personal development or alternative health workshops.

I suggest you cover the waterfront. Visit as many communities as you can, (most charge a nominal nightly fee), and try to make yourself useful! I guarantee you'll discover one to your liking, and when you do you can make permanent plans. Yes, you need money to get involved, but not a lot. You'll find their terms a heck of a lot more reasonable than the Royal Bank. In fact they'll probably let you write your own ticket if they need your skills. Some even provide micro loans!

A good place to start is with my friend Kelly Patterson, manageress of the famous ICCR, or Intentional Communities of Costa Rica Association. A tireless promoter (she's in marketing!) Kelly is both friendly, outgoing (extremely!) and the best known party girl in Nosara, where she rents a huge house and welcomes guests. She's tied in with every community in Costa Rica.

Lately she's been involved in setting up a community bank for interest free micro loans, based on need. Sort of what they have in the EU, except with fewer zeros. In a larger context, Kelly and friends utilize what has been called 'crowd sourcing', or reaching out to the social media community to find information or things or resources you need.

If you're used to being cloistered in a surburban house, with a lawn to mow, and a car you drove solitarily to work every day, it will take time to get used to this! You're part of a large, extended family now, a fraternity. Frustrating at times, but economical, and you'll never be lonely¬

Where to live

A grab sample of eco villages would include B-Green in Tilaran, not far from the slumbering shadow of the Arenal Volcano; Durika Foundation at Buenos Aires in the Central Valley; EcoJoya in San Isidro de General; Gaiam One at Chimirol De Rivas, in Cartago, on the edge of the Turrialba Volcano; The Home Farm, at Las Tumbas, near San Isidro; La Florida, Baru; Osa Mountain Village, Osa; Pachamama, Nicoya; White Cloud Sanctuary, Santa Ana; and The Yoga Farm, Punta Blanco, south of Golfito.

Some of these such as Gaiam One and White Cloud Sanctuary are relatively close to San Jose. Others such as The Yoga Farm are well of the beaten path. In all cases you will need to subscribe to a common set of values and some customized, 'low environmental impact' building codes. If that's not for you there are other options.

Here's an example: Club Paso Fino is a former tourist ranch, or finca, located on a few hectares along the road between Piedades de Santana and Ciudad Colon, two tiny mountain hamlets about a 15 minute drive out of Escazu. When you arrive by plane to Juan Santamaria Airport you'll see two mountain ranges on either side of the Central Valley; Paso Fino is tucked in about halfway up the mountainside visible from the right side of the plane.

The place was built as a horse ranch by my friend Ralph, a former WWII army pilot who operated a small two-plane charter service ferrying Colombian tourists to Miami and back during the 1980s. Ralph is deceased, and the place is run by his widow Leonore, who has the lowdown on just about every discount property in the region. She is also open to building on her property, which is perched on the mountainside with a commanding view of the Central Valley and the mountains beyond, including the airport, the sugar cane fields to the northeast, and the western fringes of San Jose.

View of the Central Valley from Club Pasofino, between Piedades and Ciudad Colon, looking north

The mountain road from Escazu to Ciudad Colon is nicely forested and dotted with tiny bed and breakfast establishments. Property values here have increased dramatically in recent years. However, there are bargains a little further along.

Puriscal

The road from Ciudad Colon continues another 30 kilometers through folding hills to the farming town of Puriscal (pop: 30,000), located at 800 to 1,000 meters above sea level. There is a growing community of North American farmers living in the vicinity, and a bit of land rush going on. There is every likelihood that you'll find someone here interested in subdividing what they have, and the terms are likely to be very reasonable.

Once such I found quite easily was a sugar plantation on 86 acres, partly forested with tropical hardwoods and 3,000 feet of road frontage, about 10 kilometers from Puriscal. The price was $256,000. Great for a developer, but a little bit much for the hobby farmer.

Puriscal hasn't a decent road to the Pacific Coast, though it's not far as the crow flies. However, there is a seldom used backroad that winds through the wild and heavily-forested Talamanca mountains, where ocelots and quetzales are found in abundance, and over rushing rivers to the coast near Parrita, popular with rafting and sports fishing enthusiasts. Although passing through some of the most spectacular countryside in Costa Rica, I wouldn't advise driving it in the wet season without a 4X4. Enroute it passes through numerous tiny hamlets, including Santa Rosa, a favourite of mine.

Cantones and distritos

Costa Rica is divided into individual cantones, the equivalent of a county, further broken down into districts. Towns are often identified in association with the local district or even the canton: For example Piedades de Santa Ana; or in this case, Santiago de Puriscal. Towns which are the seat of the county are often called by the county's name for short, hence Puriscal for Santiago de Puriscal. It's confusing because you often don't know whether the name is in reference to a town, or the district, or the canton.

Names, even those of people, don't really mean much in Costa Rica. Most Ticos have at least four, plus a nickname (or two!).

Incidentally, don't be scared off by the unorthodox building methods commonly used by people here. In Canada you can't build an outhouse without getting buried in building codes, enforced by some overzealous inspector with nothing better to do on his day off than earn overtime by citing your shed for various infractions. What you will have to do is build with the community's values in mind¬

Residency

Want the full meal deal? Legal residency, status, maybe a Costa Rican passport? Okay, here's the lowdown.

