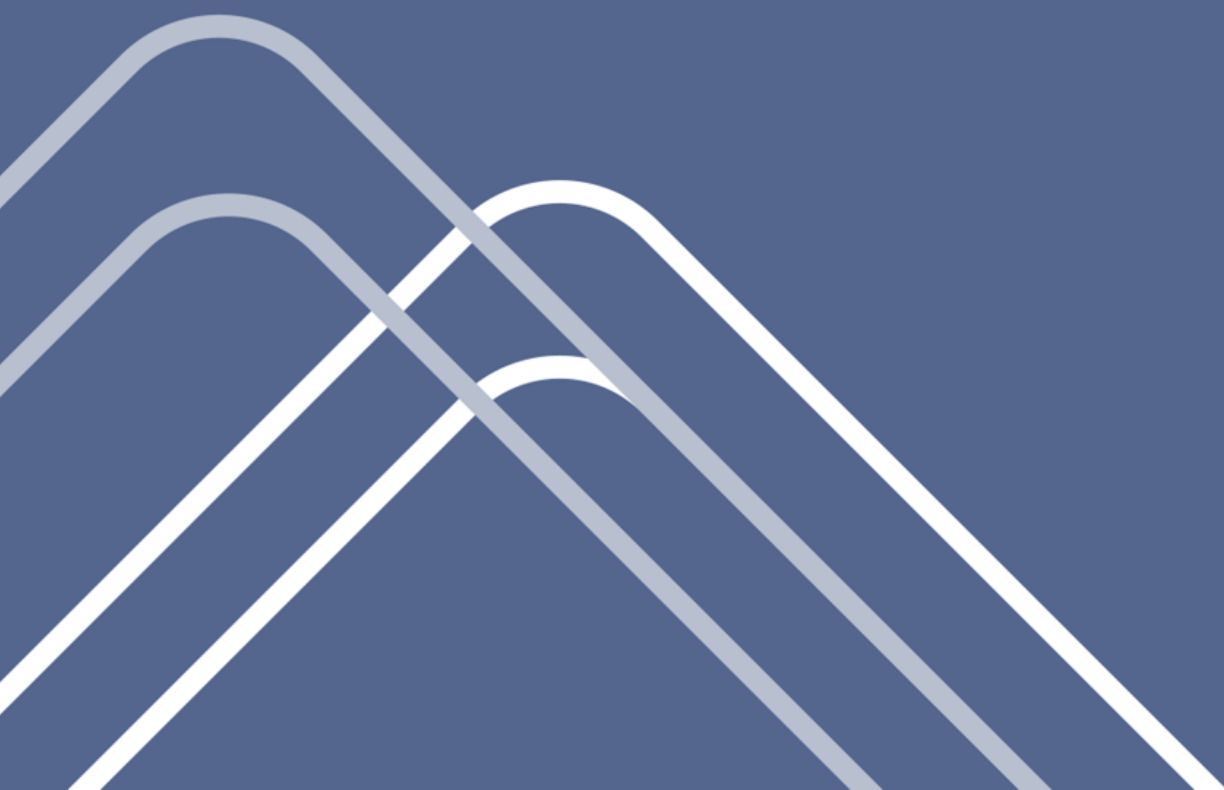


DOING BUSINESS IN DOMINICAN REPUBLIC



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INTRODUCTION

UHY is an international organisation providing accountancy, business management and consultancy services through financial business centres in around 90 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering business operations in Dominican Republic has been provided by the office of UHY representatives:

UHY CALDERON GONZALEZ & ASOC.

Av. Romulo Betancourt 1304

Torre Bella Vista Center II, Suite 409

Bella Vista, Santo Domingo.

+1 (809) 567-6012

Website www.uhycalderongonzalez.com

Email info@uhycalderongonzalez.com

You are welcome to contact [Arabellis González \(arabellis.calderon@uhy.com\)](mailto:arabellis.calderon@uhy.com) for any inquiries you may have.

Information in the following pages has been updated so that they are effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current at April 2026.

We look forward to helping you do business in Dominican Republic.

BUSINESS ENVIRONMENT

BACKGROUND

The Dominican Republic (DR) is situated in the centre of the Caribbean, allows it to access the North, South, and Central American markets with relative ease, as well, as to serve as a bridge between those markets and Europe to trade goods and service. It occupies the eastern two-thirds of the island of Hispaniola, which it shares with Haiti. The Dominican capital, Santo Domingo, is located on the south coast. Dominican Republic It is one of the economies that grows the most in the region.

On the other hand, the country has positioned itself and has taken notable steps to become an important logistics centre for the distribution of inputs and consumer goods in the Caribbean region, due to its geographical location. Also, because of its current framework, economic stability, and infrastructure.

In the past few years, the Dominican Republic economy has experienced continuous process of regulatory modernization, which has permitted attracting foreign investment. Another import aspect is the current legal framework.

POPULATION

Approximately 11.5 million. Consists predominantly of people of mixed European/African race.

GEOGRAPHY

The Dominican Republic enjoys a privileged geographic location on the Caribbean Sea, a short distance from the main consumer markets in the United States (U.S.), its main trading partner. Likewise, the country maintains important trade flows with the European Union (EU) and several Asian countries.

Its geographic positioning, the quality of its communication and transportation infrastructure, its appropriate tax incentives and the apprenticeship skills of its labour force, as well as its political, social and economic stability, position the Dominican Republic as an attractive place to take the lead in the process of relocating companies to places geographically closer to the distribution markets.

CURRENCY

The currency of Dominican Republic is the Dominican Peso, which is also known as DOP.

LANGUAGE

The official language of the Dominican Republic is Spanish. It is used in all public institutions, official documents, and by the vast majority of the population.

MAJOR EXPORTS

The most exported products by the Dominican Republic, leading foreign trade in 2024-2025, are medical instruments (medical/surgical devices), raw gold, cigars (tobacco), low-voltage protective equipment, and textiles (t-shirts). The United States is the main trading partner.

