



DDEC ONLINE APPLICATIONS PLATFORM

INSTRUCTIONS

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WHAT'S NEW

Launching of DDEC Online Applications Platform

As of May 1, 2015 you will be able to create and manage applications under Act 20-2012, Act 22-2012, Act 73-2008, and Act 83-2010 ("Acts"), and comply with the annual report filing requirement under the aforementioned laws through the DDEC Online Applications Platform ("Platform"). This Platform, a secure web-based application, has been designed to provide a faster and easier experience to all of those who, like you, want to enjoy the multiple benefits of the Puerto Rico's Tax Incentives Program.

Act 20 Application – New Eligible Services

Act No. 232 of December 19, 2014 amended Act 20 to include the following services:

- Commercial and mercantile distribution of products manufactured in Puerto Rico for jurisdictions outside Puerto Rico;
- Assembly, bottling and packaging operations of products for export;
- Marketing centers primarily engaged in providing, through a rent charge, for services or other charges, space and services such as: secretarial services, translation and information processing services, communications, marketing services, telemarketing and other consulting services to businesses outside of Puerto Rico, including export and marketing companies, aggregates and trade consulates, governmental agencies responsible for foreign trade, exchange and exhibition centers of products and services; and,
- Trading companies.

It also amended Act 20 to include, as part of the description of Centralized Management Services:

- Strategic planning and organizational services for processes, distribution and logistics for people outside of Puerto Rico.

Act 22 Annual Report

Act No. 241 of December 22, 2014, amended Act 22 in order to establish by law that every Resident Individual Investor who holds an Act 22 Decree needs to file an Annual Report. However, prior to the enactment of Act 241, all Act 22 Grantees had such obligation under his or her Grant.

As stated earlier, a 30-day period starting on the official launching of the Platform will be granted to all Act 22 grantees for calendar year 2014.

Special Fund under Act 22 – One-Time Fee of \$5,000

Act No. 241 of December 22, 2014 also amended Act 22 in order to require the payment of a one-time fee of five thousand dollars (\$5,000.00) as a requirement for the issuance of every Act 22 Decree signed by the Secretary of the Department of Economic Development and Commerce. Said requirement must be satisfied through a voucher purchase at a Tax Collector's Office of the Puerto Rico Department of Treasury.

Supplementary Documents

For Act 20 Application – The following documents must be uploaded to the Platform as part of the submittal process of an Act 20 Application for a company whose existence or operations has been for more than one taxable year:

- Two (2) bank commercial references addressed to the Director of the Office of Industrial Tax Exemption;
- Applicant's original financial statements corresponding to the last three (3) years (natural or fiscal), certified by a certified public accountant or sworn before a public notary;
- Certificate of Good Standing, issued by the Department of State of Puerto Rico;
- Resume or curriculum vitae for each direct or indirect stockholder, partner or member;
- Copy of Certificate of Registry or the Certificate of Authorization to Do Business in Puerto Rico, issued by the Department of State of Puerto Rico;
- Certificate of Filing of Income Tax Returns, issued by the Department of Treasury of Puerto Rico, for the last five (years) regarding the Applicant and its direct or indirect shareholders, partners or members. If the shareholders, partners or members were not required to file Income Tax Returns, please submit Form SC-2781 or its equivalent issued by the Department of Treasury;
- Negative Certificate of Debt, issued by the Department of Treasury of Puerto Rico. If Applicant or any of its direct or indirect shareholders, partners or members have any debt with the Department of Treasury, please provide evidence of payment plan, administrative review or debt balance;
- All Concepts Debt Certificate issued by the Municipal Revenue Collection Center (CRIM, by its Spanish acronym);
- Debt Certificate for concept of Social Security for Chauffeurs, issued by the Department of Labor and Human Resources of Puerto Rico;
- Negative Certificate of Debt issued by the State Insurance Fund Corporation of Puerto Rico;
- Debt Certificate for concept of Unemployment and Disability, issued by the Department of Labor and Human Resources of Puerto Rico;
- Organizational chart containing intermediate or related entities to the Applicant. It should include information of the ultimate stockholders, partners or members;
- Criminal record of every direct or indirect stockholder, partner or member of the Applicant, issued by the corresponding authority of the State or Country of last residence;
- Copy of Employment Identification Number.