There are five categories for legal residency - pensionado, rentista, inversionista, business resident or permanent. Here they are in a nutshell: As a pensionado, you need proof of USD$1,000 per month income (prior to 2009 it was $600) from a permanent pension or retirement fund. That includes your spouse and dependents under 25. You can't work or leave the country for more than two years but you can own a business. You`ll be given a national ID, or cedula, which you must renew biannually for $100, and that will involve standing in line all day at the Migracion in La Uruca, just outside downtown San Jose. However, there is a new appointment based system which seems to be working.

As a rentista, you have to prove monthly income of USD$ 2,500 in income guaranteed by a bank. The best way to do this is deposit a lump sum, your nest egg for example, with the Banco Nacional. Be careful if you ever have to draw the entire sum out though! One friend of mine who moved back to the U.S. for family reasons was issued a cheque for $9,000, when the actual sum was $90,000. Whoops!

You can also be an inversionista. This is the country's business immigrant program, which issues visas to those investing USD $200,000 or more. Buying a house should suffice. Stay clear of other options including the various, government-approved investment vehicles. They`ve been known to lose money.

One investment house I do like though is the Bolsa Nacional de Valores, located at Plaza Roble, next to the hugely popular Multiplaza in Santa Ana. Despite its name, the bolsa is a private organization run and majority-owned over the past 35 years by a Tico guy in his 90s. He still shows up for work every day and mostly sits in his office reading the newspaper. Or he used to, he may have passed away by now. The bolsa sells standard, risk-adverse investment products, mostly index funds linked to Brazil or Colombia or Chile. Walking in the door with two hundred grand in your pocket will solve a lot of problems.

N.B. There is no tax on capital gains in Costa Rica.

The other two options are being employed by a foreign company, and getting married to a citizen. Many opt for the latter , since it gives you permanent status and you can legally work. However, in all cases you`ll have to subscribe to the national health care system, known as the Caja.

How to do it.

I could bore you with a lot of details about that, but following a guide per se isn't the smart way to do it. You really need your boots on the ground, because once you get into the process you'll discover lots of hidden pools that are impossible to second guess from afar. Take my word for it!

Here is what I would do, and incidentally this is for the benefit of anyone who decides for whatever reason to do it themselves: Wise guy, steady eddie, or flake.

Get proof of your retirement or private income and fly to San Jose on one of the daily nonstops out of Toronto by Taca, Air Canada, and Copa. Get a cab from the airport to the Apartotel La Sabana, http://www.apartotel-lasabana.com/ which is where I billet my out of town guests. It has nice rooms, friendly staff, a complimentary breakfast which is really very good and a park next door. It's a quiet neighbourhood that is just far enough from the hoi poloi of downtown, but close to where you`ll need to go. The hotel is also walking distance to Casa Canada, which is the office of Costa Rica's excellent expat association. They're at Avenida 4 and Calle 40, literally across the park from the hotel and about two blocks east. The staff speak English and have brochures on everything you can imagine. If you're going to be a wuss and have someone do it all for you, these are the people to engage. They charge $1,200 to put your pensionado application through, plus costs¬

Banks

The first thing to get is an account at one of the handful of private banks in the country. Avoid ScotiaBank and Citibank. I like Banco Costa Rica, or BCR. You'll need two letters of reference from your bankers back home, passport, and a copy of a local utility bill. Of course if you're not a renter that will be impossible to get. Maybe you can borrow someone else's and say you're their roommate! A good option for the flake is to get yourself a job with ProLanguage in Zapote, a suburb of San Jose, giving English classes to businessmen. They'll give you the paperwork to open an account at their preferred bank so they can direct deposit your earnings. That will solve a lot of problems and you`ll also have immediate income. Don't worry about a work permit, giving classes is ok for tourists as long as you don't have a place of business.

However, there is a new wrinkle to this. A 2012 report by the U.S. State Department cited Costa Rica as a key center for money laundering. To bank after this July, foreigners must present the Foreign person Identification Document (DIMEX) which bears a 12 digit identification number encapsulating their immigration status. So if you're one of the country's 382,000 registered foreign nationals, your banking will be transparent to the authorities.

Can someone with a tourist visa still open a bank account? Or obtain a DIMEX card? It's too early to say how that will play out but I suspect you will, and the card will be a mere formality. It's not uncommon for the government here to issue decrees without really thinking them through first.

Moving money

Once you've got your account, you can make a series of bank transfers in low denominations from your Canadian chartered bank, or banks. And keep it quiet. You don't want the Royal or Scotia to get suspicious and withhold a 25% departure tax, and if they will if they figure out what you're up to. In fact, it makes sense to wire it someplace where you don't have an account and just pick up the cash. You can also bring up to USD$10,000 in cash on the plane. Or hire bondable couriers to do it for you.

When you've got enough to register with the government as a rentista, approximately $2,500 per month for a year, you're ready for the next step which is very simple. You ask your banker, whom you have befriended, or should have by now, to tell you what to do and follow their instructions to the letter. He or she might even do it for you if you ask nicely and offer some compensation.