Here are the leading products:

- **Medical instruments and devices:** They constitute a significant part of exports under the free zone regime, with high global demand.
- **Gold (non-monetary gross):** One of the mining products that leads the ranking in exported value.
- **Rolled tobacco (Cigarros):** The Dominican Republic is recognized worldwide for the quality of its cigars.
- **Electrical Equipment and Components:** Circuit breakers and other electrical components.
- **Agricultural products:** Bananas, cocoa, sugar and rum stand out.
- **Textiles:** Cotton t-shirts.

Most of these products come from the free trade zones, consolidating the country as a diversified exporter in mining, light manufacturing and agriculture.

MAJOR IMPORTS

The products most imported by the Dominican Republic are mineral fuels (petroleum and derivatives), vehicles, machinery, electronic products and raw materials for industry. The United States is the main trading partner, concentrating most of these imports, followed by China, Mexico and Brazil.

Here are the main leading products:

- **Fuels and mineral oils:** Includes refined petroleum, natural gas and oils, representing the line of highest expenditure.
- **Vehicles and automobiles:** Passenger cars and cargo trucks.
- **Machinery and electronic devices:** Telephones, computers and machinery parts.
- **Products of the food industry:** Corn, wheat, soybeans and other basic agricultural inputs.
- **Iron, steel, and their manufactures:** Materials for construction.

The data reflect a high dependence on imported fuel and inputs for local industry and the free trade zone.

EDUCATION – PRIMARY AND SECONDARY

Primary and secondary education in the Dominican Republic, regulated by MINERD, is free and compulsory. Primary consists of 6 years (6-12 years) and secondary 6 years (12-18 years), divided into basic and higher cycles (academic, technical or artistic modalities). The system seeks comprehensive training and educational quality.

General Aspects

The primary level is mandatory. Secondary, although not always listed as compulsory in all sources, is free and encouraged by the State.

The Ministry of Education (MINERD) supervises the entire pre-university education system.

The Dominican education system seeks constant improvement in quality, focusing on teacher training and curricular updating for the development of competencies.

Tertiary education in the Dominican Republic, regulated by the Ministry of Higher Education Science and Technology (MESCyT (Law 139-01), covers higher technical, undergraduate and postgraduate levels, with an increase in coverage although geographical gaps and high dropout rates persist. The system includes 52 institutions (public and private), with a growing interest in 2-year technical-vocational training due to its high labor demand.

HEALTH CARE SYSTEM

The Dominican health system is a mixed structure composed of the public and private sectors, articulated by the Dominican Social Security System (SDSS). It is based on Law 87-01 and Law 42-01 to guarantee care through contributory and subsidized regimes, seeking universal coverage, free public primary care and access to private services.

- **Public Sector:** Managed by the National Health Service (SNS) and the Ministry of Public Health, it includes public hospitals, Primary Care Clinics (CPN) and the 9-1-1 system. Example: Free first-level care and emergencies.
- **Private Sector:** Higher-cost private clinics and practices, usually used with insurance.
- **Social Security Schemes (SDSS):**
 - **Contributory:** Formal workers and employers.
 - **Subsidized:** State financing for unemployed or informal people, covering 95% of the population.

COMMUNICATIONS

In terms of managing telecommunication, INDOTEL is the government agency created by the General Telecommunications Law (153-98) that regulates the development of the Dominican telecommunications market, including telephony, radio spectrum use, broadcasting and Internet. Its current projects include the roll-out of fibre-optic broadband infrastructure to all provincial capitals and municipal districts in the country and the development of wireless broadband Internet in parts of the Santo Domingo Metro network.

While banks and hotels usually enable consumers to make transactions online, other business sectors in the DR have been slow to embrace e-commerce. The number of Internet accounts in the country is growing quickly, in 2020, about 8.53 million of people have access to the Internet connection. Due to the measures taken by INDOTEL, as a consequence of the sanitary crisis, the telephone companies were forced to yield in terms of their operations and assume the regulatory measures dictated by the regulatory body.

Dominican law also guarantees the freedom of the press. Daily news providers (i.e., newspapers and online news brands) include *El Caribe*, *Hoy* and *Diario Libre*. *Dominican Today* (www.dominicantoday.com) publishes Dominican news in English. The DR has more than 200 radio stations, most of which are commercial, and a very large number of terrestrial and cable television stations. The Dominican government broadcasts state TV and radio through the Corporación Estatal de Radio y Televisión (CERTV).

Mobile telephony penetration in the DR is high, with 9.1 million mobile (cell) phones in use in the country and approximately 6.6 million of these are on pre-paid (pay-as-you-go) contracts; the remainder are on billed contracts.

BANKING AND FINANCIAL SERVICES

Banking and financial services in the Dominican Republic encompass a wide range of products (accounts, loans, cards) offered by multiple banks, savings and loans, and savings and loan associations, supervised by the Superintendency of Banks. The sector promotes financial inclusion and digitalization.

Dominican Republic has a strong

User Protection

- **ProUsuario:** The Office of User Services and Protection provide guidance, handles complaints, and educates about interest rates and fees.
- **Transparency:** Entities must publish their service rates for cost transparency

TRANSPORTATION LINKS

International airports are established in various regions of the DR:

- Punta Cana International Airport (Punta Cana/Higüey)
- Cibao International Airport (Santiago de los Caballeros)
- Gregorio Luperón International Airport (Puerto Plata)
- La Romana International Airport (La Romana)
- Las Américas-JFPG International Airport (Santo Domingo)
- Samaná El Catey International Airport (Sánchez)
- María Montez International Airport (Barahona)
- La Isabela International Airport (Santo Domingo).

