



For Immediate Publication

Puerto Rico Issues Clarifying Guidance Staking as a Service Eligible Service for 4% Tax Rate

San Juan, PR, February 27, 2023 --- The Department of Economic Development and Commerce of Puerto Rico ("DDEC", for its Spanish acronym) has published guidance that digital assets based on blockchain technologies and blockchain validation are eligible for the 4% favorable tax treatment.

“Puerto Rico is on its way to becoming the technological leader in the region and through this effort we seek to be proactive in addressing an emerging technology, on which a lot of economic activity is being created around the world, and the Island is not and should not be the exception,” stated Manuel Cidre, DDEC Secretary.

For the first time, the Puerto Rican government has provided definitions for blockchain validation, staking, mining, digital assets, among others. The guidance provides certainty and stability for individuals and companies in the web3 space looking to relocate.

“On repeated occasions we received queries related to the “blockchain”, to clarify which activities could be eligible under the Incentive Code. This Circular Letter provides a precise and accurate legal framework, which positions Puerto Rico at the forefront of this technology worldwide,” said Carlos Fontán, Director of the DDEC Business Incentives Office.

For nearly 100 years, Puerto Rico has built its economy through incentives programs, whether it be sugarcane, pharmaceuticals, or manufacturing. This process has required a dynamic ecosystem to maintain Puerto Rico’s competitiveness with other jurisdictions at par, for which Puerto Rico has, at different times, adopted dynamic tax incentives as part of its efforts to effectively respond to the ever-changing global business environment.

“A 4% tax on the income generated from staked assets is a win for Puerto Rico,” said Keiko Yoshino, Executive Director for the Puerto Rico Blockchain Trade Association. “Developing consistent tax revenue is the first step to creating dedicated funding streams for social impact programs that address problems like child poverty, which is at an alarming 57%”, added Yoshino.

In 2019, under Act 60, the government consolidated seventy-three of the island's tax incentives into one chapter, including "export services" formally known as Act 20. The export service incentive allows any business that exports a service off the island to qualify for a 4% corporate tax rate. Software manufacturers, communications firms, creatives, consultants and even call centers have been using the export service for the past decade.

"Puerto Rico has one of the most competitive tax incentives programs in the world, yet it is underutilized, even by local founders, creatives, and entrepreneurs, due to the lack of awareness. Which is why PRBTA's Act60 education campaign, L60PR, is so important" said Gustavo Diaz Skoff, Act 60 workshop liaison for PRBTA. "Although local Puerto Ricans are eligible for seventy-two of the seventy-three tax incentives, they are not eligible for 0% capital gains unless they were off Island from 2006-2014. But as a result of DDEC's guidance, anyone who participates in blockchain validation can receive the 4% tax benefit."

To learn more about the Puerto Rico Blockchain Trade Association and Act 60, visit www.prblockchain.org or their social media pages: [Facebook](#), [Instagram](#), [Twitter](#) or [LinkedIn](#).

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About the Puerto Rico Blockchain Trade Association

The Puerto Rico Blockchain Trade Association exists to connect blockchain entrepreneurs to communities and peers contributing to make positive changes in Puerto Rico, while representing members' interests on and off the island. For more information, visit www.prblockchain.org.