

Inversión Inicial y por los quince (15) años siguientes. Si el Fondo invierte parcialmente la Inversión Inicial, los quince (15) años con respecto a dicha porción se contarán a partir del año en que se invirtió la misma. En los casos en que la inversión se haga luego de finalizado un año contributivo, pero antes de rendir la planilla de contribución sobre ingresos para dicho año, según dispuesto por el Código, incluyendo cualquier prórroga otorgada por el Secretario de Hacienda para rendir la misma, el Inversionista Residente podrá reclamar la deducción para dicho año contributivo. El máximo que un Inversionista Residente podrá deducir en un año contributivo no excederá del treinta por ciento (30%) de su ingreso neto antes de dicha deducción.

(d) ...  
...”

Artículo 5.- Se enmiendan los apartados (j) y (k), y se añaden los apartados (cc), (dd) y (ee) al Artículo 2 de la Sección 2 de la Ley 185-2014, para que lean como sigue:

“Article 2.- Definitions

(a) ...

...

(j) “PEF” means an entity that complies with the provisions established in Article 3 of this Act and which has made an election to be treated as Private Equity Fund in accordance with the provisions of Article 4 of this Act.

(k) “PR-PEF” means a Puerto Rico Private Equity Fund which no later than four (4) years, counting from the date of its organization and at the end of each subsequent fiscal year, maintains:

(A) a minimum of sixty percent (60%) of the paid-in capital contributed to the Fund by its Accredited Investors (“paid-in capital”), (excluding the capital that the Fund maintains in bank accounts and other cash equivalent investments) invested in one of the following:

(i) promissory notes, bonds, shares, notes (including secured and unsecured loans and including the collateral) or any other securities of similar nature issued entities that at the time of acquisition are not offered at public stock exchange markets in the United States or in any foreign country, and that have been issued by a domestic corporation, domestic limited liability company, domestic partnership or foreign entity, which derives at least eighty percent (80%) of its gross income for the prior three (3) years period from sources within Puerto Rico or from income effectively connected or treated as effectively in accordance with the Code provisions.

(ii) exempt investment trust under Section 1112.01 of the Code.

(iii) promissory notes, bonds, shares, notes (including secured and unsecured loans and including the collateral) or any other securities of similar nature issued by entities engaged in an active trade or business outside of Puerto Rico, that at the time

of acquisition are not offered at public stock exchange markets in the United States or in any foreign country; provided that, the operations of the entity are transferred to Puerto Rico within six (6) months from the date of the acquisition of the promissory notes, bonds, shares of stock or notes (including secured and unsecured loans and including the collateral) or any other securities of similar nature, plus any additional period authorized by the Secretary of the Treasury if there is reasonable cause for the extension, and during the period of twelve (12) calendar months commencing the first day of the calendar month succeeding the calendar month during which the operations are transferred to Puerto Rico and each succeeding twelve(12) calendar month period, derives at least eighty percent (80%) of its gross income from sources within Puerto Rico or from income effectively connected or treated as effectively connected with a Puerto Rico trade or business in accordance with the provisions of the Code.

(l) ...

...

(cc) Initial Investment – means all capital commitments made by an Accredited Investor in a Private Equity Fund.

(dd) Capital Commitment -- means the amount of capital Accredited Investor has: (i) initially contributed to a Private Equity Fund; (ii) committed to contribute in a private document accepted by the Private Equity Fund during the term of the Fund; and (iii) accepted to assume capital contribution defaults of other Accredited Investors.

(ee) Resident Investor – means resident individual, as defined in Section 1010.01(a)(30) of the Code, or an entity organized in Puerto Rico whose sole shareholder is a resident individual.”

Artículo 6.- Se elimina el párrafo (5) y se reenumeran los párrafos (6) al (11) como párrafos (5) al (10) del Artículo 3 de la Sección 2 de la Ley 185-2014, para que lean como sigue:

“Article 3.- Eligibility.

- (a) ...
- (1) ...
- ...
- (5) ...
- (6) ...
- (7) ...
- (8) ...
- (9) ...
- (10) ...”

Artículo 7.- Se enmienda el apartado (b) del Artículo 4 de la Sección 2 de la Ley Núm. 185-2014, conocida como “Ley de Fondos de Capital Privado”, para que lea como sigue:

“Article 4.- Private Equity Fund Election

(a) ...

(b) The compliance with the requirements of Article 3 of this Act will be determined each tax year of the Fund. The initial cost of an investment shall be used to determine the percentage invested in each asset. Failure to comply with the eligibility requirements will prevent the entity to qualify as a Fund during the year of breach and, therefore, the entity will be subject to the applicable taxation under the provisions of the Code, the Municipal License Tax Act, and the Municipal Property Tax Act. If the entity is disqualified for a particular taxable year due to failure of compliance in accordance with the provisions of this Act it shall request the Secretary of Treasury, subject to the requirements that he or she issues in public administrative determinations, circular letters and other similar communication of a general character, to be treated again as a Fund for subsequent taxable years.”