Dominican sea ports include:

- Port of Santo Domingo
- Haina Occidental Port (major import/export port, west of the capital)
- Multimodal Caucedo Port (major Free Trade Zone export port)
- Port of Puerto Plata (the north coast's main commercial port)
- Port of Boca Chica (minor port, predominantly used for containers, east of the capital)
- Port of San Pedro de Macoris (river port, used for the exportation of sugar)
- Central Romana Port (private river port).

The Santo Domingo Metro system opened to the public in 2009.

LAND AND BUILDING

Construction in the Dominican Republic is booming, with variable material and labor costs. The construction cost per square meter ranges between RD\$22,000 and RD\$70,000, depending on the range of the home. It is essential to check the classification of the land at the town hall before building.

There are certain aspects to take in consideration in matters of land and building:

- **Construction Costs (2025-2026):**
 - **Basic:** RD\$22,000 - RD\$28,000 per square meter.
 - **Medium/Standard:** RD\$30,000 - RD\$40,000 per square meter.
 - **High-End/Luxury:** RD\$45,000 - RD\$70,000 per square meter.
 - A 120-square-meter home can cost between RD\$2.6 and RD\$8 million.
- **Land:** You can find lots for housing construction, with options in areas such as Samaná, Santiago, Santo Domingo, and Punta Cana.
- **Regulations:** Law 675 of 1944 requires that urbanization projects be approved by municipal authorities.
- **Materials:** Material prices may vary by hardware store.
- **Earthmoving:** There are companies specialized in the preparation of rocky soils and areas with groundwater for constructions.

HOLIDAYS IN DOMINICAN REPUBLIC

Holidays in the Dominican Republic for 2026 include New Year's Day (1 Jan), Three Kings Day (6 Jan), Altagracia (21 Jan), Duarte (26 Jan), Independence Day (27 Feb), Good Friday (3 Apr), Work (4 May, moved), Corpus Christi (4 June), Restoration (16 August), Mercedes (24 Sep) and Constitución (9 Nov, moved). According to Law 139-97, weekday holidays are usually moved to Mondays to create long weekends.

FOREIGN INVESTMENT

The Foreign Investment Law (16-95) recognizes the role that foreign investment plays in the economic growth and social development of the Dominican Republic and seeks to establish parity between national and foreign investment. The law guarantees foreign investors the same legal rights and obligations as domestic investors, without any discrimination.

Foreign investment is unrestricted, with very few exceptions. Foreign investors have free access to foreign exchange. There are no rules regarding foreign ownership of local companies, nor where in the country foreign companies may be based. Nor are there any special export requirements for foreign investors. In-kind and other investments, such as technical knowledge, management assistance and trademarks are permitted, as investments in existing Dominican-owned businesses.

According to official data from the Ongoing National Workforce Survey, foreign investments sectorized during 2025, is as follows: Tourism 26.3%, Electricity 23.8%, real estate sector 15.7%, mining and other sectors 34.2%.

During the year 2025, the Dominican Republic received 11,676,901 tourists, being the tourism sector one of the lines that receives the highest foreign investment.

According to information from the Central Bank, family remittances reached a record figure in 2025, exceeding US\$11,866.3 million, which represents a growth of more than 10% compared to 2024, consolidating itself as a fundamental pillar for the national economy. These flows, mainly from the US, boosted consumption and investment by vulnerable sectors.

The United States is the main foreign investor in the Dominican Republic, accounting for about 26.3% of foreign direct investment (FDI). It is followed in importance by Canada, Spain and Mexico, consolidating the country as an attractive pole in the Caribbean with a record of more than US\$5,000 million in 2025.

The main countries of origin of investment in the Dominican Republic are:

1. The United States: Historically the main partner, with a strong presence in tourism, free zones and real estate sectors.
2. Canada: With a high participation, especially in the mining sector.
3. Spain: Leader in hotel and tourism investment.
4. Mexico: With Growing Participation in Various Productive Sectors.

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8. Mexico: With Growing Participation in Various Productive Sectors.

Las inversiones están concentradas en los siguientes renglones:



Prior authorization of investment is not necessary (see section on 'Setting up a Business', below). However, foreign investors are required to register their investment with the Centre for Exports and Investment (CEI-RD) within 90 days of investing in the DR. A written application should be made to the CEI-RD, indicating the amount of capital invested and the area of investment. The investor is then issued with a Certificate of Registration of a Foreign Direct Investment.

CENTRE FOR EXPORTS AND INVESTMENT OF THE DOMINICAN REPUBLIC (CEI-RD)

The government agency responsible for encouraging foreign investment in the DR is the Centre for Exports and Investment of the Dominican Republic (CEI-RD). It works to improve services offered in the areas of export and investment, such as technical assistance, advocacy, business information, legal, training and logistics support. The agency participates in trade negotiations and develops trade policies with the aim of increasing exportations. Further information may be found on the CEI-RD website: www.cei-rd.gov.do.

RESTRICTION ON FOREIGN INVESTMENT

There are few restrictions on foreign investment. Foreign investors may not import toxic waste (including radioactive waste) for storage or disposal or conduct a business that affects the public health or natural environment of the country (within normal bounds). In addition, foreign investors wishing to produce goods that have implications for the security of the DR must gain permission from the country's president.

This law defines what a public-private alliance as a mechanism in which a public agent and a private agent (national or international) subscribe voluntary a long-term contract (being this as the constitutive document of the alliance and which term cannot last more than 40 years). As previously stated above, as a consequence of a competitive

process, for provision, gestion or operation of goods and services of social interest in which it exists a complete or partial investment by private agents, tangible or intangible contributions from the public sector, risk management from both parties, and the remunerations are associated with performance, according to what it is established, being also possible its gestion and administration through a trust. From this definition that establishes the general overview of this figure in our legal system, each alliance can have their own characteristics depending on the actors, the nature, and of course, the specific necessities of the project, always in accordance to the criteria and parameters established in this law.

