

SJFJA

Boosting Chilean Venture Capital Industry

CHILE DAY 2018

London, UK

Why invest in Venture Capital?

- Capture, motivate and retain talent
- On board of new advanced technologies
- Optimize costs and boost productivity
- Quick response to new disruptive technologies
- Sustainable growth



Will Chile be the eight VC hub?



Strengths of Chilean innovation ecosystem...

- Legal certainty of our venture capital industry
- Competitive tax benefits for foreign investors
- CORFO's venture capital funds programas



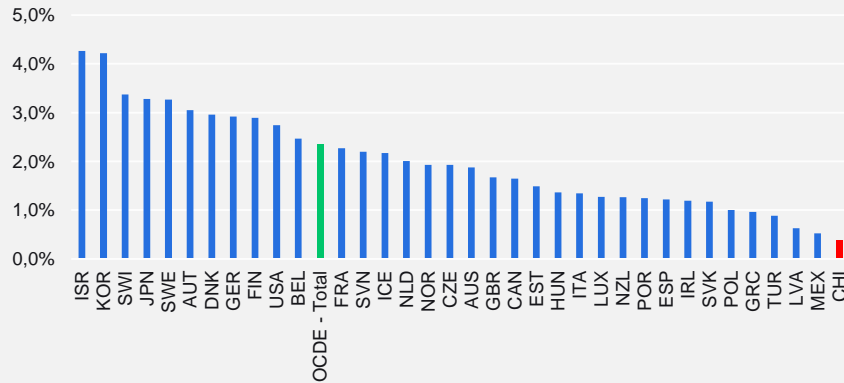
... and weaknesses

- Reluctant to invest in R&D
- Reliance on CORFO's subsidies
- Few successful cases of angel investors and corporate venture capital funds

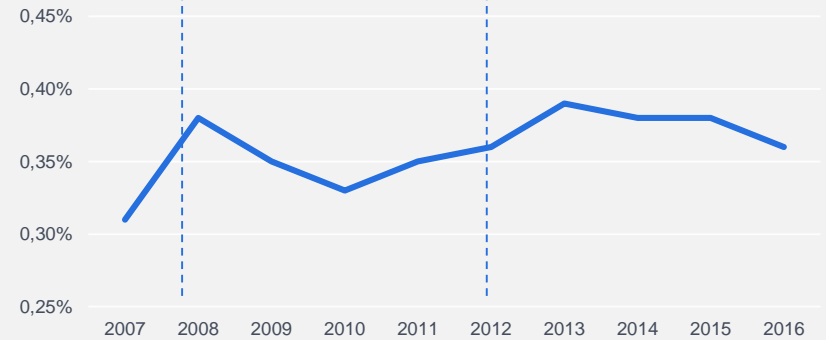


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R&D expenditure as percentage of GDP
(2015)

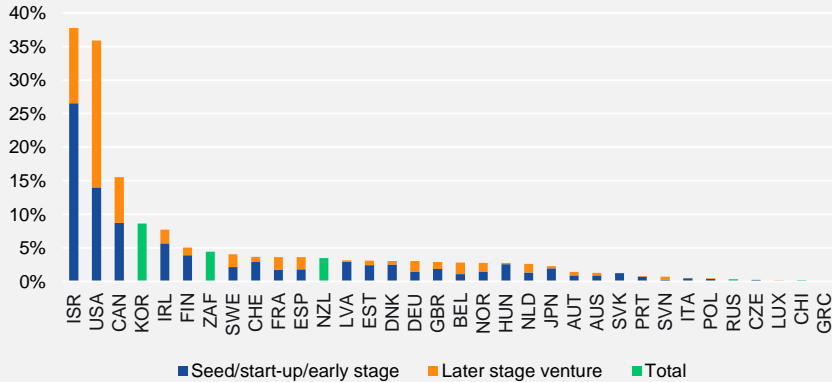


Chilean R&D expenditure as percentage of GDP
(2007-2016)