Artículo 8.- Se enmiendan los apartados (a) y (c) del Artículo 5 de la Sección 2 de la Ley 185-2014, para que lean como sigue:

“Article 5.- Election Effects.

(a) ...

(1) Fund

(A) Income- A Fund shall be treated for tax purposes as a “partnership” under the applicable rules of partnerships in Chapter 7 of the Code, in which case it is understood that all references made to taxable partnerships under Chapter 7 of the Code includes the Private Equity Funds.

(2) ...

(A) Income- Income received from the Fund by Accredited Investors from interest and dividends will pay, instead of any other tax imposed by the Code, including the alternate basic tax and the alternative minimum tax which shall not be applicable to investors of the Fund, an income tax to be computed using a fixed rate of ten percent (10%). Exempt interests or dividends generated by the Fund shall preserve their exempt nature in the possession of the Investors. In the case of investors who are not residents of Puerto Rico, they shall pay taxes in Puerto Rico at the income tax rates provided herein only if under the principles of the Code such investors are obligated to pay income taxes in Puerto Rico.

(B) Capital Gains- The capital gains received by Accredited Investors from the Fund shall be completely exempt from income tax and shall not be subject to any other tax imposed by the Code, including the alternate basic tax and the alternative minimum tax which shall not be applicable to investors of the Fund.

(C) ...

(D) ...

(i) ...

(ii) ...

(iii) ...

## (3) General Partners

(A) ...

(B) Capital Gains- Capital gains received by General Partners or Sponsors of the Fund will be subject to a fixed income tax of two point five percent (2.5%) in the taxable year in which that sale occurs instead of being subject to any other tax provided in the Code, including the alternate basic tax and the alternative minimum tax which shall not be applicable to investors of the Fund.

(C) The rules of sale of ownership and net capital losses applicable to the Accredited Investors and described in the subparagraphs (C) and (D) of the paragraph (2) of the subsection (a) of Article 5 shall apply to General Partners.

## (4) RIA and PE-Firm

(A) ...

(B) Capital Gain- Capital gains received by RIA and PE-Firm of the Fund will be subject to a fixed income tax of two point five percent (2.5%) in the taxable year in which that sale occurs instead of being subject to any other tax provided in the Code, including the alternate basic tax and the alternative minimum tax which shall not be applicable to investors of the Fund.

(C) The rules of sale of ownership and net capital losses applicable to the Accredited Investors and described in the subparagraphs (C) and (D) of the paragraph (2) of the subsection (a) of Article 5 shall apply to RIA and PE-Firms.

(b) ...

(c) Initial Investment Treatment for Resident Investors of Puerto Rico Provided that after a Fund is in compliance with the investment requirements stated in Article 3 of this Act, every Resident Investor who invests in:

1. a PEF may deduct up to a maximum of thirty percent (30%) of his or her Initial Investment. The deduction shall be available to be used by the Resident Investor in the tax year in which the Fund invested all or part of said Initial Investment and for the ten (10) following years. If the Fund invests the Initial Investment partially, the ten (10) year period in respect to the invested portion shall count from the year it was invested. In the case the investment is made after the end of the tax year, but before submitting the income tax return for the year in question, as described in the Code, including any extensions granted by the Secretary of Treasury, the Resident

Investor can claim the deduction for said tax year. The maximum deduction the Resident Investor can deduct in a tax year will not exceed fifteen percent (15%) of his or her net income prior to said deduction.

2. a PEF-PR may deduct up to a maximum of sixty percent (60%) of his or her Initial Investment. The deduction shall be available to be used by the Resident Investor in the tax year in which the Fund invested all or part of said Initial Investment and for the fifteen (15) following years. If the Fund invests the Initial Investment partially, the fifteen (15) year period in respect to the invested portion shall count from the year it was invested. In the case the investment is made after the end of the tax year, but before submitting the income tax return for the year in question, as described in the Code, including any extensions granted by the Secretary of Treasury, the Resident Investor can claim the deduction for said tax year. The maximum deduction a Resident Investor can deduct in a tax year will not exceed thirty percent (30%) of his or her net income prior to said deduction.

(d) ...

...”

Artículo 9.- Cláusula de Separabilidad.

Si algún Artículo o disposición de esta Ley fuera declarado nulo o inconstitucional por algún Tribunal con competencia y jurisdicción, la sentencia dictada no afectará ni invalidará las demás disposiciones de esta Ley, y su efecto se limitará al párrafo, artículo, parte o disposición declarada nula o inconstitucional.

Artículo 10.- Vigencia.

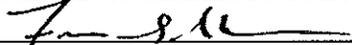
Esta Ley comenzará a regir inmediatamente después de su aprobación.

**DEPARTAMENTO DE ESTADO  
Certificaciones, Reglamentos, Registro  
de Notarios y Venta de Leyes**

**Certifico que es copia fiel y exacta del original**

**Fecha: 2 de diciembre de 2015**

**Firma:**



**Francisco J. Rodríguez Bernier  
Secretario Auxiliar de Servicios**