According to the important novelties that this law gives to us, we must stand out the two types of public-private alliances. The first one being the alliance of public initiative, which are originated in public agents (meaning that they surge as an initiative from the government) and the second one being the alliance of private initiative, in which the proposal of this alliance is made by a private agent.

For the process involved for the presentation and selection of the public-private alliances by public initiative, it consists of five phases detailed by the law: I) presentation of the initiative by the public agent (entity of the government which has the intention of contracting a private agent); II) evaluation of the initiative from the Council; III) declaration of public interest from the council; IV) competitive process of selection of the adjudicate; V) adjudication of the contract on the public-private alliance; phase in which finalizes with the subscription of the contract on the public-private alliance between the adjudicate and the public agent which generated such initiative.

The procedure involved for the presentation and selection of the public-private alliances by private initiative consists of six phases according to the law which includes: I) presentation of the initiative from the private agent; II) evaluation of the initiative from the Council in coordination of other public authorities related to the process; III) declaration of public interest from the Council, which has the faculty of determine whether the proposed project will continue under the modality of private initiative or under public initiative; IV) public manifestation of interest, which will proceed if the Council determines if the initiative will continue as private, and whose result will serve at the same time to convocado other private agents to participate in the competitive process of selecting and adjudicate; V) in case that there is at least another private agent different than the first one that originated the proposal that has responded to the call and habilitated as an offeror, it will proceed to realize a competitive process of adjudicate selection, VI) adjudication of the contract on the public-private alliance; phase in which finalizes with the subscription of the contract on the public-private alliance between the adjudicate and the public agent which generated such initiative.

This Public Proven Alliances Law seeks to promote transparency in the processes of synergy between the State and the private sector. It is possible to modify Law 340-06 on Public Procurement and Contracting with regard to concessions and it is intended to increase transparency in government projects.

RETURN ON FOREIGN INVESTMENT

It is specified under the Foreign Investment Law that foreign investors have the right to remit abroad, without the need for prior authorization, the total amount of invested capital and the dividends declared during each fiscal period, up to the total amount of the net current profits of the period.

FOREIGN AGREEMENTS

The Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) is the comprehensive trade agreement between the United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. Taken as a single market, the CAFTA-DR region is a top 10 destination for US agricultural products, with exports topping USD 4.3bn in the fiscal year 2017.

The agreement aims to encourage expansion and diversification of trade between the signatory parties, eliminate barriers to trade between the territories and substantially increase investment opportunities in the countries involved. Under CAFTA-DR, each party must treat suppliers from other signatory countries no less favourably than its own suppliers.

Member countries agreed to progressively reduce and eliminate customs duties on the movement of originating goods within the trade area and to grant each other duty-free temporary admission for professional equipment, goods intended for display or demonstration, commercial samples and goods admitted for sports purposes. In addition, members agreed not to apply customs duties to goods that re-enter a country having been temporarily exported to another signatory for repair or alteration, nor to apply import duty to items admitted temporarily from another member country for repair or alteration.

Under CAFTA-DR, member countries must operate transparent government procurement procedures and may not discriminate against other member countries when procuring goods and services. The agreement also requires member countries to protect intellectual property rights by providing protection for trademarks, copyright and patents and to enforce laws pertaining to the protection and improvement of the environment.

CAFTA-DR has been in force since 2007 with the aim of increasing investment in the DR by reducing duties and tariffs in the region. The country's main trading partner is the US, which receives approximately half of the DR's exports. Haiti, Western Europe and China are also significant markets.

The Dominican Republic has Bilateral Investment Treaties (BITs) with: Chile, Finland, France, Italy, Republic of Korea, Morocco, Netherlands, Panama, Spain, Switzerland, and Taiwan. According to the Dominican Ministry of Industry and Commerce, the Free Trade Agreements (FTAs) that are currently in force include: CAFTA-DR; the Economic Partnership Agreement (EPA) between the European Union and CARIFORUM (an organization of Caribbean nations, including the Dominican Republic); a trade agreement between the Dominican Republic and the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; a free trade agreement with CARICOM (the Caribbean Community); and a trade agreement with Panama.

An agreement for the exchange of tax information between the United States and Dominican Republic has been in effect since 1989. On September 15th, 2016, the United States and the Dominican Republic signed an agreement to improve international tax compliance and to implement the Foreign Account Tax Compliance Act (FATCA).

The Dominican Republic has tax agreements to avoid double taxation and prevent tax evasion currently in force with Canada and Spain.

CHALLENGES FOR INVESTORS IN THE DOMINICAN REPUBLIC

The main difficulties that foreign investors must face in the Dominican Republic are inadequate infrastructure, problems with the electricity supply, corruption, noncompliance of contracts, disregard for court rulings and a lack of standard procedures for customs fees on imported goods. The Dominican Republic ranked 115th out of 190 countries in the 2020 Doing Business classification published by the World.

DOMINICAN REPUBLIC AND CHINA'S NEW TRADE AGREEMENT

Since May 1st, 2018, the Dominican Republic and China subscribed to a joint statement to announce their new diplomatic alliance. The trade between the countries in that year reached US\$229 billion, with an inter-annual jump of 22%, with earnings of US \$ 630 million in the first quarter.

This agreement offers other benefits such as the signing of a memorandum of understanding for the training of human resources with support to provide trainings to Dominicans, and a cooperation agreement with the Tsinghua University Public Security Research Centre and others, such as the ones between the Ministry of Finance and the China's Importation and Exportation Bank and another one with the Development Bank of China.

Likewise, they had also subscribed to a cooperation agreement for civil aviation and sports between both countries. Also, one of the agreements made between both nations facilitates the exportation of tobacco to China and support from China to the Dominican Republic, so it can comply with the sanitary and phytosanitary measures.

