

## DDEC Proposes Opportunity Zones Regulation

On January 30, 2020, the Secretary of the Department of Economic Development and Commerce ("DDEC") announced the publication of the first draft of the proposed "Regulation To Implement the Provisions of the Sections 6070.54-6070.69 of Act 60-2019, also known as the Incentives Code of Puerto Rico" ("Proposed Regulation"). The Proposed Regulation implements the provisions of the Incentives Code of Puerto Rico regarding the Opportunity Zones ("OZs") and establishes the norms, requirements and criteria that will be used for the application and granting of decrees.

The implementation of the Proposed Regulation of the OZs will apply to any person who:

- 1) Has established, or intends to establish, an eligible business on the Island, and
- 2) Received a designation as a Priority Project in OZs by the Committee of Priority Projects in OZs, and
- 3) Requests a decree under Section 6070.60 of Act 60-2019 before the Office of Incentives for Businesses in Puerto Rico.

The Proposed Regulation declares that the public policy of the Government of Puerto Rico regarding the Opportunity Zones is:

- 1) To make Puerto Rico an investment destination for Opportunity Zone Funds that invest in Priority Projects in opportunity zones.
- 2) Provide for the continuous formation of local and foreign capital for investment in Priority Projects in opportunity zones.



- 3) Establish the tax, legal and regulatory framework that encourages, streamlines and encourages investment in Priority Projects in opportunity zones.

The DDEC will be receiving written comments with regards to the Proposed Regulation from the general public until Monday, March 2, 2020.

Should your company have any questions or interest with respect to the Proposed Regulation, you may contact the attorneys at Vidal, Nieves & Bauzá, LLC, a corporate law firm with a special emphasis in energy and environmental matters, corporate, tax, transactional, real estate and insurance practices.

**Pedro I. Vidal-Cordero**  
pvidal@vnblegal.com • 787.413.8883

**Pedro J. Nieves-Miranda**  
pnieves@vnblegal.com • 787.413.8881

**Arline V. Bauzá-Figueroa**  
abauza@vnblegal.com • 787.413.8884

**Cristina E. Moscoso-D'Abate**  
cmoscoso@vnblegal.com • 787.625.0882

**Joserrlando Emmanuelli**  
jemmanuelli@vnblegal.com • 787.413.8880

**Roxanna Cruz-Rivera**  
rcruz@vnblegal.com • 787.413.8885

T. +1 787.413.8880  
F. +1 787.625.0889

**P.O. Box 366219 San Juan, Puerto Rico 00936-6219**  
B7 Tabonuco Street, Suite 1108, Guaynabo, Puerto Rico 00968

[www.vnblegal.com](http://www.vnblegal.com)

 [linkedin.com/company/vnblegal](https://www.linkedin.com/company/vnblegal)

 [Facebook.com/vnblegal](https://www.facebook.com/vnblegal)

 [Twitter.com/@vnblegal](https://twitter.com/vnblegal)