

It's not what's next in  
**finance,**  
it's **where.**

➔ **Puerto Rico**

**Invest Puerto Rico** is a non-profit organization whose goal is to attract new businesses and facilitate high-value investments in Puerto Rico to promote economic development & market growth.

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## Banking

Puerto Rico's financial services industry combines federal regulations with local tax exemptions, offering international banking benefits under U.S. protection. The island's bilingual, educated workforce and unique regulations make it ideal for expanding financial products into the Caribbean and Latin America.

The Local Tax Incentives Code, Act 60-2019, reinforces the benefits of operating an international financial entity in Puerto Rico or taking advantage of what island-based financial institutions offer. The regulatory landscape allows local International Financial Entities (IFE) to provide non-local clients with banking and financial services while maintaining the trust and confidence of a U.S. jurisdiction. These institutions are regulated by federal agencies, associations, and local authorities, providing ample support to IFEs and their clients.

## Insurance

Puerto Rico's regulatory landscape and incentives code make the island one of the world's most competitive jurisdictions for international and captive insurers. Local legislation supports domestic and international insurers and reinsurers, making the local insurance industry the largest in Latin America per capita, representing \$17.65 billion in written premiums. This regulatory terrain supports exceptional industry growth and has inspired a globally distinct captive insurance market.

The island's insurance industry is regulated by the Office of the Commissioner of Insurance (OCI) and supported by the International Insurers Association (PRIIA). The Office of the Commissioner of Insurance of Puerto Rico is an accredited member of the National Association of Insurance Commissioners (NAIC) and a member of NAIC's Latin American counterpart, the Association of Insurance Supervisors of Latin America (ASSAL). Excellence in insurance is complemented by more than 14,540 intermediaries, including 2,186 authorized provisional representatives and 1,247 licensed entities serving local and international clients.

# Fintech & Insurtech

- Home to the #1 payment processing platform provider in Latin America
- The preferred destination for a growing global blockchain community
- Banks that accept digital assets
- Sale and use of utility tokens as service exports
- Full tax exemption on capital gains

## IFEs Under Act 60

### Basic Requirements<sup>1</sup>

- License from the Office of the Commissioner of Financial Institutions (OCIF)
- Minimum initial paid-in capital requirement \$10M (must be paid in full when the license is granted)
- \$1M+ in unencumbered assets
- 8 employees in Puerto Rico (at least 2 in compliance department, and a full-time compliance officer)
- Compliance with the Bank Secrecy Act, the Patriot Act, and regulations by the Office of Foreign Asset Control (OFAC)

### In Puerto Rico, IFEs Can:

- Accept deposits
- Borrow money
- Lend money, including refinancing and underwriting
- Provide letters of credit
- Exchange foreign currency
- Finance trades
- Provide services like: securities brokerage, clearinghouse services, and asset management

1. For additional requirements, visit [investpr.org/finance](https://investpr.org/finance)

# Operational Advantages

## U.S. Jurisdiction

- Governed by U.S. federal law, banking regulations, and protected by U.S. legal and intellectual property standards

## Workforce & Talent Development

- Over 80 universities with 60% of graduates in STEM fields
- Wages are 30% lower than the rest of the U.S.
- Financial services bolstered by over 40,000 bilingual experts in local, U.S., and international banking and insurance regulations
- Bilingual (English & Spanish)

## Organizational Support

- Office of the Commissioner of Financial Institutions (OCIF)
- Office of the Commissioner of Insurance (OCI)
- National Association of Insurance Commissioners (NAIC)
- Puerto Rico International Insurers Association (PRIIA)

## Real Estate

- Island-wide ICT infrastructure, including multiple 5G providers
- Lowest cost of Class A office space relative to comparable cities in the U.S.

# Puerto Rico



MassMutual



**Oriental**



**\$96B**

in assets across 6 commercial banks

**\$2.2B**

in total assets across 823 licensed financial institutions and 53 International Financial Entities (IFE)

**\$49B**

in assets across 27 International Banking Entities (IBEs)

**9.2%**

growth in insurance market value from 2020 to 2021 which continues the sustainable growth since 2012

**34**

international insurers

**516**

protected cells

**316**

domestic & foreign insurers total

## Why Puerto Rico?

- Recognized insurance regulator
- Easy access to mainland U.S. and Latin America
- First-class service providers
- Attractive tax incentives
- World-class business infrastructure



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