Did I mention it's bad idea to bring a few chocolates for the tellers every time you visit the bank? ¬

Buying real estate

My initial fear on moving south was for my loved ones - siblings, nieces and nephews, everyone except in-laws. Would I ever see them again? Owning real estate is a real commitment to the country. But once I started talking about the move my relatives began warming to the idea, and after an initial period of shock they began making plans to visit: Christmas in Costa Rica. Sounds inviting, no?

Before I launch into my own personal war stories I want to start with some do's and don'ts, courtesy of Michael Hilsinger. Michael stems from Los Angeles but has lived in Costa Rica for many years and has developed an excellent reputation for sourcing properties. You can reach him at me\_n\_cr@yahoo.com, or call him at (506) 899.57320, in Costa Rica or 1 (323) 363.2764 in L.A.

The five don'ts of buying real estate

1. Don't try to negotiate a contract on your own unless you are an expert on Costa Rican law and contracts. You will need to have documentation that the seller actually owns the property and that is who you are dealing with. You will need to request information from the National Registro or better yet have your lawyer and real estate agent furnish you with this information.

2. Don't settle for the first thing you see and fall in love with. A large majority of first time buyers who purchase at the beach end up selling within the first two years and moving inland. Proximity to public services such as hospitals, doctors offices, car repair shops and shopping are all factors to consider. ( ...and if you do buy at the beach, make sure your deposit is refundable. - ed)

3. Don't listen to disgruntled "gringos" who have made the move south and now are miserable because they found out it's not "like home". Know what the cultural differences are and prepare yourself for them. You will meet all types of expats, most are happy and satisfied with their decision to relocate here. They are the ones who are immersed in their new culture and enjoying it. For every happy one you meet you will meet two unhappy ones. Avoid them.

4. That brings us to the 4th "don't". Don't expect Costa Rica to be like the home you just left. The culture and people and way of doing business here is different. Isn't that what attracted you here in the first place? Things are not done as efficiently as we are used to. Simple things can require a great deal of patience. Know what "Social Shock" is and prepare yourself for it. And, don't worry, you will settle in nicely.

5. Lastly, Don't assume that everyone knows what they are talking about. You will meet many people who presume to be experts on every subject relating to Costa Rica but in reality don't really know much or only their own experiences. That takes us back to item number 1 under the Do's heading. Do find a reputable agent and lawyer whom you can trust and rely on. Do your homework.

The five do's

1. Do consider spending time to find a reputable lawyer. Talk to people who have successfully purchased and can recommend a good attorney. The same goes for a real estate agent. Do your homework and find one that you trust and has references that you can check. Talk to their clients and get feedback.

2. Do consider using a North American title company for title insurance. It isn't 100% fail safe but worth the minimal cost considering the leg work they will do to research a title and proof of ownership.

3. Do spend your time investigating and exploring the country before you decide to purchase even if that means a few extra trips to the country to see all potential areas. There are many areas of Costa Rica to explore and consider and not possible to cover them all in one trip.

4. Do educate yourself on the area/market you decide to buy in. Learn what the current values are and what you can get for your money. Look at everything for sale that you can. You will soon recognize an overpriced listing and what is a deal. There really isn't a good MLS system in place yet (though some real estate professionals are trying to implement one) but most purchases are not public record yet or difficult to find.

5. Lastly, Do your homework. There is an abundance of information on the internet about purchasing real estate in Costa Rica. Most of the English language papers and web sites have special sections related to real estate and specific laws about foreigners living/retiring in Costa Rica.

Thank you Michael!

The easiest deal I`ve seen on the low end was a three bedroom condo in a suburb of San Jose for about $50 grand, with $3,000 down and the developer financing the rest. The rate of interest was usurious and that three grand wasn`t really a down payment at all, it was key money. It was basically a lease to own, structured in the developer`s favour. The mortgage payment was about $480 per month and in hindsight I probably should have taken it. What the hell, three grand and you're in the game.

Buying real estate differs in Costa Rica, partly due to the culture. Many sellers don't trust banks, and want to deal in cash. That's a pain!

Also, don't be fooled by the fact that the local real estate market has not sold off in the past 20 years. That's merely because vendors here are more patient than they are back home, happily waiting years or even decades for the market to catch up to their price of their listing. Yes, prices are sustained, but inventories build up to what would be untenable in North America.

Some people you should be wary of. One is the friendly president of the local Real Estate Association or Chamber of Commerce who promises to keep his eye out for what you want and snap it up before anyone else. All you have to do is give him the downpayment, $30,000 to $50,000, while you`re back in Canada packing or tending relatives. Do that and you can kiss it goodbye for the short term. He`ll use that money himself, and you`ll go to the bottom of the list or priorities. The money can be retrieved if you`re prepared to chase him for a couple of years.

If he does find your dream home it`s more likely to be some friend or associate`s white elephant. That happened to a friend of mine in Quepos. No matter how reputable someone looks, or appears to be, hope for the best and prepare for the worst. Rule of thumb.

The second is the local builder. The deal here is he needs $30,000 to $50,000 upfront to buy the materials for your house. Only he doesn`t spend it on materials, he pays down his debts from the last deal or acquires another property or house. He`ll tell you something came up and the down payment is now an advance against his wages and he still needs another $30,000 to $50,000 to start work.

