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INVESTMENT GUIDE

DOMINICAN REPUBLIC



Bahía de las Águilas Beach
Santo Domingo Dominican Republic



INVESTMENT GUIDE

DOMINICAN REPUBLIC

Edition, 2023
Santo Domingo, Dominican Republic

2022- 2023 DOMINICAN REPUBLIC INVESTMENT GUIDE

ProDominicana:

Management team

Biviana Riveiro, Executive Director

Vladimir Pimentel Florenzán, Deputy General Director

Mildred Santos, Technical Deputy Director

Marcial Smester, Investment Director

Collaborators

Filgia Domínguez, Investment Manager

Zanony A. Severino, Investment Manager

Carolina Pérez, Market Intelligence Director

Emilio Conde, Economic and Trade Policies Manager

Carlos Armando Salcedo, Senior Investment Executive

Heidi Ojeda, Market Intelligence Technician

Investments Division

Market Intelligence Department

Marketing and Communications Division

Strategic Innovation Division

Office of the Legal Adviser

Marketing and Communication Management:

Fausto Andres Pujol Matos - Design and Layout Analyst

Hilario Disla - Design and Layout Analyst

Leonel Gaspar Pérez Peña - Graphic Design Coordinator

Luciano Luna - Photography

Omar Lafontaine - Photography

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INCENTIVES FOR THE SPECIAL ZONE FOR INTEGRATED BORDER DEVELOPMENT.

INCENTIVES FOR THE TEXTILE CHAIN

• 100% EXEMPTION FROM PAYMENT OF TAX ON THE TRANSFER OF INDUSTRIALIZED GOODS AND SERVICES (ITBIS) OR ANY OTHER TAX IN CONNECTION WITH THE IMPORT AND/OR PURCHASE ON THE LOCAL MARKET OF ANY NECESSARY INPUTS, RAW MATERIALS, MACHINERY, EQUIPMENT, AND SERVICES

INCENTIVES FOR THE FILM INDUSTRY

	INCENTIVES FOR TOURISM DEVELOPMENT	
	INCENTIVES FOR THE DEVELOPMENT OF RENEWABLE SOURCES OF ENERGY	
	- 100% EXEMPTION ON IMPORT TAX, ITBIS AND ALL TAXES ON FINAL SALES FOR IMPORTED EQUIPMENT AND MACHINERY AND TRANSFORMATION, TRANSMISSION, AND INTERCONNECTION EQUIPMENT	
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Esteemed Investor,
The Dominican Republic: A land of opportunity!

We have embraced the commitment to lead the Dominican Republic amidst one of the worst circumstances in modern history both for our country and for the world. However, while retaining our primary focus on always looking ahead, we are striving to maintain stability and growth, with emphasis placed on working tirelessly on the innovative transformation of the country to which all Dominicans aspire: a country with more sustainable growth, a country of inclusion. We seek a stable business framework supported by a transparent, efficient environment, which provides legal certainty to engender collective progress for our entire nation, as well as the development, in turn, of companies located in the Dominican territory.

We, from the Government, sustain a strong engagement to simplify and streamline the Dominican Republic's business model. On this basis, and lead by our conviction on the power of updated information, we have decided to release an updated version of our detailed Investment Guide, tailored to the needs of investors in our country's major economic and high-growth-potential sectors. Long gone are the days of uncertainty for those interested in investing in our country. As we look ahead, our sole focus is to offer a country that continues to provide socio-political stability alongside economic stability, and a government whereby legal stability is guaranteed. This new and improved Investment Guide is the map to help you navigate the Dominican Republic and lead your investment in our country to a successful destination.

The Dominican government is the leading advocate for a favorable, transparent, fair, and egalitarian business environment, backed by our Foreign Investment Law. Since we took office, we have worked to promote this enabling environment that combines work with transparency, efforts aimed at countering corruption and drug trafficking, institutional strengthening, and economic recovery, to achieve stability and growth. At the same time, driven by our interest in also becoming your strategic allies, we strive to strengthen our relations and commercial agreements with all regions of the world, in order to continue broaden the competitive edges inherent to your establishment in the Dominican Republic.

I am aware that there are many potential destinations for your investment. With that, on behalf of the entire Dominican people and myself, I appreciate your interest in our country. The only way for the Dominican Government, and especially the ProDominicana team, to reciprocate it and earn the opportunity to welcome you, is to undertake the task of support you through an entire service ecosystem to your investment in the country a reality.

The government I am honored to lead would like to extend its warmest welcome to your companies, employees, and families, to this progressive community called the Dominican Republic. We are changing to build together with you the country of which we all dream.


PRESIDENT
DOMINICAN REPUBLIC



The Dominican Republic is an attractive destination for foreign investment. Its geographical location, robust regulatory framework, legal certainty, political and socio-economic stability favor and make the investment climate safer. The proximity to commercial destinations of great relevance positions us in the map of nearshoring, a mechanism of cost reduction and risk mitigation.

We have the Caribbean's most connected airport, as well as a port infrastructure with a maritime connectivity that ranks our country third in the region. This, together with the strategic geographical location and a favorable business climate, positions the Dominican Republic as the perfect destination for investments.

This government has placed foreign investment in a position of utmost importance by following the forceful measures timely taken by President Luis Abinader to promote economic growth, based on his firm belief that foreign investment is the greatest vehicle for sustainable economic development.

The global economic situation changed, and with it, the strategies for the achievement of a primary objective: Sustainable development. In a context of global change, the Dominican Republic is a safe bet on investment.

The signature is written in blue ink in a cursive, flowing script. It appears to read "Raquel Peña".

VICE-PRESIDENT OF THE
DOMINICAN REPUBLIC



Without a doubt, the Dominican Republic is trending. Thanks to the vision of President Luis Abinader, our country is positioned as a great destination for foreign investment, supported by transparent, efficient and inclusive processes that guarantee the collective process of our entire nation and exhibit positive qualities such as macroeconomic and political stability, legal certainty guaranteed by the government and privileged commercial access to a number of markets due to its geographical position.

It has a world-class infrastructure with a road network connecting all regions of the country; 8 international airports and 13 seaports, profiling the nation as an important logistics center; development in the diversification of economic sectors; and policies to promote investment.

Foreign direct investment plays a leading role in the development and growth of the economy and in the face of this reality, companies are continually seeking to be more resilient, closer to the final consumer market, reduce costs and mitigate risks associated with tariff increases and logistical delays in their supply chains.

Nearshoring is the new reality that emerges as a fantastic opportunity and that our country is already taking advantage of. To make the most of this scenario, the country developed a plan, which contains proposals for policies and measures in the short and medium term, which will allow, pursuant a joint effort with the private sector, to enhance the attraction of foreign direct investment, generate greater presence of the Dominican Republic in global and regional value chains and place resources in sectors classified as strategic in order to support the industrialization of the country, declared as a state policy and national priority.

In this same order, as part of the promotion strategy for economic growth promoted through the Alliance for Development in Democracy (ADD), a regional proposal to relaunch commercial, demographic and cultural links and that seeks to promote economic growth Within the framework of democracy, human rights and sustainable development objectives, the Dominican Republic is consolidated as one of the main destinations for the development of large capital investments.

Certainly we have been working tirelessly so that today our country is the reliable destination for investments; be the ideal place to germinate new projects and be the space where new opportunities are written not only for Dominicans but also for the world.

And this has only been possible to achieve thanks to the actions of all the productive sectors that demonstrate every day their desire for the Dominican Republic to continue its path as a benchmark for development and growth in the region.

A handwritten signature in blue ink that reads "Victor O. Bisónó Haza".

MINISTER OF INDUSTRY, COMMERCE AND MIPYMES



Foreign direct investment in the Dominican Republic is a key factor for economic recovery, and its growth entails new opportunities, and a higher degree of innovation and diversity. As a public body in charge of promoting exports and attracting investment, it is with immense pleasure that we present to you this new updated edition of the Investment Guide of the Dominican Republic, developed by ProDominicana with the collaboration of the Dominican Association of Foreign Investment Companies [Asociación Dominicana de Empresas de Inversión Extranjera (ASIEX)] and the support of other entities. We are deeply grateful for the ample acceptance that this tool, available in various languages, has had in the market. We hope it will serve to outline the critical path of investment projects and become a useful instrument for information search and decision making in selecting our country as the best destination for your future investments and business expansion.

In this new edition, we have updated the core information on the bounties of the Dominican Republic, as well as on the legal safeguards that protect and stimulate investment in the country as a preferred destination in the region, the recently implemented regulatory reforms, and public policies boosted by the Government with the aim of further simplifying the process of executing investment projects, to turn it into a more streamlined and strategic one. Examples include the One-Stop Investment Window, within the Zero Bureaucracy Program. Likewise, the fact that the Dominican Republic can exhibit its results in terms of attracting FDI - with figures of US\$1,069.7 in the first trimester of 2023 - fills us with pride, as it reflects confidence in our country as a destination to invest in traditional sectors such as tourism, mining, Free Zones, trade, real estate development, and other emerging sectors such as renewable energy, film, technological innovation, and other industries.

Traditionally, the Dominican Republic has been foreign investment companies' primary destination in the Caribbean region with 2022 foreign investments accounting for over US\$4.01 billion, thus not only leading said region's foreign investment attraction rankings, but also holding a privileged position when compared with other Latin American economies. The attributes of the Dominican Republic, in terms of logistics and telecommunications infrastructure, legal framework, human talent, and creativity, make us a warm and welcoming land, full of value adding people.

Here we offer you a full guide that includes sector-specific legal and economic information for adequate decision making. We do know that choosing a destination for your operations and investments is a weighty decision that goes far beyond mere figures. It is a decision that involves your employees, executives and even your families, in harmony with development from a business perspective. That is why we, at ProDominicana, strive to continue innovating services and working to improve on an ongoing basis, by reviewing policies in conjunction with UNCTAD, or strengthening the portfolio of Investment Projects under the UNIDO Program. We are your strategic allies because we walk the path together with you to ensure your successful integration into the economic ecosystem of the Dominican Republic, always opening doors, generating opportunities, and building inter-institutional partnerships.

Welcome to the Dominican Republic, make yourselves at home!

A handwritten signature in blue ink, appearing to read "Biviana Riveiro Disla".

EXECUTIVE DIRECTOR
PRODOMINICANA



The Dominican Association of Foreign Investment Companies (ASIEX), a non-profit organization founded in 1985 which groups together the main Dominican Republic-based foreign direct investment companies, is pleased to present, jointly with PRODOMINICANA, this new edition of the "Guide to Foreign Investment in the Dominican Republic", with a content aimed at providing essential information for the development of investments and businesses in the country, as well as on all opportunities and facilities that our nation has to offer to foreign investors.

At ASIEX, we are committed to continually ensuring legal certainty as well as an adequate investment climate in the country, thus contributing to its development and raising the quality of life of its people. Our related companies have high incidence and ties to the main productive sectors of the country, with a joint investment portfolio of more than twenty billion US dollars, representing around 13% of the national economy's GDP. Through a didactic approach, this Guide highlights all advantages offered by the Dominican Republic for foreign investment, noteworthy being macroeconomic and political stability; the country's privileged trade access and its growing insertion in international markets, owing to its geographical position and participation in various trade and investment agreements; and the development attained in the diversification of economic sectors and policies for investment promotion.

According to the latest report by the Economic Commission for Latin America and the Caribbean (ECLAC), in 2021 the Dominican Republic was the largest recipient of foreign direct investment in Central America and the Caribbean. In said year, our country managed to attract more than three billion dollars in foreign direct investment, despite the effects of the COVID-19 Pandemic.

Foreign direct investment in the Dominican Republic has a crucial impact on the domestic economy. A study conducted by ASIEX shows that foreign direct investment companies account for about 37% of all tax revenues directly or indirectly; about 71% of domestic exports; and about 22.5% of the private-sector social security contributions. Moreover, these companies generate more than 200,000 formal jobs to the economy and contribute to the transfer of knowledge, best practices, and advanced technology.

According to the aforementioned study, foreign direct investment companies reinvest at least 50% of their profits in the Dominican territory, which is a strong indicator of foreign investors' confidence in the Dominican Republic and a clear sign of their commitment in continuing to support the country's economic development.

Thus, we are extremely pleased to join PRODOMINICANA in the launch of this updated edition of the Guide to Foreign Investment in the Dominican Republic.

At ASIEX, we shall continue to work closely with the country's public and private sectors on initiatives of this kind, as they contribute to strengthening the capacities of the Dominican Republic to further attract foreign investment and reinvestment.

Alejandro Peña Prieto
ASIEX PRESIDENT

WHY INVEST IN THE DOMINICAN REPUBLIC?

The Dominican Republic offers multiple investment opportunities due to a wide variety of factors that have increased its competitiveness, making it an ideal destination for business.





STRATEGIC GEOGRAPHIC LOCATION. Its location, in the middle of the Caribbean, has made the Dominican Republic a vital trade link between Europe, North America, and the rest of Latin America, offering preferential access to more than 1.2 billion consumers through free trade agreements with the United States and Central America (DR-CAFTA), and with the European Union through the Economic Partnership Agreement (EPA).

SOLID LEGAL FRAMEWORK AND INCENTIVES. The Dominican Republic's government relies on Foreign Direct Investment (FDI) through a solid legal framework that not only offers legal security to investors but also a set of incentives and tax exemptions that guarantee higher returns on their investments, all while creating jobs, boosting the economy, and promoting the country's development.

ADVANCED INFRASTRUCTURE. The country has a well-developed and wide-range physical infrastructure adjusted to the requirements of a society focused on producing and commercializing goods and services. Dominican roadways are among the best in the region, joining practically all locations in the country. It also has a modern, spacious, and efficient system of ports and airports. Within the framework of the Annual Investment Meeting, organized by the United Arab Emirates, ProDominicana was recognized with the AIM Global 2023 Investment Award, as one of the best investment promotion agencies in Latin America and the Caribbean. Likewise, its advanced and reliable telecommunications infrastructure constitutes one of its main competitive advantages.

RICH AND DIVERSE NATURAL RESOURCES. The Dominican Republic is known to have a vast diversity of attractive natural resources, such as its beautiful beaches, fertile soils, warm climate, and mineral deposits, which makes it an ideal place to explore and invest.

ECONOMIC, SOCIAL, AND POLITICAL STABILITY. Legal security, economic dynamism, and an attractive business climate continue to make the Dominican Republic the destination par excellence for attracting Foreign Direct Investment in the region and one of the most vibrant economies in Latin America and the Caribbean.



HUMAN TALENT. The Dominican Republic is committed to building a future with competitive human talent, environmental sustainability, and technological innovation as the path towards development. ProDominicana is therefore pleased to offer you all the cooperation, support, and assistance necessary to develop your business in the country.

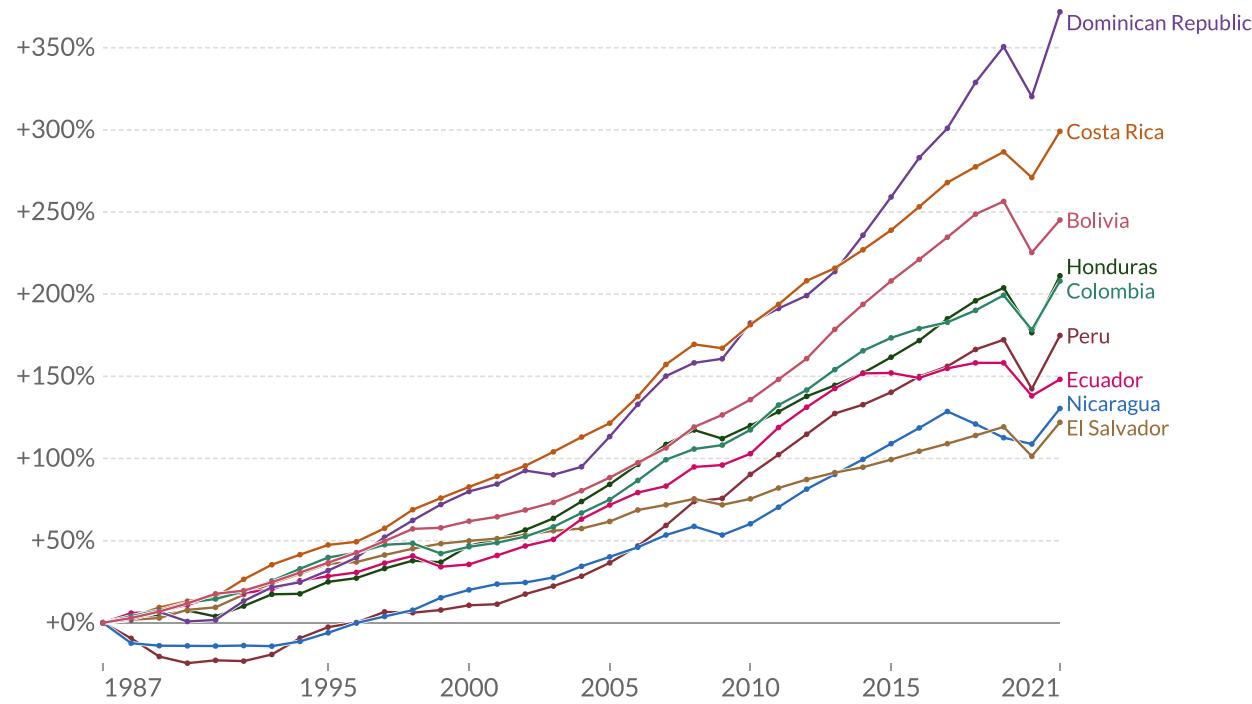
*Plaza España Colonial Zone
Santo Domingo Dominican Republic*



Change in gross domestic product (GDP), 1986 to 2021

Gross domestic product adjusted for price changes over time (inflation) and expressed in US-Dollars.

Our World
in Data



Source: World Bank and OECD

Note: Data is expressed in constant 2015 US\$.

OurWorldInData.org/economic-growth • CC BY

Fitch
Ratings

....He says that the improvement is a product of the reduction of debt, the robust growth of the economy, which is estimated to be greater than 11%, and external liquidity.



The macroeconomic trajectory of the Dominican Republic is the most promising in Latin America for the coming years and estimates to be the second country with the highest economic growth in the region, with 11.5% for 2021.

S&P Global
Ratings

...Maintained the Dominican Republic's rating at BB and changed its outlook from negative to stable.



The DR would be one of the first countries in the entire Latin American region to return to the activity levels in force before the pandemic.



DOMINICAN REPUBLIC

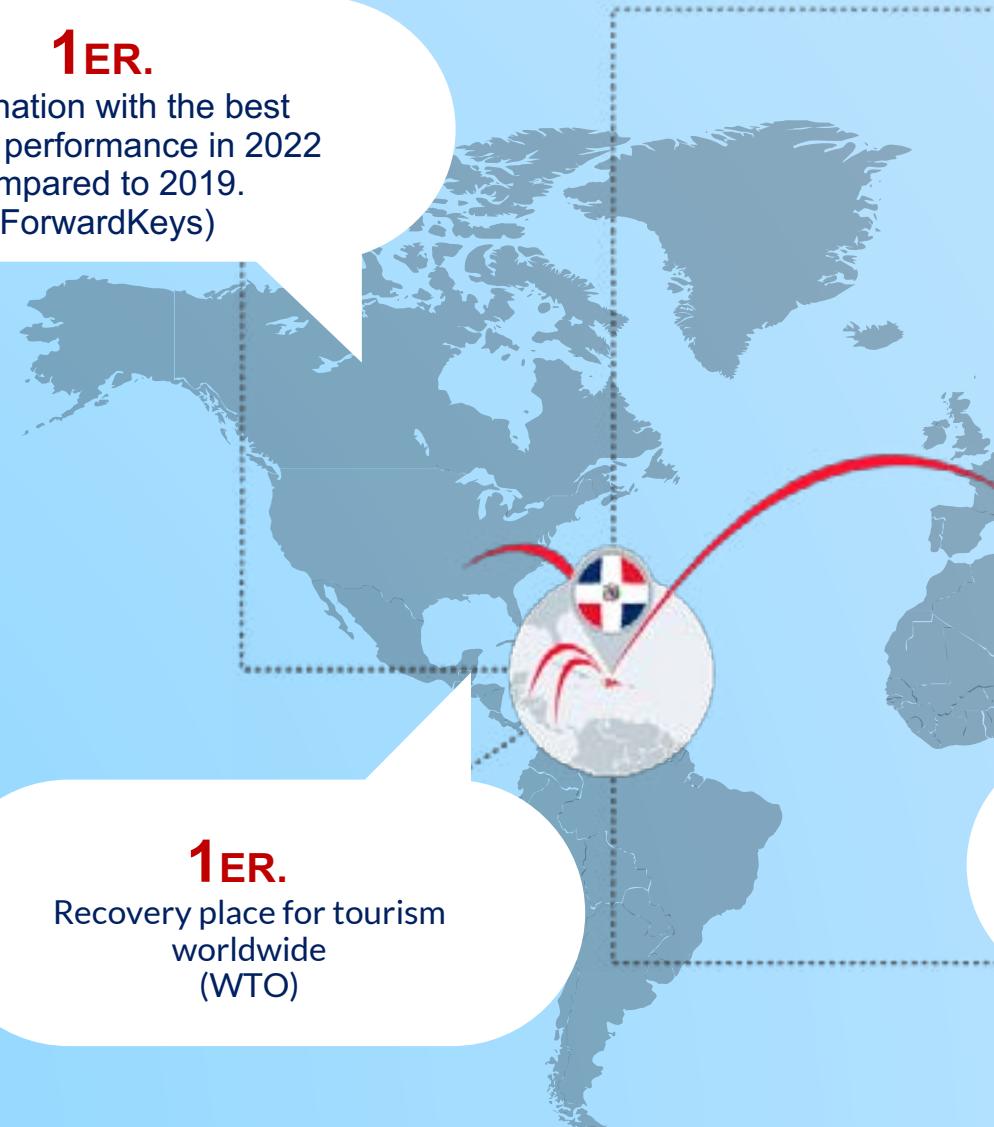
Unique and strategic location

1ER.

Destination with the best
tourism performance in 2022
compared to 2019.
(ForwardKeys)

1ER.

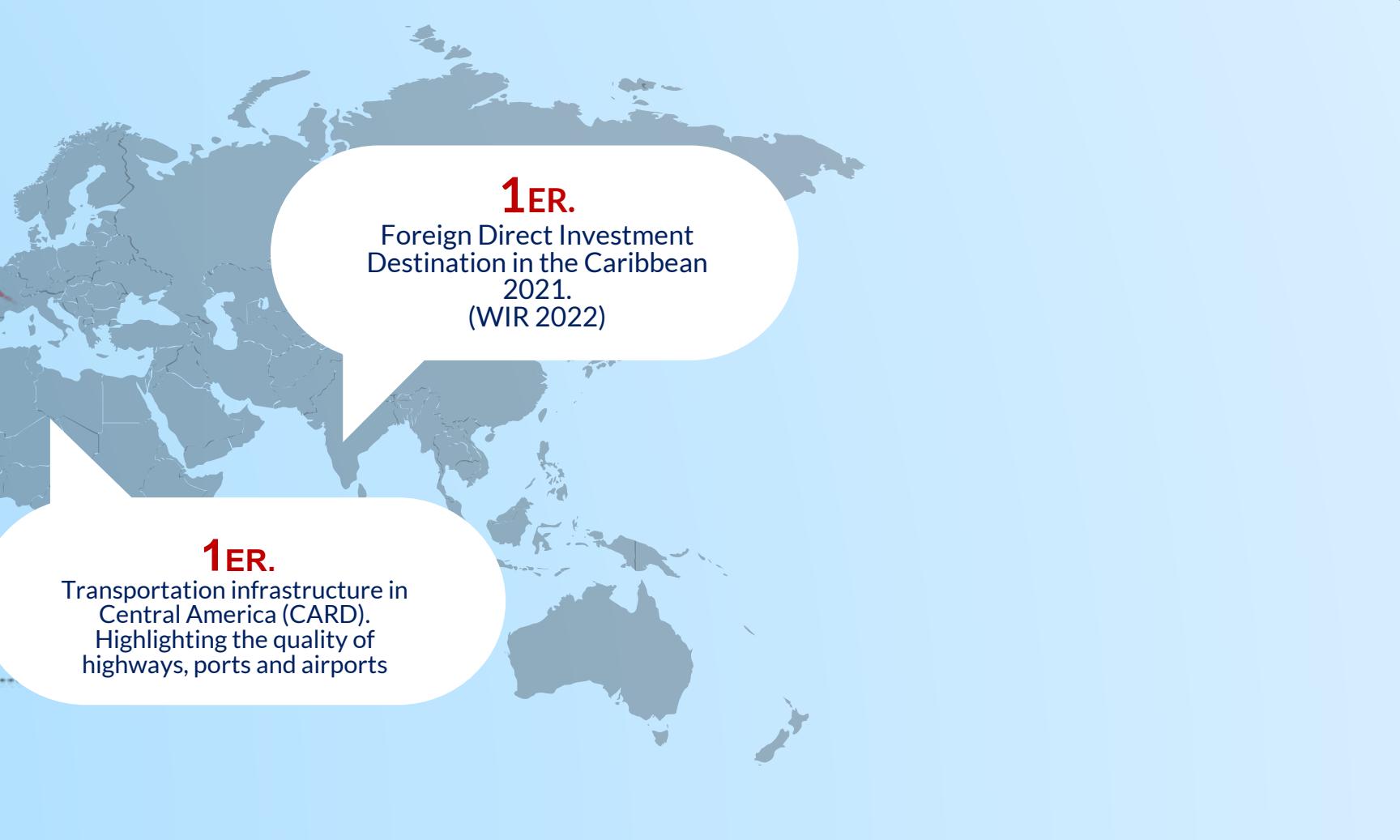
Recovery place for tourism
worldwide
(WTO)





2DO.

Destination of Foreign Direct
Investment in Central America
in 2021.
(ECLAC)



1ER.

Foreign Direct Investment
Destination in the Caribbean
2021.
(WIR 2022)



1ER.

Transportation infrastructure in
Central America (CARD).
Highlighting the quality of
highways, ports and airports



WITHIN THE FRAMEWORK OF THE ANNUAL INVESTMENT MEETING,
ORGANIZED BY THE UNITED ARAB EMIRATES, PRODOMINICANA WAS
RECOGNIZED WITH THE AIM GLOBAL 2023 INVESTMENT AWARD, AS ONE
OF THE BEST INVESTMENT PROMOTION AGENCIES IN LATIN AMERICA
AND THE CARIBBEAN.





MERCADO
W WOMEN



DOMINICA



DOMINICAN REPUBLIC IN FIGURES

Geographic Location: The Dominican Republic is located in the archipelago of the Greater Antilles, bordered to the north by the Atlantic Ocean, to the south by the Caribbean Sea, to the east by the Mona Passage, and to the west by Haiti.

Datos Generales



Official name:
Dominican Republic



Official Lan-
guage:
Spanish



Time Zone:
GTM -4

DOMINICAN REPUBLIC

In 2022, The Dominican Republic was ranked as the main recipient of Foreign Direct Investment.



Area Codes:

(809) (829) (849)



Administrative Divisions:

32 provinces and a National District



Government:

Democratic, representative, and presidential system of government



Currency:

Dominican Peso



Area:

48.422 km²



Climate:

Tropical (25.4 -30 Celsius)
(77.7- 86 Fahrenheit)

Main Macroeconomic Indicators

Table 1.1.2

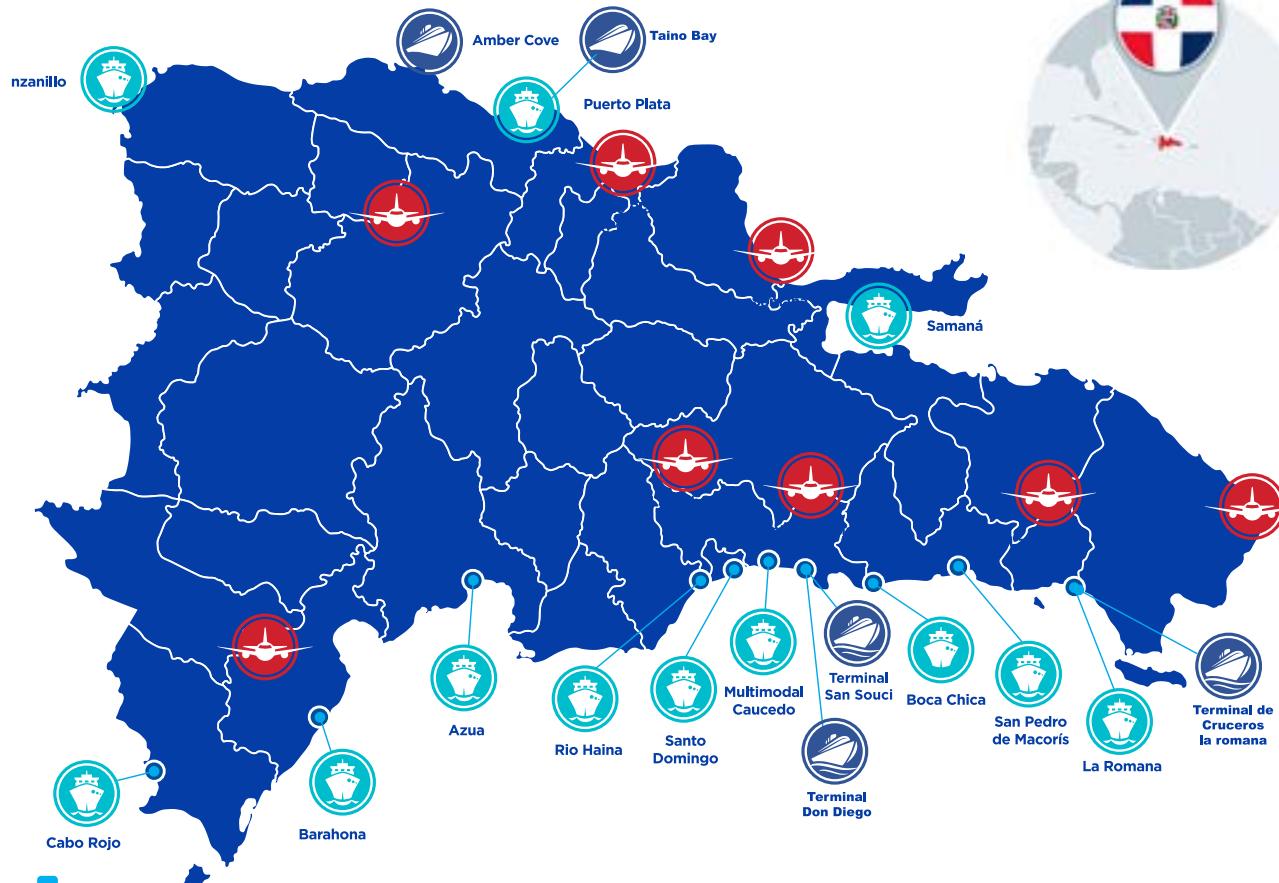
Macroeconomic Indicators		
Indicators	2021*	2022**
Total GDP (USD\$)	94,523.7	114,004.6
GDP Growth Rate (%) - (Chained Indexes) - Benchmark: 2007	12%	4.9%
GDP Per Capita (USD\$)	8,971.9	10,732.9
Foreign Direct Investment (USD\$)	3,102.1	4,010.4
Tourism Income (USD\$)	5,680.6	8,406.5
Remittances (USD\$)	10,402.5	9,856.5
Export of Goods (USD\$)	12,485.6	13,768.9
Nationwide Exports (USD\$)	5,305.6	5,936.61
Free Zone Exports (USD\$)	7,177.7	7,833.9
Import of Goods (USD\$)	24,467.9	31,063.6
Inflation Rate (%)	8.5%	7.6%
Unemployment Rate (%)	7.1%	N/D
Average Exchange Rate (USD\$/DOP\$)	57.2	N/D
Total Population (millions)	10.5	10.9

Source: Datamarket, based on information provided by the Central bank of the Dominican Republic and National Statistics Office

By 2022, the Foreign Direct Investment (FDI) reached US\$3,102.1 million, which bears testimony to the attractiveness of the Dominican Republic as an investment destination and investors' confidence in the country.