If the company's existence or operations has been less than or equal to one taxable year, only the following documents must be uploaded to the Platform as part of the submittal process of the Act 20 Application:

- Two (2) bank commercial references addressed to the Director of the Office of Industrial Tax Exemption;
- Resume or curriculum vitae for each direct or indirect stockholder, partner or member;
- Copy of Certificate of Registry or the Certificate of Authorization to Do Business in Puerto Rico, issued by the Department of State of Puerto Rico;
- Organizational chart containing intermediate or related entities to the Applicant. It should include information of the ultimate stockholders, partners or members;
- Criminal record of every direct or indirect stockholder, partner, or member of the Applicant, issued by the corresponding authority of the State or Country of last residence;
- Copy of Employment Identification Number.

For Act 20 Annual Report – The following documents must be uploaded to the Platform as part of the submittal process of the Act 20 Annual Report:

- Copy of Financial Statements for the reporting taxable year (audited, as applicable);
- Copy of Puerto Rico Income Tax Returns submitted at the Department of Treasury for the reporting taxable year;
- Copy of Business Volume Declaration for the reporting taxable year;
- Copy of the Real and Personal Property Tax Returns submitted at the Municipal Revenue Collection Center (CRIM, by its Spanish acronym) for the reporting taxable year;
- Any other document(s) requested by the Office of Industrial Tax Exemption to verify compliance with the Decree.

For Act 22 Application – The following documents must be uploaded to the Platform as part of the submittal process of the Act 22 Application:

- Application, sworn and signed by the Applicant;
- Applicant's resume or curriculum vitae;
- Evidence of a bank account in Puerto Rico financial institution. If Applicant has not moved to Puerto Rico, he or she must submit this evidence as soon he or she resides in Puerto Rico;
- Criminal record of the Applicant, issued by the corresponding authority of the State or Country of last residence;

- Copy of Social Security Number or National Identification Number. If Applicant is not a US Citizen, he or she must submit, in addition, a sworn statement to that effect, accompanied by copy of passport, visa or permanent resident card;
- Copy of valid US Passport or Resident Visa.

For Act 22 Annual Report – The following documents must be uploaded to the Platform as part of the submittal process of the Act 22 Annual Report:

- Copy of Puerto Rico Income Tax Returns submitted at the Department of Treasury for the reporting taxable year;
- Any other document(s) requested by the Office of Industrial Tax Exemption to verify compliance with the Decree.

For Act 73/83 Application – The following documents must be uploaded to the Platform as part of the submittal process of the Act 73/83 Application:

- Two (2) bank commercial references addressed to the Director of the Office of Industrial Tax Exemption;
- Applicant's original financial statements corresponding to the last three (3) years (natural or fiscal), certified by a certified public accountant or sworn before a public notary;
- Certificate of Good Standing, issued by the Department of State of Puerto Rico;
- Copy of Certificate of Registry or the Certificate of Authorization to Do Business in Puerto Rico, issued by the Department of State of Puerto Rico;
- Certificate of Filing of Income Tax Returns, issued by the Department of Treasury of Puerto Rico, for the last five (years) regarding the Applicant and its direct or indirect shareholders, partners or members. If the shareholders, partners or members were not required to file Income Tax Returns, please submit Form SC-2781 or its equivalent issued by the Department of Treasury;
- Negative Certificate of Debt, issued by the Department of Treasury of Puerto Rico. If Applicant or any of its direct or indirect shareholders, partners or members have any debt with the Department of Treasury, please provide evidence of payment plan, administrative review or debt balance;

- All Concepts Debt Certificate issued by the Municipal Revenue Collection Center (CRIM, by its Spanish acronym);
- Debt Certificate for concept of Social Security for Chauffeurs, issued by the Department of Labor and Human Resources of Puerto Rico;
- Negative Certificate of Debt issued by the State Insurance Fund Corporation of Puerto Rico;
- Debt Certificate for concept of Unemployment and Disability, issued by the Department of Labor and Human Resources of Puerto Rico;
- Organizational chart containing intermediate or related entities to the Applicant. It should include information of the ultimate stockholders, partners or members;
- Copy of Employment Identification Number.

