



Puerto Rico: Getting the Acts Together

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Advantage Insurance

Disclaimer

- No tax advice given here
- Information purposes only
- Not an offer to sell any insurance product or service

Puerto Rico is a special place

- Inside U.S. Law



- Outside Federal Tax



Puerto Rico has Best-in-Class Regulation

- Banking



- Insurance



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Puerto Rico Special Status Enables the Acts

- Act 20: Export Services
- Act 22: Individual Investors
- Act 74: Tourism Development
- Act 83: Renewable Energy
- Act 185: Private Equity Funds
- Act 273: International Financial Services
- Act 399: International Insurance

The Acts Work Better Together

- People hold Act 22 Grants
- Act 22 → 0% Tax on Puerto Rico investment income
- Companies hold Grants: 20 / 185 / 273 / 399 etc.
- Companies generate Puerto Rico investment income

What is the Result?

***“Puerto Rico’s incentive programs offer
the lowest combined
personal and business tax rate
possible for United States taxpayers”***

What about my “foreign” shareholders?

Moving your company to Puerto Rico can benefit shareholders everywhere, but keep in mind:

1. **CFC** or “Controlled Foreign Corporation” tax
2. **PFIC** or “Passive Foreign Investment Company” tax
3. **BEPS** or “Base Erosion and Profit Shifting” taxes

What's the Catch?

Incentive programs need to create jobs in Puerto Rico:

- ✓ Companies have to set up operations
- ✓ People must establish bona fide residence
- **Warning:** don't try to fake it!



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Who Can Help?

Information about Puerto Rico is readily available:

- Law firms – with local Puerto Rico experts
- Accounting firms – local branches of majors, others
- Consultants – local specialists
- Puerto Rico government – DDEC, PRIDCO etc.
- Industry Associations: PRIIA and PRIBA

Should I Make the Move?

Advantage Insurance Example

Advantage
Insurance

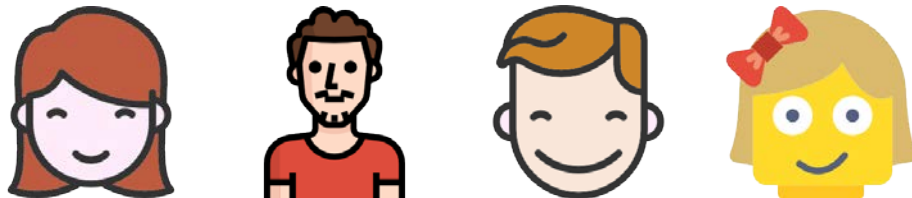
ACT 399

Advantage
Bank

ACT 273

Advantage Insurance Services LLC

ACT 20



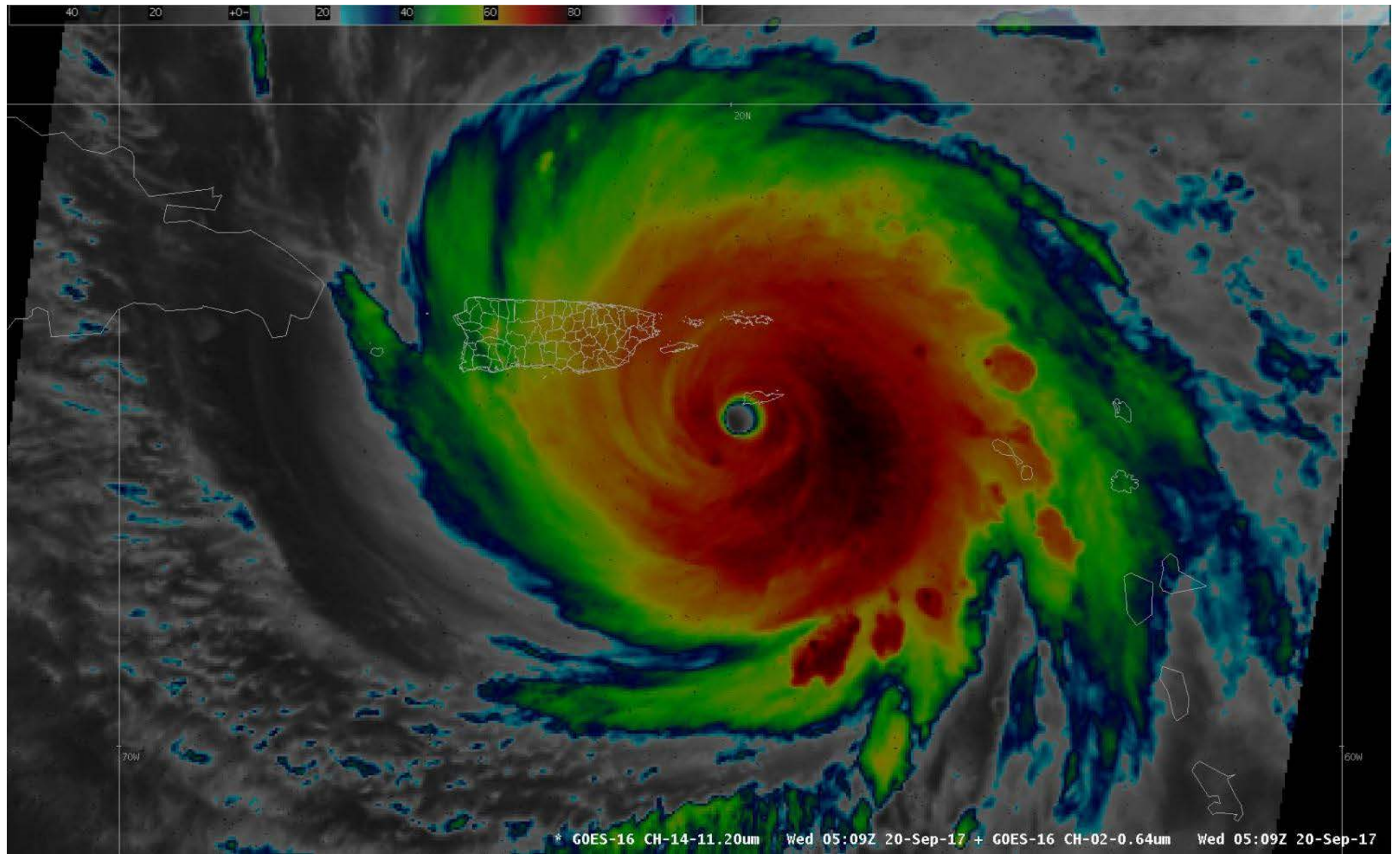
ACT 22

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Advantage Insurance's Puerto Rico Timeline:

- 1993: Company founded outside of United States
- 2001: Expanded to United States
- 2009: Licensed in Puerto Rico (no employees)
- 2014: Initial review of Puerto Rico's incentive plans
- 2015: Hired first Puerto Rico employee
- 2016: Relocated Headquarters to Puerto Rico
- 2017: 26 PR Employees, filed IPO

September 20, 2017:



September 25, 2017:



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