Connectivity



PORT
LOADING



AIRPORTS
INTERNATIONAL



TERMINALS
CRUISE CRUISE

Source: Port Authority and Civil Aviation Board of the Dominican Republic

HIGH - QUALITY HUMAN TALENT

KEY DATA:

NEW PROFESSIONALS AND STUDENTS

EDUCATION STATISTICS

SUPERIOR

**+157,000
PROFESSIONAL
GRADUATES**

(2019-2021)



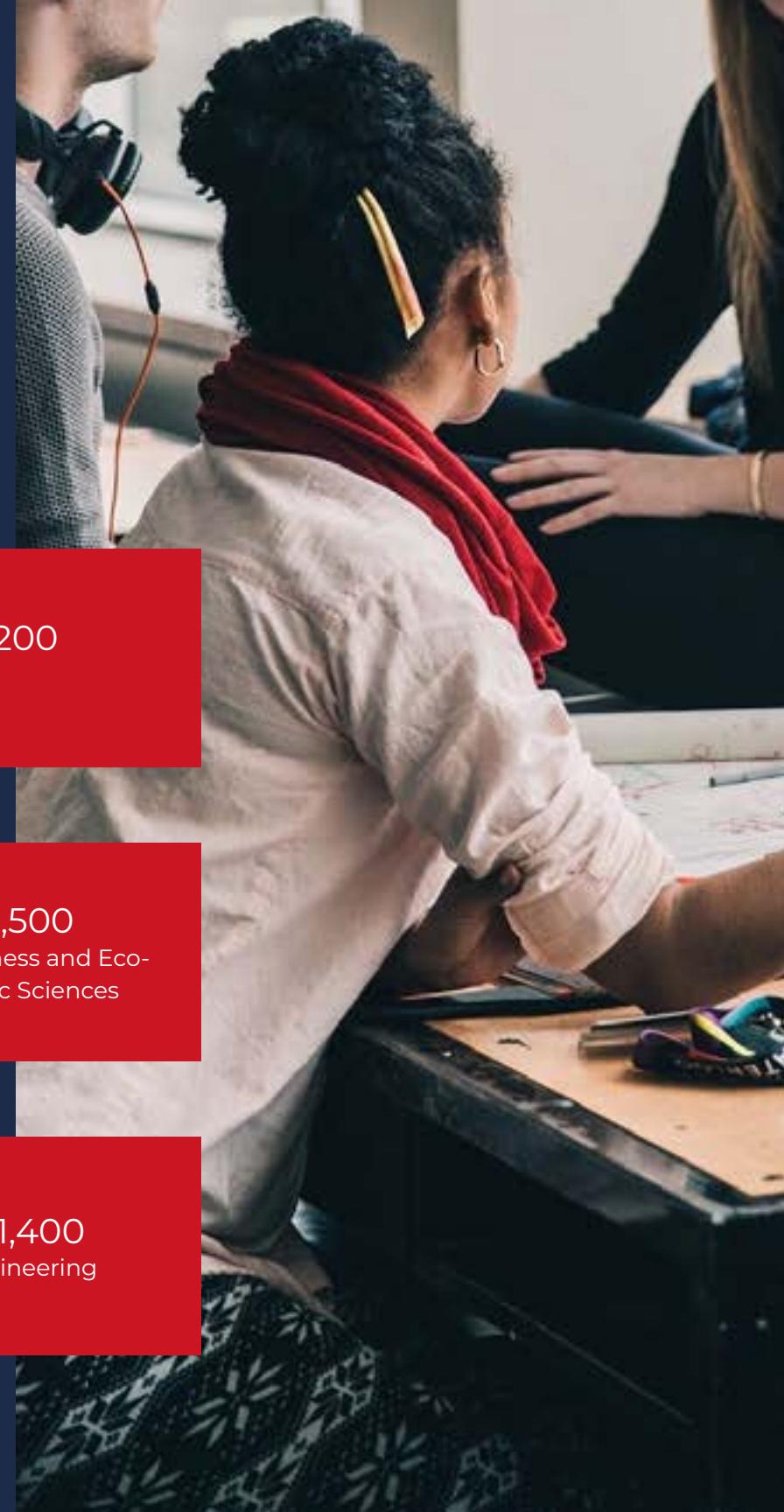
+ 7,200
Tic



+ 41,500
Business and Economic Sciences



+ 11,400
engineering





48

**HIGHER EDUCATION
CENTERS: Universities and
Technical and Specialized
Institutes**

**Ongoing government
support for a bilingual
population**

Fuente:

Ministerio de Educación Superior, Ciencia y Tecnología, MESCyT



Foreign Direct Investment

Main countries of origin



United States



Canada



Spain



United Kingdom



Switzerland

Main sectors



Commerce and Industry



Turismo



Telecommunications



Finance



Energy



Free trade zone

Foreign Trade



The Dominican Republic has over
4,000
product lines



Exporting to more
than
190
countries



Open economy
with more than
44 Mil Millones
in imports and
exports

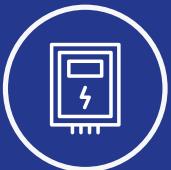
Main export goods:



Gold



Cigars



Electrical circuit breakers



Medical instruments and devices



Jewelry



Ferronickel



T-shirts and knitted shirts



Ostomy supplies



Cocoa beans



Electronic medical diagnostic equipment



Fresh and dried plantains, bananas



Avocado



Mango



Ajies and peppers



Tomatoes



Sweet potatoes



Cucumbers and pickles



Dried coconut

Main business partners:United
States

Haiti



Switzerland



India



Puerto Rico



the Netherlands



China



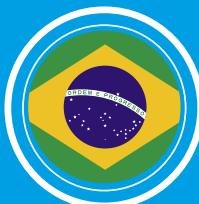
Germany

South
Corea

Italy

Main trading partners:United
States

Spain



Brazil



Japan



Colombia



Argentina



China



Germany



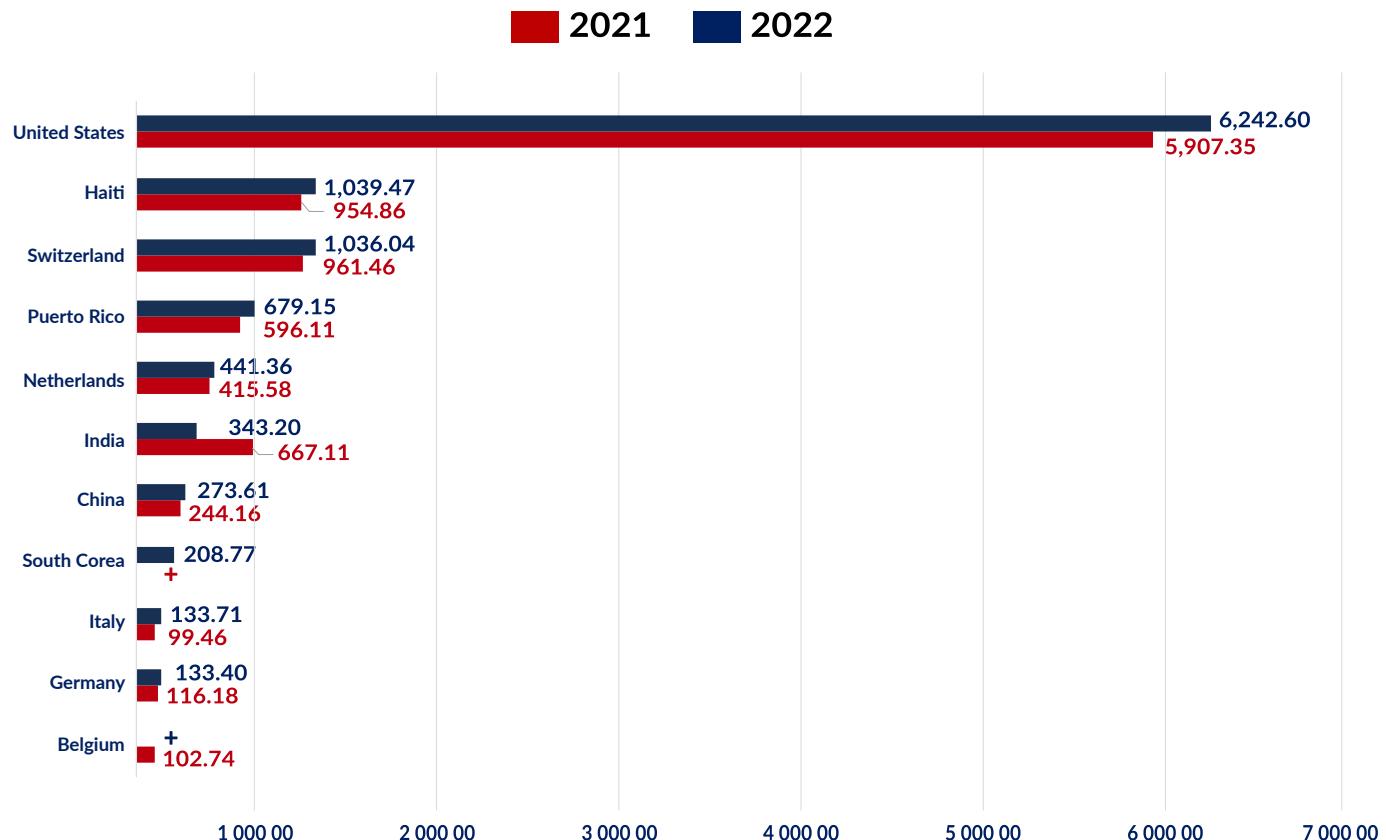
Mexico



Italy

Main Export Destinations for the Dominican Republic

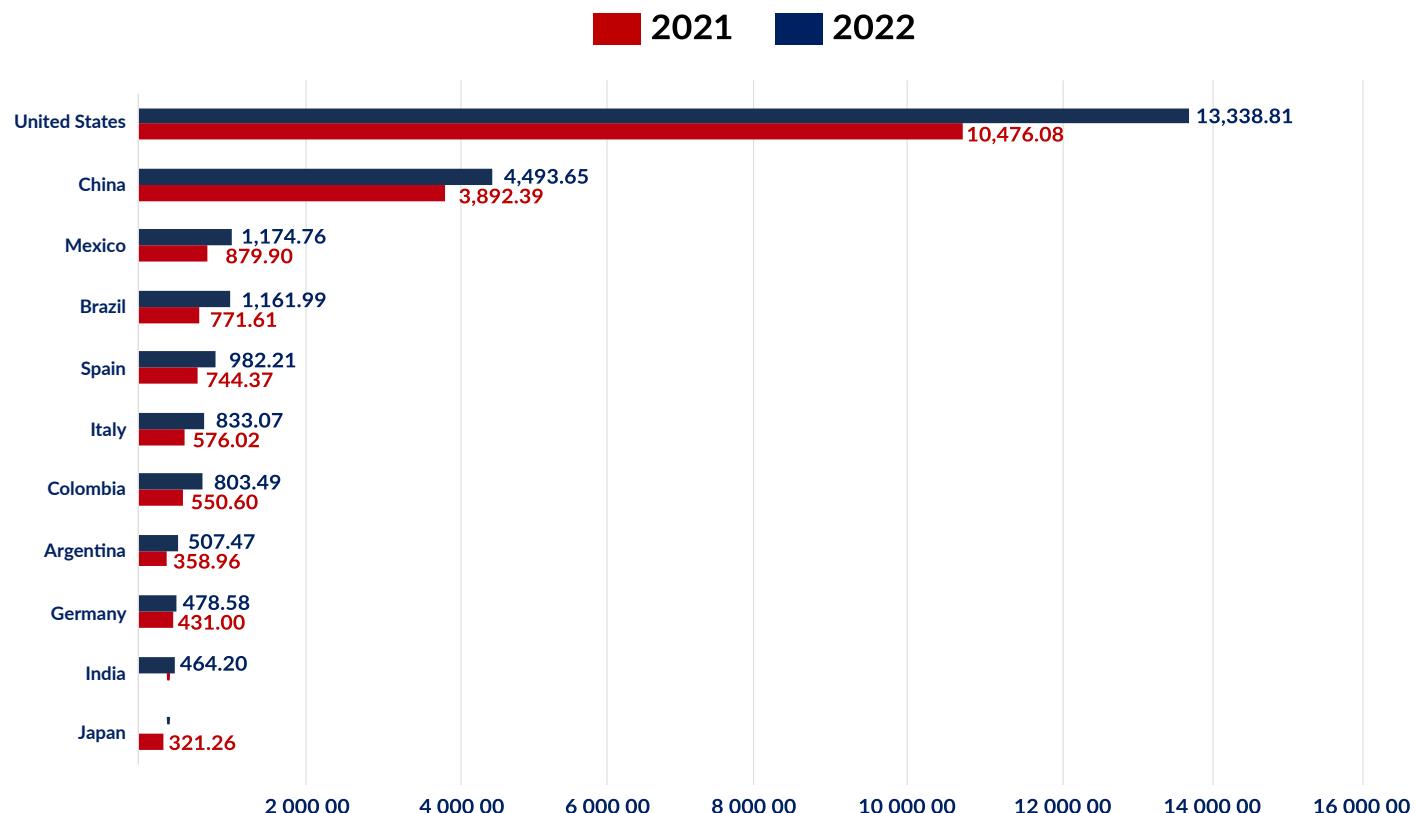
2021-2022; Figures in USD\$ millions



Source: Datamarket based on DGA [Dirección General de Aduanas (General Customs Directorate)] data

Main Suppliers for the Dominican Republic

2021-2022; Figures in USD\$ millions



Source: Datamarket based on DGA [Dirección General de Aduanas (General Customs Directorate)] data

Export Ranking

Worldwide:



To the United States



- 1st place as supplier of cigars, tobacco (homogenized or reconstituted),
- 1st place of ostomy supplies,
- 2nd place as supplier of circuit breakers
- 1st place as supplier of shoe's upper and its parts
- 2nd place as supplier of sweet potatoes.
- 1st place as supplier of threads with no weft and parallel fiber yarns
- 2nd place as supplier of fufural.
- 3rd place as supplier of avocados.



To Canadá

- 1st place as supplier of cigars.
- 1st place as supplier vegetable textile fiber yarns.
- 4th place as supplier of live eels.
- 4th place as supplier of circuit breakers.

To Israel

- 2nd place as supplier of pineapple.

To Suiza

- 2nd place as supplier of cigars.

To the United Kingdom

- 3rd place as supplier of plantain and banana.

To the Netherlands

- 5th place as a supplier of juices and vegetable extracts.
- 4th place as supplier of rum.

To China

- 3rd place as supplier of ostomy instruments, tools and equipment.

To España

- 1st supplier of rum.





WE ARE DREAMS ENABLERS
PRO + INVESTMENT
PRO + EXPORT

www.prodominicana.gob.do

**Export and Investment Center
from the Dominican Republic.**

Av. 27 de Febrero esq. av. Gregorio Luperón,
Plaza de la Bandera, Santo Domingo, D.R.

@prodominicana



Contact: 809.530.5505





ProDominicana

Dominican Republic Export and Investment Center

WHO WE ARE?

ProDominicana is the Dominican government's official agency in charge of attracting Foreign Direct Investment (FDI) and promoting its export offer; carrying out both roles to increase the country's competitiveness and position ourselves in international markets as an attractive destination for foreign investment and the export of world-class goods and services.

WHAT WE DO?

From the first contact with ProDominicana, we accompany investors through every step of the investment process and offer exporters the proper guidance and effective tools so that their products are developed pursuant the standards of international markets.



ProDominicana Services

1. Investments

Through its Investment Department, ProDominicana is responsible for attracting, facilitating and retaining Foreign Investment in the country. It offers technical support services, project assistance, identification of local stakeholders, identification of infrastructure opportunities pursuant project requirements and services after such investment is established.

2. Exports

ProDominicana focuses on distributing quality goods and services from the Dominican Republic through tools for the development of our export offer, openness to international markets, and actions to support business management.



3. Training

ProDominicana focuses on distributing quality goods and services from the Dominican Republic through tools for the development of our export offer, openness to international markets, and actions to support business management.

4. Registration of Foreign Direct Investment (FDI)

ProDominicana's training platform offers courses on enterprise formalization, international branding, export costing structure, export marketing, terms of international trade, etc.

5. Temporary Admission Regime pursuant Law 84-99

As an integral part of investment promotion efforts, the Dominican Republic Export and Investment Center (ProDominicana) has a mandate, through Investment Law 16-95 and its Application Regulation 214-04, to carry out the Official Registration of Foreign Direct Investment (FDI) in the country.

Pursuant provisions set forth by law, this seeks to register and provide FDI transparency through the proactive evaluation of received requests.

As part of several improvement measures recently adopted by ProDominicana in favor of investors, digitization of the FDI Registration process was enabled and optimization of the associated service costs was carried out in 2021. Said costs were brought to a zero rate, thus creating a transparent, digital, and more streamlined process for investors.

6. Temporary Admission Regime pursuant Law 84-99

Customs regime that allows entry into the national customs territory with suspension of payment of duties and taxes, of certain foreign merchandise to be exported within a certain period, having been incorporated in the exported product.

It is described as the entry of certain merchandise from abroad or Export Processing Zones into the Dominican customs territory, exempt of import duties and taxes, to be re-exported within a period not exceeding eighteen (18) months, counted from thirty (30) days after the admission of said merchandise into the national customs territory.

Together with the General Customs Directorate (DGA), ProDominicana is the government's official body in charge of the Regime administration and the entity responsible for issuing the Resolution welcoming exporters thereunder.



Institutional Platforms

- ProDominicana Connect



- ProDominicana RAMI



- ProDominicana Capacita



- ProDominicana Data Market



- FDI Digital Registration



- Prodominicana SAIM



- One-Stop Investment Window [Ventanilla Única de Inversión (VUI)]

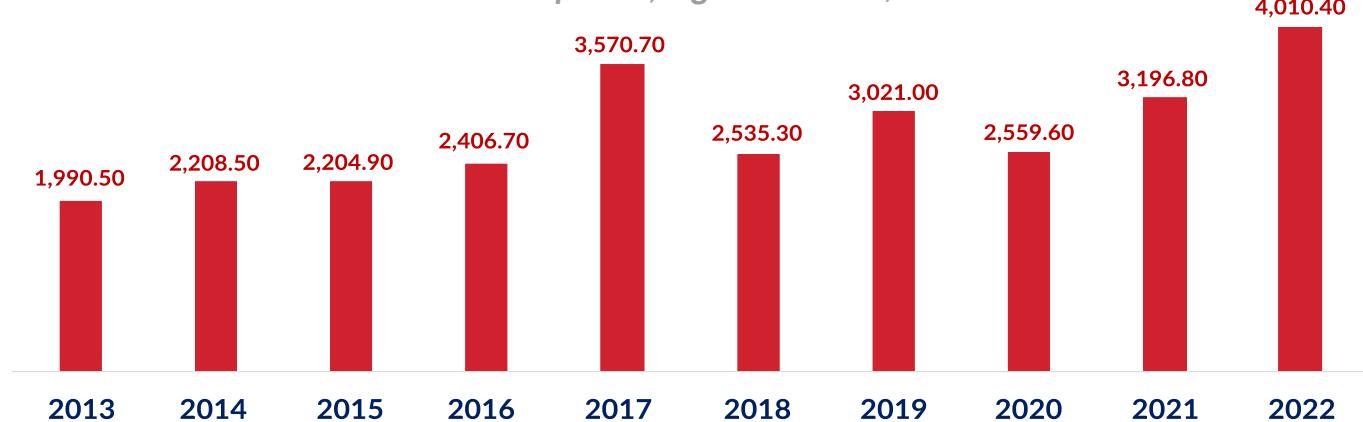




BEHAVIOR OF FOREIGN DIRECT INVESTMENT (FDI) IN THE DOMINICAN REPUBLIC

CHART 1. FOREIGN DIRECT INVESTMENT INFLOWS IN THE DOMINICAN REPUBLIC

2013 - 2022 period; Figures in USD\$ millions



Source: Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

In the Dominican Republic, Foreign Direct Investment (FDI) constitutes one of the primary sources of foreign income, job creation, and galvanization of the country's economy. According to official statistics from the Central Bank of the Dominican Republic, during the last ten years, the inflow of foreign currency from FDI was US\$27,704.4 million, for an annual average of US\$2,770.4 million, remaining stable and at a sustainable rate.

During 2022, FDI reached US\$4,010.4 million, a 20.3% increase when compared to the previous year, exceeding \$3 billion in FDI flows for the fifth time in the Dominican economy despite the international crisis, ranking as one of the countries with the highest recruitment rate.





FOREIGN DIRECT INVESTMENT BY ECONOMIC ACTIVITY

For the 2021 – 2022 period, 71% of FDI focused on four key sectors: tourism, energy, trade and real estate. The remaining 29% focused on mining and free zones. Telecommunications, finance and transportation.

Table 1. FOREIGN DIRECT INVESTMENT FLOWS IN THE DOMINICAN REPUBLIC
2021 - 2022 period; Figures in USD\$ millions and %

Tourism	974,6	1011,1	1,985.70	25%
Electricity	278,2	753,4	1031,6	19%
Trade / Industry	307,4	599,5	906,9	15%
Real Estate	535,8	483,9	1019,7	12%
Mining	535,9	377,3	913,2	9%
Free Zones	283,5	361,8	645,3	9%
Telecommunications	84,3	191,9	276,2	5%
Financial	115,8	169,1	284,9	4%
Transportation	81,3	62,4	143,7	2%
	3,196,80	4,010,40	7,207,20	

Source: Datamarket, based on information provided by the Central bank of the Dominican Republic *Figures subject to revision

Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

Due to its strong appeal, investment in Tourism maintains its leadership with important projects from Spain and the United States. The Energy sector is positioned in second place with a 19% participation due to the significant growth and development of urban and tourism areas throughout the country. The trade and industry sector is positioned in third place with US\$906.9 million.

The dynamism of the real estate and mining industries stand out at the same time, with a share of 12% and 9%,

respectively. Both result in the creation of thousands of jobs and support technology transfer, thus allowing us to increase our workforce capacity.

Throughout this period, Free Zones and Telecommunications rose 9% and 5% respectively, both being sectors of large foreign investment; followed by the finance and transportation industries which include important market-leading companies.



FOREIGN DIRECT INVESTMENT BY COUNTRY OF ORIGIN

The Dominican Republic has proven to be an attractive destination that ensures foreign investments. The United States, Mexico, and Canada are positioned as the leading countries that increased their FDI participation in the country (including new investments and the expansion of existing projects) when considering the origin of foreign investment inflows throughout the 2021-2022 period.

Table 2. FOREIGN DIRECT INVESTMENT INFLOWS BY COUNTRY OF ORIGIN			
	Figures in USD\$ millions and %; 2021 - 2022 period		
Country	2021	2022	Total
United States	1,410.00	1,520.90	2,930.90
Mexico	392.40	394.40	786.80
Canada	379.90	366.20	746.10
Spain	212.90	346.50	559.40
British Virgin Islands	278.80	224.40	503.20
Venezuela	28.90	140.60	170.80
Germany	46.1	135.50	164.40
Brazil	(193.50)	109.50	(84.00)
Denmark	74.80	102.70	177.50
France	52.00	97.70	149.70
Panama	98.80	84.50	183.30
United Kingdom	17.40	66.80	84.20
Switzerland	0.40	50.50	50.90
Italy	38.00	46.60	84.60
Colombia	16.20	10.30	26.50
Grand Cayman	(221.40)	8.90	(212.50)
Holland	8.50	0.40	8.90
Australia	0.40	0.30	0.70
Remaining	572.10	303.70	875.80

Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision

Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends



FDI flows reflect the vital role of FDI in the performance of the external sector of the country's economy, through a 10% share of the total foreign exchange inflows in the Dominican economy for the 2021-2022 period. In that regard, the leadership and attractiveness of the Dominican Republic for foreign investors can be reaffirmed in the long term by the strong permanence of FDI.

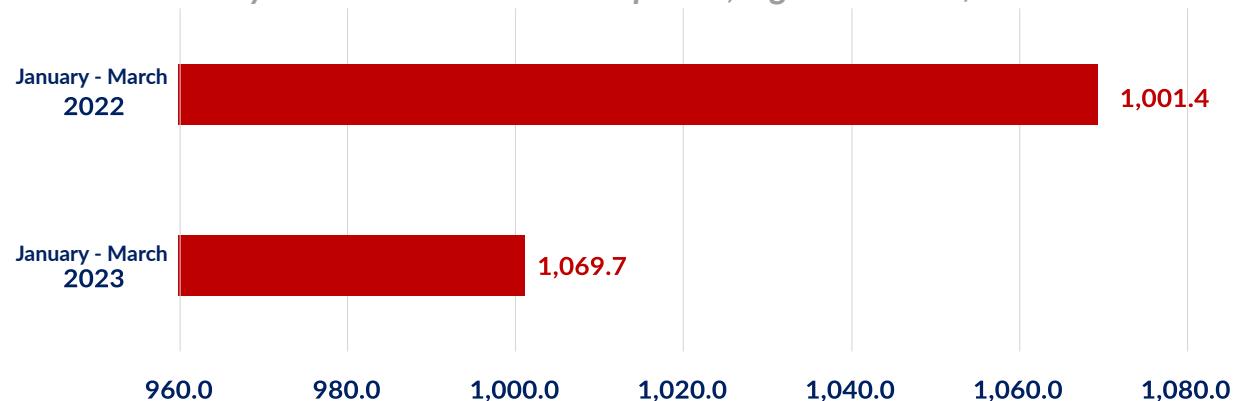


FOREIGN DIRECT INVESTMENT

JANUARY-MARCH 2023

CHART 2. FOREIGN DIRECT INVESTMENT INFLOWS IN THE DOMINICAN REPUBLIC

January - March 2022 and 2023 period; Figures in USD\$ millions



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision



There was a 7% year-on-year growth recorded for the January-March 2023 period. Such increase was mainly due to the growth of the Energy, Mining and Tourism sectors. Investment came primarily from the United States, Spain, Canada, Germany, Denmark, Venezuela, Brazil and Panama. Of this group, the United States, Spain, and Canada account for 50% of the incoming Foreign Direct Investment recorded during the period.

**TABLE 3. FLOWS OF FOREIGN DIRECT INVESTMENT
BY ECONOMIC ACTIVITY**

In millions of US\$ and %; Period January - March 2022 - 2023

Economic Activity	2022 E-M	2023 E-M
Energy	149.6	272.5
Tourism	239.3	271.9
Trade / Industry	196.0	182.8
Mining	93.0	119.0
Real Estate	110.0	118.5
Free Zones	91.2	81.1
Financial	46.9	35.4
Transportation	11.8	13.9
Telecommunications	0.0	0.0
Other	63.6	-25.4
Total FDI flows	1,001.4	1,069.7

Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision

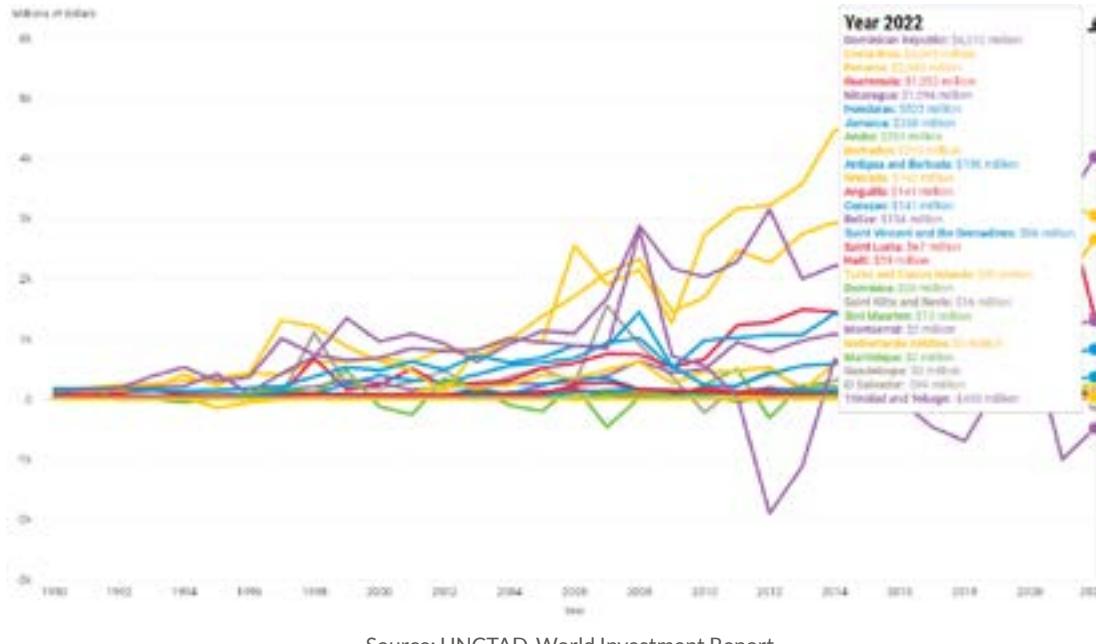
Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

73% of Foreign Direct Investment for the January-March 2023 period concentrated in four sectors. 27% of FDI was directed towards Tourism, 19% went towards Trade and Industry, 16% went towards the Real Estate sector and the remaining 10% towards Energy.



FOREIGN DIRECT INVESTMENT IN CENTRAL AMERICA AND THE CARIBBEAN

By country. Period of 1990-2022

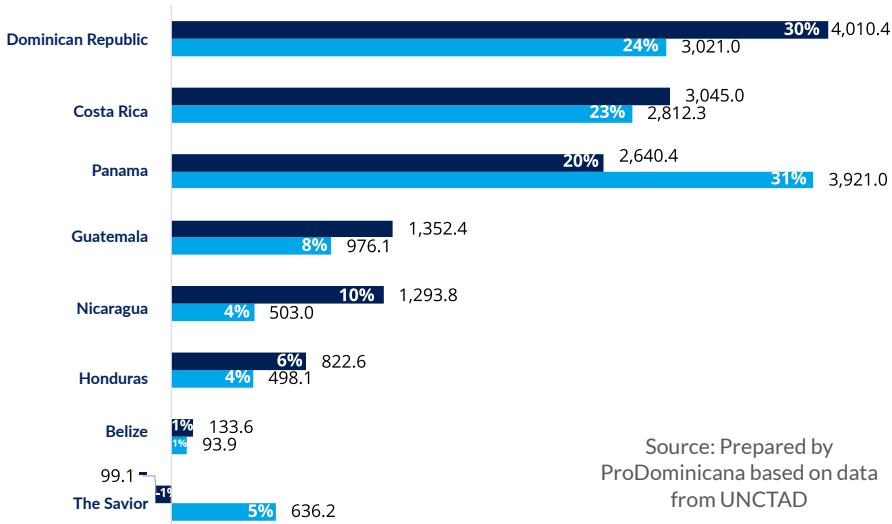


According to the 2023 World Investment Report prepared by the United Nations Conference on Trade and Development (UNCTAD), the Dominican Republic ranked as the main recipient of foreign direct investment as compared to Central America, by attracting 30% of the total flows received in the region, thus showing its regional leadership.

