



Innovation & Entrepreneurship



An **emerging tech hub**, attracting pioneers and innovators in cutting-edge sectors like **AI, blockchain fintech, and others**



Tax incentives for entrepreneurs, investors, and service/product exporters from 0% to 4% as well as up to 50% back in tax credits for R&D expenditures



\$200M raised in commitments to private equity and **venture capital** between 2015 and 2019



1 in Latin America in capacity for innovation and the **highest rate of digital tools by companies**



Start-up program **parallel18** has helped over **200 start-ups** raise more than **\$95M** in just over four years, attracting entrepreneurs from around the world



More than 15,000 people have participated in entrepreneurship initiatives led or backed by the **PRSTRT**

An emerging entrepreneurial paradise

Puerto Rico's unique combination of start-up incubators, incentives, shared co-working spaces, and vibrant quality of life, has made it a global hub for entrepreneurs. All U.S. citizens can work remotely on the Island's beaches for as long as they want — no need for work visas or waivers.

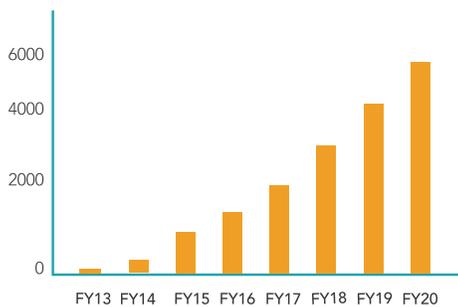
The Island's recent crises have created a new generation of entrepreneurs that are resilient, tech-savvy, and globally minded. Along with newcomers to the Island attracted by incentives and quality of life, a start-up ecosystem has evolved around co-working spaces, accelerators, and other initiatives that support entrepreneurs, many led by the government-backed Puerto Rico Science, Technology, & Research Trust (PRSTRT).

This is a tropical paradise with abundant resources to stay ever connected to global business partners. With public Wi-Fi in Old San Juan, 5G rolled out across the Island, and shared workspaces that encourage productivity, creativity, and growth, Puerto Rico is the perfect place to start your business. With competitive incentives geared toward service exporters and individual investors, Puerto Rico combines a business-friendly landscape with a high quality of place and a low cost of living.

A globally connected culture powered by top industry networks

Join the wave of entrepreneurs discovering the advantages of Puerto Rico

In recent years, entrepreneurs have flocked to Puerto Rico



* Total export service and individual investor incentives granted
Source: DEDC, Estudios Técnicos



90% of export service and individual investor decree holding companies are in **knowledge service industries, including IT, consulting, and finance**

These companies have created over **36,000** direct, indirect, and induced-jobs on Island



These firms contribute over **\$595M** in annual payroll on the Island

Transformational Entrepreneurship (Support organizations)

- Access to Capital
- Innovation
- Start-up
- Angel Investors
- Existing Business
- Growth



*For illustration purposes only. This is not exhaustive.

"Puerto Rico a beautiful place to base a company. It's positioned uniquely with tax structures that favor startups, infrastructure and travel connections that make it a world-class place to do business, and the ability to connect with entrepreneurs and investors from across the globe."

Sebastián Vidal
Executive Director,
parallel18



Jennifer Hopp
Owner, ATO
Venture Capital
Fund

"The energy in the co-working spaces [in Puerto Rico] is just different than Silicon Valley. It's just growing so fast, the energy is palpable. There is also a sense of camaraderie that is not felt elsewhere."

More bang for the buck: A salary goes further in Puerto Rico

| | Puerto Rico | Atlanta | Miami | Boston | San Francisco | New York City |
|------------------------------------|-------------|-----------|-----------|-----------|---------------|---------------|
| Salary | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Capital Gains & Dividend Income | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Income Tax (Federal, State, Local) | -\$37,635 | -\$45,917 | -\$35,923 | -\$44,971 | -\$48,358 | -\$51,748 |
| Capital Gains & Dividend Tax* | - | -\$10,375 | -\$7,500 | -\$10,100 | -\$14,050 | -\$14,664 |
| Sales Tax | -\$5,670 | -\$3,300 | -\$3,560 | -\$4,196 | -\$3,318 | -\$4,025 |
| Property Tax (on \$500k residence) | -\$2,600 | -\$5,326 | -\$5,578 | -\$4,020 | -\$3,330 | -\$9,626 |
| Take Home Pay | \$154,095 | \$135,082 | \$147,439 | \$136,713 | \$130,944 | \$119,938 |
| Cost of Living Adjustment | Baseline | -5% | -17% | -53% | -52% | -60% |
| Adjusted Take Home Pay | \$154,095 | \$128,328 | \$122,374 | \$64,255 | \$62,853 | \$47,975 |

*With Individual Investor Incentive in Puerto Rico. Additional Annual Report Fees apply.

Sources: Income and property tax information from SmartAsset.com, KPMG, PwC, and CRIM; Sales tax based on average annual personal consumption times local sales tax rate; Cost of Living Adjustment from the Council for Community and Economic Research includes food, housing, utilities, transportation, health care, and miscellaneous goods and services.

And Puerto Rico has more to offer



U.S. Jurisdiction

- Governed by U.S. federal law
- New air transshipment waiver means new direct flight expansion opportunities
- Legal & intellectual property protections of the U.S.



Organizational Support

- A well-established network of co-working spaces and entrepreneurship-focused non-profits on the Island fuel start-up collaboration
- Close network of business and community leaders



Real Estate

- Island-wide ICT infrastructure, including multiple 5G providers
- Lowest cost Class A office space per sq. ft. among comparable U.S. cities



Workforce & Talent Development

- Wages are 40% lower than the rest of the U.S.
- Bilingual in English and Spanish
- 80+ local universities
- Over 200K students annual enrollment



Lifestyle

- The Island offers remote workers the perfect combination of business support, competitive incentives, an engaged entrepreneurial ecosystem, and a high quality of life
- Diverse outdoors activities from pristine beaches to dense rain forest, mountains, caves, and canyons