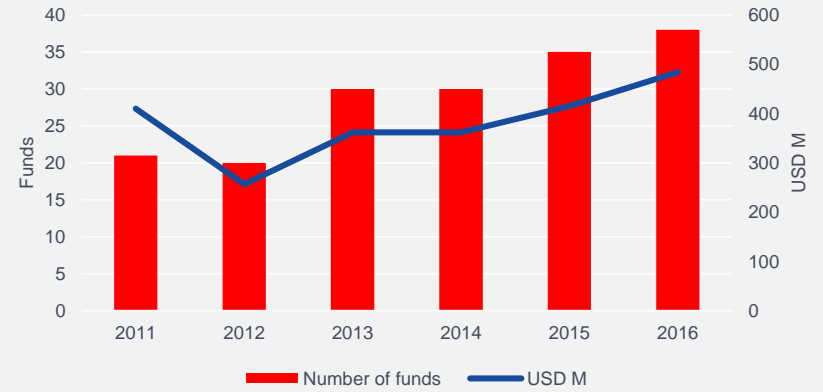


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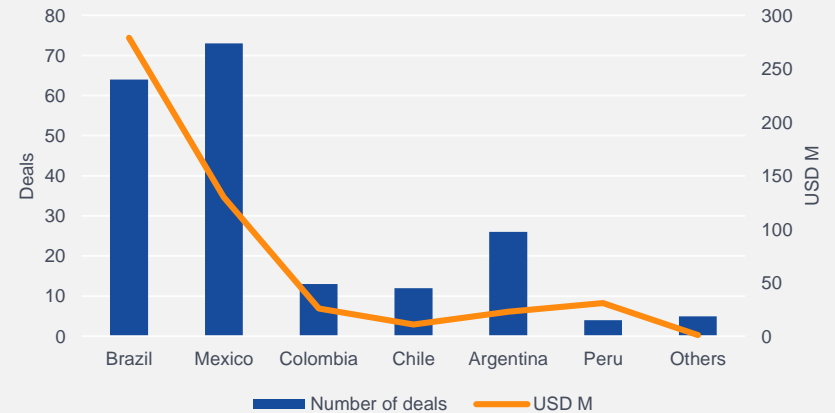
Venture capital investments as percentage of GDP
(OCDE countries, 2016)



Venture capital investments in Latam (2011-2016)



Venture capital investments in Latam (by country, 2016)



Challenges



**Build a bridge of trust
between companies and the
academy**



**Enhance our innovation and
entrepreneurship ecosystem**

**Encourage investments by
companies based in Chile in
technological ventures**



**Generate new source of
financing for entrepreneurs
that replaces CORFO's
subsidies**

What's SOFOFA doing?

- Public Policy
- SOFOFA Hub



Gremio de Venture Capital ingresa a Sofofa

La Asociación Chilena de Venture Capital (ACVC), oficializó ayer su incorporación a la Sofofa. De esta forma, el gremio fabril pasó a contar con 44 asociaciones sectoriales, además de los 22 gremios empresariales regionales. La ACVC es una entidad gremial compuesta por administradoras de fondos de inversión especializadas en capital de riesgo. ●



1. Public Policy proposals

R&D and open innovation platform incentives

- Currently, R&D Law grants tax benefits for investment in R&D (in-house or by others)
- ... but doesn't consider equity investments in startups
- SOFOFA proposes
 1. Expand eligible expenses (startups buyout and business capacities R&D investments)
 2. Expand benefit credit cap
 3. Recurring R&D expenses in companies with certified capacities



2. Institutional initiatives

SOFOFA Hub

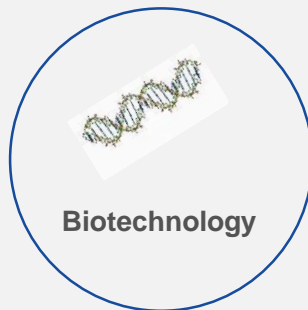
“Create the SOFOFA HUB to connect our partners connect with entrepreneurs and innovators”



- ✓ Recycle
- ✓ Redesign or refabricate
- ✓ Redistribute
- ✓ Reduce or reuse
- ✓ Recover and repair



- ✓ Industry digitalization
- ✓ Internet of things
- ✓ IT education and training
- ✓ Automatization
- ✓ Labor reconvention



- ✓ Industrial productivity
- ✓ Biodiversity maintenance
- ✓ Bioremediation
- ✓ New agricultural varieties
- ✓ Sea resources exploitation



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