GRAPH 4. FDI FLOWS IN CENTRAL AMERICA AND THE DOMINICAN REPUBLIC

In millions of US\$ and participation percentages

■ 2022 ■ 2019



Map of SDG Investment Opportunities for the private sector

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in September 2015 by 193 countries, including the Dominican Republic. The SDGs are the roadmap to achieve development where there is a balance between economic growth, the preservation and sustainability of our natural capital, and social well-being, putting people at the center. For this reason, the SDGs have become a guiding framework for business and investments in forward-looking countries.

The United Nations Development Program (UNDP) is the development agency of the United Nations System (UN), established in the Dominican Republic since 1964. It puts its network of knowledge and knowledge at the service of the 170 territories where it operates. global experience to accompany countries in the design and implementation of innovative solutions that generate sustainable human development, with concrete results; expanding development options and strengthening capabilities for people and the planet.

For UNDP, the private sector plays a central role in achieving this sustainable, inclusive and resilient progress. In the Dominican Republic, more and more companies have committed to this mission, carrying out key actions to mitigate risks and transform their business models to align them with principles of sustainability and inclusion. To accelerate this commitment, UNDP, through its Sustainable Financing Center, has created the SDG Investment Opportunities Map for the private sector, with the aim of taking advantage of private financing for the implementation of the SDGs, identifying potential investments in the different territories.

What is an SDG Investment Map for or what does it do?

- Provides investors with market intelligence (data, analysis and evidence) on investment opportunities and business models that could advance the SDGs in a specific context.
- Identifies areas of investment opportunity (AOI) and business models that respond to both SDG needs and national priorities to guide the decision-making of domestic and foreign investors.
- Identifies opportunities and bottlenecks in the policy and regulatory environment that can guide UNDP support to governments in developing favorable investment environments.

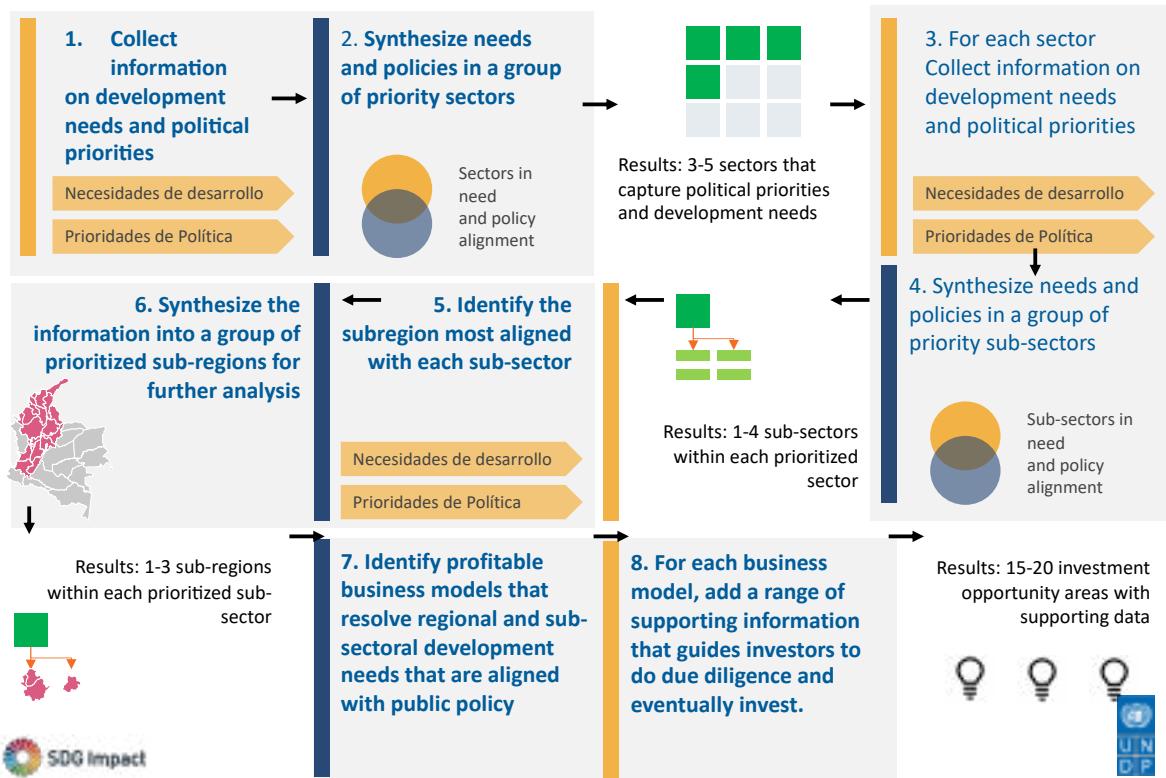


Additionally, this instrument provides strategic guidance to allocate resources towards sustainable and priority projects that can address key development challenges, such as poverty, climate change and social inequalities, in order to improve the lives of people, especially those populations living in greater situation of vulnerability.

As of September 2023, 35 investment maps have been launched globally with more than 500 areas of investment opportunities available for consultation and comparative analysis. In the Latin American and Caribbean region, 8 countries, including the Dominican Republic, have implemented this initiative, adding more than 100 investment opportunities in the region.

For the identification of AOIs, the process is guided by an 8-step primary and secondary research methodology, starting from national economic and social development priorities, identifying priority sectors and subsectors, subregions with high development needs and highlighting business models aligned with the SDGs.

The process follows an 8-step methodology





The SDG Investment Opportunities Map for the Dominican Republic has been developed by UNDP in alliance with ProDominicana and other public, private and civil society institutions. To achieve this, around twenty interviews were carried out with key actors, multi-sector validation workshops with more than 100 high-level participants, and surveys carried out with more than 50 participants from the public and private sectors, non-governmental organizations and business associations. These findings were relevant for the identification of the AOIs of the Dominican Republic considering the selection criteria: a) development needs, b) policy priorities, c) gender inequalities and marginalization problems, and d) investment opportunities.

Main users:

This SDG Investment Map for the private sector is aimed mainly at national and international investors who wish to make sustainable investments in the country, business associations, investment funds, regulators and public sector institutions, law offices, academics, students., media and civil society in general, interested in learning about potential areas of sustainable investment.

What information does the SDG Investment Opportunities Map contain?

This exercise is available in its entirety on the web portal (<https://sdginvestorplatform.undp.org>). It has detailed information on the country, region, sector and subsector identified, as well as channeling opportunity (investment opportunity area, business model, case studies), market size and environment, indicative profitability, investment term , ticket size, market risks and scale obstacles, sustainable development needs, outcomes and impact, SDGs addressed, stakeholders, enabling environment, target locations, among others.

This first version of the map includes 19 investment areas prioritized in 8 essential sectors for the Dominican economy and society.

Initially identified areas of Investment Opportunities in the Dominican Republic

Sectors Prioritized	Prioritized Subsectors	Areas of Investment Opportunities in the Dominican Republic	Alignment Sustainable Development Goals
	Real estate	Affordable and resilient housing	 
Infrastructure		Implementation of the national Vehicle Technical Inspection program of the Dominican Republic (ITV)	 
Infrastructure	highway amber		  
		Puerto Duarte, Arroyo Barril and its surroundings	
		Infrastructure that promotes development Sustainable Tourism Development	 



Sectors Prioritized	Prioritized Subsectors	Areas of Investment Opportunities in the Dominican Republic	Alignment Sustainable Development Goals
Technology and Telecommunications	Telecommunications	<p>Expansion of the national fiber optic network</p> <p>Connectivity of rural areas with emerging technology</p> <p>5g Internet for everyone</p>	  
	Internet services and media	Closing the digital gender gap	 
	Hospitality and Recreation	Inclusive tourism for people with disabilities, which can guarantee access to tourist circuits and environments	 



Sectors Prioritized	Prioritized Subsectors	Areas of Investment Opportunities in the Dominican Republic	Alignment Sustainable Development Goals
Technology and Telecommunications	Hospitality and Recreation	Smart tourist destinations	 
Renewable Resources	Alternative energy	<p>Energy transition taking advantage of renewable energy</p> <p>Energy efficiency for companies</p>	  
Food and drinks	Food and Agriculture	<p>Expansion of sustainable coffee production</p> <p>Expansion of sustainable cocoa production</p>	  
Food and drinks	Food and Agriculture	Precision irrigation in the agricultural sector	 



Sectors Prioritized	Prioritized Subsectors	Areas of Investment Opportunities in the Dominican Republic	Alignment Sustainable Development Goals
Education	Educative technology	Development of capabilities in information and communication technology (ICTs) in children and adolescents.	
Health	Health care providers	Home care services	

What happens after an SDG Investment Opportunities Map is produced?

- SDG Impact Investor Calls and Policy Dialogues hosted by UNDP Country Offices with support from the SDG Impact Team bring together SDG-aligned investors and businesses to catalyze local investment.
- Unlock financial flows and business solutions for the SDGs with a focus on the greatest impacts and reaching the most marginalized areas, communities and individuals.
- Regular updates every 24 months or more to continually reflect SDG-enabling policy priorities and emerging private sector opportunities.

UNDP and ProDominicana work together to achieve a more competitive and productive Dominican Republic, strengthening national export and investment policies. This SDG Investment Map is one of the results of this alliance to accompany the country's mission of improving the export presence and the attraction of investment for the sustainable and inclusive development of the Dominican Republic, to leave no one behind.





REGULATORY FRAMEWORK AND INCENTIVES IN THE DOMINICAN REPUBLIC

CORPORATE MATTERS

CORPORATE MATTERS CORPORATE MATTERS CORPORATE MATTERS CORPORATE MATTERS CORPORATE MATTERS

The General Law of Commercial Companies and Individual Limited Liability Companies, No. 479-08, of December 11, 2008 and its modifications, constitutes the legal regulatory framework for companies and commercial companies in the Dominican Republic. With this Law, companies in the country are certain of having a modern corporate regime, updated and in accordance with regulatory currents and international regulatory standards.



Provisions include the legal system which regulates commercial entities and individual limited liability companies, provides for their identification and classification, rules for their governing bodies, introduces civil and criminal sanctions for corporate relations, and regulates corporate mergers, spin-offs, conversions and the increase / reduction of capital.

To incorporate a company in the Dominican Republic, we must complete three (3) types of registrations requiring the following steps:



Trade Name Registration

1 business day



Commercial Registry

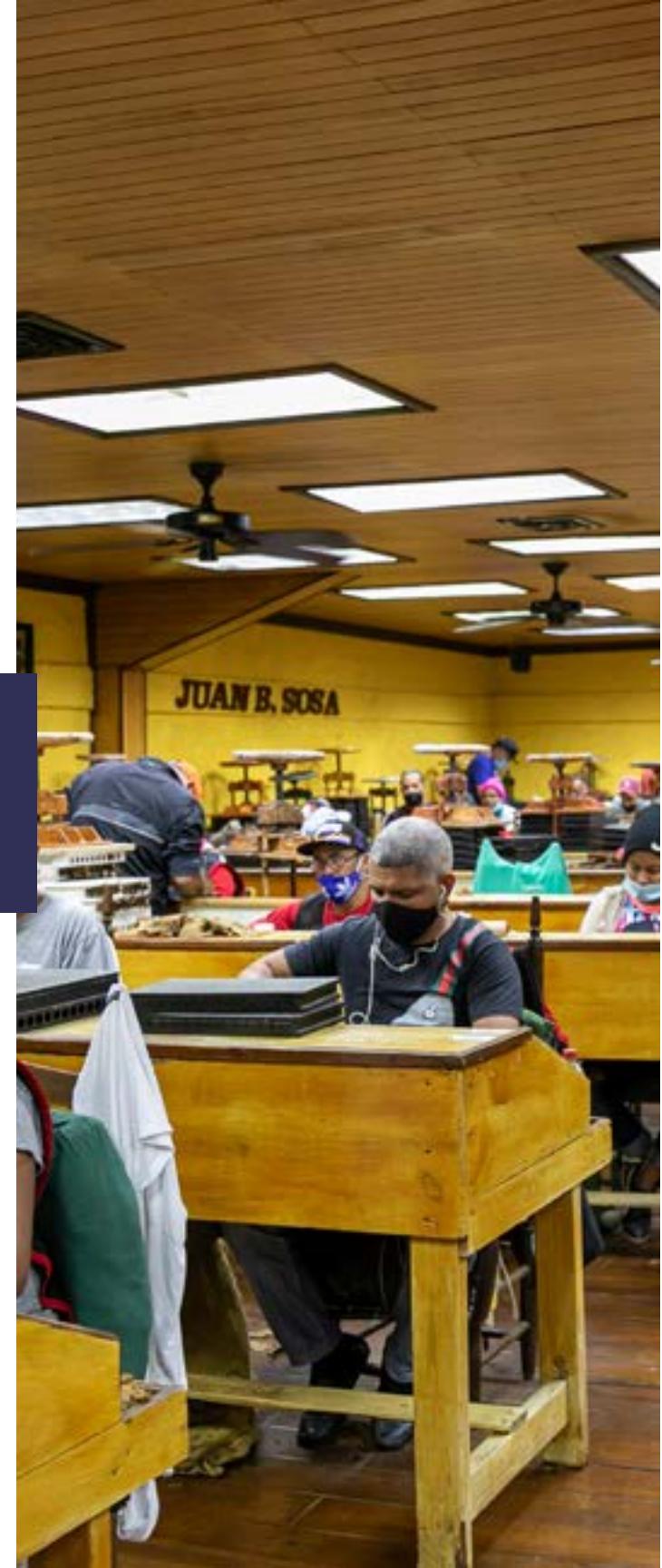
1 business day



National Registry of Taxpayer (RNC)

10 business days

Time period is based on required registration procedures, and may apply to all corporate vehicles.



Identify the type of company that meets your needs: A Limited Liability Company [Sociedad de Responsabilidad Limitada (SRL)], a Limited Company [Sociedad Anónima (SA)], a Simplified Limited Company [Sociedad Anónima Simplificada (SAS)], a Joint Partnership [Sociedad en Nombre Colectivo] or a Single Member Limited Liability Company [Empresa Individual de Responsabilidad Limitada (EIRL)].

Registration of Trademark with the National Office of Industrial Property [Oficina Nacional de Propiedad Industrial (ONAPI)].

Payment of incorporation taxes (1% of authorized capital) to the Dominican Internal Revenue Service [Dirección General de Impuestos Internos (DGII)].

Request a National Taxpayers' Registry [Registro Nacional de Contribuyentes (R.N.C.)] Number / Tax Identification Number before the Dominican Internal Revenue Service [Dirección General de Impuestos Internos (DGII)].

Filing of all legal and incorporation documents before the Chamber of Commerce and Production located at the relevant jurisdiction (one per province).



It is also possible for any duly incorporated foreign trade company to obtain a tax identification number to do business in the Dominican Republic, upon confirmation of its legal existence. Said company must register all legal documents recognized in its country of origin, duly translated, with the Chamber of Commerce and Production and Internal Revenue Directorate General corresponding to its jurisdiction.





TRADE NAME REGISTRATION

Registration covers the name, business name, description, or abbreviation identifying a company or commercial establishment. According to Dominican legislation, trade name registration is declaratory with respect to the right of exclusive use thereof. Such registration shall have the effect of establishing a presumption of good faith as to the adoption and use of the trade name.

TRADE REGISTER

Registration also grants companies legal status. In accordance with article 16 of Law No. 479-08 and article 5 of Law No. 3-02 on Trade Registry (hereinafter referred to as "Law No. 3-02"), the relevant company must comply with all corresponding formalities within one (1) month after execution of its Articles of Association. Registration is to be carried out before the Chamber of Commerce corresponding to the jurisdiction of the company's registered office as indicated in the Articles of Association.

NATIONAL TAXPAYER REGISTRATION NUMBER [REGISTRO NACIONAL DE CONTRIBUYENTES (RNC)]:

Upon completion of the Trade Registry certification process, the company must notify the Internal Revenue Directorate General [Dirección General de Impuestos Internos (DGII)] its intentions to roll out commercial operations, and apply to obtain a National Taxpayer ID (RNC). The RNC number must appear printed on all company documentation, invoices, and headers.

According to General Regulation No. 05-2009 issued by the Internal Revenue Directorate General (DGII), since March 31, 2009, a company's start date of operations must be as declared by the taxpayer. Therefore, from the reported date, the company must comply with the obligations and duties set forth in the Tax Code. It should be further noted that the declared date must fall within sixty (60) days from the date of the taxpayer's application.





TYPES OF CORPORATE VEHICLES

Dominican law acknowledges the following corporate vehicles for doing business in the country, regulating, among other things, matters relating to the company name, capital, and transfer of shares, its management, supervision, decision-making, conversions, mergers, spin-offs and dissolutions.

Below is a table with the main characteristics of each type of company in the Dominican Republic.



Limited Liability Company (S.R.L.)

Made up of a minimum of 2 and a maximum of 50 shareholders, who are not personally liable for corporate debts. This type of company is widely used for closely-held mid-sized businesses.

- Its share capital is divided into equal and indivisible parts called social quotas, of no less than DOP\$100.00 each, which cannot be represented by negotiable securities and which par value is determined by shareholders and set forth in company bylaws.
- Administration shall be under the responsibility of one or several managers, who shall be natural persons and, acting individually, be granted the broadest of powers to act on behalf of the company in any circumstance.
- Appointment of a statutory auditor is not mandatory. However, financial statements are required to be audited in the event that credit from financial intermediaries is drawn down, or in case the company has a gross annual turnover exceeding 100 public sector minimum wages.





Limited Company [Sociedad Anónima (SA)]

Limited liability company made up of two or more shareholders, whose liability for the company's losses is limited to their contributions.

The purpose of the company is to organize large companies requiring, above all, significant levels of control over their corporate governance. These companies may or may not resort to the stock market as a source of financing or expansion of their operations, in which case, they shall be required to obtain authorization from the Superintendence of Securities of the Dominican Republic.

- Its share capital is represented by essentially negotiable shares. The minimum authorized capital amount is thirty million Dominican pesos (DOP\$30,000,000.00) represented by shares with a minimum par value of one Dominican peso (DOP\$1.00) each, and 10% of said authorized capital must be fully subscribed and paid-in
- These companies are managed by a board of directors made up of at least 3 directors. No company may be appointed as president of any business organization of this kind.
- With regards to supervision, the law states that these companies shall be supervised by one or more statutory auditors appointed by the general shareholders' meeting.



Joint Partnership [Sociedad en Nombre Colectivo]

Companies where all partners have the capacity of merchants and that respond jointly and secondarily to all business obligations. Incorporation requires a minimum of two (2) associates.

- No minimum share capital.
- Administration is managed by all partners who are considered managers, unless otherwise stipulated in its bylaws, pursuant to which one or more managers may be appointed whether or not the latter are associates.
- Appointment of a statutory auditor is not mandatory.





Simplified Public Limited Company SAS

Limited liability entity made up of two or more shareholders, whose liability for the company's losses is limited to their contributions. Unlike the Public Limited Company, this company allows shareholders certain freedom to include organizational criteria in its bylaws, in accordance with the needs and objectives of the company.

- Its capital is divided into shares and the minimum required share capital is RD\$3,000,000.00 and a subscription of at least 10% of that capital.
- Shareholders can, through the statutes, freely determine their organic structure, which may be managed and directed by a board of directors or by one or more president-administrators.
- This type of company does not require the supervision of an auditor unless it issues debt securities privately.



Individual Limited Liability Company E.I.R.L.

It belongs to a natural person and has its own legal personality with assets independent and separate from the other assets of the person who owns said company. Legal entities cannot establish or acquire companies of this nature.

- It does not have a minimum share capital, no limit amounts are established regarding the contribution to be made by the owner of the company, so it can be freely set and increased by him, in accordance with the formalities of the law.
- The owner may appoint a manager or assume his or her duties, if possible. The manager will be vested with the broadest powers to act in any circumstance on behalf of the company, within the limits of its purpose and subject to those powers that under the law correspond to the owner.
- The supervision of an auditor is not required.





Foreign Companies in the Dominican Republic

Pursuant Dominican law, foreign companies engaged in business activities within the Dominican territory are subject to arms' length conditions with respect to any Dominican company.

In practice, any foreign company may establish a business in the Dominican Republic as a branch of said company without any formality other than registering in the Trade Registry Office and the DGII's National Taxpayers Registry. Also, depending on the type of business to be carried out by the

branch, it shall be subject to a set of requirements, controls, and registration and information duties, as required by any business type-specific law; this applies to Free Zone companies.

Once all necessary documentation has been obtained, registration process in the Trade Registry Office and the DGII's National Taxpayers Registry takes three (3) to four (4) weeks.





Branches and Tax Matters

Any branch established in Dominican territory is subject to the same duties and obligations as other legal entities, especially those related to labor, social security, and taxes, including territorial regulations and public policies. Accordingly, the company shall have to be recorded in the DGII's National Taxpayers Registry (DGII) to obtain an identification number as a National Taxpayer (RNC); said number will enable the company to file the required tax returns, pay any taxes settled in respect to its income and operations in the Dominican Republic, act as a tax withholding agent on the income of its employees and suppliers, and comply with all applicable requirements in terms of its workforce, social security and other domestic public policy provisions.

As regards tax matters, any natural or legal person receiving any income from a Dominican source shall be subject to pay income tax, regardless of their domicile or whether or not it has been authorized by the Executive Branch to be based in the country. Any branch or other entity doing business in the Dominican Republic shall request Tax Invoice Numbers [Números de Comprobante Fiscal (NCF)] to charge for goods and services sold within the country, and file the corresponding tax returns.

However, it should be noted that companies under the Free Zone regime are exempt from income tax, but could be subject to other taxes on local sales, such as labor tax, capital gains tax, or Tax on the Transfer of Industrialized Goods and Services [Impuesto a la Transferencia de Bienes Industrializados y Servicios (ITBIS)].





Permanent Establishments

For a branch to benefit from the level playing field referred to above, it must meet all requirements set forth in order to have a permanent business premise in the Dominican Republic. According to article 12 of the Tax Code, a permanent establishment is defined as a fixed place of business in which a foreign corporation, individual, or company carries out its activities in whole or in part, such as a registry of corporate seat, office, branch, or manufacturing facility, supervision and extraction of activities, or consulting services (for a period exceeding six months per year), as well as any representatives or agents performing all or most of said activities on behalf of the company. After the enactment of Regulation No. 50-13 of February 6, 2013, the concept of foreign entities was extended to include those that may or may not have their own legal status in their country of origin, including without limitation consortia, trusts, and branches. Likewise, non-resident taxpayers permanently established in the Dominican Republic are under the obligation to register with the Internal Revenue Directorate General (DGII) and submit information such as any data identifying their taxpayer registration number in their tax home country

and data concerning holders of more than 10 percent of the capital or interest in such non-resident legal person or entity, in addition to any other information that may be required from any taxpayer.

Similarly, non-resident permanent establishments shall be required to appoint a local taxpayer to represent them before the DGII regarding their tax obligations, as well as to notify the DGII thereof. Appointment of a local representative shall also be required for individuals or entities based in countries or territories with preferential tax regimes involving low or no taxation, or tax havens, where said individuals or entities own any assets or rights within the Dominican Republic.

The main implications of the equal treatment provided for in article 298 of the Tax Code in favor of foreign companies with permanent establishment are as follows: (i) the same 27% income tax rate shall apply to both local and foreign businesses; and (ii) taxes shall be levied upon net income, instead of gross income.



Capital Gains

Capital gains are subject to a 27% tax and apply for the disposal, transfer or sale - whether directly or indirectly - of a capital asset placed or used in the Dominican Republic. In order to determine such gains, the cost of acquisition or production, adjusted for inflation, is deducted from the price or value of the asset being transferred. It is generated for the seller or transferor and must be paid jointly with the yearly tax return.

However, if the seller defaults payment, the buyer in the transaction is also jointly liable for this tax pursuant article 11 of the Dominican Tax Code. The buyer may be nevertheless exempted from this joint responsibility when i) the buyer informs the tax authorities at least 15 days before

the transaction date and obtains the explicit consent of such tax authorities, or ii) three (3) months have elapsed since the transaction date and tax authorities have not required payment from buyer.

In accordance with DGII General Regulation No. 07-11, in the event of a sale of shares, buyer shall function as a withholding agent for the capital gains tax, thereby withholding 1% of the total transaction amount paid to seller, which shall be in turn paid to the DGII. If buyer is a foreign entity that is not registered with the DGII, and thus does not have a Taxpayer ID [RNC], buyer shall request the tax authorities to appoint a third party as a withholding agent to conduct this operation.

Accounting by Source of Revenue

Under Article 279 of the Tax Code, company branches and permanent business premises through which a foreign company conducts business in the Dominican Republic, shall have separate accounting that clearly reflect all sources of income earned. As a result, Dominican tax authorities shall exercise control of the finances of any branch operating in the Dominican Republic, similar to that exercised over a locally incorporated subsidiary.



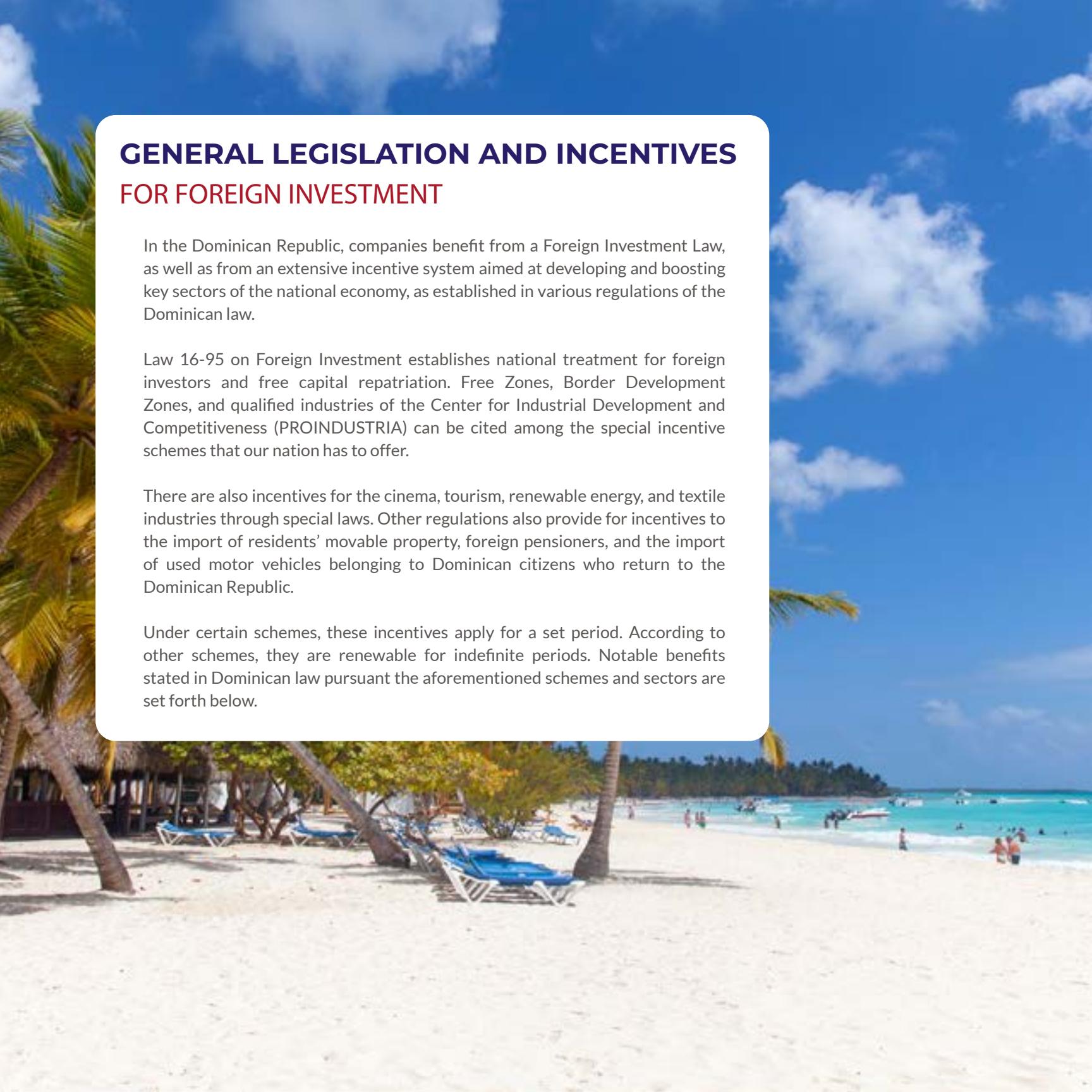
GENERAL LEGISLATION AND INCENTIVES FOR FOREIGN INVESTMENT

In the Dominican Republic, companies benefit from a Foreign Investment Law, as well as from an extensive incentive system aimed at developing and boosting key sectors of the national economy, as established in various regulations of the Dominican law.

Law 16-95 on Foreign Investment establishes national treatment for foreign investors and free capital repatriation. Free Zones, Border Development Zones, and qualified industries of the Center for Industrial Development and Competitiveness (PROINDUSTRIA) can be cited among the special incentive schemes that our nation has to offer.

There are also incentives for the cinema, tourism, renewable energy, and textile industries through special laws. Other regulations also provide for incentives to the import of residents' movable property, foreign pensioners, and the import of used motor vehicles belonging to Dominican citizens who return to the Dominican Republic.

Under certain schemes, these incentives apply for a set period. According to other schemes, they are renewable for indefinite periods. Notable benefits stated in Dominican law pursuant the aforementioned schemes and sectors are set forth below.



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FOREIGN INVESTMENT LAW AND ITS IMPLEMENTING REGULATION

Law 16-95 on Foreign Investment and its Implementing Regulation 214-04, dated 11 March 2004. Decree 950-01 on Residence Permit by Investment, dated 20 September 2001.

BENEFITS

- National treatment favors Foreign Investors by assuring the same legal protection given to domestic investors.
- Dividend liberalization and capital repatriation.
- A Foreign Investment Registration and Transfer of Technology Certificate guarantees the validity and transparency of your investment by the Dominican Government through the Export and Investment Center of the Dominican Republic (ProDominicana).
- The Investment Residence Permit Program through an agreement with the Directorate-General of Migration, with a ProDominicana Foreign Direct Investment Registration Certificate and a minimum investment amount of two hundred thousand dollars (USD\$200,000.00) as a precondition.
- Dominican Government's Guarantee through the issued Certificate, for financial transactions abroad.

INCENTIVES FOR SOLID WASTE PROJECTS

Law 225-20 on the Integral Management and Co-processing of Solid Waste.

BENEFITS

Sets forth obligations and incentives for collection, valuation, use, and recycling of solid waste in the Dominican Republic.