For Act 73/83 Annual Report – The following documents must be uploaded to the Platform as part of the submittal process of the Act 73/83 Annual Report:

- Copy of Financial Statements for the reporting taxable year (audited, as applicable);
- Copy of Puerto Rico Income Tax Returns submitted at the Department of Treasury for the reporting taxable year;
- Copy of Business Volume Declaration for the reporting taxable year;
- Copy of the Real and Personal Property Tax Returns submitted at the Municipal Revenue Collection Center (CRIM, by its Spanish acronym) for the reporting taxable year;
- Any other document(s) requested by the Office of Industrial Tax Exemption to verify compliance with the Decree.

WHAT DO YOU NEED

Minimum System Requirements

For PC – If you have a PC, you will be able to access the Platform using Internet Explorer (Version 11), Firefox (Latest version), or Chrome (Latest version).

For Apple OS X – If you have an Apple OS X, you will be able to access the Platform using Safari (Latest version), Firefox (Latest version), or Chrome (Latest version).

Email Account

You will need to have an open email account in order to create your user account and login into the Platform. Also, you will have to add us to your address book in order to receive the Platform's message notifications sent from the account applications@ddec.pr.gov with name DDEC Online Applications Platform.

INSTRUCTIONS

Step 1: Access to the Platform

You can have access to the Platform by either going to the OITE's website, www.oeci.pr.gov, or by going directly to the Platform's landing page, through www.applications.pridco.com. If you go to OITE's website, you will find on the right side of the Home Page, as well as on the left side of every page, a box titled "Online Platform" which will enable you to access the Platform.

Step 2: Register as a New User

If you are new to the Platform, you will need to click on the hyperlink titled "Register as a new user" in order to create your user account. Information as your name, physical and mailing address, telephone numbers, email and password will be needed for the creation of your user account. Please, provide all the information that is required on this page and be sure to provide the correct email address, where you wish to receive communications from the Platform.

Step 3: Confirm Your User Account

Once you have registered yourself as a new user, you will receive an automatic communication asking you to confirm your user account. Please, click the link that is provided on that communication so you can complete the creation of your user account. After you confirm your user account, you can login into the Platform in order to start the process of filling out a tax incentive application or submitting an annual report.

It is important that you add us to your address book so you can receive the Platform's message notifications.

Step 4: Log In

In order to login into the Platform, you will need to enter the email and password provided when you created your user account and click the "Log in" button.

Step 5: Forgot Your Password?

If you forgot your password, click "Forgot your password?" and provide your email address. Once you have submitted your request for a password reset by clicking "Email Link", you will receive an email asking you to click a link in order to set your new password. After you click the provided link, you will be able to enter your email and new password.

Once the password has been confirmed, you will receive an email message notifying that your password has been successfully reset.

Step 6: Platform's Home Page

Once you login into the Platform, you will have access to its Home Page.

If you have filed an Act 20, Act 22 or Act 73/83 Application or if you already have a Decree under the aforementioned laws, you should find at the "Status' Section" the basic information of such case(s), including: Type of Application or Decree; Applicant Name; Case Number; Status; Filing Date and Due Date. If you have a Decree, you should click on the folder symbol in order to have access to said basic information and manage the annual reports.

If you do not see your Application(s) or Decree(s) on the "Status' Section", it is probable that the OITE did not have on its physical records a valid email of yours or a valid email of the "Primary Contact" or "Authorized Representative" of the Applicant or Grantee for which you are accessing the Platform. In such case, please refer to the next step.