Even if you pay it, don't expect miracles. It's more likely you'll be in for a long, drawn out process while he kites that money for his own purposes. That happened to a Tico friend of mine in Heredia who really should have known better.

The third involves your newly-acquired girlfriend who has a property with questionable title. I got involved in this one myself. She had a spectacular lot on the Caribbean coast, in fact it was the one of the last undeveloped parcels at Punta Uva, a tiny community about five or six kilometers from Puerto Viejo. A beautifully forested three acres about fifty meters from the high water mark, bought for $1,200 in 1985.

However, owing to Costa Rica`s homesteading laws her neighbour had began legally encroaching on it. He'd already built and sold two small bungalows, and she had to build fast to stave him off. That's where I came in. I would build to earn a percentage. I liked the idea of it. In hindsight I probably should have taken it. As it turned out, her ex boyfriend in Spain actually had title to the land. What she had was a building permit, ostensibly more valuable since the land was in the refugio, or within 200 meters of high tide. Permits are very hard to get for those properties, and the rule book for building on them is about 2,000 pages long.

Suffice to say, this deal didn't not appease my gringo sensibilities. But it wasn't a swindle. She just thought that with one person holding the title, another with the building permit, and a third doing the building we'd all be like one big happy. It was Tico logic! It just might have worked. But her lack of disclosure brought my Canadian sense of fair play to the fore and I bolted after making a small investment in the lumber.

Note: All beaches are public access, and building restrictions exist everywhere. A shoreline law protects land within 50 meters of the high tide mark. The next 150 meters beyond is restricted and permission to build must be obtained from local and state governments.

Finding Bargains

Look in the Tico Times, Costa Rica's flagship English language newspaper. You'll find lots of sales by owner, plus various deals and prices. AM Costa Rica is also a likely source of listings. Many such vendors are fond of what I call 'the unorthodox deal'. Assuming payments, buying the shares of a Costa Rican company that holds the title, etc. Many of them are quite creative. Beware of developers offering low down payments though, they may be the type that fold their tents overnight and disappear. You can also travel through the country's regions and keep an eye out for sales advertised in flyers and local internet cafes.

Title

Costa Rica has a very safe form of title registration which protects you from hidden claims. The fully computerized land registry records both the title documents and the survey plates. To be valid, changes in the status of the title or any claim affecting it must be on the title registry page. Private ownership of land is protected by the country's laws and constitution, and foreigners enjoy the same rights as citizens. Typical broker fees are five to 10 percent, plus legal costs. If you become a landlord you'll have to file a tax return. A good book on the subject is Purchasing Real Estate in Costa Rica, by Alvaro Carballo-Pinto.

Finding a realtor or broker

It's suggested time and again to find a reliable broker, but where do you find such a creature? You can check with the Canadian Chamber of Commerce, or the Costa Rica Chamber of Real Estate Brokers, or any number of local sources. A better question though is what to ask a prospective agent:

Is he fluent in English?

Does he answer your questions in full?

Is he willing to guide your search?

Is he willing to give a complete breakdown of costs including his fees?

Does he want a fee for showing you properties? This may be justified in some cases.

A common scenario is the friendly gringo you meet at McDonalds who says he's looking at properties too and invites you to join him. He's really an agent, but doesn't want to spend money fetching you about. Fair enough.

Hint

Take your pocket calculator along. Properties are measured in square meters, not feet¬

Miscellaneous

Local food is called comida tipica in Spanish. The national diet is rice and beans, which mixed together becomes gallo pinto. A typical midday meal is a casada, which is Spanish for 'marriage'. That's gallo pinto plus a bit of salad, some pounded and lightly fried plantain called patacon, and meat or fish plus fresh fruit juice. Other popular dishes are a kind of brothy stew with a joint of beef, whole corn and yucca, and other vegetables, called cazuelo.

Coffee

I drank Volio for years and only recently switched to a brand called 1820, named for the year of independence from the Spanish. Costa Rican coffee is roasted better than any in the world, including Colombia, and has a sweeter flavour and aroma to it. Britta seems to be the most heavily advertised brand but I prefer the other two. You be the judge. There is also a kind of clear, sugarcane rum made locally called Aguadiente that is very popular.

Moving

You can ship your house hold items by ship container. Just remember you need to catalogue everything because customs in Costa Rica will need a record of every item shipped before they can release it. The whole process will take about six weeks and cost about $6,000.

Neighbours

Nicaragua and Panama are popular destinations in their own right. Bocas del Toro, a group of islands near Costa Rica's Caribbean border, is a diver's paradise. Red Frog Beach on the island of Bastimentos, a ferry ride from Bocas town, is idyllic. Talk to the dive shop in Bocas and see if they'll run you out to one of the uninhabited coral islands while the divers are doing their thing. There is one such about ten minutes away which has about 10 acres of pristine jungle, and a sandbar that fades out into the emerald waters that is great for swimming.