- This Law establishes that investments in waste management shall receive for a 5-year period from the date of its enactment:
- A five-year exemption of 100% of the income tax [Impuesto Sobre la Renta (ISR)], excluding dividends.
- A five-year exemption of 100% of the asset tax.
- Exemption of 100% of the tariffs and ITBIS on any machinery and equipment necessary for operation.
- A Trust for Integrated Waste Management will be created, and funded with mandatory special contributions pursuant to Law No. 189-11. This trust will operate and manage the fund intended for integrated solid waste management, operation of transfer stations, landfills and waste dumps, and closure of open-pit landfills.
- Green Bonds will be issued by said Trust, international organizations, or legal persons recognized under the Securities Market Law. These bonds may be used to finance some new or existing green projects in whole or in part, and may be transferable. They will be targeted at:
- Projects that reduce greenhouse gases by more than 30%.
- Generation of savings in the consumption of natural resources through the incorporation of systems or technology.
- Actions and development of technology for the transformation of waste into raw materials.
- Projects that use at least 30% of their waste as an alternative fuel.



INCENTIVES FOR THE PROMOTION FREE ZONES

Law No. 8-90 of January 15, 1990, for the Promotion of Free Zones, including its amendments and implementing Regulation, as approved by way of Decree 366-97 of August 29, 1997.

BENEFITS

A. Special customs control regime.

B. Exemptions of up to 100% in the following:

- Payment of tax on construction, loan contracts, and registration and transfer of real estate to establish the relevant Free Zone operator.
- Payment of company formation tax or capital increase tax.
- Payment of municipal taxes that may affect these activities:
- All import taxes, tariffs, customs duties, and other related levies affecting raw materials, equipment and building materials intended to build, enable, or operate in free zones.
- All import taxes in connection with any equipment or utensil necessary for installation and operation of government-subsidized canteens, health services, medical care, childcare, entertainment or amenities, and any other equipment that promotes the working class's welfare.

- Applicable export or re-export taxes, excluding any tax on industrial processing related thereto or export services, such as raw materials, packaging, labels, services, etc., imposed on productive sectors.

- Taxes on patents, goods, or assets, as well as Tax on the Transfer of Industrialized Goods and Services.

- Consular fees for all imports pertaining to Free Zone Operators or Companies.

- Payment of import taxes on transportation equipment.

C. Export to the local market:

- Export of one hundred percent (100%) of the pre-production for payment of all relevant tariffs and taxes.

- 100% duty-free export of goods and services for finished textile products, clothing and accessories, leather goods, footwear manufacturing, and leather manufacturers. Products imported by free zone companies engaged in logistics and commercialization services may be sold in the local market, subject to authorization by the National Free Zones Council and following payment of the corresponding fees and taxes.





INCENTIVES FOR THE SPECIAL BORDER DEVELOPMENT ZONE



Law No. 12-21 of February 22, 2021, establishing the Special Zone for Integrated Border Development and an incentive scheme covering the provinces of Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco.

Decree 766-21, which lays down the Implementing Regulation of Law No. 12-21 of November 30, 2021, establishing the Special Zone for Integrated Border Development.

1. One hundred percent (100%) of payment of Income Tax.
2. 100% of payment of Excise Tax levied on telecommunications and insurance services, for the facilities of the project located in the Special Zone.
3. 100% of payment of tariffs and ITBIS on machinery and equipment, whether imported or acquired in the local market, as appropriate, required for installation and start-up of the company.
4. 100% percent of ITBIS for acquisition and import of inputs and raw materials used for production of ITBIS exempt goods in accordance with applicable tax legislation.
5. 50% of ITBIS for acquisition and import of inputs and raw materials used for production of non-ITBIS exempt goods in accordance with applicable tax legislation.





6. 100% of payment of the tariff on the import of inputs and raw materials used for goods production, only when local production thereof is not available.
7. 100% of payment of the real estate transfer tax, or any other tax in connection with real estate operations, on the land and infrastructure where the qualified project shall be developed.
8. Exemption from the obligation to withhold and remit to the Tax Authorities any overseas payment for technological innovation services required under projects, exclusively during construction and start-up.
9. 100% exemption from taxes, charges, and registration fees in connection with capital increase and share transfer in any business company with registered office located within the Special Border Development Zone.

The Dominican Republic's Constitution also sets the economic, social and tourism development of the Border Zone as a national priority.

INCENTIVES FOR THE TEXTILE CHAIN

Law No. 56-07 of May 4, 2007, declaring all sectors of the Textile Chain a national priority. DGII General Regulation of August 27, 2007, for the application of Law No. 56-07.



- 100% exemption from payment of Tax on the Transfer of Industrialized Goods and Services (ITBIS) or any other tax in connection with the import and/or purchase on the local market of any necessary inputs, raw materials, machinery, equipment, and services.
- 100% exemption from payment of Income Tax concerning its production process.



INCENTIVES FOR THE FILM INDUSTRY

Law No. 108-10 of July 29, 2010, for the promotion of the Film Industry of the Dominican Republic, including its amendment by way of Law No. 82-13. Decree No. 370-11 approving the Implementing Regulation of Law No. 108-10.

- 100% deduction of the actual amount invested, creditable against the Income Tax (up to 25% tax due).
- Donations can benefit from deductions up to 5% of the net taxable income.
- Producers, distributors of Dominican feature films and exhibitors who invest in the film industry are favored with a 100% exemption from Income Tax upon reservation or capitalization of income.
- Goods, services, and/ or leases related to the pre-production, production, and post-production of cinematographic and audiovisual works are exempt from ITBIS.
- Movie theaters within the National District and Santiago benefit from a 50% Income Tax deduction for revenues received. The country's other territories enjoy a 100% exemption.
- Construction of filming and recording studios is granted a 100% Income Tax exemption.
- Technical service providers are exempt from Income Tax.
- 25% tax credit for all expenses incurred in the Dominican Republic.



INCENTIVES FOR TOURISM DEVELOPMENT

Law 184-02, Law 266-04, and Law 195-13 on the Promotion of Tourism Development. Regulation 74-02 approving the second Implementing Regulation of Law 158-01 of January 29, 2002.

- Companies based in the following localities are granted a one hundred percent (100%) exemption from:
- Income tax.

- National and municipal taxes on construction permits, including land sale deeds.
- Import taxes and other applicable taxes on all equipment, materials, and furniture necessary for installation, first stage equipping and start-up of the relevant tourist facility.



INCENTIVES FOR THE DEVELOPMENT OF RENEWABLE SOURCES OF ENERGY

Law No. 57-07 of May 7, 2007, on Incentives for the Development of Renewable Sources of Energy and their Special Regimes, as amended by Law No. 253-13. Implementing Regulation of Law No. 57-07, Decree No. 202-08.

- 100% exemption on import tax, ITBIS and all taxes on final sales for imported equipment and machinery and transformation, transmission, and interconnection equipment.
- Reduction to 5% of the tax on interest payment for external financing, in accordance with article 306 of the Tax Code.
- Incentives for self-producers, through the granting of up to 75% of the investment cost in equipment as a single income tax credit.
- Incentive aimed at community projects in order to access financing funds for up to 75% of the total cost of the work and installation thereof (projects up to 500 kw).
- The new Regulation 65-23 establishes renewable contracts for the sale of electricity through public bidding, guaranteeing greater transparency and better energy prices.

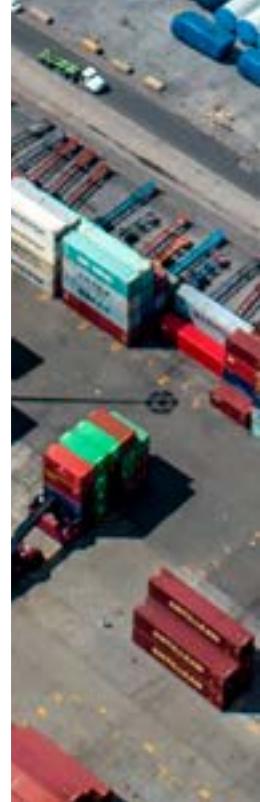




EXPORT REGULATIONS

Law No. 84-99 of August 6, 1999, on Re-activation and Promotion of Exports, and its Implementing Regulation No. 213-00.

- Suspension of import duties and taxes for entry of the following goods into Dominican customs territory (coming from abroad or from export free zones) and subsequent re-export thereof.
- Raw materials, supplies, intermediate goods.
- Labels, containers, and packaging material.
- Parts, components, molds, dies, utensils, and other devices, where they are supplemental to other devices, machines, or equipment used to produce export goods.





IMPORT OF RESIDENTS' PERSONAL PROPERTY

Law No. 14-93 of August 26, 1993, on Customs Tariff in the Dominican Republic, as amended by Law No. 146-00.

This Law grants full exemption to foreign nationals who come to reside permanently in the Dominican Republic, on the import of movable property, household and work equipment. Dominican citizens who have lived abroad for two (2) consecutive years and return to establish their permanent residence in the country may benefit from this Law.



IMPORT OF USED MOTOR VEHICLES

Law No. 168 amending note 2 of Paragraph 888 of the Import and Export Tariff, Law No. 1488 of July 26, 1947, added by Law No. 1784 of August 18, 1948 (Used Vehicles)

This Law amends note 2.888 of the Tariff and grants a partial exemption on the import of used motor vehicles. This Law also allows Dominican citizens to return to the country to reestablish their residence and benefit from a partial tax exemption, both with regard to the duties provided for in the Tariff and to any other tax on the import of used motor vehicles under their ownership.





INCENTIVES TO FOREIGN PENSIONERS AND ANNUITANTS

Law No. 171-07 of July 13, 2007, on Special Incentives to Foreign Pensioners and Annuitants. Resolution No. 1-2013 regulates the linkage of permanent resident subcategories. Implementing Regulation No. 631-11 of the Migration Law. Decree No. 50-13 establishing the Implementing Regulation of Law No. 253-12 .

- Investment Residence Permit Program. Decree No. 950-01 allowing foreign investors to become Permanent Residents within 45 days. Exemption from payment of tax on Household Goods and Personal Effects. Law 14-93.
- Exemption from payment of property tax. Law 146-00.
- Partial exemption from tax on the import of motor vehicles. Law 168-67.
- Exemption from real property transfer tax for the first acquired property.
- 50% exemption from mortgage taxes (creditors must be regulated under the Monetary and Financial Law).
- 50% exemption from Income Tax, as applicable.
- Exemption from taxes levied on the payment of dividends and interest generated locally or abroad.
- 50% exemption from Capital Gains tax, provided that the annuitant is the controlling shareholder of the company subject to this tax payment and said company is not engaged in any commercial or industrial activity.



MOVABLE COLLATERAL, GUARANTEES AND PLEDGES

Law No. 45-20 on Movable Collateral, enacted on February 18, 2020.

- Law No. 45-20 on Movable Collateral was enacted on February 18, 2020, with the aim to establish legal regulations that promote the use of movable collateral, especially as a tool for small and medium-sized companies to access credit. This new Law provides for an electronic registration and advertising system and regime that leads to transparency and serves as an assurance for foreign investors who may wish to draw upon such a guarantee. The following can be cited among the particular characteristics of this Law:
 - All rights conferred under the movable collateral shall be enforceable against third parties from the moment they are published.
 - The Electronic System for Movable Collateral is established as a remote access electronic file whereby movable collaterals are advertised under the law. This is a unique system that will operate nationwide with a centralized electronic database. Security measures are in place to guarantee and safeguard the information contained in the database.
 - A registered movable collateral shall be valid for five years and may be renewable unless the parties agree to a subsequent term.





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**WHAT IS THE ONE STOP SHOP
FOR INVESTMENT?**

The One Stop Shop for Investment of the Dominican Republic is a centralized government office created to service investors with the attainment of all permits, licenses and certifications required by the different government institutions to successfully materialize an investment project in any of the productive sectors of the Dominican Republic.

OBJECTIVES



ESTABLISH

Personal and virtual assistance platform for potential and existing investors.



CONSOLIDATE

A centralized and single point of contact.



CLARIFY

All the steps required to implement an investment project.



DEVELOP

A regulatory environment that guarantees a reliable investment climate and a competitive business environment.



REDUCE

Time and cost savings for investors.



SIMPLIFY

All process and services to carry out an investment project.

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PRODOMINICANA

f i t y n

REGULATIONS

Environmental Regulations

The legal framework applicable to environmental licenses and permits is made up of General Environmental and Natural Resources Law No. 64-00 of August 18, 2000 ("Law No. 64-00") and the relevant rules and resolutions, including the Regulation for the Environmental Assessment Process and Procedure.

Accordingly, all projects entailing a minimal environmental impact must obtain an environmental permit from the Ministry of Environment and Natural Resources [Ministerio de Medio Ambiente y Recursos Naturales (MIMARENA)]. Licenses are classified into distinct categories, depending on the project's potential adverse effects on the environment. Category A permits shall be granted to projects entailing the most negative environmental impact, and assessment of the environmental impact shall be required together with other studies to demonstrate that the damages will be offset, mitigated, and prevented. Category B permits shall be granted to other projects entailing notorious or moderate impact and whose adverse effects can

be eliminated or minimized by adopting the necessary mitigation, prevention, or offsetting measures set forth in their environmental management and adaptation program. This project category requires an environmental impact statement (EIS). In comparison, category C and category D permits are granted to projects involving the least environmental impact, and require less time and studies to be obtained.

Under the applicable regulations, projects rolled out without an environmental permit may be subject to administrative sanctions, including payment of an amount consistent with the magnitude of the environmental damage caused, but not less than ten (10) current minimum wages, and not exceeding three thousand (3,000) current minimum wages, notwithstanding any other criminal sanctions or civil liability. Without prejudice to any sanctions established by law, regulations stipulate strict liability for any person damaging the environment or natural resources, with said person being held liable for any damage caused. Likewise, said person shall be under the obligation to repair such damage materially, at its expense, if possible, and provide compensation therefor under the law.

REAL ESTATE REGULATIONS

According to Dominican law, there are several types of real estate ownership. The most common is absolute property, similar to the concept of absolute dominion in common law, which grants owners the right to enjoy, use and dispose of their properties, according to article 51 of the Constitution.

Other types of real estate ownership recognized by Dominican law are: (1) co-ownership under Condominium Law No. 5038 of 1958, whereby two or more co-owners share ownership of a residential or commercial property, or both, each enjoying full rights to their units and shared rights to common areas; and (2) indivision, whereby several co-owners jointly exercise the same full property right over the same property considered as a whole.

Dominican law recognizes other types of rights over real estates, such as "usufruct", which grants the owner legal right to use and benefit from a third party's property; "use" or "occupancy," which grants the owner the right to use or live in a third party's property; "easement", whereby property is subject to a specific use or enjoyment by another person; "right of way", which grants the owner of a closed property with no access to a public highway the right to transit through an adjoining property; and "government-granted

administrative concessions" on public lands that cannot be privately owned, such as subsoil, coastlines, and riverbanks.

The Dominican Republic's Constitution sets the fundamental framework for the Dominican government's organization and functioning, as well as that of all public institutions. It recognizes an impressive list of civil rights for all Dominican and non-Dominican citizens, including an equal protection clause for non-Dominican citizens: Dominican citizens and investors. Article 25 of the Constitution expressly establishes that foreign citizens have the same rights and duties in the Dominican Republic as Dominican nationals, except for the right to participate in political activities. Article 221 of the Constitution states that the government shall guarantee an equal treatment before the law for both local and foreign investments.

Therefore, there are no restrictions for foreign individuals or entities to own or lease real estate in the Dominican Republic. The real estate buying or leasing process for foreign individuals is the same as for Dominican citizens. Foreign individuals and entities, as well as Dominican citizens, must register locally with the tax authorities before registering real estate purchases. Individuals must submit their





applications directly to the internal revenue office. Entities must first register with the Chamber of Commerce and obtain a Trade Registry certification before applying for their tax ID number. These are mere formal requirements that can be easily met.

It should be further noted that there are no exchange control problems when investing in real estate in the Dominican Republic. Under applicable foreign investment laws, foreign individuals can freely repatriate capital and investment earnings in the Dominican Republic.



INTELLECTUAL PROPERTY

Law No. 20-00 on Industrial Property (hereinafter referred to as "Law No. 20-00") enacted on May 8, 2000, and its implementing regulations, as well as Law No. 424-06 for implementation of the DR-CAFTA, constitute the legal framework applicable to aspects related to industrial property rights registered in the Dominican Republic. They include distinctive signs in general (trademarks, trade names, slogans, logos, patents, among others).

Furthermore, the Agreement on Trade-Related Aspects of Industrial Property Rights, the Paris Convention for the Protection of Industrial Property, and the Trademark Law Treaty also apply in the Dominican Republic.

The entity in charge of registering and maintaining said rights is the National Industrial Property Office [Oficina Nacional de Propiedad Industrial (ONAPI)].



1. TRADEMARK OWNERS

According to the applicable industrial property law, Law No. 20-00, the right to exclusive use of trademarks or service marks in the Dominican Republic is acquired through registration with the National Industrial Property Office (ONAPI). Consequently, trademarks registered in ONAPI which are subject to this legal review, grant exclusivity of use to their owners. However, it should be noted that a trademark not used by its owner without just cause for an uninterrupted period of three (3) years prior to the trademark registration date, may be canceled by ONAPI at the request of an interested third party. In such case, the burden of proof (to demonstrate commercial use) shall fall on the owner and not on the applicant.

Trademark registrations are classified within a nomenclature of products and services. According to the provisions of Law 20-00 and its amendments, our country applies the Nice Classification established by the Nice Agreement of June 15, 1957, as revised and updated. Thus, the affected brands protect the products and services within the nomenclature under which they were registered.

On the other hand, pursuant to the provisions of applicable legal regulations, owners of distinctive signs enjoy exclusivity for ten (10) years from the date they were granted. Registrations can be renewed for successive periods of ten (10) years from the previous period's expiration date. Until the Trademark Law

Treaty entered into force on December 13, 2011, in order to request renewals owners were required to present evidence of the trademark's commercial use, accompanied by a sworn statement with respect to such use. The abovementioned treaty eliminated said requirements, and now it is possible to renew a registration by filing a simple application for such purposes. The National Industrial Property Office (ONAPI) shall always reserve the right to require such evidence in case of reasonable doubt.

Likewise, owners of distinctive signs may transfer their records through inter vivo or successive acts, register them jointly, grant licenses to third parties, and submit them as collateral in favor of creditors. Such records may be subject to embargo or other domain restrictions until requirements for such purposes have been met.

Before entry into force of Law No. 20-00, in the Dominican Republic there was Law No. 1450 for the Registration of Trademark and Trade Name Protection. According to this law, repealed by Law No. 20-00, registrations of distinctive signs were classified within a national nomenclature and were valid for twenty (20) years. Therefore, some records with greater validity and under a national classification can still be verified.

2. RIGHTS CONFERRED TO TRADEMARK OWNERS

Regarding trademarks, exclusivity of use thereof is granted by virtue of their use in the Dominican market, so registration certificates granted to trademark owners do not give rise to any right, but are merely declarative.

As a result, a trade name not used by its owner without just cause for more than five (5) consecutive years may be declared abandoned by ONAPI, after exhausting a cancellation process for non-use, whereby a third party interested in the trademark may attempt such action based on the non-use thereof. Therefore, the right to exclusive use of the trade name ends with its abandonment or disuse in the Dominican Republic's trade.

Lastly, trademarks are valid for ten (10) years from their granting date and may be renewed for successive terms of the same duration. Likewise, they may be transferred, registered in co-ownership, granted in favor of third parties, registered as collateral in favor of creditors, and subject to seizures or other domain restrictions, until requirements established by law for such purposes have been met.



3. PATENTS

Our legislation defines patents as "any idea or creation of the human intellect, which is capable of being applied in industry and meets the conditions for patentability." An invention can refer to a product or process. In the Dominican Republic, patents are granted for inventions, utility models, and industrial design. An invention is "patentable" when it can have industrial applications, is novel, and has a certain degree of inventiveness.

In particular, the following are not considered inventions: discoveries that consist in making known something that already exists in nature, scientific theories and mathematical methods; economic or business plans, principles or methods, information presentations; computer software; therapeutic or surgical procedures for the treatment of humans or animals; all kinds of living matter and substances pre-existing in nature; provided that the invention is targeted at the living matter or substance as it exists in nature; the juxtaposition of known inventions or mixtures of known products, a variation in their shape, dimensions or materials, unless said combination is such that it does not allow its elements to function separately or that the qualities, characteristics or functions thereof are modified in order to obtain an industrial result that is non-obvious to a person skilled in the art; products or procedures already patented, due to the fact that they have been given a different use than that protected by the original patent.



4. COPYRIGHT

Law No. 65-00 of August 21, 2000 (hereinafter referred to as "Law No. 65-00") and its regulations constitute the legal framework applicable to the protection of literary and artistic works, including all creations of the spirit. According to the legislation above, copyright arises with creating the work itself, and its registration is not mandatory. Any registration made before the National Copyright Office [Oficina Nacional de Derecho de Autor ("ONDA")] establishes the presumption that the right contained therein is legitimate unless proven otherwise.

According to Article 8 of Law No. 65-00, the following shall enjoy protection: 1) works whose author or at least one of the co-authors is a Dominican citizen or domiciled in the Dominican Republic; 2) works published in the Dominican Republic for the first time or within thirty days of its first publication; 3) works of nationals of - or persons domiciled in - member countries of any of the international treaties of which the Dominican Republic is a member or shall become a member in the future; (4) works published for the first time in any of the member countries of said agreements or treaties, or within thirty days of their first publication; and 5) artistic representations, phonographic productions, and broadcasts, in the terms provided in the title of this Law concerning copyright-related rights. In the absence of an applicable international convention, foreign works, performances, sound productions, and broadcasts enjoy the protection established in this Law, provided that in the



respective country of origin effective reciprocity is guaranteed to Dominican authors, artists, producers, or broadcasters, as appropriate.

Pursuant to the provisions of Law No. 65-00, also modified by Law No. 424-06, the transfer of economic rights over a work, interpretation, performance, or phonogram may be free or onerous, exclusive, or non-exclusive. Unless otherwise agreed or expressly provided by law, assignment is presumed non-exclusive and for pecuniary interest. This same text allows the author to substitute the assignment for a simple, non-exclusive, and non-transferable license of use.

The copyright owner or the owner of any related right, his heirs or whoever has the conventional representation thereof, has the right of option to decide by which means - civil, repressive, or administrative - of those stated in Law No. 65-00, such person will initiate and proceed in the exercise of the rights conferred thereby.

5. DATA PROTECTION

The Dominican Republic's Constitution establishes as a fundamental right of people the right to privacy and personal honor, whose scope includes integrity, good name, own personal image, and access to information and existing data on the individuals and their registered assets in official or private registries, as well as to know the destination and use of said data within the limits established by law. It is Law No. 172-13 which regulates the exercise of said fundamental right. In this context, the law establishes the legal framework applicable to all the protection of personal data recorded in public registers, data centers, or any other technical means for the processing of personal data with the aim to provide reports, whether public or private, and guarantee the non-violation of the rights of individuals, facilitating access to their information, as well as regulating the constitution, structure, activities, operation, and termination of credit bureaus [Sociedades de Información Crediticia ("SIC")].

Also, this law provides credit reference services to ensure respect for privacy and the holders' rights, thereby promoting the integrity, accuracy, effective updating, confidentiality, and proper use of said information. The general principle of this law establishes that the processing and transfer of personal data are deemed to be illegal when the data owner has not given their free and explicit consent in writing or by any other means. Said consent, provided with other statements, must appear explicitly and prominently after notifying the data owner.



6. PUBLIC-PRIVATE PARTNERSHIPS

Law 47-20 defines public-private partnerships as the mechanism whereby public and private agents voluntarily sign a long-term contract as a result of a competitive process, for the provision, management, or operation of goods or services of social interest, involving full or partial investment by private agents, public sector tangible or intangible contributions, and risk distribution between both parties, and under which remuneration is associated with performance as stipulated in the agreement.

Likewise, said law creates the General Directorate of Public-Private Partnerships [Dirección General de Alianzas Público Privadas (DGAPP)] as an independent and decentralized Government entity, vested with its own legal status and capital, administrative, jurisdictional, financial and technical autonomy; with the duties of promoting and regulating public-private partnerships in an orderly, efficient and transparent manner, ensuring compliance with the law and mitigating project risks under the scheme of public-private partnerships, through regulation and inspection by the public and private agents involved in said projects

Public-private partnerships represent an opportunity to mobilize resources from the private sector to face the country's main challenges, especially when public resources are limited. Likewise, the PPP scheme allows for the signing of contracts on a transparency basis, thereby guaranteeing a favorable investment climate and legal security, and thus attracting local and foreign capital to boost the economy and the development of infrastructure in the country, and contributing to closing the quality infrastructure gap existing in the Dominican Republic.



7. LABOR REGIME

The Dominican Republic's labor regime is established in the Labor Code (Law No. 16-92 of May 29, 1992), as amended, Implementing Regulation No. 258-93, resolutions of the Ministry of Labor, resolutions of the National Salary Committee, conventions of the International Labor Organization (ILO), all ratified by the country and supplementary regulations.

The Ministry of Labor is the representative body of the Executive Branch in labor matters, and the highest administrative authority in all related to employer-worker relations. Moreover, the National Salary Committee is the body responsible for setting the national minimum wage for workers from the different sectors converging in the Dominican labor environment.

Our labor legislation includes the principle of territoriality, applying to every employer and employee in the national territory, without any distinction whatsoever between Dominican citizens or foreign citizens. Therefore, according to the territorial principle, all employees rendering any service in the Dominican Republic have the right to claim the benefits and rights established in the Labor Code. Said principle also provides workers with protection so that their rights cannot be waived or conventionally limited (any agreement to the contrary is void) and can only be modified by provisions that favor or improve workers' conditions.

In accordance with the Labor Code, the employment contract formation exists through any relationship where a person is obliged, through remuneration, to render a personal service to another under the immediate or delegated dependence and direction of the latter; that is, regardless of whether or not it is in writing, the existence of an employment contract is presumed until proven otherwise in any personal employment relationship.

Any foreign company or branch thereof shall register its local employees with the Ministry of Labor, and register itself and its local employees with the Social Security Administration Office [Tesorería de la Seguridad Social (TSS)]. It should be noted that at least eighty percent (80%) of the total number of employees must be Dominican citizens. Wages earned by Dominican employees must add up to at least eighty percent (80%) of the total payroll amount.



8. WORKING HOURS

Concerning the maximum hours, the Dominican Labor Code provides for a general rule establishing a maximum of eight working hours per day and forty-four hours per week. However, workers in management or inspection positions can stay at their jobs for up to ten hours per day. The regular work week runs from Monday morning to Saturday noon.

The Day Shift refers to the regular working hours that run from 7:00 a.m. to 9:00 p.m. The night shift runs from 9:00 p.m. until 7:00 a.m. If the working day extends to more than three hours of the night shift, it is deemed to be a night shift.

The Ministry of Labor may, by resolution, determine that, in consideration of the requirements of certain types of businesses and companies and the social and economic needs of the different regions of the country, following consultation with employee representatives, the workweek for various establishments may end at a different time than that previously established.



9. EMPLOYEE DAILY REST RIGHTS

After four hours of continuous work, an employee shall be allowed a one-hour rest period, and after five hours, a one-and-a-half-hour rest period (art. 157). If any employee requires lunch at their workplace instead of at home, it must be paid during their lunch period as if they were carrying out their work (art. 151).

10. EMPLOYEE WEEKLY REST RIGHTS

Articles 163 and 164 of the Dominican Labor Code provide that every employee shall have the right to thirty-six hours of uninterrupted rest per week. Said period shall begin at noon on Saturday unless the employee and the employer have agreed that the weekly rest will occur in another period during the week (art. 163). Any weekly rest during which the employee renders any services shall be compensated by a payment equal to one day's labor wage plus one hundred percent of said amount (i.e., double wage) or by a rest period equal to the time stipulated as weekly rest (art. 164) given by the employer to the employee on the following week.

11. HOLIDAY BENEFITS PURSUANT THE DOMINICAN LABOR LAW

According to article 165 of the Dominican Labor Code, days declared as national holidays or holidays in the Dominican Republic are considered payable rest periods unless any such date falls on a regular weekly rest day. Article 205 provides that any non-working day in which an employee renders a service shall be compensated through such employee's ordinary daily wage plus one hundred percent of said amount (i.e., double wage).



12. OVERTIME PAY

Hours worked in excess of 44 weekly hours and up to 68 hours shall be paid with a thirty-five percent (35%) increase with respect to the worker's salary. If 68 weekly hours is exceeded, said overtime shall be paid with an increase of one hundred percent (100%) (i.e., double wage).

13. EMPLOYEE VACATION RIGHTS

The employer must provide each employee with a paid vacation leave according to the following scheme: (i) after continuous work for at least one year and up to five years: fourteen days; (ii) after continuous work for at five years or more, the increase is to eighteen days. Please note that the day scheme refers to ordinary wages; likewise, sub-paragraph (ii) does not refer to eighteen days away from work (these remain fourteen), but eighteen are the days to be paid. However, a longer vacation leave can be negotiated with the employee, but it can never be less than that prescribed by law.

Vacations may be divided by agreement between the employer and the employee, but, in any case, any such employee shall be granted at least a one-week vacations leave. In the event of a cessation of employment without such employee having been granted the vacation leave to which he/she was entitled, the employer shall provide such employee with a compensation equivalent to the salary corresponding to such vacation leave. Salary in connection with such vacation leave and any salary earned up to that date shall be paid one day before the begin date of such vacation leave.



14. CHRISTMAS BONUS

The employer is under the obligation to pay the employee, no later than December 20 of each calendar year, a Christmas bonus consisting of one-twelfth of the employee's salary during the year. However, this amount may be modified by agreement between the parties in order to pay a greater amount, but in no case should it be greater than the equivalent of five times the national minimum wage.

Payment of the Christmas bonus is mandatory regardless of the cause of termination of a labor contract. If an employee has been terminated before the end of the year, his/her Christmas bonus shall be paid according to the calendar year period during which said employee worked for the company.

15. PROFIT BONUS

If the company records profits, it shall grant a participation equivalent to ten percent of the net annual profits, by dividing it among all of its permanent employees. However, Free Zones are exempted from this policy.

16. SUSPENSION OF EMPLOYMENT CONTRACTS

The Dominican Labor Code provides for the possibility of suspending an employment contract, regardless of the contract type. It should be noted that suspension of an agreement does not necessarily mean it will be terminated. However, during suspension, the relevant employee shall be released from his/her contractual obligations and the employer shall not be required to pay the corresponding compensation, unless provided by law, a collective agreement, or the employment contract itself. Article 84 of the Dominican Labor Code provides that "the employment contract term includes national holidays, the weekly rest period, the vacation leave, and suspension of the effects of the employment contract under any argument included in Article 51 or otherwise agreed by the parties."

To this end, even if the effects of the employment contract were to be suspended, the employee's labor rights shall not be suspended, and thus the compensation period shall be included at the time of determining the employee's labor rights if suspension was due to any of the reasons listed in article 51 of the Dominican Labor Code.



17. LAW ON REGULATORY IMPROVEMENT AND STREAMLINED PROCEDURES

Law No. 167-21 of August 12, 2021, on Regulatory Improvement and Streamlined Procedures.

In 2021, Law No. 167-21 was enacted for purposes of establishing and coordinating public policies aimed at regulatory improvement and the streamlining of administrative procedures, thus applying to all public administration bodies, autonomous agencies, and government-owned enterprises.

This legislation has allowed the country to engage in an institutional transformative process through administrative reform projects targeted at improving the country's business and investment climate, by eliminating bureaucratic hurdles and introducing improvements in processes and institutional services.