Step 7: Creation of Company or Individual Account; Request Access for Companies and Individuals

If the Application or Decree do not appear in our electronic records you will need to create an account as an individual or company. This "Individual" or "Company" Account differs from the "User Account". A "User Account" must be created in order to have access to the Platform; while an "Individual" or "Company" Account must be created in order to provide the minimum information about the Applicant or Grantee. Such information includes:

- **Individuals** – Name; sex; contact information; marital status; Social Security Number or National Identification Number; Citizenship and Nationality;
- **Companies** – Legal name of entity; contact information; "Primary Contact" and Employer Identification Number.

All you have to do is click on the Access' tab at the upper part of the Platform's Home Page or scroll down the page in order to choose the type of account/access that applies. If you want to apply or need to comply for Act 20, Act 73 and Act 83, please click on "Company Access" in order to create the "Company Account". If you

want to apply or need to comply for Act 22, please click on “Individual Access” in order to create an “Individual Account”.

Nevertheless, if you created a “User Account”, and you have the intention to apply or comply for an Act 22 Application or Annual Report as an Applicant or Grantee, you do not need to create an “Individual Account”.

If you are an “Authorized Representative” and the Application or Decree of the Applicant or Grantee for which you are accessing the Platform do not appear in our electronic records you will need to request access to the Applicant’s or Grantee’s records, following the above mentioned procedure.

It is important to note that the Applicant, Grantee and the Applicant’s and Grantee’s Authorized Representative have an obligation to notify immediately to the OITE any change regarding Applicant’s or Grantee’s contact information, “Primary Contact” or “Authorized Representative”. If there has been a change in said information, you will need to email us at applications@ddec.pr.gov or call us at (787) 764-6363, so we can update the records and protect the privacy of Applicant or Grantee.

“Primary Contact” means the Company’s official who will be the primary contact with regard to the Act 20, Act 73 or Act 83 Application or Decree.

“Authorized Representative” means any legal, tax, accounting or professional advisor who assists the Applicant or Grantee with the Acts’ applying or complying processes.

Step 8: Affiliates – Co Participants

If one or more “Affiliated Entities” will be participating in the Application, you will have to create its or their “Company” Account(s) or request the company access before creating and filling out the Application.

“Affiliated Entities” means two or more entities where fifty percent (50%) or more of the stocks of these entities is directly or indirectly owned by the same natural person or legal entity, estate or trust.

Step 9: Access Confirmed, Denied or Withdrawn

If you are an “Authorized Representative”, you will be receiving an email message confirming or denying you the access to the Applicant’s or Grantee’s account. Given that the Applicant or Grantee must authorize you in order to have access to its, his or her records by clicking a link in an email that will be sent to him or her, or to his or her “Primary Contact”, this authorization process will take as long as the Applicant or Grantee confirms or denies the access requested.

It is important to note that the Applicant or Grantee could at any time withdraw the access to its, his or her records. If so, you will receive a notification.

Step 10: Creation of Tax Incentives Application or Annual Report

Once the “Individual” or “Company” Account has been created or you have been granted access to the Applicant’s or Grantee’s records, you can start with the applying or complying processes.

If you are interested in filling out a tax incentives application, you can click on the Apply’s tab at the upper part of the Platform’s Home Page or scroll down the page to such section. You can select under the “Tax Exemptions for Individuals” the Act 22 Application and under the “Tax Exemption for Corporations” the Act 20 or Act 73/83 Application.

If on the other hand you are interested in filling out an annual report, you can click on the Comply’s tab at the upper part of the Platform’s Home Page or scroll down the page to such section. You can select under the “Annual Reports for Individuals” the Act 22 Annual Report and under the “Annual Reports for Corporations” the Act 20 or Act 73/83 Annual Report. Remember that every Co-Grantee must file a separate Annual Report.