One of my favourite destinations in Nicaragua is Marsella Beach a 20 minute drive over rough roads from the border town of San Juan del Sur . Granada a little further along is a spectacular colonial city situated right on the lake, with the impressive Mombacho volcano behind it. The islands in Lake Nicaragua such as Ometepe on the Pacific side, and Solentiname to the south, are also well worth a visit. Any destination along the Rio San Juan which feeds into Lake Nicaragua is good, and the marshlands at the entrance to the river, accessible from Los Chiles on the Costa Rican side, are a naturalist's dream. You'll see flamingos, crocs, monkeys, and numerous species of birds there¬

Appendix

Kevin Barker’s POSTCARD

Published in The Independent Times

1. Weather

BRIBRI, COSTA RICA – No matter what you hear, gringos cannot fully adjust to the climate here in the center of the Americas. It’s not that it’s too hot or too cold or even too sunny. It’s because they just never know what it’s going to do or where.

Take Bribri for instance. That’s a dusty border town 35 minutes from Panama, and the only place in Costa Rica with a large indigenous population. It has a Fuerza Publica (police station), and a diner – or Soda in the Tico vernacular - with a life-sized painting of a famous Indian chief painted outside. Nobody knows who he was, or even if he was ever anyone at all, and I have always suspected the image sprang not from a local imagination but from a passing tourist; a German caricaturist perhaps, who once glimpsed a drug store Indian and forever assumed it is what they really look like.

The figure is far too tall and wears the essential eagle feather of the Plains Indian in his headband. I have never seen such a creature in the flesh but then I’m not a reliable source, having met very few indigenous people here. Just an old man in Puerto Viejo who wandered into a beachside restaurant this morning to chat with my Swiss host and I over breakfast. We talked about what the Indians eat, including sloth, which is called kookulau, and then he disappeared forever. As he left, however, I made a mental note that he was unfeathered, as it were, and rather short to boot.

The point is this: Every PT, or perpetual tourist, a category which includes myself, residing on the Caribbean side of the country must pass through Bribri every three months to renew one’s tourist visa at the border. You see we are only permitted three months in Costa Rica, after which time we must flee the country for three days. (The number three holds some mystical significance for Costa Rican legislators but no one has figured out why. Happily, no limit currently exists on the number of times one may return - it’s been 12 and counting for me, 25 for an acquaintance of mine, a young Californian who even operates a business with Costa Rican employees. But nobody ever worries about these legal nuances until they’re hauled in front of someone official, and even then a lot of smiling and patience usually resolves it. I suppose we’ll all be kicked out with the stroke of a pen someday).

But the real point is finally this: The weather in Bribri is different from that of the border station, or even the Caribbean shore a scant five kilometers away. And that will be different again from the fens and canals of Tortuguero two hour’s to the northwest. And if the differing climates of its neighboring locales aren’t enough to confuse a gringo, Costa Rica has myriad seasons. Yes, in the middle of the summer monsoons, San Jose’s Central Valley, with its cordillera, its fields of sugar cane, its misty coffee plantations hugging the hobbit-like knolls of the wondrous highlands, experiences an Indian summer. Two weeks of cool temperatures and clear skies, then back to the giddy rain storms. Ditto for the Caribbean port city of Limon which gets an even four weeks of sunshine every October and rain throughout the rest of the year.

At least that is what I am told. You see, I never experience these seasons personally. A cab driver told me about the Indian Summer as I was fleeing the rains last June. They were right around the corner, he said.

“Really“, I said, feeling slightly less credulous than usual. “But I was here last year in June and it rained throughout”.

Last year was different.,” he added.

I think it’s too coincidental that each time a climactic phenomenom occurs I happen to be elsewhere and must rely on local briefings to know it happened at all. This has fueled a larger credibility gap around the whole subject of weather in Costa Rica. To my friend Antonio Jose, a Spaniard who operates a B&B at my favourite beach, the weather is forever ‘improving”. At least it is when I phone him for the forecast. By the time I arrive, it has invariably suffered a relapse.

Antonio’s guile, as charming as it is, forms the mere tip of the iceberg. Costa Ricans always have some lame excuse for uncharacteristic weather; or, if the weather is characteristic and not to your liking, they will call it anomalous. This sort of prevarication is becoming institutionalized by the ‘micro climate’ nonsense perpetuated by the rationalist gringos (I must admit that we foreigners are part of the conspiracy, forever inventing lame but logically airtight excuses for the incongruities of life in the Latin world). Weather scientists have concluded from prevailing tides and winds and whatnot that Costa Rica has a unique set of localized 'micro climates'. I always thought this was pure fiction, like those extreme theories in astro physics. Even if true, it merely means a slim possibility exists that the sun may be shining a scant distance up the beach from where it's currently raining. The merest anecdotal evidence will of course support that as fact, but who cares? The information will never help you plan your beach picnic.

Handling foreign visitors becomes difficult because you cannot make them understand the tropics are not perpetual splendor. A Toronto friend wanted to bring her mother down last spring; but was uninterested in the whole subject. ‘Where would you like to go, “ I asked over the phone. “The Caribbean,” she said. “We just want a week of sun.”