Its Regulation, created by Decree 486-22, lays down the necessary guidelines for adoption and implementation of the tools for Regulatory Improvement and Simplification of Procedures, as a public policy to be adopted and implemented by all Government instrumentalities and bodies.

18. REACTIVATION OF VARIOUS COMMISSIONS OR TECHNICAL COMMITTEES IN THE DOMINICAN REPUBLIC

Decree No. 806-21 of December 17, 2021, on the Reactivation of Commissions or Technical Committees.

In December 2021, Decree No. 806-21 ordered the reactivation of various Commissions or Technical Committees in the Dominican Republic, including the Dominican Republic's One-Stop Investment Window (VUI) within the framework of the Efficient Government Program (Zero Bureaucracy), for purposes of integrating in a single digital and interconnected platform all procedures, permits, registrations, licenses, clearances, approvals or any other authorization required to be filed before our governmental or municipal institutions for investment projects in the Dominican Republic.

As of December 2021, ProDominicana began working on the necessary cooperation with all organizations related to the investment process, in order to promote the streamlining, acceleration and incorporation of procedures for all economic and investment sectors through the One-Stop Investment Window (VUI).





19. INVESTMENT PROMOTION CABINET

Decree No. 849-21 of December 29, 2021, on the creation of the Investment Promotion Cabinet.

Created by way of Decree No. 143-09, the Investment Cabinet for Strategic Projects was repealed in 2021 by Decree No. 849-21, which provides for the creation of a new Investment Promotion Cabinet.

This new Cabinet is intended to promote within the Public Administration all policies, guidelines and mechanisms aimed at developing facilities and processes that encourage investment in strategic sectors which contribute to improve and elevate the country's competitiveness, this being a key factor driving new projects and supporting their roll-out in the Dominican Republic.

"With this new Cabinet, the objective is established to promote within the Public Administration the policies, guidelines and mechanisms to develop facilities and processes that encourage investment towards strategic sectors that contribute to the improvement and elevation of the country's competitiveness, this being an instrument special in favor of new projects and their implementation process in the Dominican Republic"

Mrs. Rachel Pena.

Vice President of the Dominican Republic.





PLATAFORMA DE INTELIGENCIA DE NEGOCIOS



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para la toma de decisiones
en sus negocios.



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INVESTMENT PROMOTION AND PROTECTION AGREEMENTS (IPPAS)



1. GENERAL INFORMATION

In the Dominican Republic, investors benefit from a higher degree of protection through Investment Promotion and Protection Agreements (IPPPAs).

The object of these bilateral investment agreements is to strengthen the existing legal framework to promote increased investment flows and guarantee favorable treatment and conditions for investment development between investors from both countries, while ensuring an appropriate and stable investment climate with greater legal security.

To this end, said agreements set forth the principles of national treatment, most-favored-nation, and minimum standard of treatment. Also, they include provisions on expropriation and compensation, capital transfer, and dispute settlement.

Their importance has been highlighted and the framework agreement updated for future negotiations of bilateral investment promotion and protection agreements with different nations regarding foreign direct investment (FDI), being such bilateral agreements aimed at the promotion and legal protection of investment and the promotion of the country's economic development, on a reciprocal basis.



2. INVESTMENT AGREEMENTS SIGNED BY THE DOMINICAN REPUBLIC

Following are the agreements of this type signed by the Dominican Republic:

Partners	Subscription Date	Effective Date
Argentina*	16 March 2001	N.D.
Chile	28 November 2000	8 May 2002
Korea	30 June 2006	21 may 2008
Spain	16 March 1995	7 October 1996
Finland	27 November 2001	21 April 2007
France	14 January 1999	30 October 2000
Italy	12 June 2006	18 July 2007
Morocco	23 May 2002	4 January 2007
Netherlands	30 March 2006	29 August 2007
Panama	6 February 2003	18 September 2006
Switzerland	27 January 2004	12 March 2006

Argentina: Pending ratification by the National Congress.







"We have had a clear commitment to generate inter-institutional coordination and synergy, which in the case of the Ministry of Foreign Affairs and ProDominicana, has had as its main objective to establish the framework of collaboration under which our Missions abroad work to promote Dominican exports and the attraction of foreign direct investment".

- Mr. Roberto Alvarez.
Minister of Foreign Affairs.





FOREIGN TRADE



1. GENERAL INFORMATION

The Dominican Republic's economy is one open to trade and foreign investment. Its foreign trade policy is focused on increasing foreign direct investment (FDI) flows, strengthening its export sector, promoting its exports, and enhancing the presence of its products in international markets. It is also based on the 2030 National Development Strategy [Estrategia Nacional de Desarrollo (END)] 2030 outlined in Law No. 1-12 of January 25, 2012.

Promotion of exports and investments constitutes one of the basic pillars of the embassies and consulates subordinate to the Ministry of Foreign Affairs of the Dominican Republic [Ministerio de Relaciones Exteriores de República Dominicana (MIREX)]. Accordingly, PRODOMINICANA and MIREX have recently created the “2021 Trade Promotion Plan” with a view to optimize trade promotion service and attract investment with the support of the country’s foreign accredited diplomatic and consular corps.

This plan provides trade representatives in Dominican embassies and consulates abroad with the guidelines necessary to promote greater foreign investment levels in high value-added activities, thereby winning new business, and thus serving as key information providers for investors in accredited countries seeking to develop their investment projects in ours. With regards to the export sector, this plan also enables such trade representatives to contribute to the commercial promotion and strategic positioning of the Dominican Republic's exportable supply.

The Dominican customs regime is regulated by the new

Customs Law No. 168-21, enacted on August 9, 2021, made in accordance with the existing constitutional provisions, the present situation of the Dominican Republic and its foreign trade targets, in accordance with the technological advances achieved by the General Customs Directorate, and consistent with our international commitments in terms of trade facilitation, customs procedures, and streamlining and harmonization of customs regimes.

The customs administration area has streamlined processes in place, such as the Single Customs Declaration [Declaración Única de Aduanas (DUA)] as the only form for goods declaration, the Integrated Customs Management System [Sistema Integrado de Gestión Aduanera (SIGA)] for electronic customs declaration and time saving, and the figure of the Authorized Economic Operator (AEO), this being a General Customs Directorate (DGA) certification mechanism for all players in the logistics chain.

Serving as a basic pillar of the Dominican Republic's economic development, the country's foreign policy provides for maximum use of the external environment, seeking large volumes of exchange of goods and services, and increased direct foreign investment flows.

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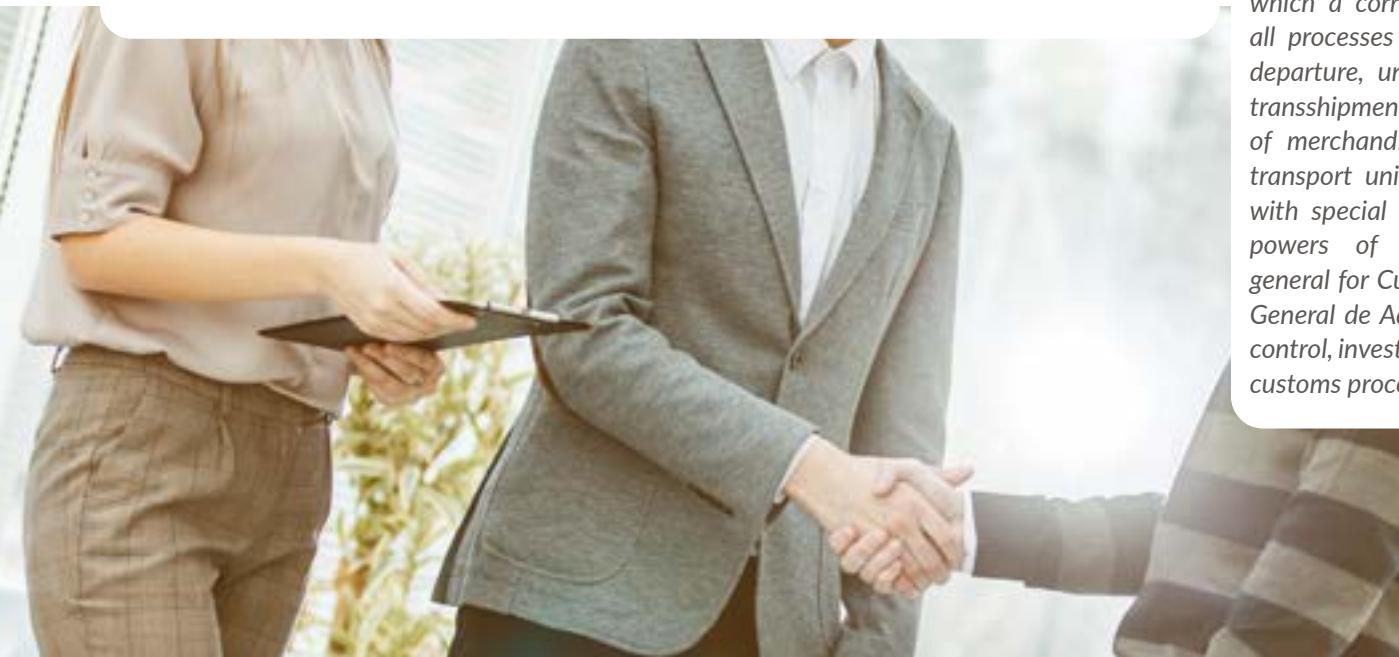
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This ProDominicana – MIREX strategic partnership is also backed by an inter-institutional agreement signed on May 2, 2017, establishing the collaboration framework under which Missions abroad shall work to promote exports and attract foreign direct investment. Resolution No. 05-17 of the Ministry of Foreign Affairs (MIREX) further appoints the head of the Trade Division attached to Embassies and Consulates of the Dominican Republic abroad, as the person in charge of managing all trade-related affairs, promoting exports, and attracting new investment for the Dominican Republic.



In addition, as of December 23, 2022, our Customs Law was supplemented by its Regulation established by Decree 755-22, through which a correct regulation of all processes of entry, arrival, departure, unloading, loading, transshipment and shipment of merchandise, vehicles and transport units is guaranteed, with special emphasis on the powers of the Directorate general for Customs [Dirección General de Aduanas (DGA)] to control, investigate and oversee customs procedures.



2. EXPORTS

The Dominican Republic's export culture seeks to promote the benefits and importance of international business by promoting the attributes of the Dominican Republic to attract entrepreneurs and foreign direct investment with export potential and, in turn, create value for our country.

Any individual or legal person seeking to export shall file the following documentation: a) Single Customs Declaration (DUA); b) Commercial Invoice; c) Shipping documents; d) Phytosanitary or zoosanitary certificate; and (e) Certificate of origin for goods subject to preferential tariffs under a commercial agreement.

The following items require specific permits from regulatory bodies:

PRODUCTS	PERMITS	ISSUING BODY
Products of plant and animal origin	Phytosanitary certificate, animal health certificate, export permit for controlled pharmaceutical preparations.	Ministry of Agriculture, National Drug Directorate
Plants, fish sand, and wood	Environmental authorization, export certificate for hazardous waste, no objection for export of fishery products	Ministry of the Environment and Natural Resources, CODOPESCA
Food beverages, pharmaceutical products and chemical	Sanitary Registration	Ministry of Public Health and Social Services
Mining Products	Certification of no objection for the export of metallic and non-metallic minerals	General Mining Directorate
Raw Tobacco	Form for processing the export of tobacco and its manufactures	The Tobacco Institute [Instituto del Tabaco (INTABACO)] and the Ministry of Agriculture.
Textiles	Export authorization and company certification Law 56-07	National Council of Export Free Zones [Consejo Nacional de Zonas Francas de Exportación (CNZFE)].
Sugar and molasses	Permits for the export of sugar and its derivatives of national production	National Sugar Institute [Instituto Nacional del Azúcar (INAZUCAR)] and the Ministry of Agriculture.
Artworks	Exit permit for cultural property	Ministry of Culture
Alcohols cigars	Export authorization for alcoholic beverages and cigarettes, phytosanitary export certificate	Dominican Internal Revenue Service (DGII) and Ministry of Agriculture
Coffee	Coffee exporter registration and product certificate	Dominican Coffee Council and the Ministry of Agriculture.
Metals	Registration certification for the trade and export of metal waste	ProDominicana





3. TEMPORARY ADMISSION REGIME FOR INWARD PROCESSING / LAW NO. 84-99

THE DOMINICAN LEGISLATION INCLUDES LAW NO. 84-99 OF AUGUST 6, 1999, ON EXPORT REACTIVATION AND PROMOTION, AND ITS IMPLEMENTATION REGULATION NO. 213-00.

By way of this law, exporters benefit from a temporary admission regime for processes establishing the suspension of import duties and taxes from abroad or from Export Free Zones, for goods to be re-exported within a period of eighteen (18) months, counted from thirty (30) days following admission of the goods in the national customs territory.

All export items shall enjoy the benefits of this Temporary Admission Regime. This legislation is under the administration, supervision, and implementation of ProDominicana and the General Customs Directorate (DGA).

4. VUCE

Created by way of Decree No. 470-14, the One-Stop Foreign Trade Window [Ventanilla Única de Comercio Exterior (VUCE)] is a trade facilitation initiative to streamline all formalities required for processes related to the import and export of goods, through process harmonization and the incorporation of information technologies.

This platform operates to unify all authorizations issued by government institutions involved in foreign trade operations, thereby assisting importers and exporters in the management of permits for applicable goods.

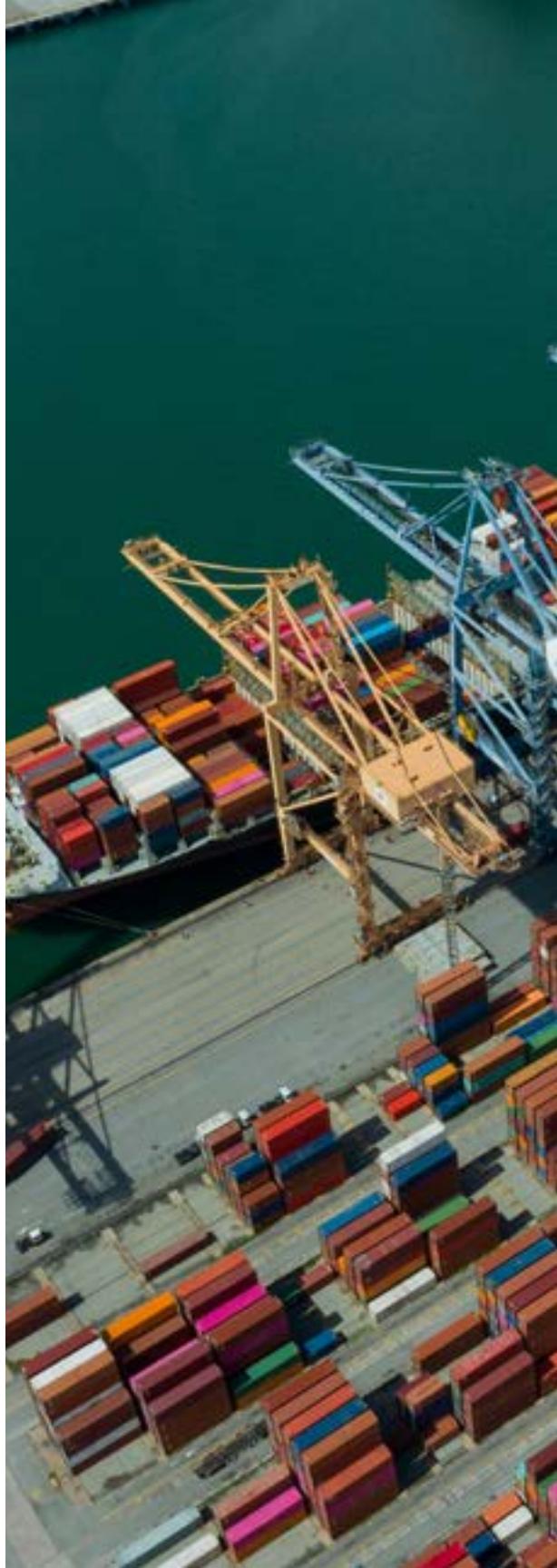


5. OEA

The Authorized Economic Operator (AEO) originates with the World Customs Organization (WCO) regulatory framework, as a form of customs management that provides for audit processes, financial statements, and quality standards to accredit and certify safe, dependable economic operators, and thus ensure and facilitate global trade. This certification accredits compliance with security measures and good practices in the supply chain of goods.

The Dominican Republic program operates with a division of the General Customs Directorate (DGA), which is responsible for promoting this certification among the players in the logistics chain. It also conducts all necessary audits and inspections until a satisfactory report is produced prior to issuance of any such certification.

Our AEO program stands out worldwide inasmuch as it includes, upon compliance with the program requirements, the possibility of granting a certification for all players in the supply chain. Exporters, importers, port facility operators, airport facility operators, customs officers, shipping operators, express couriers, freight forwarders, carriers, warehouse managers, free zones, free zone parks, and outside logistics companies are eligible for certification.





6. IMPORTACIONES

Whether an individual or legal person, every importer or exporter must be recorded under a National Taxpayer ID (RNC) to conduct trade activities in the Dominican Republic. In addition, legal persons must also have a trade registry number and natural persons must have an identification document. In order to import more than US\$2,000, importers must present a Single Customs Declaration (DUA), a commercial invoice, a Customs Value Declaration [Declaración de Valor Aduanal (DVA)], shipping documents, a certificate of origin (if the importer wants to be governed by a particular system of preferences), an import license, and a clearance permit or a health certificate.

Certain items are banned or subject to permits.

Banned Import Items: weapons of mass destruction, wild birds, used electrical appliances, pesticides and insecticides, cocoa plants, fruits, seeds, moss plants (bananas) or any part thereof, used clothing, right-hand drive cars, salvage motor vehicles (damaged), light-duty vehicles with over five years of use, heavy-duty vehicles with over 15 years of use.

Import Items Subject to Permit: weapons and ammunition, bulbs and seeds, fruits, spices, live plants, fertilizers and pesticides, meat products, fish and crustaceans, live animals, animal products and by-products, certain medicinal products for human or animal use, chemicals, fresh cattle and meat, gases and ozone-depleting substances, telecommunications equipment, health and personal hygiene products, pharmaceuticals from natural sources for therapeutic purposes, household care products, agricultural commodities, seeds, substances used for plant protection, and veterinary products.

As of April 2012, the DUA and other import documents can be digitally submitted through the platform hosting the Integrated Customs Management System (SIGA), thereby reducing costs and producing time savings on the release of goods. SIGA operates in all customs centers throughout the country for import and export operations, under a digital signature format. As of 2012, the Dominican Republic has adopted the Authorized Economic Operator (AEO) modality, under which economic operators that meet specific requirements can benefit from



streamlines customs processes and controls. This program is voluntary and open to any natural or legal person established in the Dominican Republic and involved in commercial logistics chains.

Imports are subject to Tax on the Transfer of Industrialized Goods and Services (ITBIS). Certain specific items are subject to Excise Tax [Impuesto Selectivo al Consumo (ISC)].

The ITBIS is a value-added tax applied to all imported items based on the goods' CIF value plus the corresponding fees and other import duties. ITBIS is 18%, except for certain goods whose rate is 16%.

ISC [Excise Tax] is levied on certain luxury products, alcoholic beverages, and tobacco products:

Alcoholic products, alcoholic beverages, and beers are levied with a ten percent (10%) Ad Valorem Excise Tax (which is determined by adding 30% before taxes to the manufacturer's list price, excluding discounts or bonuses), plus a specified amount of DOP\$633.85 regardless of the alcohol percentage.

Tobacco products are levied with a twenty percent (20%) Ad Valorem Excise Tax on the product's retail price, plus a specified amount of DOP\$53.62 for each of 20-unit pack of cigarettes and DOP\$26.81 for each with 10-unit pack of cigarettes.

7. TARIFF RATES

Tariff rates applied in the Dominican Republic are contained in Law No. 146-00 of 2000, as amended. Rates are based on the Harmonized Commodity Description and Coding System, including the adaptation of its 6th amendment (2017 version) as approved on June 27, 2014, by the Customs Cooperation Council (CCC) (currently known as the World Customs Organization (WCO)). The sixth edition is the only Spanish version of the Harmonized System.





The Dominican Republic tariff rates have been aligned with those of the World Trade Organization (WTO). At present, only Ad Valorem tariff rates are levied, ranging from 0% to 99%. Dominican tariff rates cover 12 rate levels: 0%, 3%, 8%, 14%, 20%, 25%, 40%, 56%, 85%, 89%, 97% and 99%, of which the highest levels (56%, 85%, 89%, 97%, and 99%) are levied on products under the quota system, accounting for only 23 tariff lines or 0.3% of the total tariff lines (HS-8 digit). Free zone tariff lines represent slightly more than 50% of all tariff lines; all remaining tariff lines are subject to a 20% tariff rate (30% of the total tariff lines) or a 3% to 14% tariff rate (17% of the total tariff lines). 74 tariff lines pertaining to agricultural commodities, meat products, and cold cuts are subject to a rate of approximately 25%.

Dominican imports under the free zone regime are duty-free. Items mentioned in Law No. 146-00 of 2,000 (donations, samples, and household equipment belonging to immigrants or Dominican citizens) are exempt from taxation.

8. LAW ON MARITIME TRADE IN THE DOMINICAN REPUBLIC

As regards maritime commerce, as of January 19, 2023, according to the Government's comprehensive vision to define a new maritime policy which allows the country to provide a new registry of vessels that encourages the growth of the national fleet, our country has a new Law No. 5-23 on Maritime Trade in the Dominican Republic. Said law is intended to regulate, within the Dominican territory, any facts or legal relationships linked to national and foreign maritime vessels, as well as those arising from transport and other maritime activities, to ensure and protect the legitimate rights and interests of the parties involved and foster security and development of the maritime sector, the economy and commerce in the country.





TRADE LIBERALIZATION





1. GENERAL INFORMATION

The Dominican Republic has pursued a foreign policy aimed at promoting the trade integration of Latin American and Caribbean countries.

Our position has contributed to a significant rapprochement with all geographically closest regions, thus expanding the available markets and the country's export capacity, and allowing for successful negotiations with the world's largest trading blocs. We have a Free Trade Agreement with Central America, an agreement with the Caribbean Community (CARICOM) and a Partial International Treaty with the Republic of Panama.

- ***The Caribbean Forum (CARIFORUM)***

The Dominican Republic is also a member of the Caribbean Forum (CARIFORUM), a subgroup of the Organization of African, Caribbean and Pacific States that serves as the basis for economic dialogue with the European Union. As a member of the CARIFORUM, the Dominican Republic has signed a free trade agreement with the European Union, the Economic Partnership Agreement (EPA), which stipulates commercial advantages to developing countries.

- ***World Trade Organization (WTO)***

The Dominican Republic is a WTO founding member, and all trade policies not defined in specific agreements are governed by the standards agreed upon with the WTO. Not only has this Organization had a particular impact on the international trade sector, but also in the past two decades it has also helped to modernize most of the country's regulatory aspects.



- **Association of Caribbean States (ACS)**

The Association of Caribbean States (ACS) was formed on July 24, 1994, by way of the ACS Articles of Agreement, with a view to strengthening regional cooperation and the integration process, implementing schemes for the development and consolidation of economic relations among its members, unleashing the Caribbean Sea's potential through interaction between the Member States and third parties, and building an enhanced space for trade and investment. Trade, transportation, sustainable tourism, and natural disasters are ACS's prime focus.

The Dominican Republic is a member of this association, currently made up of 25 Member States and 7 Associate Members.

- **Double Taxation Agreements**

As an export promoter and in its efforts to attract foreign direct investment, ProDominicana aims its services to provide timely, specialized technical support to make the most of all trade agreements signed by the Dominican Republic.

The below mentioned trade agreements signed and currently in force in the Dominican Republic are a strategic and business tool for participation of our products and services in the commercial exchange among European markets on a competitive, effective, and sustainable basis, thus achieving a better positioning with respect to the competition.

2. TRADE AGREEMENTS

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The below mentioned trade agreements signed and currently in force in the Dominican Republic are a strategic and business tool for participation of our products and services in the commercial exchange among European markets on a competitive, effective, and sustainable basis, thus achieving a better positioning with respect to the competition.



ACUERDOS	MIEMBROS
<i>Acuerdo de Libre Comercio entre República Dominicana, Estados Unidos y Centroamérica (DR-CAFTA)</i>	<i>República Dominicana Estados Unidos Centroamérica (Costa Rica, El Salvador, Guatemala, Honduras y Nicaragua)</i>
<i>Acuerdo de Asociación Económica Unión Europea-CARIFORO (EPA)</i>	<i>Unión Europea (Alemania, Austria, Bélgica, Bulgaria, Chipre, Croacia, Dinamarca, Eslovaquia, Eslovenia, España, Estonia, Finlandia, Francia, Grecia, Holanda, Hungría, Irlanda, Italia, Latvia, Lituania, Luxemburgo, Malta, Polonia, Portugal, Suecia, Reino Unido, República Checa y Rumanía) CARIFORO (República Dominicana y la Comunidad del Caribe -CARICOM-)</i>
<i>Acuerdo de Libre Comercio República Dominicana y Comunidad del Caribe (CARICOM)</i>	<i>República Dominicana CARICOM PMD (Barbados, Guyana, Jamaica, Surinam, Trinidad y Tobago) CARICOM LDC (Antigua y Barbuda, Belice, Dominica, Granada, Montserrat, Santa Lucía, San Cristóbal y Nieves y San Vicente y Granadinas).</i>
<i>Acuerdo de Libre Comercio República Dominicana y Centroamérica</i>	<i>República Dominicana Centroamérica (Costa Rica, El Salvador, Guatemala, Honduras y Nicaragua)</i>
<i>Economic Partnership Agreement Kingdom of Great Britain and Northern Ireland - CARIFORUM (CARIFORUM-UK EPA) *</i>	<i>United Kingdom of Great Britain and Northern Ireland, CARIFORO (the Dominican Republic and the Caribbean Community -CARICOM-)</i>

With the United Kingdom's withdrawal from the European Union, the member countries of the CARIFORUM, the Dominican Republic included, signed an Economic Partnership Agreement granted through the European Union-CARIFORUM Agreement, to consolidate tariff preferences with the British market. As of January 2021, the Dominican Republic and the other CARIFORUM countries shall be governed by the new EPA with the United Kingdom. (EPA UK- CARIFORO).



3. GENERALIZED SYSTEM OF PREFERENCES (GSP)



"The President of the Republic, Luis Abinader, is focused on the transformation of the country to achieve economic growth and the well-being of Dominicans, placing it as a model in the region."

*- Mr. Peter Prazmowski.
Executive Director, National
Competitiveness Council of the
Dominican Republic.*

Dominican export companies also benefit from tariff preferences granted through the Generalized System of Preferences (GSP), a unilateral tariff program whereby GSP preference-giving countries impose reduced or duty-free rates on specific products originating in least-developed and developing countries with the aim of having them enter their markets.

Industrial products, certain agricultural commodities and products manufactured in companies operating under the free zone regime benefit from this GSP program.

The countries extending said tariff preferences to the Dominican Republic are: Australia, Belarus, Japan, Kazakhstan, New Zealand, Russia, and Switzerland.

- **One-Stop Investment Window [Ventanilla Única de Inversión (VUI)]:**

The One-Stop Investment Window (VUI) was created on November 10, 2012 under Decree No. 626-12, in line with the 2030 National Development Strategy [Estrategia Nacional de Desarrollo (END)] - in particular with its specific objective 3.3.1, course of action 3.3.1.1, which is to "Promote a pro-competitive Government that ensures the streamlining of costs, procedures, transaction times, and authorizations, thus eliminating institution and function duplication through the establishment and effective application of a regulatory framework for the coordination of all procedures pertaining to central, decentralized and local public institutions, in an environment marked by judicial security, legal certainty and corporate social responsibility, in accordance with international standards" - and is further strengthened by Decree No. 806-21 on the Reactivation of Commissions or Technical Committees for the Implementation, Coordination and Monitoring of the One-Stop Window for Building Construction in the Dominican Republic, the Dominican Republic's One-Stop Investment Window, and the One-Stop Dominican Company Incorporation Window.

At a regional level, the VUI implementation provides the Dominican Republic with a competitive advantage, by offering the investor a single centralized point for completion of formalities concerning any type of investment in the country. This initiative contributes to national and foreign investment growth with a direct impact on labor capacity and job creation, as well as to the improvement of the country's trade balance, thus leading the Dominican Republic to greater economic stability.

In this respect, the VUI brings together government services from multiple institutions, including certifications, permits, licenses, authorizations, among others, and allows for the monitoring of all investment-related processes, all this aimed at better coordination between the acting institutions, which translates into savings in time and money not only for investors, but also for participating public entities, thereby allowing access to real-time, reliable statistics, realistic projected investment flows in all relevant sectors, and visualization of bottlenecks for implementation of investment projects in the country.





INVESTMENT SECTORS





1. ENERGY SECTOR



The Dominican Republic offers a highly favorable climate for private investment in various energy-related projects, based on a friendly rule of law for both conventional generation projects and those based on alternative sources.

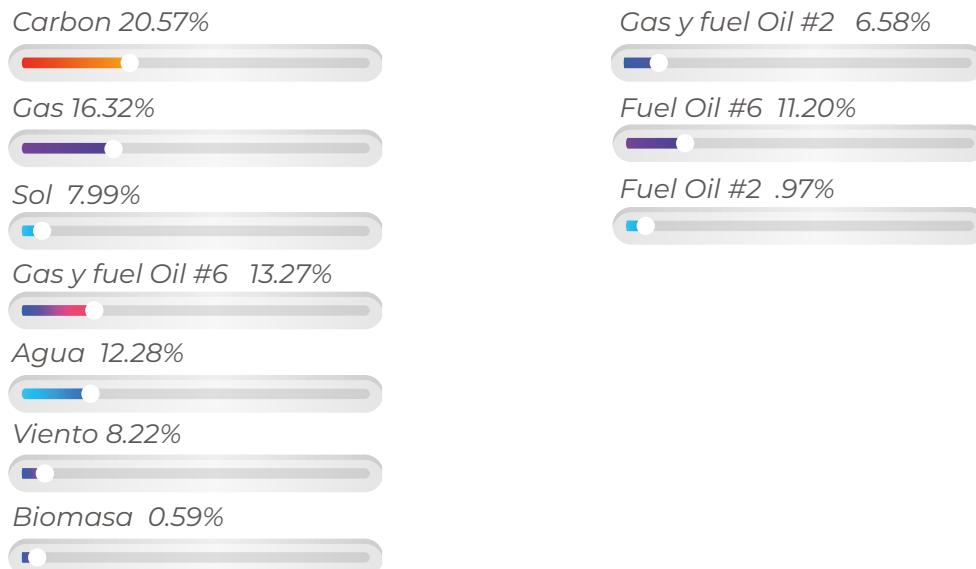
The Dominican electricity market is composed of companies dedicated to generation, transmission and distribution-commercialization. Companies wishing to operate energy generation projects must comply with all requirements set out in the current regulations of the subsector, and pursuant environmental standards. The transmission system operates on the basis of free access, with regulated transmission charges.

The National Interconnected Electricity System [Sistema Eléctrico Nacional Interconectado (SENI)] consists of the set of installations of generating electrical units, transmission lines, electrical substations and interconnected distribution lines, which allow the production, transport and distribution of electricity. It consists of the National Energy Commission [Comisión Nacional de Energía (CNE)], the Superintendence of Electricity [Superintendencia de Electricidad (SIE)], the Coordinating Body [Organismo Coordinador (OC)], the electric power generation companies, the Electricity Transmission Company (ETED) and the distribution companies.