FREE TRADE ZONES

The Promotion of Free Zones Law (8-90) regulates Free Trade Zones in the Dominican Republic. Under the law, a Free Trade Zone is defined as a geographic area of the country under special customs and tax controls, in which enterprises are licensed to devote their production of goods or services to foreign markets through the granting of incentives to stimulate their development. These geographic areas are physically fenced off, so that people and goods must pass through Customs as they enter or exit the area. Different types of Free Zone, with varying benefits and restrictions, may be established in different locations. Free Trade Zones are managed by the National Free Zones Council (CNZFE).

The Promotion of Free Trade Zones Law grants enterprises that operate in Free Trade Zones complete exemption from all taxes and duties related to production and export, including income tax, construction tax, asset tax and import duties on raw materials, equipment and amenities for workers within the zone. Foreign investors are permitted to apply for a license to operate a Free Trade Zone or to establish an enterprise in a Free Trade Zone; the incentives associated with Free Zones apply equally to foreign and Dominican investors.

Tax exemptions are time-bound, with longer time limits placed on Free Trade Zones near the Haitian border than in other parts of the DR. Since the initiative aims to increase exports out of the DR, the movement of goods from a Free Zone to another part of the DR is considered to be an import into the DR and is subject to restrictions and full import duties, as well as 2.5% income tax on the gross value of sales. The Dominican Labour Code applies equally within and outside Free Trade Zones (although minimum wages may vary). Companies have reported fewer bureaucratic problems in the Free Zones than in other parts of the country.

Since 2015, pilot programmes aimed at increasing productive links within and outside the Free Trade Zones have been introduced. An agreement has also been established with six public and private institutions to help support policies that connect local companies with the ones located in Free Trade Zones.

About half of the enterprises in the DR's Free Trade Zones produce textiles. Others manufacture shoes, leather goods, cigars, jewellery, pharmaceuticals and electronics.

Some call centres and data processing companies also operate in Free Trade Zones. The majority of investment in Free Zones comes from the US. About a quarter of investment comes from the DR and around 5% is of South Korean origin. Exports from the Free Trade Zones were worth almost USD 2.3bn in 2015 and accounted for over 60% of all

Dominican exports. Further information on Free Trade Zones may be found on the CNZFE website: www.cnzfe.gov.do

SETTING UP A BUSINESS

Setting up a business in the Dominican Republic is governed by the Company Law (479-08) and its amendments (law 31-11). There are a number of ways in which a business may currently be formed, all of which share the same tax regulations

TYPES OF PARTNERSHIP

Dominican companies are usually one of four types: (1) corporation (Sociedad Anónima or SA), (2) simplified corporation (Sociedad Anónima Simplificada or SAS), (3) limited liability company (Sociedad de Responsabilidad Limitada or SRL) or (4) individually-owned limited liability company (Empresa Individual de Responsabilidad Limitada or EIRL).

COMPANY CAPITAL

Depending on the type of company the minimum share capital can vary in function of the aforementioned capital. The minimum share capital is as follows:

Type of Company	Minimum Share Capital (Subscribed and Paid)	Maximum Share Capital
Limited Liability Company (SRL)	RD\$ 100,000.00	No limit
Simplified Corporation (SAS)	RD\$ 3,000,000.00	No limit
Corporation (SA)	RD\$ 30,000,000.00	No limit
individually-owned limited liability company (EIRL)	No minimum	No limit

Important considerations:

- **Division of Capital:** For Limited Liability Companies, capital is divided into "social quotas." For SAs and SASs, it is divided into "shares."
- **10% Rule (SA & SAS):** At least 10% of the authorized capital must be subscribed and paid at the time of incorporation.

- **Legal Framework:** Based on Law 479-08 and its amendments (Dominican Republic).

TYPES OF COMPANIES

Corporation (SA)

This structure applies to large companies and permits capital to be raised through the public sale of shares. The business must have at least two shareholders (there is no maximum), be managed by a board of directors with at least three members and have an auditor. Corporations are subject to minimum investment levels.

Simplified corporation (SAS)

Medium and large businesses may be simplified corporations. Capital may not be raised through the public sale of shares. The business must have at least two shareholders (there is no maximum) and be managed by an individual or a board of directors but does not require an auditor. Simplified corporations are subject to minimum investment levels.

Limited liability Company (SRL)

This structure is relevant from small to medium-sized businesses as well as large, family businesses. Capital may not be raised through the public sale of shares. The business must have at least two shareholders, but no more than 50, and be managed by an individual or a board of directors, but not by another company. An auditor is not usually required.

Individually-owned limited liability company (EIRL)

The individually-owned limited liability company is a legal entity formed by a single owner, separating personal and commercial assets. It allows individuals to operate with limited liability, protecting personal assets.

Register the company name

In all cases, a new business must select and register a company name that is not already in use by another business. Investors are able to check the availability of company names on the National Office of Industrial Property (ONAPI) website: www.onapi.gov.do. In order to register the company name, investors must provide their name, contact details, a description of proposed business activities and a copy of a Dominican ID card or foreign passport. Fees are payable. (It is possible to change the name of a company after it has been registered, although this has cost implications.).

Publish the company name

The new company name must be published in a national circulation newspaper and/or on the ONAPI website. The current arrangement is for official bulletins to be published twice a month in the newspaper El Nacional. Fees are payable. Third parties have 45 days from the date of publication to lodge an objection to the registration of the name. Investors may continue with the following steps while this period elapses.

Pay incorporation tax

Incorporation tax is due to the Internal Revenue Service (Dirección General de Impuestos Internos or DGII). This currently amounts to 1% of the company's authorized capital.

File company documentation with the Registro Mercantil at the Chamber of Commerce

The Registro Mercantil requires the following:

- By-laws
- General Constitutive Assembly
- Distribution of investments
- Application form for the registration of a limited liability company
- Association Partnership Agreement
- Receipt confirming payment of incorporation tax
- Copies of identity documents
- Copy of business name registration issued by ONAPI

Fees for document registration are also payable. Once the documentation has been successfully filed, the company is issued with a certificate and legally exists.