“But’s the whole point,” I longed to say. “You simply cannot have the Caribbean and a week of sun guaranteed….you have to arrive, scope for some place where it isn’t raining, and go there. It may not be the Caribbean. It may be the Pacific coast. And you must find a reliable source, once more…”

“No problem,” I said, adding as an afterthought:: “Have I told you about our micro climates here?”

And so it goes ...

2. Love

Nestled within that vast cordillera which defines the east and west of Central America lies a charming little town called San Antonio de Escazu. Everyone in Costa Rica knows it. Only a select few know what lies along a precipitious dirt road behind. There, in the third of five humble row houses edging a ravine, is where I can be found.

Or rather, it's where I live with Susan - a tall, rather prepossessing redhead of a roommate with the regal demeanour of a Romanov.

For a time we had two Susans here, the latter an accomplished fabric artist who blew in from the States over Christmas. Susan had spent some months last year in Guanacaste where she dated a young Tico named Jose. But as frequently occurs in the minds of transplanted gringos, she suffered the impression that she was better off in the States. After making the rounds of her grown children's lives last summer, and even accepting an administration job in New Jersey, she decided she wasn't and so took flight to San Jose.

The three of us - with children raised, spouses gone, and the greatest challenges (we thought!) behind us - spent Christmas week socializing and having a wonderful time, all the while a teeny bit curious about what was going to happen next. I grew accustomed to Susan's steamer trunks in the hall; our tiny rowhouse was alive with the brilliant hues of her abstract paintings and garments, all expertly dyed and hung with care on any household item that would sustain them. Then as quickly as she arrived she blew out again, having found suitable digs elsewhere. I rather missed her.

That is, until four weeks later when a semi hysterical Costa Rican woman called at 4:00 a.m. asking for Susan. 'Yes, this is she,' said the Countess, and triggered a stream of invective, the gist of which was, 'I'm Jose's pregnant wife, I've just learned he's been sleeping with someone named Susan, and I want revenge'. Then the caller hung up.

Startled by this obvious case of mistaken identity, we apprised Susan and asked what to do. She suggested calling Jose's sister (Jose didn't have a phone and neither did Susan. It can take up to eight years to get one installed). So we did. Jose had no wife, she assured us. Then she too hung up. This was grounds for thought. Perhaps he had a secret wife? Perhaps his sister was protecting them? Perhaps his sister is his wife?

Then I forgot all about it until last week. ''What's the latest with the Jose issue?', I asked Susan when she got in from a shopping trip.

'That woman called again last night. I told her she should stop or I'll call the police, but...'

But what?' I asked.

'Well, there is that other Jose... .'

'What other Jose?'

'I told you about him...the guy I was dating for awhile.'

'You dated somebody named Jose?'

Susan looked up from her groceries. 'Four years ago.'

'Is he married?' I asked.

'I don't think so...'

'You don't know?'

'Well, no.' Susan's face was a study. For all her mischief I knew that cuckolding a pregnant wife - even unknowingly - wasn't her tasse de the. It had now been dragged into the realm of possibility. Moreover, the Jose saga was beginning to take on the dimensions of a Feydeau farce, complete with mistaken identities and ringing telephones. The baby of the household (at 48!), I rather thought I should be at the center of it all. I was far from the middle of this little tornado. A jealous husband is one thing, but this was somebody's jealous wife. Who knows about that? All I knew is we now had two Susans and two Joses and endless possibilities.

And the mystery calls continued, including one from a rather tentative young man who also wanted to talk with Susan. I fielded that one, dragging a name out of him before he hung up: It was Miguel. Too bad it wasn't Jose, I thought.

The next day came another such call with a similar trembling voice; this time it was somebody named Jose, and he left a number where he could be reached. 'That's a coincidence,' I mused as I hung up. 'Now we've got three Jose's, two Susans and one Miguel.' The plot was thickening.

\*\*\*

When Susan got from her teaching job last night I met her at the door. ''What about Jose?' I asked expectantly.

'Oh that...' she replied. He's a cab driver'.

'He's a what?'

'Yup. I called him today. He said Susan got his number last Christmas and calls him sometimes for rides. His wife got her name and my phone number from his voice mail.'

'So...?'

'So I told him to tell his wife she had the wrong Susan and never to call again'.

\*\*\*

Later we toasted our adventure our adventure at Cerro's Bar, a little pizza joint in the center of the dusty street in our little hamlet of San Antonio. It's run by an Italian named (inexplicably) Pierre. It has perpetual festive lighting hanging from the roof and alfresco dining surrounded by bamboo that looks faux but isn't. I didn't share my growing belief that there weren't three or two Jose's or even one; just some philanderer named Miguel.

But I was suddenly curious about Pierre....

3. Neighbours

I've just returned from another whirlwind trip to neighbouring Nicaragua, where I spent three days marvelling at wondrous things. My host was tour guide Larry, who wisked me around in his 4X4 sussing out undervalued properties on the rapidly developing Pacific coastline.

Larry is a study for anyone pondering just who exactly ends up making their home here in the centre of the americas. He left his hometown in California at age 18 for a brief vacation in Costa Rica and returned just long enough to sell his few sticks of furniture and pack a slightly larger bag. He's been here ever since.