Once you create a tax incentives application or an annual report you, as well as the Applicant or Grantee, will receive an email confirming the creation of such tax incentives application or annual report. It is important that you save the Application or Annual Report before leaving the Platform or any page of the Application or Annual Report itself. If you do not have all the information needed to complete and submit the Application or Annual Report, please note you can always save the information and edit it later.

Step 11: Specifications Regarding Money Amounts

Commas (,) or decimal points (.) are not recognized by the Platform as valid entries for money amounts. If you need to enter a money amount as part of the Application or Annual Report, please provide the nearest approximation without using such marks.

Step 12: Upload of Documents and Online Submittal

Upload of Documents – When you finish filling out the Application or Annual Report, you must save the document and go to the Home Page. You will find there, under the Status’s Section, your Application or Annual Report. Please, click the “Upload” symbol and proceed to upload all the required documents, with exception of the “Sworn and Signed Application” or the “Sworn and Signed Annual Report”. You will notice that the document has been marked with a check mark, indicating that the attachment has been uploaded.

The “Sworn and Signed Application” or the “Sworn and Signed Annual Report” should be uploaded later, after the OITE determines that the Application or Annual Report is complete. You will receive an email notification regarding this.

Online Submittal – After uploading all the required documents, the page “List of Attachments” will enable the “Submit” button, so that you can submit the Application or Annual Report.

An “Application Submittal” or an “Annual Report Submittal” page will appear, presenting general information about the Application or Annual Report. Press the “Submit Application” or the “Submit Annual Report” button to submit the Application or Annual Report.

Once the Application or Annual Report has been submitted, the OITE will receive the Application or Annual Report as “Submitted Online Status” and you will receive an email confirming that the Application or Annual Report has been successfully submitted.

Step 13: What Happens Next?

Pre-evaluation by the OITE – Once the Application or Annual Report has been successfully submitted, the OITE will proceed to pre-evaluate the Application or Annual Report to determine if it’s complete. If the OITE finds the Application or Annual Report is not complete, it will contact you to request all the missing information and documents. Note that the submittal of an incomplete Application does not count for purposes of the effective date of the Tax Exemption Grant.

Sworn Application or Annual Report – After the Application or Annual Report has been accepted by the OITE as complete, the Application or Annual Report status will be changed to “Complete Application” or “Complete Annual Report” and you will receive a message to that effect. After you receive said confirmation, you must proceed to swear the Application or Annual Report before a public notary and upload/submit the Sworn Application or Annual Report online. You will notice that the box for “Application – Sworn and Signed” or “Annual Report – Sworn and Signed” has been enabled for you to upload the document.

Once you upload the Sworn and Signed Application or the Sworn and Signed Annual Report, you will be able to press the “Complete Online Process” button in order to complete the filing process online. The “Complete Online Process” page will present general information about the Application or Annual Report.

After you press the “Complete Application” or “Complete Annual Report” button, OITE will receive the Application or Annual Report as “Pending Filing Status” and you will receive a notification to that effect.

Payment – Although eventually the Platform is going to include a mechanism for the online payment of filing fees, at the present time you must make or send all corresponding payments at or to the OITE. Copy of the email notification that confirms that the Application or Annual Report has been accepted by the OITE as complete should be presented or sent at or to the OITE, with the corresponding payment. OITE’s contact information can be found at its website, www.oeci.pr.gov.

All payments should be made to the attention of the Secretary of the Department of Treasury of Puerto Rico, by Manager’s Check or Money Order, with the exception of the above mentioned “Act 22 – One-Time Fee of \$5,000”.

Unless the Applicant or Grantee (1) uploads the sworn and signed Application or Annual Report and (2) complies with the payment requirement, the Application or Annual Report will not be considered filed.

Step 14: Email Notifications

You will be receiving email notifications at every step of the process. Please, keep updated your contact information and add us, applications@ddec.pr.gov, to your address book so you can receive the Platform’s message notifications.

If you have questions, comments or suggestions, please write us at applications@ddec.pr.gov or call us at 787-764-6363.