CHART 2. INSTALLED CAPACITY OF RENEWABLE ENERGY IN DOMINICAN REPUBLIC

Period 2022; Figures in MW and %



Source: 2022 Report

As of December 2022, the total installed capacity of the National Interconnected Electricity System was about 5,242 MW, of which around 3,599.6 MW are conventional energy and represent 68.7% of the overall total, 417.1 MW come from wind power plants and account for 8%, 405.5 MW derive from photovoltaic solar energy representing 7.7%, 30 MW come from biomass representing 0.6%, and 623.3 MW derive from hydrological sources, accounting for 11.9% of the total installed capacity.

1. Biomass and Solid Waste: The country has a high potential of about 475,000 hectares for the use of forest resources such as Acacia Mangium and agricultural residues such as sugarcane bagasse, rice husk, coffee straw and coconut gum. African palm, wood, residues or wood cuts among others.
2. Wind Energy: The Dominican Republic has a potential of 30,000 MW. Being the coastal regions of the southwestern and northern parts of the country the ones with the greatest potential.
3. Solar Photovoltaic Energy: The entire national geography has an estimated potential of about 50,000 MW thanks to its geographical position in the Caribbean and the excellent levels of solar radiation throughout the year.



4. Hydroelectric: The Dominican Republic has a high hydroelectric potential pending to be exploited. It is estimated that it has more than 2,095 MW¹ of which only 624 MW have been developed. Together with solar energy, they represent convenient sources for the electrification of communities without access to electricity from the grid.

CONCESSIONS

Due to the confidence in the sector and the investment-friendly environment, the Dominican Republic has had a significant dynamism in the electricity subsector, where a significant number of investments are being earmarked for electricity generation from renewable sources. We currently have 29 provisional concessions, 79 final and 60 pending.

TABLE 4. CONCESSIONS IN DOMINICAN REPUBLIC
Amounts in units

TYPE	CONCESIONES PROVISIONALES	CONCESIONES DEFINITIVAS	CONCESIONES EN TRÁMITES
Wind	6	12	
Solar Photovoltaic	21	39	
Mini-hydraulic	0	2	
Biomass, RSUs (Road-side Units) and Biofuel	0	5	
Thermal	2	21	
<i>Total</i>	<i>29</i>	<i>79</i>	<i>60</i> <i>(42 provisional and 18 final)</i>

Source: National Energy Commission, 2022

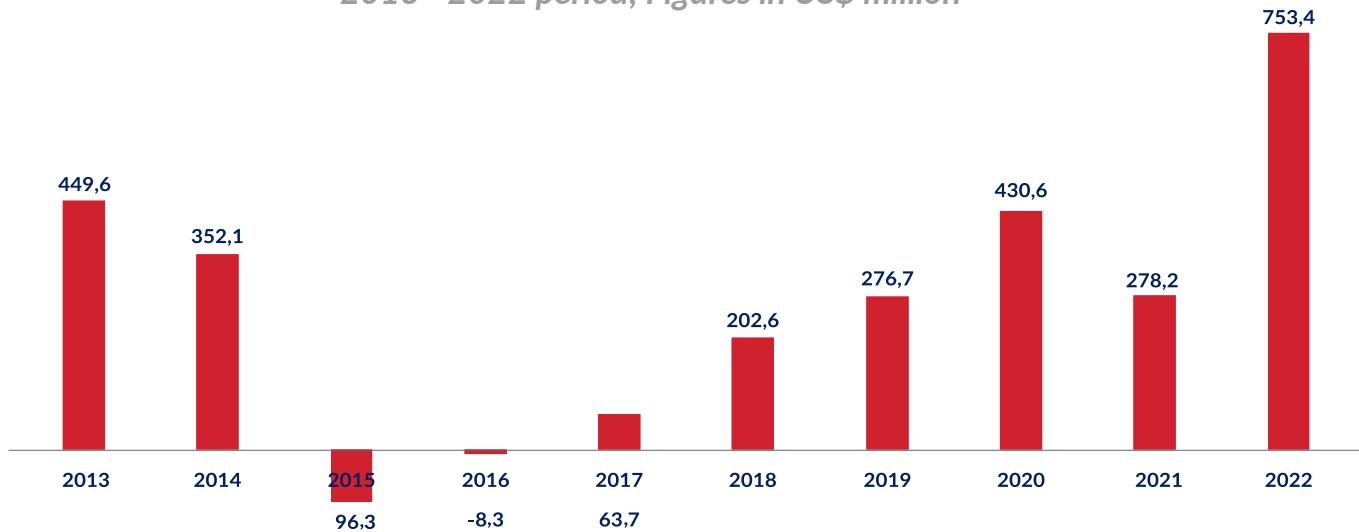
FOREIGN DIRECT INVESTMENT IN THE ENERGY SECTOR

During the 2013 – 2022 period, Foreign Direct Investment (FDI) in the energy sector reached US\$2,702.3, accounting for 9.8% of the global FDI amount recorded the Dominican Republic during said period.^{iv}



CHART 3. FDI FLOWS TO THE ENERGY SECTOR IN THE DR

2013 - 2022 period; Figures in US\$ million



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision

Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

GRAPH 4. FDI FLOWS TO THE ENERGY SECTOR IN THE DR

January-March 2022/2023 Period; Values in millions US\$

By 2023, during the January-March period, FDI in the energy sector reached US\$272.5 million, representing 25% of the total amount. Likewise, the sector registered an increase of 85% compared to the same period in the previous year.

Source: Datamarket, based on data from the Central Bank of the Dominican Republic



STEPS TO INVESTING IN THE ENERGY SECTOR



1. Company Name (ONAPI)

- Time: 24 hours
- Cost: \$81
- Document: Trade Name Certificate



2. Constitution Tax Payment (DGII)

- Time: Immediately
- Cost: 10% of share capital
- Document: Tax payment certification



3. Company Registry (Corresponding Chamber of Commerce)

- Time: 1 to 5 days (Depends on the Chamber of Commerce)
- Minimum cost: \$42 (subject to variation due to social capital)
- Document: Company Registration



4. National Taxpayer Registry (DGII)

- Time: 10 working days
- Cost: \$0
- Document: RNC Act Certificate



5. TSS Certification

- Registration in TSS: (Immediate)
- Document: TSS Certification



6. Land Use Certification (corresponding Mayor's Office)

- This service is not regulated, so it has no cost or exact duration.
- Document: Land Use Certification



7. Environmental Authorization (Ministry of Environment)

- Time: 15 working days (minimum)
- Cost: Varies by category
- Document: Environmental Permit Resolution



8. Construction License (Ministry of Housing, Habitat, and Buildings)

- Time: 45 working days for processing.
- Cost: \$6,000
- Document: Construction License



9. Provisional Concession (National Energy Commission)

- Time: 30 working days for processing. 90 calendar days for the knowledge of the request by the CNE Directory.
- Cost: \$425,000
- Document: resolution Provisional Concession



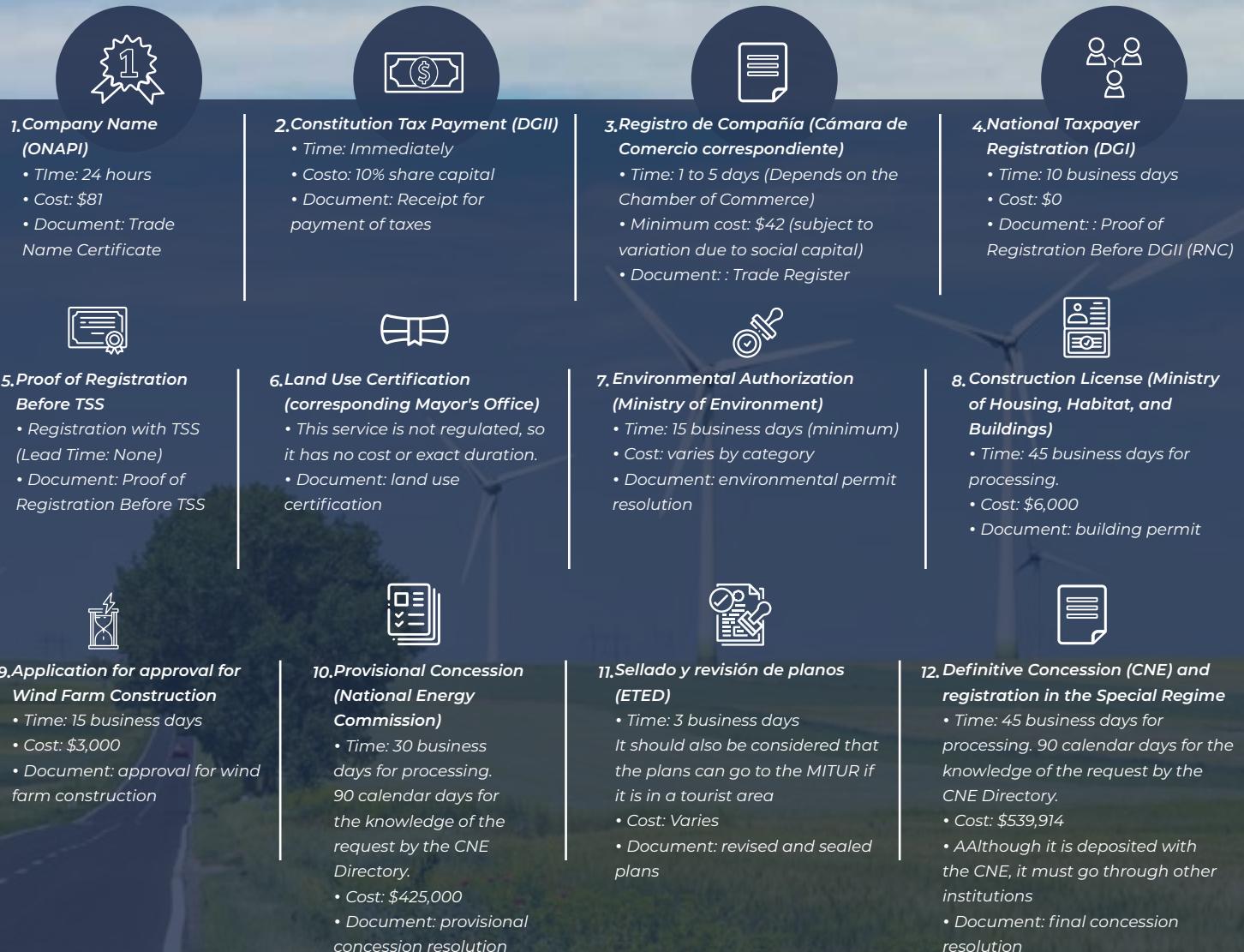
10. Sealing and review of plans (ETED)

- Time: 3 working days
- It should also be considered that the plans can go to the MITUR if it is in a tourist area
- Cost: Varies
- Document: plans reviewed and sealed



	11.Definitive Concession (CNE) and registration in the Special Regime • Time: 45 working days for processing. 90 calendar days for the knowledge of the request by the CNE Directory. • Cost: \$539,914 • Although it is deposited with the CNE, it must go through other institutions • Document: definitive concession resolution
	12.Import Incentive (National Energy Council) • Time: 10 working days • Cost: \$4,016 • Document: import tax exemption authorization
	13.Modifications of Incentive Resolutions (National Energy Commission) • Time: 15 working days • Cost: \$1,174 • Document: incentive resolution modification
	14.Certificate of compliance with basic requirements (Coordinating Body of the Electric System) • Time: 160 working days • Cost: \$9,000 • Document: authorization letter for commissioning
	15.Provisional Interconnection Permit (SIE) • Document: provisional interconnection permit
	16.Certificate of compliance with the Connection Code (Coordinating Body of the Electricity System) • Time: 35 working days • Cost: no cost • Document: certificate of compliance with the basic requirements of the SENI connection code for the work.
	17.Commissioning Authorization (SIE) • Time: 360 working days • Cost: \$527,000 • Document: authorization resolution for commissioning
	18.Commercial Operation Authorization (Coordinating Body of the Electricity System) • Time: 40 working days • Cost: Varies • Document: affiliation of the agent as an associate of the OC

FLOW OF CONVENTIONAL ENERGY PROCEDURES



	<p>13. Import Incentive (National Energy Council)</p> <ul style="list-style-type: none"> • Time: 10 business days • Cost: \$4,016 • Document: import tax exemption authorization
	<p>14. ITBIS exemption authorization for local purchases of equipment for renewable energy systems (National Energy Commission)</p> <ul style="list-style-type: none"> • Time: 9 working days • Cost: \$1,000 • Document: ITBIS exemption authorization for local purchases
	<p>15. Tax credit authorization for self-producers of renewable energy (National Energy Commission)</p> <ul style="list-style-type: none"> • Time: 9 working days • Cost: \$4,016 • Document: tax credit authorization
	<p>16. Modifications of Incentive Resolutions (National Energy Commission)</p> <ul style="list-style-type: none"> • Time: 15 working days • Cost: \$1,174 • Document: Modification resolution of incentives tables
	<p>17. Certificate of compliance with basic requirements (Coordinating Body of the Electric System)</p> <ul style="list-style-type: none"> • Time: 35 business days • Cost: free • Document: certificate of compliance with the basic requirements of the SENI connection code for the work.
	<p>18. Provisional Interconnection Permit (SIE)</p> <ul style="list-style-type: none"> • Document: Provisional Interconnection Permit (SIE)
	<p>19. Certificate of compliance with the Connection Code (Coordinating Body of the Electricity System)</p> <ul style="list-style-type: none"> • Time: 60 business days • Cost: \$9,000 • Document: authorization letter for commissioning
	<p>20. Autorización de Puesta en Servicio (SIE)</p> <ul style="list-style-type: none"> • Time: 60 business days • Cost: \$527,000 • Document: authorization resolution for commissioning
	<p>21. Commercial Operation Authorization (Coordinating Body of the Electricity System)</p> <ul style="list-style-type: none"> • Time: 40 business days • Cost: Varies • Document: affiliation of the agent as an associate of the OC

FLOW OF RENEWABLE ENERGY PROCEDURES

Flow of renewable energy procedures *The procedures must be carried out according to the type of project to be installed. For Biomass energy, a Biomass main supplement agreement is added to the procedures. able







2. MINING SECTOR

The Dominican Republic's geological profile has been a key determinant for it to remain for centuries the seat of the Americas' oldest mining industry.

Currently, the country has the second largest gold deposit in America. It produces a range of mining resources such as gold, silver, bauxite, ferronickel, clay, industrial minerals (kaolin, feldspathoid, silica sands, etc.), larimar, amber, slate, limestone rocks, plaster, salt, among other metallic and non-metallic resources.

The added value of mining and appeal thereof to Foreign Direct Investment (FDI) has grown over the past years due to increased production levels of gold, marble, and the main construction aggregates.

Foreign Direct Investment in the Mining Sector

The mining sector is one of the Dominican Republic's primary revenue sources. Pursuant official statistics, from 2013 to 2022 the mining sector has attracted US\$ 2,271.9 million in investment, accounting for 8.2% of the country's total recorded foreign investment, thus becoming the third largest foreign investment sector for said period, just behind tourism and real estate.



"It is a development opportunity for the country, if we have clear legislation, political will and true investors who know the business and the principles that must be applied"
– Mrs. Elizabeth Mena,
Vice President of Legal
and Corporate Affairs of
the Dominican Mining
Corporation (CORMIDOM).

CHART 4. FDI FLOWS TO THE MINING SECTOR IN THE DR

2012-2022 Period. All amounts USD, in millions



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

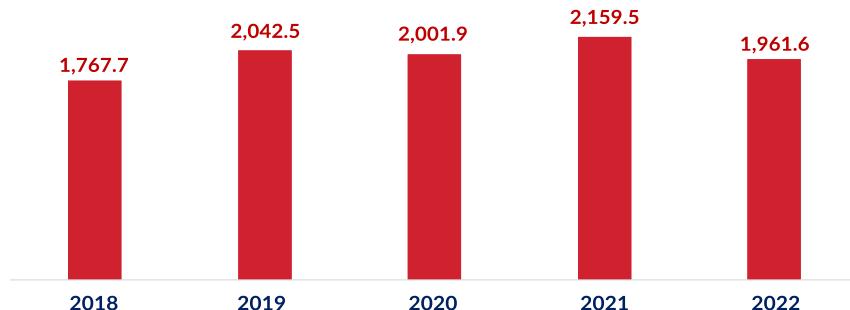
*Figures subject to revision

Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

Mineral deposits under exploitation in the Dominican Republic are located throughout the entire national territory. Traditionally, mining operations have been open pit. However, the country's first underground mine has already started operations for the extraction of metallic minerals. Similarly, underground mining artisanal activities are under way for larimar and amber extraction.

CHART 5. MINING EXPORTS

2018 - 2022 Period. All amounts USD, in millions^a



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

The following are some of the provinces where large mining sites can be found Sánchez Ramírez (silver and gold); Monseñor Nouel (nickel and copper); Pedernales (bauxite, sodium carbonate, and limestone); Barahona (salt, gypsum, and Larimar); Azua (gypsum, marble, calcium carbonate, and limestone); Samaná (marble and granite); Puerto Plata (amber); and Dajabón (limestone and granite).



STEPS TO INVESTING IN THE MINING SECTOR

 <p>1. Company Name (ONAPI) • Time: 24 hours • Cost: \$81 • Document: Trade Name Certificate</p>	 <p>2. Payment of Company Formation Tax (DGII) • Time: Immediately • Cost: 10% of share capital • Document: Receipt for payment of taxes</p>	 <p>3. Company Registration (Concerned Chamber of Commerce) • Time: 1 to 5 days (Depends on Chamber of Commerce) • Minimum Cost: \$42 (Lead time may vary based on share capital) • Document: Trade Register</p>	 <p>4. National Taxpayer Registration [Registro Nacional de Contribuyentes (DGII)] • Time: 10 business days • Cost: 0 • Document: Proof of Registration Before DGII (RNC)</p>
 <p>5. Proof of Registration Before TSS • Registration with TSS (Lead Time: None) • Document: Proof of Registration Before TSS</p>	 <p>6. Exploitation Concession (Ministry of Energy and Mines) • Time: 30 business days • Cost: approx. \$2,500 • Document: Exploration Concession (Ministry of Energy and Mines)</p>	 <p>7. Exploitation Concession (Ministry of Energy and Mines) • Time: 30 business days • Cost: approx. \$3,000 • Document: Exploitation Concession Resolution</p>	 <p>8. Authorization to Install a Mineral processing Plant • Time: 60 business days • Cost: approx. \$2,500 • Document: Executive Decree</p>
 <p>9. Environmental Permit (Ministry of Environment) • Time: 15 business days (minimum) • Cost: Varies by category • Document: Environmental Permit Resolution</p>	 <p>10. Health Registration (Ministry of Public Health) • Time: 30 business days • Cost: Varies (minimum \$60) • Document: Registration Certificate sanitary</p>	 <p>11. Construction License (Ministry of Public Works) • Time: 45 business days • Cost: \$6,000 • Document: License Certification</p>	



3. SOLID WASTE SECTOR

As part of its Fourth Strategic Focus, Law No. 1-12 on the 2030 National Development Strategy proposes “a society with a culture of sustainable production and consumption, capable of equitably and effectively managing risks and protecting the environment and natural resources, as well as of promoting adequate adaptation to climate change”. Consequently, the development of the solid waste management sector has been established as a priority, due to its enormous potential to attract direct foreign investment to the Dominican Republic.

Law No. 225-20 on Solid Waste Integrated Management and Co-processing is aimed at preventing waste generation. It establishes all regulations applicable to its integrated management to promote reduction, reuse, recycling, treatment, and reprocessing. This new regulation seeks to encourage investment in the waste management sector of the Dominican Republic, including treatment and reprocessing, whilst ensuring a highly probable return on investment, since this regulation includes extremely appealing incentives for investment in said area.

STEPS TO INVESTING IN THE SOLID WASTE SECTOR



Company Name (ONAPI)
• Time: 24 hours
• Cost: \$4,755
• Document: Trade Name Certificate



2. Payment of Company Formation Tax (DGII)
• Time: Immediately
• Cost: 10% of share capital
• Document: Receipt for payment of taxes



3. Company Registration (Concerned Chamber of Commerce)
• Time: 1 to 5 days (Depends on Chamber of Commerce)
• Minimum Cost: \$2,500 (Lead time may vary based on share capital)
• Document: Commercial Registry Certificate



4. National Taxpayer Registration [Registro Nacional de Contribuyentes (DGII)]
• Time: 10 business days
• Cost: 0
• Document: Proof of Registration Before DGII (RNC)



5. Proof of Registration Before TSS
• Registration with TSS (Lead Time: None)
• Document: Proof of Registration Before TSS



6. MIMARENA resolution authorizing waste management permit
• Time: 1 month
• Cost: To be determined
Environmental Impact Assessment (EIA) filed before MIMARENA to be included as an attachment
• Document: Approval by the Trust's Executive Directorate



7. Approval by the Trust's Executive Directorate
• Time: 1 month
• Cost: To be determined
• Document: Approval Resolution to use trust funds



8. Land Use Certification (Concerned City Hall)
• This is a non-regulated service, and thus it is free of charge with no lead time.
• Document: Land Use Certification



9. Tax Exemption Application (Ministry of Finance)
• Time: 45 days
• Required for tax free import of equipment
• Document: Tax Exemption Letter

4. SECTOR AGROPECUARIO

According to the latest preliminary report of the Central Bank of the Dominican Republic, the added value in real terms pertaining to agricultural activity showed, at the end of 2022, a 5.0% year-on-year growth, as a result of the performance of our agriculture (6.1%) and livestock, forestry, and fishing (3.2%) industries.

Growth in this area derives from the efforts of the Dominican Government and the measures imposed to boost farm production. Such efforts have been conducted hand in hand with the relevant ministries, such as the Ministry of Agriculture, whose work managed to bear the cost of raw material imports, which kept soaring prices in international markets.

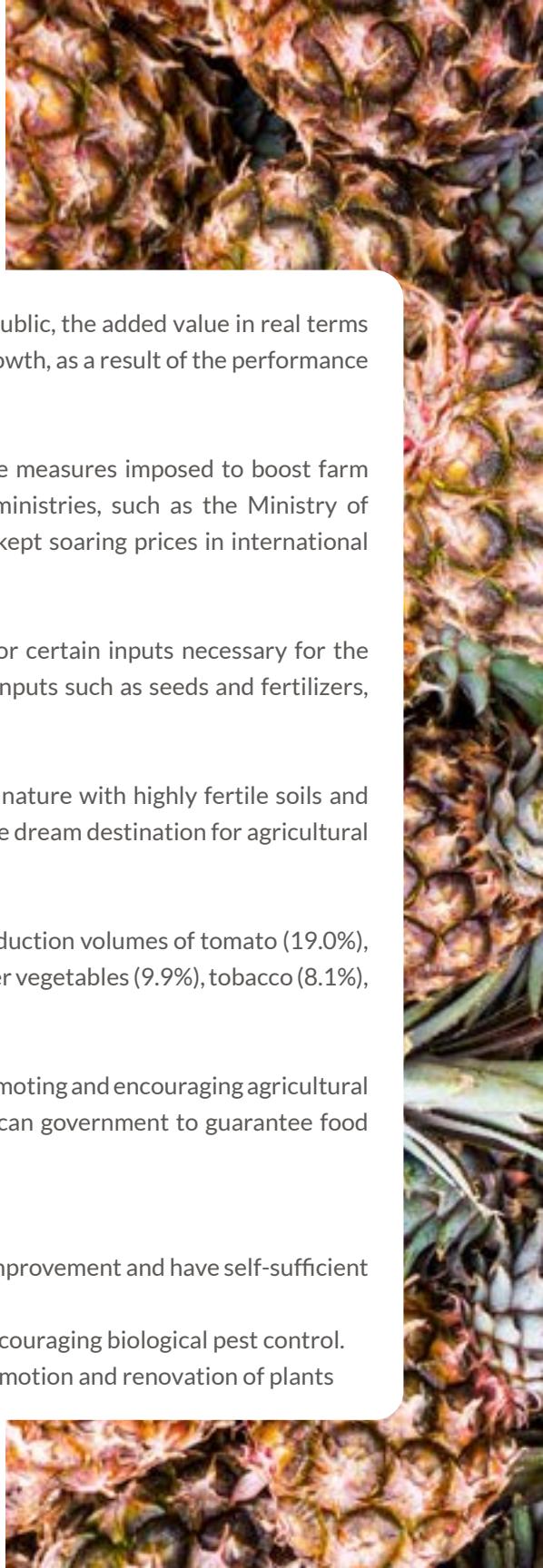
It is worth noting the implementation of an import allowance, at Tariff rate zero, for certain inputs necessary for the production process, the preparation and titling of land for planting, the delivery of inputs such as seeds and fertilizers, infrastructure maintenance, among others.

The Dominican Republic is a country with great agricultural potential, endowed by nature with highly fertile soils and land suitable for growing fruits and vegetables 365 days a year, all of which make it the dream destination for agricultural production. This sector generates around 400,000 jobs.

The added value of agriculture showed a 6.1% growth, due to the increase in the production volumes of tomato (19.0%), corn (14.8%), citrus fruits (14.3%), coffee (13.1%), banana (10.7 %), cacao (10.3%), other vegetables (9.9%), tobacco (8.1%), plantain (7.0%) sugar cane (6.3%) pigeon peas (4.8%), etc.

The positive performance of these activities is the result of public policies aimed at promoting and encouraging agricultural and agro-industrial production. Notable among the policies adopted by the Dominican government to guarantee food safety and expand exports of agricultural items, are the following:

- Financing facilities for the rice sector, granted by Banco Agrícola.
- Assistance programs for producers and millers in order to promote genetic improvement and have self-sufficient productive capacity.
- Financial and technical support from sugar companies to small producers, encouraging biological pest control.
- Program for the development and efficiency of the program intended for promotion and renovation of plants



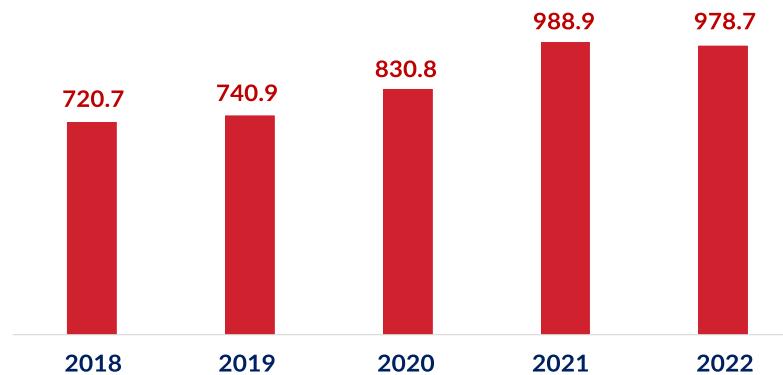


resistant to the Coffee Leaf Rust disease, implemented by the Dominican Coffee Institute [Instituto Dominicano del Café (INDOCAFE)].

- Supply of machinery and infrastructure, technical training in agroforestry management.

CHART 6. AGRICULTURAL EXPORTS

2018 - 2022 Period. All amounts USD, in millions



Fuente: Datamarket, en base a datos del Banco Central de la República Dominicana

The Dominican Republic is recognized as one of the largest exporters of agricultural products in the region, which has allowed it to consolidate its position among the 2021 leaders, namely:

- First worldwide cigar exporter.
- Second cocoa exporter in all of Latin America and ninth worldwide.
- Second largest rum exporter in the Latin America and the Caribbean.

Fruits such as organic bananas, oranges, avocado, pineapple, melon, peppers, and mangoes also stand out, with the country being one of the major suppliers for the US market and several European countries in some of these lines.



STEPS TO INVESTING IN THE AGRICULTURAL SECTOR



5. REAL ESTATE AND CONSTRUCTION SECTOR

The real estate and construction sector has shown significant growth in recent decades. The city has grown exponentially, and diverse and important infrastructures are key actors in its development. This growth is associated with the spillover effect generated thereby for the industry of sector-specific supplies and materials, which includes the construction of residential and non-residential buildings, civil engineering works, as well as specialized construction support services.

This activity has become one of the activities with the greatest impact on the dynamism of the Dominican economy, driven by private-sector initiatives for development of medium and low-cost real estate projects and commercial establishments, increase of the supply of hotel units in the tourism sector, and investments for diversification of the electricity generation mix.

In the Dominican Republic, this sector's business scheme is mainly defined by aspects related to demand and the population's underlying need for the final products. The real estate and housing demand revolves around various nuclei of the national geography, both in the urban area and in tourist areas.



FOREIGN DIRECT INVESTMENT IN THE REAL ESTATE SECTOR

From 2013 to 2022, foreign investment amounted to US\$4,759.1 million. This sector has played a key role in the country's economic dynamism and growth, accounting for 17% of the total foreign investment recorded in said period.

CHART 7. FDI FLOWS TO THE REAL ESTATE SECTOR IN THE DR
2013 - 2022 period; Figures in US\$ million



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision



STEPS TO INVESTING IN THE REAL ESTATE SECTOR

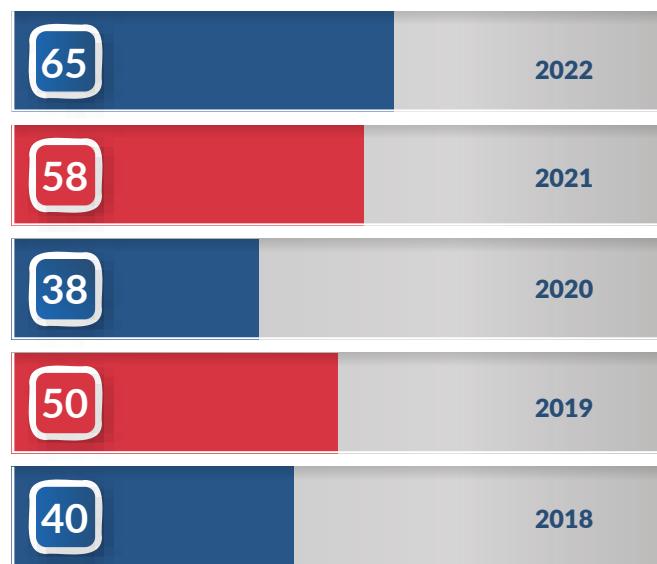
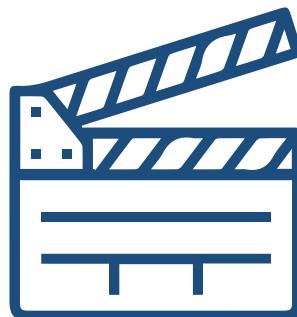


6. FILM SECTOR

The Dominican Republic has a wide variety of landscapes to suit any type of audiovisual production, from imposing mountain ranges and mighty rivers to fertile valleys and arid expanses. It has the largest lake in the Caribbean, and several lagoons surrounded by tropical flora. Its deserts and impressive waterfalls, lush tropical forests and beaches are relentlessly used for the production of movies, commercial spots, soap operas and international reality shows.