Well, not quite. A little under two years ago he make a permanent move to Granada, located on the lapping shores of Lake Nicaragua, citing overpopulation and northamericanization as the principal reasons for leaving Costa Rica. He doesn't own credit cards or even his own home, but through an extraordinary piece of luck and opportunism, has become property rich in the past month. The property in question is a glittering stretch of sandy waterfront called Playa Maria, complete with river and estuary, and a high-bank point covered with recently solidified lava flow. The huge, eroding lava boulders on the beach below are home to countless species of birds, bugs, and crustaceans.

All in all, I'd have to say it's the sort of paradise that everyone begins to rave about right after the developers arrive, carpetbags in hand. Actually the developers are already there in smallish numbers: Playa Maria is flanked by a large Italian resort district to the south, and a smaller but no less professional development (owned in part and promoted by Bill Bonner of International Living fame) to the north. The whole beach, comprising at least 8 kilometers of waterfront, is about an hour's drive southwest of Granada and 40 minutes to the west.

Larry got his mitts on Playa Maria thanks to his fluent Spanish and good ole initiative. The 90 odd hectares (ostensibly slated for approx 350 lots measuring just over 1,400 square meters each) were requisitoned by the state after Nicaragua's 1979 Marxist revolution and handed over to a farmer's collective. The prospect of rounding up all the players and striking a deal was just too daunting to the average foreigner. Indeed, Larry spent the better part of two years tearing his hair out over the project, constantly shuttling back and forth among the owners and land registry office to collect signatures and paperwork.

Now that the deal is fait accompli, he has the equally daunting task of dreaming up the concept for his beach resort and all the surveying and drafting and rendering that goes along with it. I confess to having a preference for the lands of his Italian neighbour to the south, whose European taste is reflected in the prodigious landscaping and newly-created boulevards carved among the properties which fade back from the beach into the hills behind. Some of these lots have been sold but the project is really still in its early stages, with the basic infrastructure going in. I'm fascinated by the pockmarked sheets of hardened lava that fan out from the shore about 100 meters or so, before dropping off into deep water. The wildlife here is prodigious, both offshore and within the estuaries and small marshes that abound from the runoff of fresh rainwater.

It's fascinating seeing these projects develop from the ground up. What is evolving will someday be a full fledged tourist district, with its own airport, golf courses, energy supply and fresh water: Completely self sufficient.

I suppose that's what the Sandanistas had in mind when they carved it up for farm collectives; self sufficiency and collective effort. And in a way, their dream is coming to fruitiion, though from a decidedly capitalist perspective. The landowners here are nothing if not cooperative. Someone recently came up with a location for an airstrip and everyone else cheerfully agreed to contribute a percentage of the financing. The same goes for road widenings and clearing, and other initiatives that will ultimately benefit everyone as a whole.

Of course there are other gringos here with other more socially relevant ideas for land reform. Some of them are wealthy, and altruistic, and committed to building schools and community centres and not for profit businesses. But I wonder if the most galvanizing force of all will prove to be the old profit motive. I have to admit that Larry and his neighbours have made astonishing progress. Yet in the end, they may have created the sort of thing they came to escape.

Larry, for one, lives in a slightly renovated colonial home mere blocks from Granada's parque centrale. It has high lofted ceilings, an open courtyard in the middle, and no airconditioning, which seems to be the way he likes it.

Would you want to live in one of those places,? I asked as we passed a gleaming split level, neo colonial, surburban home with a swimming pool and sunglassed gringo beside it.

Well, I'm certainly going to build 'em', he admitted cautiously. 'But no - they're for other people.'

'Nuff said.

4. Seasons

It's fall here in the Centre of the Americas, or at least the calendar says so. I still haven't cottoned onto the changing seasons. They're so subtle.The difference between fall and winter is merely a few inches of rainfall. Who knows about that? Spring at least is unmistakeable. March comes in like the proverbial lion, with roaring winds and rain.

In any case, the formerly reliable weather patterns have shifted. In the not so distant past, the rainy season meant non stop monsoons. Now we get afternoon or evening rain, and sun (usually) in the morning. if anything, El Nino or global warming or whatever one chooses to call the catalyst for weather change has smoothed the seaons out.

The people at least remain consistent. There is something of the 50s about Costa Rica, particularly in the capital city of San Jose. Artists, which is to say the painters and sculptors and writers and performers, still coagulate in what could be roughly called San Jose's bohemian district, more properly named San Pedro. Technology and real estate prices have dispersed artists in the English speaking world so widely that they no longer define the Bloomburys, the Algonquins, the Sohos of the world simply by gathering in them. Now we have Internet salons, user groups, Web clubs, and the like. It's all an invisible cyber scene now, intangible.

San Jose still has its bohemian neighbourhoods, or barrios, outside of San Pedro where the sprawling University of Costa Rica is located. In San Jose proper are micro neighbourhoods like Soledad and Barrio Amon and others equipped with the essential bohemian mix of bus stations, cheap digs, brothels, tourist hotels and even buddhist meditation centres. Someday these areas will be high rent yuppie districts but for now they're crammed with interesting people from interesting places.