Registering the company with the National Taxpayers Registry at the General Directorate of Internal Taxes (DGII)

Companies that render services or transfer goods must issue receipts with a tax receipt number. The Internal Revenue Service (DGII) authorizes new companies to issue such receipts and issues each company with a tax receipt number (RNC). The RNC is needed to open a bank account. There is no charge for this registration process. Businesses are also required to register their employees. This process is detailed in the section on labour, below.

LABOUR

The Labour Code (16-92), which became law in 1992, governs the relations between employers and employees in the DR. Under the code, businesses are required to meet a quota of Dominican workers in the company: 80% of a workforce must be composed of Dominican nationals. This restriction does not apply to management and administrative staff, although businesses are encouraged to respect the quota at supervisory level. In addition, when a Dominican national replaces a foreign worker in a role, the Dominican employee is entitled to the same salary, rights and conditions as the foreign employee.

Registering employees with the Department of Labour

Forms DGT-3, DGT-4 and RNL must be completed within the first week of employment. A list of permanent staff, work schedules and leave provision for all staff must be filed with the local Department of Labour. Fees are payable.

Registering employees with the National Treasury of Social Security (TNSS)

Within the first three days of employment, employers must register employees with the National Treasury of Social Security (TNSS), which is part of the main social security office, the National Council of Social Security (CNSS). There is no charge for this registration process.

Working hours

An employment contract may be verbal or written, and is presumed to exist unless the employer can prove otherwise. Either the employer or the employee may require the other party to sign a written version of an existing verbal agreement. If a contract is in writing, any changes to the contract must also be made in writing.

Leave

The normal working week in the Dominican Republic is 44 hours. This is typically divided into five-and-a-half working days, with eight hours worked from Monday to Friday and four hours worked on Saturday. Part-time employment cannot exceed from 29 hours a week. All workers are entitled to a 36-hour uninterrupted rest period each week.

Pay

Workers must be paid no less than the relevant minimum wage (established by the National Salary Committee) and receive their wages in cash, either monthly or more frequently. Employees are entitled to overtime payments at a 35% premium of their usual rate for every hour worked beyond the normal 44-hour week and at 200% of their usual rate for every hour worked beyond 68 hours in a week. Workers are also due extra pay when working at night or on a Sunday.

All employees in the DR receive 'Christmas salary', an extra month's wages to be paid on or before December 20th each year. This annual payment is not subject to income tax.

Under the Labour Code, employers must share 10% of their net profits with staff. Profit-sharing payments to individuals may be capped, depending on their length of service. Exemptions apply in certain sectors.

Employees who have been in their job for less than five years are legally entitled to 14 days' paid leave, rising to 18 days after that period. In addition, employees have the right to five days of paid leave when they get married and three days of paid leave when a close family member dies. Fathers are entitled to two days of paid paternity leave when their wife or partner gives birth.

Termination of employment

Either the employer or the employee may terminate an employment contract, giving advance notice, without specifying a reason. In the first three months of service, an employee may be dismissed 'without cause' without any severance being payable. After three months' service, employers who terminate a contract without cause must give advance notice of dismissal (or pay additional days' salary) as follows:

- 3-6 months' service = 7 days

Employers who have motives to dismiss an employee ('with cause') must do so within 15 days of the incident cited as grounds for dismissal and inform the Department of Labour within 48 hours of the dismissal.

Employers cannot dismiss a female member of staff without cause while she is pregnant or in the first three months after giving birth. In the event that the employer has just cause to terminate a woman's employment within six months of childbirth, they must first go through certain procedures to do so, including obtaining authorization from the Department of Labour. Failure to comply with this law entitles the woman to receive compensation amounting to the equivalent of five months' salary.

The statutory retirement age for men and women is 60; retirement at this age is not compulsory.

Mothers are entitled to 12 weeks of maternity leave on full pay, starting six weeks before the child is due. If a female employee requests to take her annual leave immediately following her maternity leave, then the employer is obliged to grant this request. Women are entitled to an additional half day of leave per month for one year following the birth of their child, for the purpose of taking their child to medical appointments. Breastfeeding mothers must be allowed to take breaks during the workday for this purpose.

- 6-12 months service = 14 days
- Over 12 months service = 28 days.
- Under the Labour Code, severance payments to employees dismissed without cause are due as follows:
- 3-6 months service = 6 days salary
- 6-12 months' service = 13 days salary
- 1-5 years' service = 21 days salary for every year or part thereof
- Over 5 years' service = 23 days salary for every year or part thereof.

Workers' rights

Before a union can ballot for strike action, the union must have attempted to reach a resolution with the company through mediation. In the event that mediation fails, all the company's workers, including those who are not members of the union, must be balloted and an absolute majority must support strike action. If support is given, unions must inform the Department of Labour of their intent to take action, which may occur no sooner than 10 days after the announcement of a strike. Long strikes are uncommon in the DR.

Sexual harassment of employees is illegal. Employers are responsible for acts of sexual harassment carried out against a worker by another employee, and are obliged to intervene in such cases.

Modification of the national minimum wage for workers in the non-sectorized private sector (resolution no. 01/2026)

On February 26th, 2026, the National Wage Committee issued the Resolution No. 01/2026 on the national minimum wage for workers in the non-sectorized private sector, which included new criteria for the classification of companies, and set a new minimum wage for workers in the non-sectorized private sector, with a staggered increase, as follows:

- For big sized enterprises with more than 151 employees or gross annual sales of RD\$202,000,000, will have a minimum wage of RD\$24,990.
- For medium sized enterprises with 51-150 employees or gross annual sales of RD\$54,000,001 – RD\$202,000,000, will have a minimum wage of RD\$27,489.60.
- For small sized enterprises with 11-50 employees or annual gross sales of RD\$8,000,001- RD\$54,000,000, will have a minimum wage of RD\$18,421.20.

- For micro enterprises with less than 10 employees or annual gross sales of RD\$8,000,000, will have a minimum wage of RD\$16,993.20.