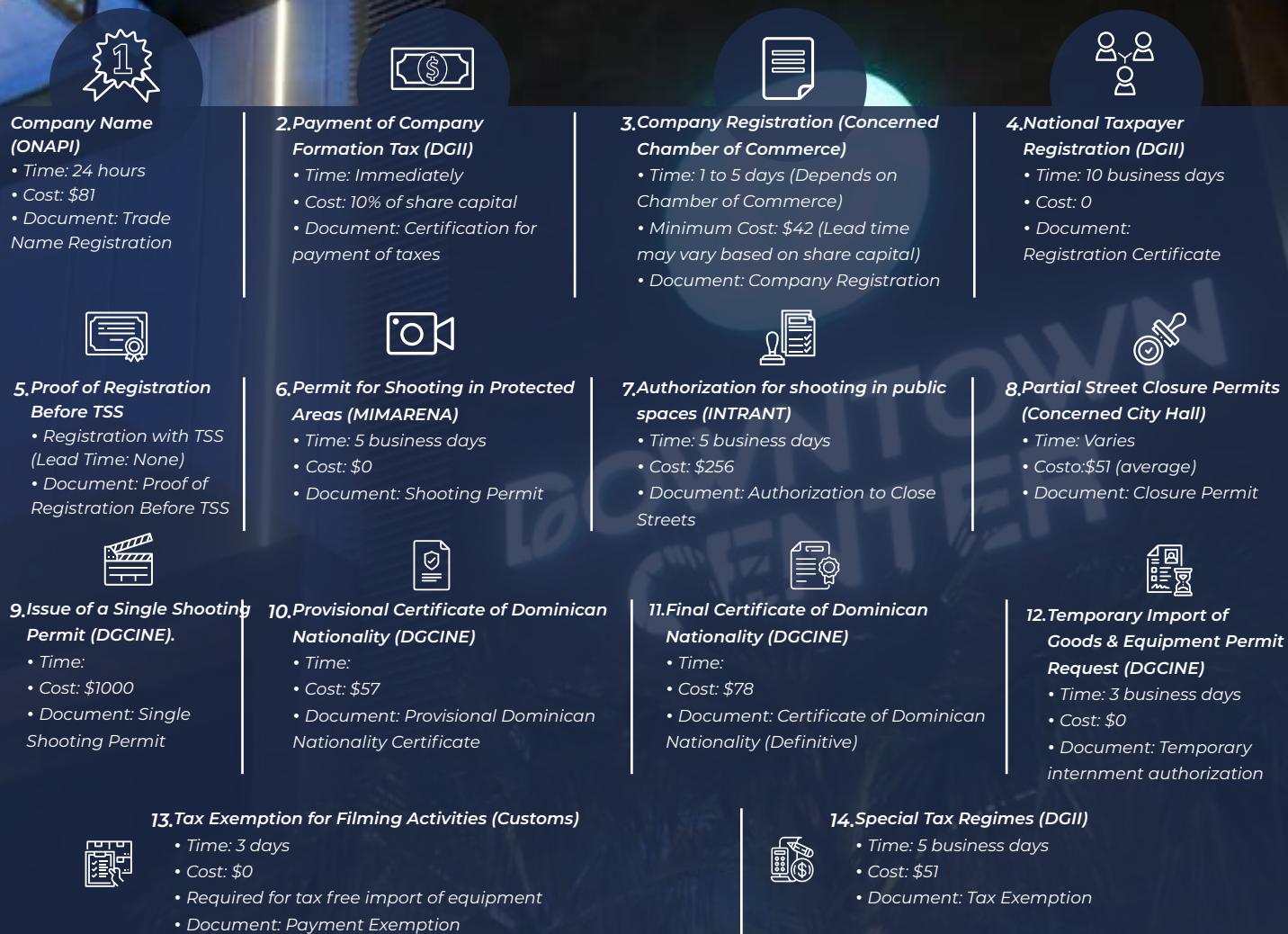
The country's towns and cities combine different architectural styles that fit any era. We also have a historic colonial area that has been showcased through films such as The Godfather II, Havana, The Good Shepperd, Miami Vice, The Lost City, The Feast of the Goat, and many other productions. A lush diversity of landscapes, combined with a great tax incentive scheme, make the Dominican Republic a wonderful place to shoot your next project. By 2022, 65 foreign projects were filmed in the Dominican Republic, to which an approved budget of US\$208 million was accounted for.

CHART 8. FOREIGN FILMS MADE IN THE DOMINICAN REPUBLIC
2018 - 2022 period; Amounts in units



Source: Dominican Republic Film Commission [Dirección General de Cine de la República Dominicana (DGCINE)]

STEPS TO INVEST IN THE FILM SECTOR



10. SOFTWARE SECTOR

In the Dominican Republic, software development companies are mostly small and medium-sized enterprises with high sectoral diversity, offering solutions for various sectors, such as tourism, commerce, manufacturing, health, telecommunications, banking, government, education, construction, advertising, among others. However, the three markets with a greater number of companies are resource and inventory management, the banking sector, and the public sector.

The market has more than 100 software development companies, many are internationally experienced, among other with export potential. We have local and international companies, others associated with recognized international brands, and others hold international certifications such as CMMI, ISO:9001, IBM Rational, TIER 3 and Nortel.

Sector Growth and Trends.

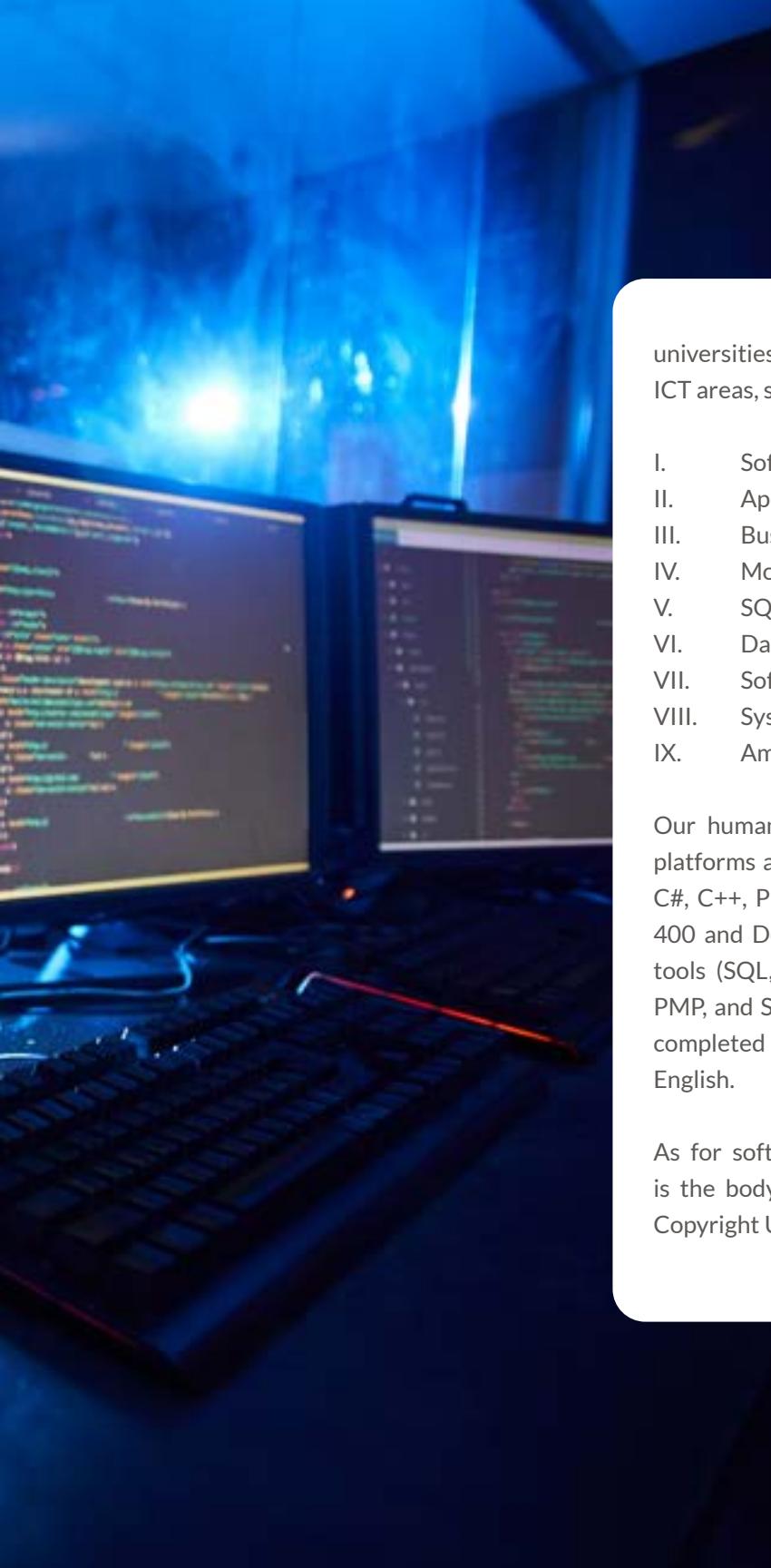
The Dominican Republic is an ideal destination for companies with nearshore services to identify locally and internationally experienced information technology service providers and take advantage of outsourcing. This sector benefits from the availability of certified staff in the Information Technology and Software Development areas, and the existence of ecosystems consisting of institutions and companies linked to said areas promoting the development of these sectors in the country, such as AdoFintech, Cámara TIC and ClusterSoft. The E-Government Development Index, commitment to mobile technologies and broadband quality can be counted among other strengths that make the country stand out across the region.

In addition, the Dominican Republic has a large population of bilingual and professional youth, as well as up-to-date academic offerings in more than 14



"We have a private sector that is very committed to the Dominican Republic. I think there is a very interesting opportunity to generate digital culture and innovation"

- Mrs. María Waleska Álvarez Sarria, Executive Director, NAP of the Caribbean.



universities and institutes with specialized training programs in various ICT areas, such as:

- I. Software Development
- II. Application and Web Design
- III. Business Intelligence (BI)
- IV. Mobile Applications
- V. SQL Server Administration and Programming
- VI. Data Base
- VII. Software Development Life Cycle Management
- VIII. System Modeling and Quality
- IX. Among others

Our human resources are skilled in worldwide known programming platforms and languages, including without limitation: Java, .NET, XML, C#, C++, PHP, HTML, Centura, Delfis, Open System, AS/400, ILE/RPG 400 and Delphos. Similarly, there are certified personnel in Microsoft tools (SQL, VB, Dynamics), IBM Rational, CISCO, LabView, QlikView, PMP, and SCRUM. Over 95% of software company programmers have completed higher-education studies, and most have some knowledge of English.

As for software registrations, the National Copyright Office (ONDA) is the body in charge of guaranteeing copyright protection, with the Copyright Unit being the body in charge of registrations.



GRADUATES OF RELATED CAREERS		
PERIOD 2020-2021; NUMBER OF GRADUATES		
CAREER	2020	2021
Electric engineering	257	193
Electrical Engineering/Electronic Engineering	130	102
Electromechanical Engineering	56	144
Mechanical Engineering	83	61
Mechatronic	33	110
Hydraulic Engineer	2	38
Robotic Engineering	23	0
Electromechanical	8	0
Subtotal	592	648
Total	1,240	

Source: MESCyT



At a technical level, it shows that in the last six (6) years, the National Institute of Technical and Vocational Training (INFOTEP) has managed to train a total of 98,573 people (largely young people) in the topics of electricity and electronics, to an average of about 16,000 graduates per year.

GRADUATES BY AREA OF KNOWLEDGE							
PERIOD 2018-2023; VALUES IN NUMBER OF GRADUATES							
AREA	2018	2019	2020	2021	2022	2023	TOTAL
ELECTRICITY AND ELECTRONIC	25.911	26.694	12.750	11.275	17.894	4.049	98.573
MANUFACTURE, INSTALLATION AND MACHINE MAINTENANCE AND TEAMS	38.902	43.384	14.789	24.649	24.059	3.330	149.113

Source: MESCyT

STEPS TO INVEST IN THE SOFTWARE SECTOR



- 1. Company Name (ONAPI)**
- Time: 24 hours
 - Cost: \$81
 - Document: Trade Name Certificate



- 4. National Taxpayer Registration (DGII)**
- Time: 10 business days
 - Cost: 0
 - Document: Proof of Registration Before DGII (RNC)



- 2. Payment of Company Incorporation Tax (DGII)**
- Time: Immediately
 - Cost: 10% of share capital
 - Document: Receipt for payment of taxes



- 3. Company Registration (Concerned Chamber of Commerce)**
- Time: 1 to 5 days (Depends on Chamber of Commerce)
 - Minimum Cost: \$42 (Lead time may vary based on share capital)
 - Document: Trade Register



- 5. Proof of Registration Before TSS**
- Registration with TSS (Lead Time: None)
 - Document: Proof of Registration Before TSS



- 6. Registration of the Software Program (National Copyright Office)**
- Time: 10 business days
 - Cost: \$340
 - Document: Registration Certificate

11. TELECOMMUNICATIONS SECTOR

Telecommunications have become an essential service, just as important as others necessary for a healthy and decent living, thus constituting a pivotal tool for nations' economic and social development by facilitating inclusion in the population's access to the digital society of the 21st Century.

In the Dominican Republic, a modern telecommunications infrastructure continues to consolidate, increasing the country's ability to access state-of-the-art technologies, featuring telephony, internet, and both open and wired radio and television broadcasting services for end users.

These services are offered in their varied technologies, including the use of copper cables, fiber optics, fixed wireless services, digital lines (ADSL/DSL), wide use of IP technology and the use of CDMA, GSM, 2.5G, 3G, 4G and 5G technologies, as well as extensive use of satellite communication, among others. It should be noted that the Dominican Republic is the first country in Central America and the Caribbean and the 3rd in Latin America to implement 5G technology.

At the end of 2022, according to the preliminary report on the Dominican economy, issued by the Central Bank of the Dominican Republic, the telecommunications sector presented a year-on-year growth of 4.5%, mainly explained by the 6.4% increase in mobile telephone services, and 4.3% increase in internet services. Conversely, the fixed line services volume decreased by 0.3%, thus lowering the result. The work carried out by the Dominican Institute of Telecommunications [Instituto Dominicano de las Telecomunicaciones (INDOTEL)] has set their objective to improve connectivity levels in the country and leverage the positive conditions of telecommunications services in rural and semi-urban areas.



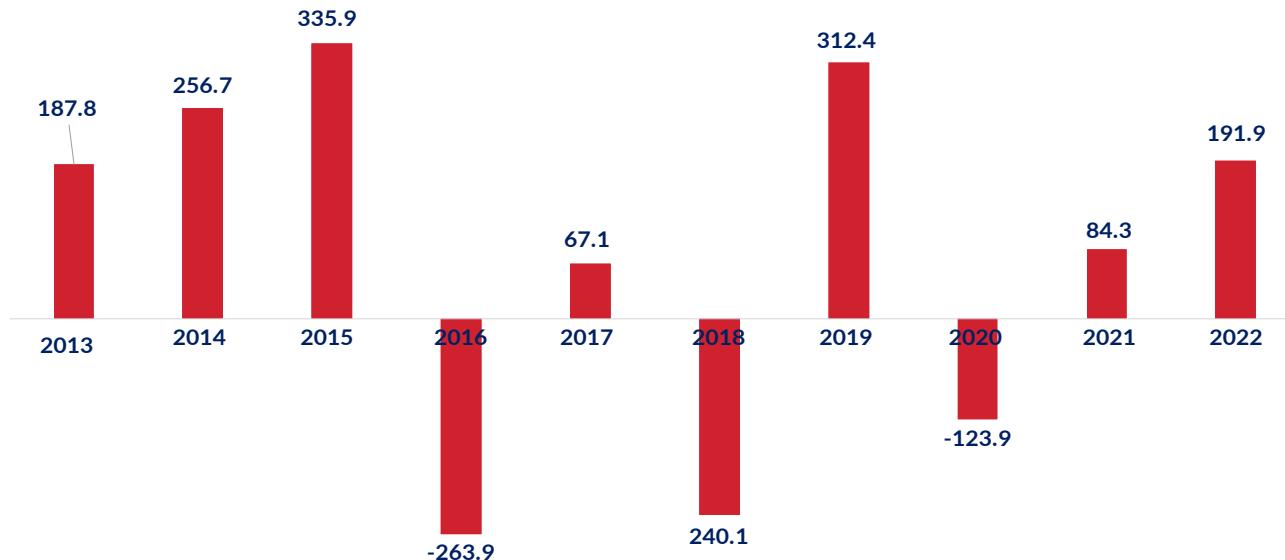
The Dominican Republic is the first and only country with an interconnected NAP system in Central America and the Caribbean with +800 KMs of fiber optic cabling, connected with +190 global NAPs.

Foreign Direct Investment in the Telecommunications Sector

In the 2013 – 2022 period, the Dominican Republic has registered around US\$27,704 million in net flows of foreign direct investment, of which US\$808.2 million correspond to telecommunication investments, representing 2.9% of the total FDI recorded in said period.

CHART 9. FDI FLOWS TO THE TELECOMMUNICATIONS SECTOR IN THE DR

2013 - 2022 period; Figures in US\$ million



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

*Figures subject to revision

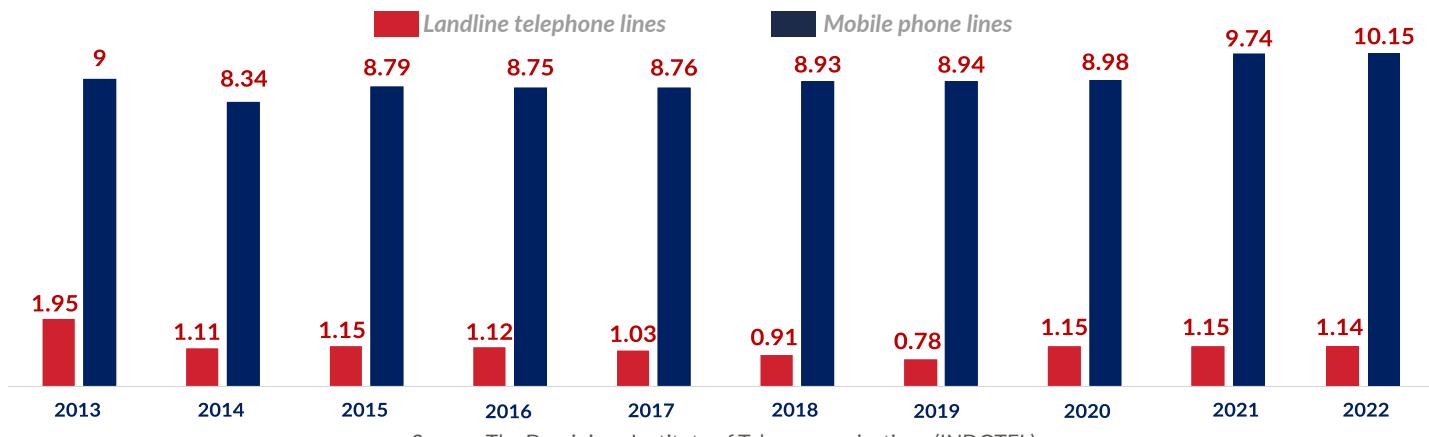
Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

This sector has managed to capture important investment flows supported by new and expansion projects carried out by the leading companies nationwide.



Considerable progress has been made in the country to extend the borders of connectivity within the national territory, especially in remote and traditionally excluded communities, as well as in the penetration levels of telecommunications services and information technologies (ICTs).

CHART 10. TELEPHONE LINES
2013 - 2022 period; Figures in million units



Source: The Dominican Institute of Telecommunications (INDOTEL)

Dominican Republic's International Connectivity

The country has the Caribbean Network Access Point (NAP) as a hotspot location for networks and Internet interconnection, offering:

- A secure, modern, high-quality data storage and connectivity platform operating under strict security standards.
- Greater development of the local-regional market for high-speed telecommunications services.
- Access to international connectivity facilities to all telecommunications service providers in a neutral environment.
- The setting up of a real Government-Society-Company-Academy interconnection platform.

The process of substituting Dial-Up services for ADSL services, cable modem, wireless access, and satellite links for Internet access in recent years has been accelerated. This has had its origin, on the one hand, in the initiatives of Internet service



providers to improve the quality of service and offer greater bandwidth to their subscribers and, on the other hand, in the pressure exerted consistently by users, who increasingly demand greater quality and speed in their transactions through the network.

CHART 11. ACCOUNTS WITH INTERNET ACCESS

2013 - 2022 period; Figures in million units



Source: The Dominican Institute of Telecommunications (INDOTEL)

Regarding the number of accounts with Internet access, as of December 2021 the Dominican Republic had a total of 9.47 million accounts, and by 2022, a total of 10.13 million, accounting for a 7% growth owing primarily to the increase in Claro and Altice accounts.



TABLE 5. EVOLUTION OF TELEPHONE AND MOBILE LINES IN THE DOMINICAN REPUBLIC
2011-2022 Period

INDICATORS					
Year	IP Telephone Lines	Land Lines	Mobile Lines	Total phone lines	Population
2011	26,968	1,072,822	8,770,780	9,870,570	9,580,139
2012	45,328	1,083,619	8,934,196	10,063,143	9,680,963
2013	76,008	1,095,420	9,059,820	10,231,248	9,784,680
2014	110,033	1,116,086	8,303,536	9,529,655	9,883,486
2015	154,384	1,150,584	8,797,247	10,102,215	9,980,243
2016	222,067	1,123,387	8,708,131	10,053,585	10,075,045
2017	293,893	1,035,958	8,769,127	10,098,978	10,169,172
2018	367,633	910,555	8,937,647	10,215,835	10,266,149
2019	428,891	782,190	8,948,107	10,159,188	10,358,320
2020	474,464	1,155,497	8,989,587	10,145,084	10,500,000
2021	539,369	1,154,669	9,735,351	10,890,02	10,535,535
2022	473,879	1,143,893	10,149,890	11,293,783	10,621,938

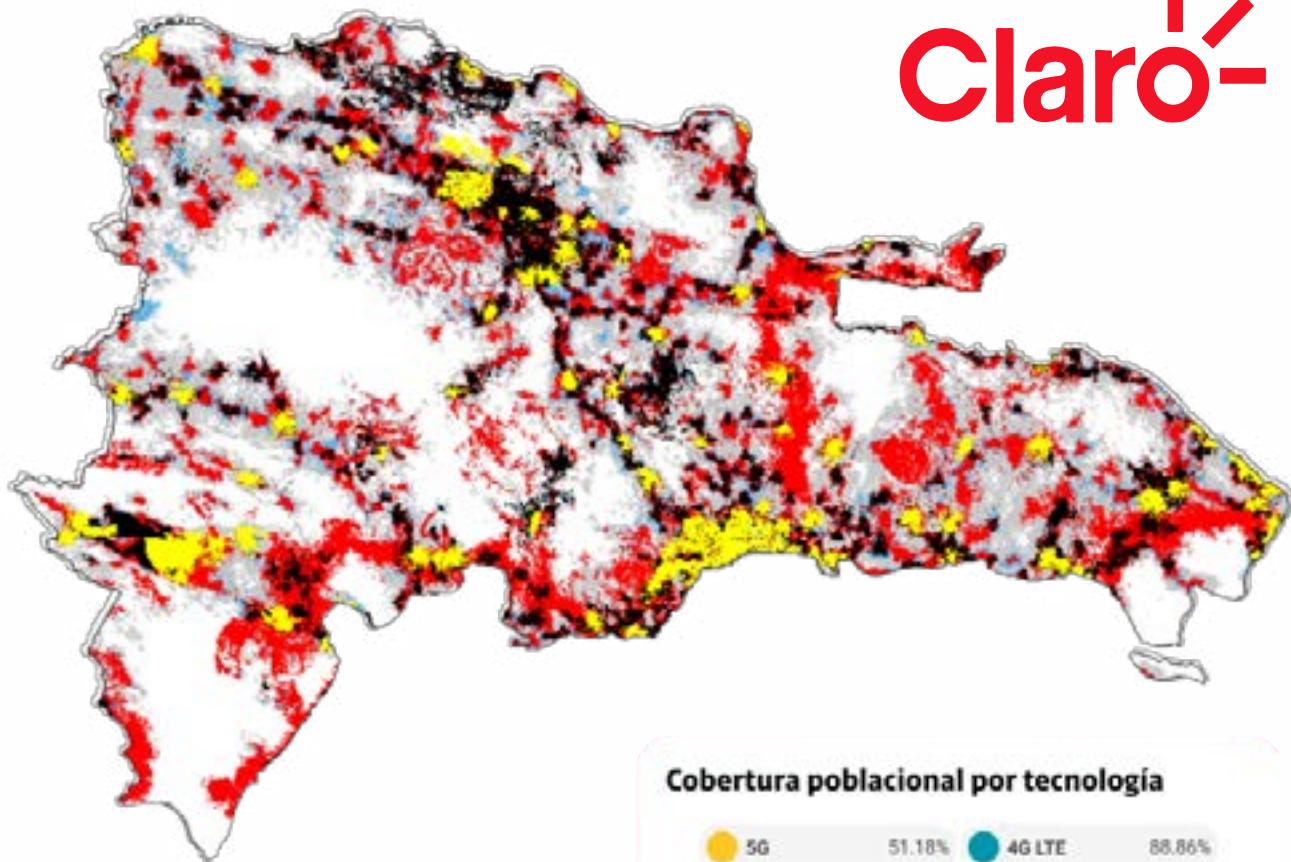
Source: The Dominican Institute of Telecommunications (INDOTEL)

In the past years, the Dominican Republic's economy has experienced a sustained growth, and digitization has played a key role in its development. This goes to show that while the market grows, more telephony services are demanded for both fixed and mobile lines.



CLARO COVERAGE MAP

Claro

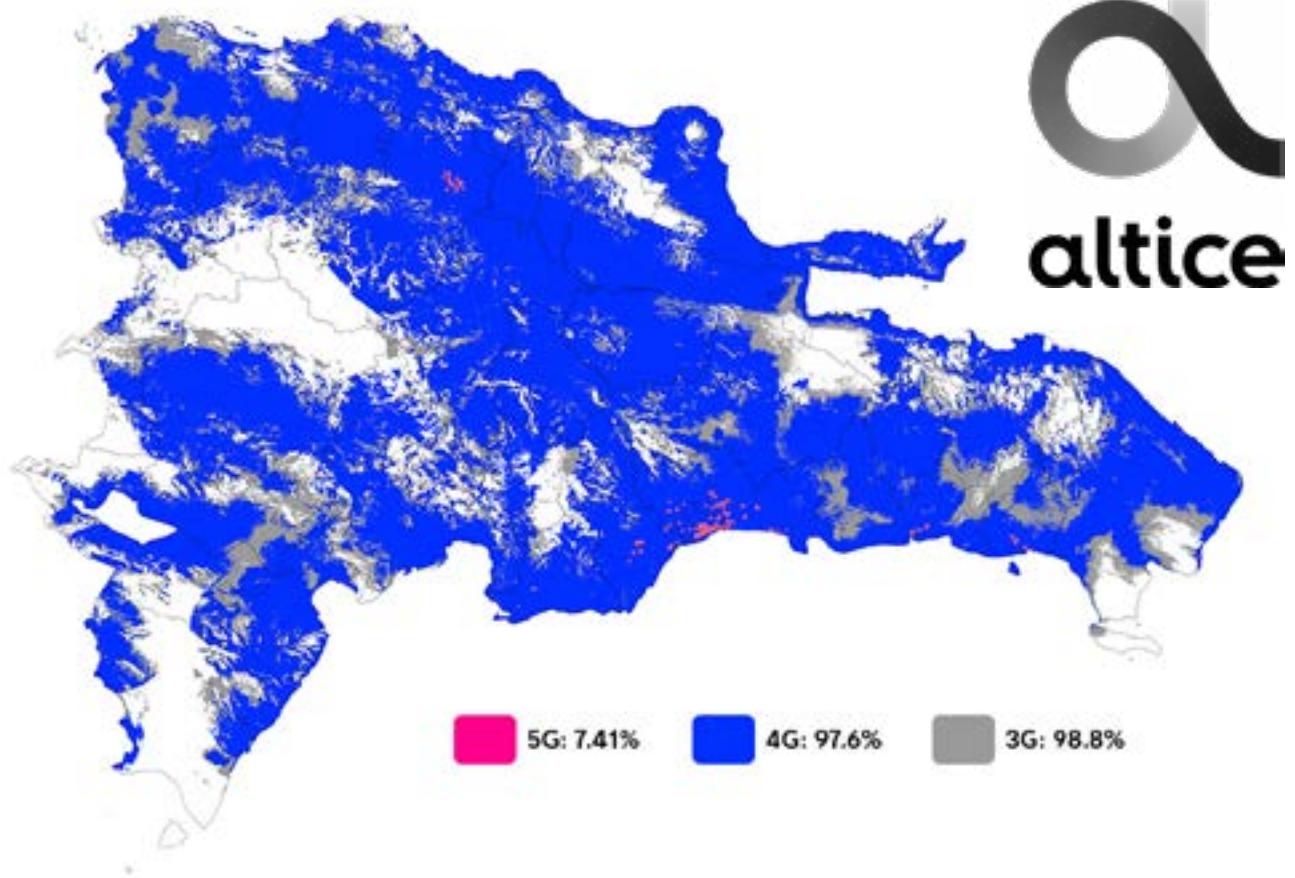


Cobertura poblacional por tecnología

5G	51.18%	4G LTE	88.86%
GigaRed	69.34%	3G	98.73%
4.5G	83.99%		

Mapa y valores actualizados: junio de 2023

ALTICE COVERAGE MAP



STEPS TO INVEST IN THE TELECOMMUNICATIONS SECTOR



* El flujo presenta todos los trámites vinculados al sector de telecomunicaciones, los cuales serán ejecutados en el orden que sea requerido según el tipo de proyecto a instalar. Los servicios del Instituto Dominicano de Telecomunicaciones (INDOTEL), pueden ser procesados de forma totalmente independiente de cualquiera de los demás trámites presentados en el flujo.

Great mines of
Gold, Nickel and Marble

Powerful network of
telecommunications

Invest Dominican in Republic

Main destination in the Caribbean
for investment and tourism

Excellent land for farming
fruits and vegetables 365 days a year

Excellent connections
Areas and Maritime

Strategically located in
the heart of the caribbean



Agribusiness



Industr
of the
cinema



Energy
renewable



Services



Logistics



Manufacture



Infrastructure



Mining



Tourism

CENTRO DE EXPORTACIÓN E INVERSIÓN DE LA REPÚBLICA DOMINICANA

Av. 27 de Febrero esq. Av. Gregorio Luperón,
Plaza de la Bandera, Santo Domingo,
Distrito Nacional, República Dominicana



1 (809) 530-5505
servicios@prodominicana.gob.do
www.prodominicana.gob.do



**PRO
DOMINICANA**

12. TOURISM SECTOR



"Today I can say here, with complete certainty, that tourism in the Dominican Republic has fully recovered and that it is strong, solid and mature"

*- Mr. David Collado,
Minister of Tourism of the
Dominican Republic.*



The country's strategic geographical location offers a great advantage for tourism development, allowing for excellent links to the rest of the Americas and the world, with the largest number of air and sea connections across the entire Caribbean region.

It currently has more than 300 daily flights through 8 airports, as well as 5 cruise terminals, in addition to a road network that quickly and safely links numerous locations across the country, which in turn translates into more competitive costs.

The Dominican Republic has a wide and competitive accommodation offer, skilled labor, a modern infrastructure that fulfills tourism needs, and a legal and institutional framework that encourages and guarantees investment in this sector. That is why the country has remained the major tourist and golf destination in the Caribbean, and the largest foreign investment destination.

