



## LEGAL COOPERATIVE FRAMEWORK ANALYSIS

### Within the ICA-EU Alliance

#### KEY HIGHLIGHTS FOR COSTA RICA

This one-pager aims to provide a brief overview of the most notable features of Costa Rica's national cooperative legal framework, based on the work of the national legal expert.

The first Costa Rican cooperative regulation dates back to 1943; when the first Labor Code was enacted, a regulation was included (Art. 262) which declared cooperatives "as one of the most effective means of contributing to the sustainability and development of popular culture and Costa Rican democracy. This legal definition would later be replicated in the Political Constitution enacted in 1949 with the following regulation: "Political Constitution of the Republic of Costa Rica Article 64.-. The State will encourage the creation of cooperatives as a means to improve the living conditions of workers..."

**Cooperative Friendliness:** In Costa Rica there are no specific legal barriers or obstacles for the development of cooperatives, on the contrary, public policies and legislation in general are inclined toward the development of these associations. However, the Cooperative Associations Law requires comprehensive reform in order to adjust it to the reality currently brought forward by the cooperative movement.

**Key Recommendations for Improvement:** It is important to ensure that in the cooperative legislation and in the rest of the positive order of the country, the cooperative act is recognized, with its fundamental characteristics and that the actualization of the Law on Cooperative Associations should be derived from it.

**Conclusions:** Like in several Latin American countries, there has been discussion in Costa Rica about the relevance of taxing cooperatives, the issue should not be considered as resolved, legislators from new political generations do not have the same vision about the cooperative movement as their predecessors.