Workers who lend services as Watchmen in the enterprises of safety and private surveillance, will be perceiving an increase of RD\$24,633.00 in the wage and in addition, farm workers shall be earned a minimum wage of RD\$714.00 per working day of ten (10) hours daily.

TAXATION

Taxes are governed by the Dominican Tax Code (11-92) and its modifications, are collected by the General Directorate of Internal Taxes (DGII).

Taxes and mandatory contributions are equally applicable to Dominican and foreign investors and are payable at the same rates regardless of whether the company is a corporation (SA), simplified corporation (SAS), limited liability company (SRL) or individually-owned limited liability company (EIRL). The taxes discussed in this section are not applicable to businesses operating within Free Trade Zones, which are exempt from all taxes.

Tax or mandatory contribution	Statutory tax rate	Tax base
Corporate income tax	27%	Taxable profits
Pension contributions	7.10%	Gross salaries
Labour risk insurance contributions	1.20%	Gross salaries
Training tax (INFOTEP)	1.00%	Gross salaries
Tax on electronic transfers	0.15%	Payments by cheque or electronic means
Fuel tax	RD\$ 2 per gallon	Fuel consumption
Health insurance contributions	7.09%	Gross salaries
Vehicle tax	RD\$3,500	Fixed fee
Value-added tax (ITBIS)	18%	Value-added

Corporate income tax: The corporate rate of income tax in the Dominican Republic is 27% of taxable profits in 2023.

Capital gains tax: Capital gains on assets located in the DR are subject to 27% tax.

Both asset tax and withholding tax may be credited against corporate income tax. **Value-added tax (VAT):** VAT (known as ITBIS) is charged at a rate of 18%. Goods and services which are exempt from ITBIS include basic foods, medicines, fuel and books.

Asset tax: An annual tax amounting to 1% of total assets will be payable if the assets tax is greater than the tax capital gain tax. Dividends are subject to 10% withholding tax.

Companies add 18% ITBIS to every non-exempt product or service sold to a consumer or business within the DR; they are also required to pay the ITBIS on purchases from another provider. Each month, the company calculates the difference between the amount of ITBIS raised through sales and the ITBIS paid when purchasing goods or services; this difference is payable to the government.

Selective consumption tax: Selective consumption tax (ISC) is applied on the purchase price (or import) of certain goods, including cars, cigarettes, alcohol and jewellery. The rate of ISC tax varies according to the item being taxed.

The tax rates are as follow: Pension contributions, labour risk insurance contributions, training tax (INFOTEP) and health insurance contributions are payable on gross salaries. There are also taxes on electronic transfers, vehicles and fuel consumption. These are summarised in the table above.

Pension contributions: Businesses pay pension contributions on gross salaries at a statutory rate of 7.10%; individuals contribute 2.87% of pensionable earnings. Pensionable earnings are capped at 20 times the legal minimum wage.

Health insurance contributions: Businesses pay 7.09% of gross salaries towards health insurance contributions, with employees contributing 3.04%. Health insurance contributions are calculated on the basis of the employee's earnings, up to a maximum taxable salary of 10 times the relevant minimum wage.

Labour risk insurance: Labour risk insurance is paid by the employer and calculated on the basis of the employee's earnings, up to a maximum taxable salary of four times the relevant minimum wage. The rate of insurance contributions payable depends on the level of risk incurred in the course of the work undertaken by employees.

Training tax: INFOTEP is the governing body for professional technical training in the DR. The organisation is non-profit and independent of the state. Its role is to organise and govern vocational training in the DR, with the aim of developing human resources in the country and increasing productivity of companies in all sectors of economic activity.

Businesses pay a mandatory contribution of 1% of monthly wages towards INFOTEP; this is topped up by 0.5% annual employee contributions.

Tax in the DR operates on a territorial basis. All workers, whether Dominican or foreign, pay tax on income from their work or business activities conducted within the DR. All taxpayers require an RNC number, which is obtained upon registration with the DGII.

INCOME TAX LAW

Any income gained from work outside the DR is not subject to income tax. Dominicans and resident foreigners (who have been resident for three years or more) must, however, pay tax on income derived from financial investments made outside the country. Under tax law, residence is assumed if a person spends more than 182 days in a year in the DR.

Annual Income	Rate
Up to RD\$416,220.00	Exent
From RD\$416,220.01 up to RD\$624,329.00	15% of the surplus of RD\$416,220.01
From RD\$624,329.01 up to RD\$867,123.00	RD\$31,216.00 plus 20% of the surplus of RD\$624,329.01
From RD\$867,123.01 and on	RD\$79,776.00 plus 25% of the surplus of RD\$867,123.01

Income tax (ISR) rates for the tax year ending December 2025 are detailed in the previous table. Tax thresholds are updated every January to reflect inflation. When calculating taxable income, certain deductions may be allowed, for example for health and education expenses.

Tax on property: A one-off transfer tax is payable when buying a property, equivalent to 3% of the cost of the purchase. Owners of properties in urban areas must also pay an annual municipal tax, equivalent to 1% of the value of the property. Businesses do not pay municipal tax as they pay asset tax at the same rate instead.

CUSTOMS LAW

Law 168-21 is the New General Customs Law of the Dominican Republic, enacted in August 2021 to modernize, streamline and make customs processes transparent. This regulation aligns the customs system with international standards, facilitating foreign trade through technology and new logistics definitions.

Customs taxes in the Dominican Republic are applied to imported or exported goods, regulating foreign trade. Online purchases of less than US\$200 are exempt, while those over this amount pay general import taxes (tariff, ITBIS, and selective) managed by the General Directorate of Customs (DGA).

General Law on Integral Management and Co-processing of Solid Waste, No. 225-20, modified by Law 98-25

The General Law on Integral Management and Co-processing of Solid Waste, date September 30th, 2020, aims to prevent the generation of waste and establishes the legal regime of its integral management to promote the reduction, reuse, recycling, use and valorization. It also regulates the systems of collection, transport and sweeping of such wastes.