San Jose has always had an arts scene which belies its size. This stems no doubt from the fact that it has been army-less since the 1940s. Nicaraguans, Colombians, Argentinians, Chileans, Venezuelans, and other residents of warring nations tend to flock here in violent times for that very reason. Moreover, the city is more or less midway from the vast but unstable continent south of the Panama Canal to North America.

Best of all, the city has countless venues large and small for almost any type of artistic endeavour and a very healthy approach to arts funding, plus an excellent network of schools. Many of these double as venues, such as the Antigua Fabrica Nacionale de Licores (National Liquor Factory) right next to the bullet riddled National Museum. It once housed the country's now defunct army but now comprises a nexus of performance and exhibition spaces plus the National Ballet School. Boy, talk about pounding swords into plowshares. Ai guila! Indeed, many of the old or unusued federal buildings in the downtown have been givern over to arts groups or educational institutions.

The Antigua has a very nice outdoor or pura aire theatre where I saw a showcase of up and coming film artists last spring. The pieces presented were quite forgettable, with the exception of two: The first of these was a series of 'man on the street' interviews with passers-by, none of whom could describe the directions to nearby landmarks. The other, funnier piece was a short send-up of Que Locura, a Spanish version of Allen Funt's gag TV show from the 60s. Actually, Que Locura is pretty funny in its own right, and goes considerably further with the gags than Funt ever did. But then this is Latin America, where everything is just the teeniest bit more extreme.

To say the least...

5. Work

The Centre of the Americas has always attracted the misfits among us. No one can explain why. Perhaps it’s because those who are unaccepted at home are welcomed here as nowhere else in Latin America. We gringos usually travel within a cordon sanitaire outside the local culture. However, the sight of tourists mixing freely with the locals is a common sight in the bars and restaurants of Escazu and the countless other pueblos in the Central Valley outside San Jose.

Many are retirees or pensionados, those with independent means who wish to live out their final days in peace and tropical splendour. There are also the brigands among us, confidence men and drifters and those who are not above arbitrating their business disputes over a dumpster in a back alley. The sight of motorcycle gang colours on the back of a Harley rider on the Pista is not uncommon.

Still others are here on business, or looking for it. Being one who likes to try everything, (and admittedly lacking means) I decided to initiate a joint venture with a Tico partner. Tourists are not permitted to work, although a loophole exists in the tax legislation which permits foreigners to conduct business. So I dutifully filed a form called a D-140 at the the central Banco Nacional and hung out a shingle.

The first nibble came from an entrepreneur I met at a local Internet cafe. Warren (not his real name), said he needed a marketing director to boost his sales in Central America. I found him a diminuative, softspoken gentleman with a beguiling sense of humour and an overbite that is only visible when he smiles, which is often. It had the effect of making him look like Milton Berle enjoying one of his own jokes. Sensing fun as well as adventure, I signed up for the job...which paid expenses plus $1,000 per country visited. Ah, free travel! I pictured my steamer trunks stickered with the flags of El Salvador, Panama, Honduras, Guatemala, and other places hitherto unexplored. In true gringo fashion, I began making plans.

I rather liked Warren at first. He had a philosophical bent, which didn't follow any particular logic that I was aware of. He would expound on it while we drove around town, and punctuate it with baffling non sequiturs. Once, in the middle of a yarn about a lucrative contract he once had with Costa Rica's publicly-owned telephone utility (ICE), he turned to look out the window, a faraway look in his eyes, and declared, almost wistfully, 'Yes. I crushed the eggs of ICE'. He wouldn't explain the comment, but I knew Warren's father had been a farmer somewhere in the remote campos of Guanacaste, so I just assumed it was some agriculture metaphor.

His charm quickly wore off, and It wasn't long before I was tearing my hair out. Warren, and in fact many Costa Ricans I subsequently learned, are fond of making tangible, realistic plans to do things which they will never do. They are not fond of what we in North America call 'the follow up'. They just like to talk about it. I had arrived at a culture gap as wide as the Grand Canyon. As time went by, our hastily conceived viaje through Central America failed to materialize, although I dutifully sent detailed instructions for a press conference to all his distributors and even developed a regional marketing strategy for them to follow. Some had actually scheduled product demonstrations and invited local media in advance of our arrival.

After an even six weeks spent squiring Warren around the offices of prospective clients in San Jose, I finally buttonholed him about the trip. Yes, we were definitely going, he assured me. He had the tickets. All we needed to do was get on the plane to El Salvador. But as the appointed hour of our departure loomed closer, Warren found more and more things to do. Errands, sales calls, this or that client whom he needed to close before hand. Finally, an hour before our scheduled departure, he called to say the flights to El Salvador (our first stop!) were all booked. Would I be willing to take the bus, he asked? I said I'd rather stick needles in my eyes. In the end, I reluctantly agreed to bus it to Nicaragua and fly from there.

Anyway, I knew we'd never get on the bus. True to form, he called the following day to say he just needed another afternoon to close a particular deal. It was a big order, he assured me, and he was thisclose to it. So I agreed we should put the trip off, told him to stay in touch, and hung up the phone. I never saw him again.

Shortly after, I learned from the grapevine he'd been spotted squiring another gringo around town, an Italian this time. And some weeks after that, I heard he was in El Salvador.

With my marketing plan¬