This law establishes a special contribution for waste management that taxes any corporate entity, entity and public institution, in order to create a fund to mitigate the negative effects of the current waste disposal and develop a comprehensive waste management system. The General law of Integral Management and Co-processing of Solid Waste has been modified recently by Law 98-25, which modifies the contribution of the companies for the control on solid wastes. This contribution is in accordance with the revenue for the fiscal year, calculated as follows:

Annual Gross Income Range (RD\$)	Annual Contribution (Law 98-25)
From 0.00 to 1,000,000	RD\$ 3,000.00
From 1,000,001 to 10,000,000	RD\$ 6,000.00
From 10,000,001 to 25,000,000	RD\$ 20,000.00
From 25,000,001 to 50,000,000	RD\$ 155,000.00
From 50,000,001 to 100,000,000	RD\$ 260,000.00
From 100,000,001 onwards	RD\$ 675,000.00

Source: Data provided according to Dominican Republic Law 98-25.

Corporate entities that invest in both material and energy recovery plants may benefit from the incentive regime established in this law, which will be valid for 5 years from the date of promulgation of this law.

Among the incentives are:

- Exemption for a period of 5 years of 100% income tax (ISR) (excluding dividends);
- 100% exemption from taxes on assets, for a period of 5 years;
- Exemption of 100% of tariffs and the Value-added tax (VAT), (known as ITBIS) of the machinery and equipment necessary for their operations

ACCOUNTING AND REPORTING

All businesses in the DR have long been required to keep accurate and complete accounting records. The DR officially adopted International Accounting Standards (IAS), the forerunner of International Financial Reporting Standards (IFRS), in 1999. Historically, however, businesses have largely failed to comply with the official standards.

ICPARD Resolutions

The Institute of Chartered Public Accountants of the Dominican Republic (Instituto de Contadores Públicos Autorizados de la República Dominicana or ICPARD), which has the power to set standards for accounting in the Dominican Republic, has adopted two resolutions to tackle chronic non-compliance and raise the standards of accounting and reporting in the DR.

In 2010, ICPARD's Resolution 001 established that IFRS must be implemented by all companies whose shares are listed on the Dominican stock exchange (Bolsa de Valores de la República Dominicana or BVRD).

The resolution is being phased in gradually; listed companies had to abide by all the IFRS by 2014.

ICPARD's Resolution 002 established that businesses not listed on the stock exchange (not including government-regulated companies) must use the IFRS for SMEs. Unlisted companies had to abide by all the IFRS for SMEs by 2014.

International financial reporting standards do not apply to government-regulated companies, which must instead abide by the rules of the regulatory body. Large businesses are required to employ an external auditor but smaller businesses are not required to do so.

UHY IN DOMINICAN REPUBLIC

CONTACT DETAILS

UHY Calderon Gonzalez & Asoc.
Ave. Rómulo Betancourt 1304
Toree Vella Vista Center 2, suite 409
Bella Vista, Santo Domingo
Santo Domingo
Dominican Republic
Tel: +1 809 567 6012
www.uhycalderongonzalez.com
info@uhy.com.do

CONTACTS

Liaison contact: Arabellis Calderón González
Position: Managing Partner
Email: arabellis.calderon@uhy.com.do

BRIEF DESCRIPTION OF FIRM

UHY Calderon Gonzalez & Asoc., was founded in the year 2009 with the purpose of offering professional, efficient, trustable and high-quality services, to the clients. In accordance with our philosophy, we respect the ethical, professional and legal standards that govern our professional activity, encouraging employees to meet our current thinking, and always respecting their decisions without impositions. Moreover, our client base is respectful of good business practices and laws, which has contributed to the establishment of a long-term relationship with our clients as their trusted advisor.

We offer a set of services which range from compliance of tax, legal and accounting requirements to highly specialized ad hoc projects with the added value that provides the coordination of the different areas of expertise. Its partners have more than 30 years of experience, they have helped a large number of Dominican Republic businesses and foreign businesses to establish and development its operations in the country.

SERVICE AREAS

Audit & Assurance
Tax advisory and compliance
Legal advisory labour consultancy
Prevention and money laundry
Forensic audit
Bookkeeping
Due diligence

SPECIALIST SERVICE AREAS

International tax consultancy
Tax claim & tax litigation
VAT
Due diligence
Business outsourcing
Payroll Administration
Transfer pricing studies

PRINCIPAL OPERATING SECTORS

Family-Owned Companies
Financial
Insurance
Agriculture industry
Services
Industry Manufacturing
Retail Distribution
Real Estate and construction
Non-profit Organizations

LANGUAGES

Spanish and English

CURRENT PRINCIPAL CLIENTS

Confidentiality precludes disclosure in this document

BRIEF DESCRIPTION

We are an auditors and tax consultants' firm, incorporated and existing under the Law No.633 on Public Accountants, of 16 June 1944, the Internal Regulation No.2032 of June 1, 1984, and other laws, regulations and rules that govern the profession in the Dominican Republic.

UHY Calderon Gonzalez & Asoc., was formed in February 2009. In November 2015, the Firm obtained the representation of Urbach Hacker Young International Limited, established in 1986 and based in London, UK. UHY is a leading network of independent accounting and consulting firms with 334 offices in major business centres across 96 countries.

Our philosophy is to respect the ethical, professional and legal standards by which we abide in our professional activities, trying to get our employees to meet our current thinking, and always respecting their decisions without impositions. Moreover, also, we try to make our clients base is respectful of good business practices and laws. We believe that some of our strengths are: our integrity, professional experience; fair fees not based on results, strengthening our professional independence; ability to adapt to the requirements of our clients; meet our financial commitments and our reputation in the market as professionals capable and honest, always attending to professional ethics, both at work and personally.

Let us help you achieve further business success

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