In this sense, and aimed at maintaining its leadership, the Dominican Republic is committed to the sector's diversification and the innovation of its offering, through promotion and support of initiatives in other types of specialized and thematic tourism models, such as:



- **Real Estate Tourism:** Tourism industry incentives have allowed for design and development of tourism real estate projects, such as Metro, Playa Grande, among others, and facilitated the expansion of signature projects such as Casa de Campo, Cap Cana, and Punta Cana.



- **Cruise Tourism:** In the Dominican Republic we have received important cruise lines such as Royal Caribbean, Norwegian Cruise Line, Aída, Holland American, Costa Cruise Lines, Carnival Cruise, Azamara Cruise, MSC Cruises, Seabound, The World, Silver Cloud, Regent, Oceania, SilverSea and Club Med, among others, with passengers coming mostly from the United States, Germany, and France.



- **Medical Tourism:** Pursuant the 2021 Medical Tourism Index of the Medical Tourism Association, the Dominican Republic is the primary destination for Medical Tourism in the Caribbean, as well as second in Latin America and 19th worldwide. The Dominican Republic meets the conditions required to operate this tourism model, including highly trained professionals in their respective areas of medical practice, as well as modern health centers offering high quality services at competitive prices.



Compared to other countries with high potential in this area, the Dominican Republic offers an attractive cost-benefit offer in most high-demand procedures, ranging from cardiovascular and gastric to cosmetic and dental surgeries.



- **Ecotourism:** The country has a great diversity of ecological zones. This natural mix plays a leading role, as it constitutes the setting par excellence for the practice of exciting and extraordinary adventure tourism and ecotourism.



- **Golf Tourism:** With more than 30 courses, the Dominican Republic has become the ultimate destination for golf tourism in the Caribbean, having been selected six times as the “Best Golf Destination in Latin America and the Caribbean” by the International Association of Golf Tour Operators (IAGTO).

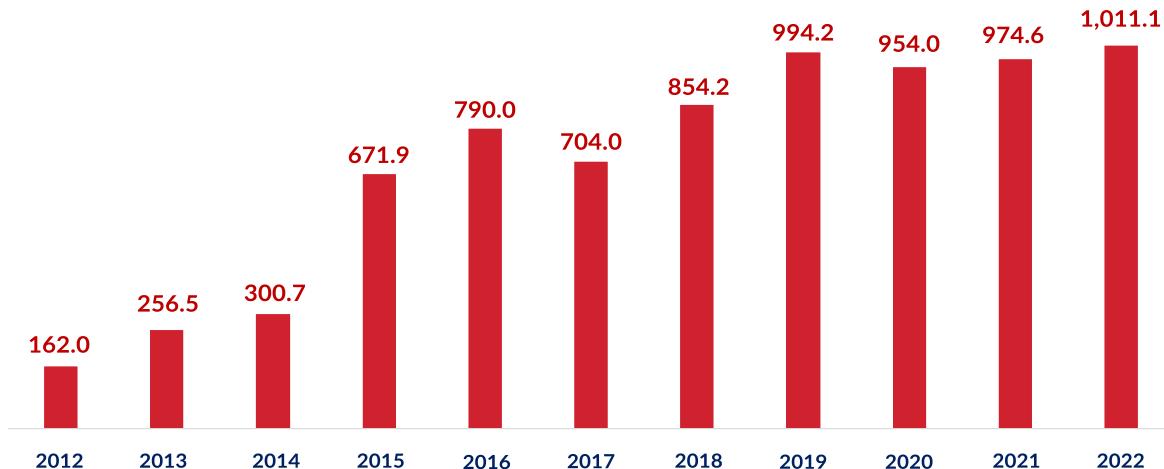
FOREIGN DIRECT INVESTMENT IN THE TOURISM SECTOR

During the 2012 – 2022 period, Foreign Direct Investment (FDI) in the tourism sector reached US\$7,673 million, accounting for 25% of the global FDI amount recorded in the Dominican Republic during said period.

THE WORLD TOURISM ORGANIZATION (UNWTO) RECOGNIZED THE DOMINICAN REPUBLIC AS THE NUMBER ONE GLOBAL ORGANIZATIONS IN THE RECOVERY OF TOURISM AFTER THE PANDEMIC

CHART 12. FDI FLOWS TO THE TOURISM SECTOR IN THE DR

2012-2022 Period. All amounts USD, in millions



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic and National Statistics Office

*Figures subject to revision

Note: Sectors with negative numbers correspond to operating losses, divestment and/or payment of dividends

This sector's development has been driven by significant investments by hotel chains mainly from Spain and the United States.

The country welcomes the investment of prestigious hotel chains with more than 600 projects nationwide.

KEY TOURISM INDICATORS

A growing flow of tourists chooses the Dominican Republic as their vacation destination, thus impacting tourism revenues as a result of the work powered jointly by the public and private sectors for promotion of Dominican tourism in international markets.

During 2022 tourism revenues reached US\$8,405.60, accounting for an absolute increase of US\$2,725 million, a 48% growth over the previous year. This was driven by the more than 8.7 million visitors who arrived by air and sea, thus evidencing the country's tourist appeal.



Main tourism indicators 2012- 2022 Period

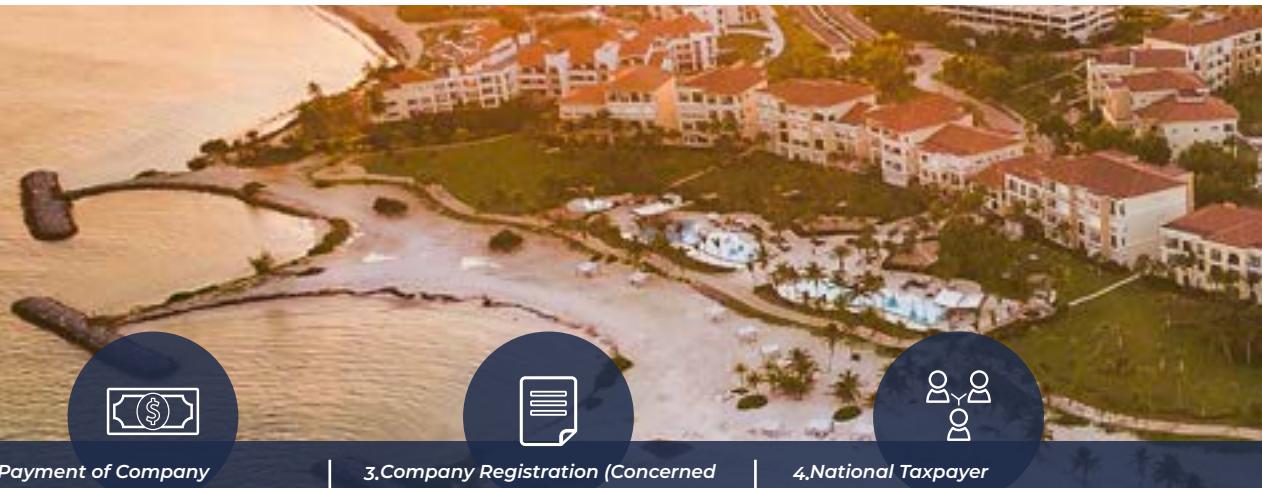
Period	Hotel rooms (units)	Hotel occupancy rates	Revenue US\$ million	Jobs generated by the hotel industry		
				Total	Direct	Indirect
People						
2012	68,082	70.3	4,686.6	216,774	61,142	155,632
2013	68,814	71.7	5,063.5	222,027	62,768	159,258
2014	70,508	74.8	5,629.8	228,180	64,506	163,675
2015	72,192	75.5	6,115.9	263,936	74,648	189,288
2016	73,578	78.0	6,719.6	303,066	85,485	217,581
2017	77,947	77.1	7,184.1	325,079	91,721	233,358
2018	80,703	77.5	7,560.8	336,480	94,704	241,775
2019	83,041	71.6	7,468.1	358,365	100,716	257,649
2020	N/D	40.5	2,673.8	141,747	40,000	101,746
2021	N/D	51.0	5,680.6	365,662	104,475	261,187
2022	N/D	71.4	8,405.60	N/D	N/D	N/D

Source: Central Bank of the Dominican Republic and National Statistics Office

The only Dominican bank
in the United States



STEPS TO INVEST IN THE TOURISM SECTOR



1. Company Name (ONAPI)
 • Time: 24 hours
 • Cost: \$81
 • Document: Trade Name Certificate



2. Payment of Company Incorporation Tax (DGII)
 • Time: Immediately
 • Cost: 10% of share capital
 • Document: Receipt for payment of taxes



3. Company Registration (Concerned Chamber of Commerce)
 • Time: 1 to 5 days (Depends on Chamber of Commerce)
 • Minimum Cost: \$42 (Lead time may vary based on share capital)
 • Document: Trade Register



4. National Taxpayer Registration (DGII)
 • Time: 10 business days
 • Cost: 0
 • Document: RNC Certificate



5. Proof of Registration Before TSS
 • Registration with TSS (Lead Time: None)
 • Document: Proof of Registration Before TSS



6. Non-objection to land Use (City Hall)
 • Time: 15 days (may vary)
 • Cost: \$200 (Average)
 • Document: Letter of Non-objection



7. Non-objection Certification to preliminary project (Town Hall)
 • Time: 15 days (may vary)
 • Cost: Varies per order
 • Document: Preliminary Project Certificate



8. Design Parameter (MITUR)-Optional
 • Time: 15 days
 • Cost: \$90 (Average)
 • Document: Document containing specific recommendations for the Project



9. Pre-analysis (MITUR)
 • Time: 15 days (may vary)
 • Cost: \$90 to \$268 (average)
 • Document: Assessment of project formulation



10. Non-objection Certification for Land Use (MITUR)
 • Time: 60 business days
 • Cost: \$125 to \$357 (average)
 • Document: Non-objection Certification



11. MIMARENA Administrative Decision authorizing installation

- Environmental Impact Assessment (EIA) filed before MIMARENA to be included as an attachment
- Time: 30 to 190 business days
- Cost: \$200 (minimum)
- Document: Installation Authorization



12. Construction Permit [Ministry of Housing, Habitat and Buildings]

- Time: 45 business days
- Cost: \$108 (Average)
- Document: Construction permit



13. Provisional Classification

- Time: 30 days
- Cost: \$100 - \$300
- Document: Traditional Classification Resolution



14. Cost-Benefit Assessment (Ministry of Finance)

- Duration and costs are variable
- Document: Cost-benefit analysis



15. Final Classification [Tourism Promotion Council (CONFOTUR)]

- Time: 73 business days
- Cost: \$0
- Document: Final Classification Resolution



16. Application for Tax Exemption on Construction Materials (MITUR)

- Document: Exemption Approval Letter



17. Tax Exemption Application (Ministry of Finance)

- Time: 45 days
- Required for tax free import of equipment
- Document: Tax Exemption Letter



"The free zones have become the platform that propelled the country to consolidate itself as a success story in the region and the world..."

Today it is a sector of textiles, tobacco, chemicals, jewelry, medical and pharmaceutical products, appliances electrical and electronic, business support services (BPO), Contact Center services, logistics services, among others"

- Mr. Víctor Bisonó, Minister of Industry, Commerce and MSMEs of the Dominican Republic (MICM)

13. MANUFACTURING AND SERVICES SECTOR

The Dominican Republic has become an important location for manufacturing and services, and has managed to attract foreign capital companies that set up platforms for exporting products and services, mostly aimed at the United States market. The arrival of most of these companies has been motivated by tax incentive schemes such as the free zone regime.

There are 84 Free Zone parks in the country, with 774 companies generating over 192,461 thousand jobs. Approximately 59% of companies are engaged in the following activities: Services, Tobacco and its Derivatives, Clothing and Textiles.

STEPS TO INVESTING IN THE MANUFACTURING AND SERVICES SECTOR



1. Company Name (ONAPI)

- Time: 24 hours
- Cost: usd\$81
- Document: Company Name Registry



2. Payment of Company Incorporation Tax (DGII)

- Time: Immediately
- Cost: 10% of share capital
- Document: Receipt for payment of taxes



3. Company Registration (Concerned Chamber of Commerce)

- Time: 1 to 5 days (Depends on Chamber of Commerce)
- Minimum Cost: \$42 (Lead time may vary based on share capital)
- Document: Trade Register



4. National Taxpayer Registration (DGII)

- Time: 10 business days
- Cost: 0
- Document: Proof of Registration Before DGII (RNC)



5. TSS Certificate

- Registration of TSS
- Document: TSS Certificate



6. Permit for the Installation of Free Zones (Free Zone Council)

- Time: 6 business days
- Cost: \$2,000
- Document: Permit for Free Zone Installation



7. Environmental Permit (Ministry of Environment)

- Time: 15 business days
- Cost: \$51
- Document: Environmental Permit Resolution



8. Construction License (Ministry of Housing, Habitat, and Buildings)

- Time: 45 business days
- Cost: \$6,000
- Document: construction license



9. Decree from the Executive Branch

- Time: 2 months (approx.)
- Cost: \$0
- Document: Decree



10. Industrial Registry (Pro Industria)

- Time: 10 business days
- Cost: \$0
- Document: Industrial Registration Certificate



10. Special Tax Regime (Free Zone Council)

- Time: 45 days
- Cost: \$18
- Document: Tax Exemption Certificate

"The employment levels show the preponderance and strength that Free Zones have in the generation of new jobs. All productive activities in the sector registered increases in their employment levels during 2021; highlighting the following: Tobacco and Derivatives Manufacturing, Medical Devices, Electrical Products, Textile Manufacturing, Call Centers, among others... these increases have been a product of the moment of commercial reactivation that is being experienced within said sector, induced by the international demand for merchandise and for the support provided to the Free Zones by the Dominican government, headed by the President of the Republic, Luis Abinader Corona" – Mr. Daniel Liranzo, Executive Director of the National Council of Free Export Zones (CNZFE).

PHARMACEUTICAL AND MEDICAL DEVICES

The country offers companies in the Pharmaceutical and Medical Products sector great advantages for their development and manufacturing activities. All this is clearly evidenced by excellent record with the United States Food and Drug Association (FDA), as well as with other global health agencies, highly qualified workforce at competitive costs, modern infrastructure, strategic location and preferential market access in the United States, Europe, Central America, and the Caribbean.

Manufacture of medical and pharmaceutical products in Free Zones began over 40 years ago with a company named Surges, a pioneer in the Industrial Free Zones, which gave way to a positive track record of good reputation in the manufacture of disposable medical equipment and products that has held steady for more than two decades in the country's Free Zone sector.

The Dominican Republic is one of the top suppliers of blood transfusion equipment, blood pressure measuring devices, medical needles and catheters, and other related products to the United States.

Sector Growth and Trends

This area ranks first in the Free Zone sector in terms of total investment concentration. In the last decade, the industry of Medical and Pharmaceutical Products in the Dominican Republic has had dynamically and sustainably grown, based on the development of manufacturing capacities by the leading companies within the sector, which have found a key partner in the Dominican Republic for their investment and business strategies.

In 2022, exports of medical and pharmaceutical products amounted to \$2,247.7 million, accounting for 29% of total exports in the Free Zone sector for said period and a 16.5% growth as compared to the previous year.



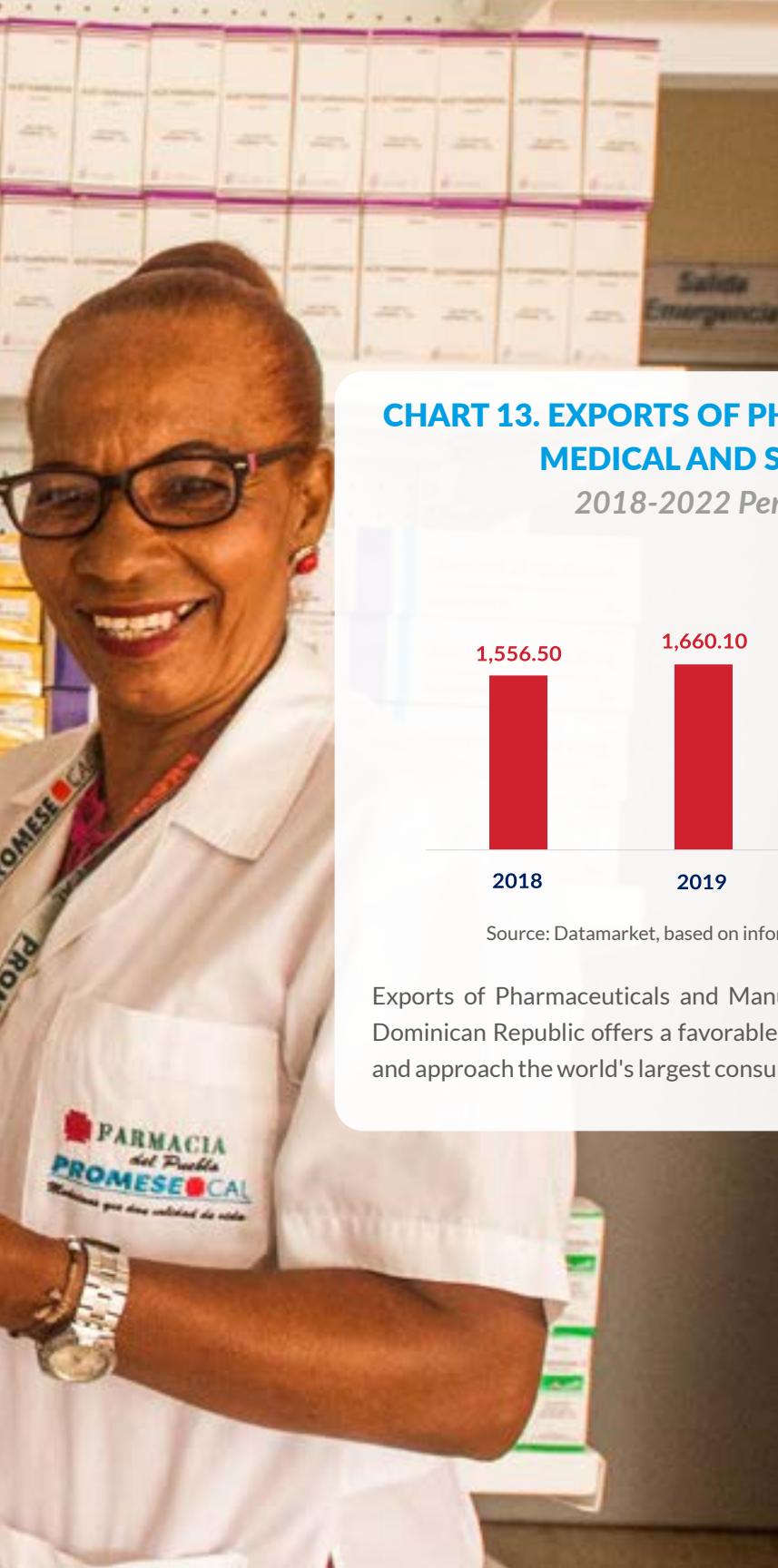


CHART 13. EXPORTS OF PHARMACEUTICALS AND MANUFACTURE OF MEDICAL AND SURGICAL EQUIPMENT IN THE DR

2018-2022 Period. All amounts in US\$, in millions



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

Exports of Pharmaceuticals and Manufacture of Medical and Surgical Equipment in the DR: The Dominican Republic offers a favorable climate for foreign medical device companies to reduce costs and approach the world's largest consumer, the United States, whilst maintaining their product quality.

14. TOBACCO MANUFACTURING SECTOR

The Dominican Republic is a major tobacco growing country with a developed agro-industrial tobacco leaf process, all of which translates into large cigar production volumes. Cigars are exported to various destinations around the world, with cigars being the most popular in the United States, where this item has won a 65% share of the U.S. market. Switzerland, Holland, Germany, Spain, and Canada can also be cited among the largest Dominican cigar buyers.

Tobacco-related activities have a long tradition in the Dominican Republic, especially in the North region due to its soil quality, with the provinces of Santiago, La Vega and Espaillat leading the domestic production under this heading. All stages of the tobacco manufacturing process impact cigars' final quality, from the selection of soils for seeding, to harvesting, drying, storage and fermentation.

Counting as one of the largest in the Dominican economy, the tobacco industry has yielded major contributions which motivated a Tobacco Industry Relaunch Plan [Plan de Relanzamiento de la Industria del Tabaco] drafted in 2020, based on criteria consolidation for the planning and execution of actions which allow for the strengthening of the tobacco industry, increase of exports and creation of new jobs, through coordinated support from various Government instrumentalities.

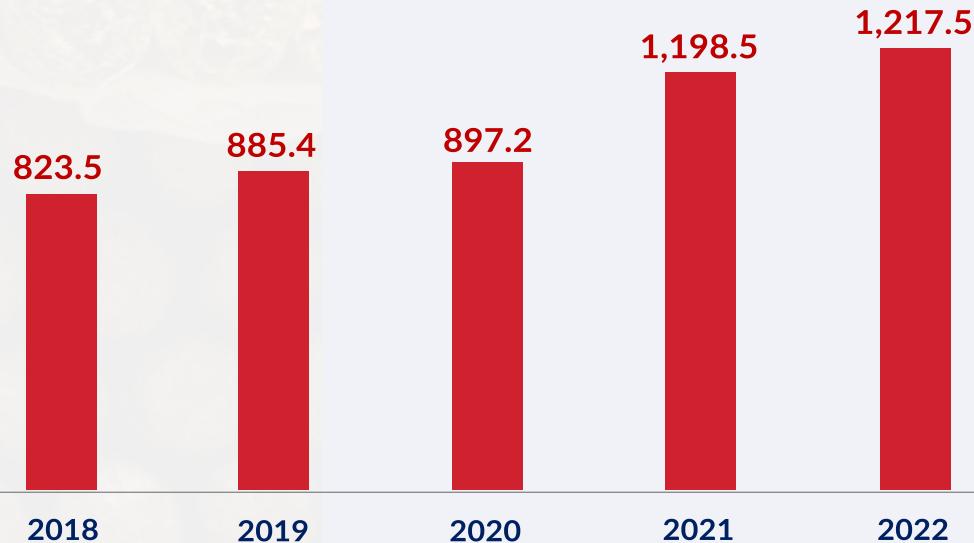
Manufactured Tobacco Exports

This area represents over a 20.5% total investment within the Free Zone sector. For the 2018 – 2022 period, manufactured tobacco exports amounted to \$5,022.2 million, accounting for 15.1% of total exports in the Free Zone sector for said period.



CHART 14. MANUFACTURED TOBACCO EXPORTS

2018 - 2022 period; Figures in USD\$ millions.



Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

15. CLOTHING AND TEXTILE SECTOR

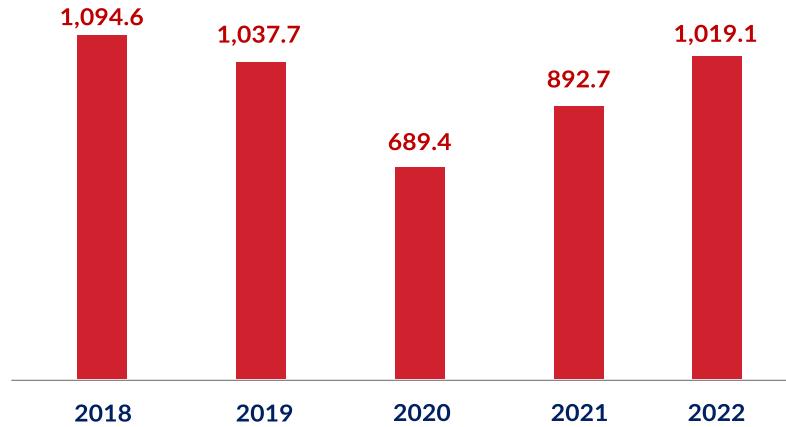
Backed up by its broad experience in the clothing and textile sector, the Dominican Republic offers an increasingly technology-based assembly, with the incorporation of innovative designs, research and development of new activities, as well as the incorporation of added value to final products at competitive prices.

Clothing and textile exports accounted for 13% of the duty-Free Zone export total in 2022, amounting to USD\$1,019.1 million.



CHART 15. EXPORTS OF CLOTHING

2018-2022 Period. All amounts in US\$, in millions

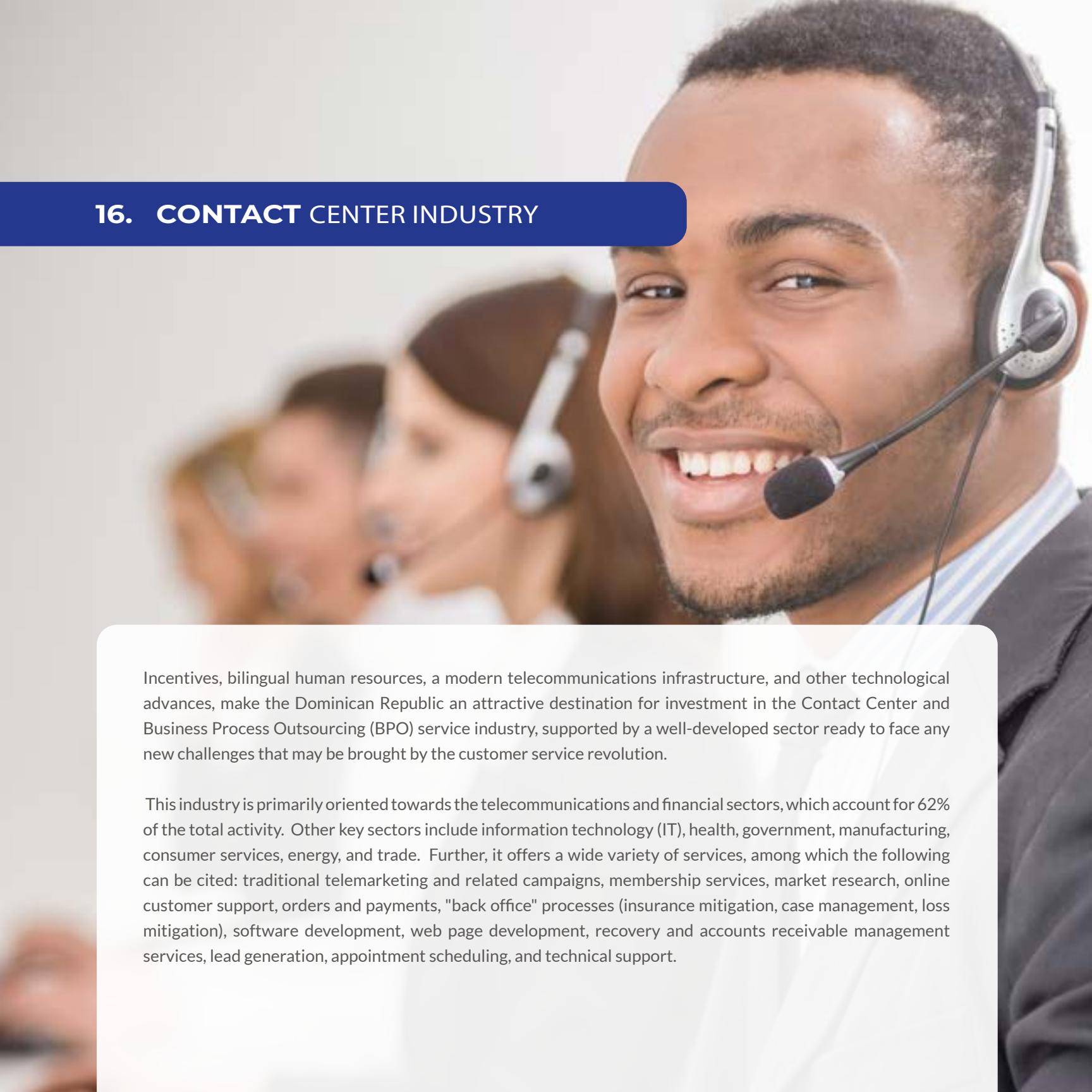


Source: Datamarket, based on information provided by the Central bank of the Dominican Republic

The following are among the major destination markets: United States, Haiti, Nicaragua, Netherlands, Puerto Rico, Canada, United Kingdom and Belgium.



16. CONTACT CENTER INDUSTRY



Incentives, bilingual human resources, a modern telecommunications infrastructure, and other technological advances, make the Dominican Republic an attractive destination for investment in the Contact Center and Business Process Outsourcing (BPO) service industry, supported by a well-developed sector ready to face any new challenges that may be brought by the customer service revolution.

This industry is primarily oriented towards the telecommunications and financial sectors, which account for 62% of the total activity. Other key sectors include information technology (IT), health, government, manufacturing, consumer services, energy, and trade. Further, it offers a wide variety of services, among which the following can be cited: traditional telemarketing and related campaigns, membership services, market research, online customer support, orders and payments, "back office" processes (insurance mitigation, case management, loss mitigation), software development, web page development, recovery and accounts receivable management services, lead generation, appointment scheduling, and technical support.



17. ATTACHMENTS

LEGAL AND SERVICE COSTS¹

CONSTITUCIÓN LEGAL

Institution	Concept	Company Type		
		SRL	SAS	SA
ONAPI	Service and Publication Fee	US\$104.45 ¹	US\$104.45	US\$104.45
DGII	Payment of Taxes ²	US\$18.26	US\$18.26	US\$18.26
CCP	Trade Register ³	US\$45.65	US\$45.65	US\$45.65
	Total		US\$168.36	

Source: National Office of Industrial Property [Oficina Nacional de Propiedad Industrial (ONAPI)], Dominican Internal Revenue Service [Dirección General de Impuestos Internos (DGII)], Chamber of Commerce and Production.

¹Note: Costs calculated at the rate of RD\$54.76 x US\$1.00.

²10% of the authorized share capital is calculated, based on a share capital of DOP\$100,000.00

³The Chamber of Commerce makes a difference if the process is done virtual or in person, with virtual being more economical. Here based on virtual cost.

LABOR ASPECTS

Minimum Wage	Category	Wage to Be Paid
	Employees of Non-sectorized Private Sector large companies.	US\$383.49
	Employees of Non-sectorized Private Sector medium-sized companies.	US\$351.53
	Employees of Non-sectorized Private Sector small-sized companies.	US\$235.57

¹Note: "There are also minimum wages for piecework in the construction area. For these purposes, a different minimum wage is established for each type of work, as established by resolutions 04 - 09 of the National Wages Committee."



Minimum Wage

Category	Wage to Be Paid
<i>Employees of large companies of hotels, casinos, restaurants, bars, cafes, coffee shops, nightclubs, fast food businesses, ice cream parlors and other unspecified gastronomic establishments</i>	US\$255.66
<i>Employees of medium-sized companies of hotels, casinos, restaurants, bars, cafes, coffee shops, nightclubs, fast food businesses, ice cream parlors and other unspecified gastronomic establishments</i>	US\$194.48
<i>Employees of small businesses of hotels, casinos, restaurants, bars, cafes, coffee shops, nightclubs, fast food businesses, ice cream parlors and other unspecified gastronomic establishments</i>	US\$173.48
<i>Services in Incorporated Non-Profit Associations</i>	US\$264.79
<i>Watchers/Guardians</i>	US\$315.01
<i>construction workers¹</i>	US\$14.55 - US\$44.76
<i>Operators of heavy agricultural machines nationwide by task</i>	US\$0.05 - US\$2.27
<i>Operators of heavy agricultural machines nationwide by task</i>	US\$328.71
<i>Employees of Industrial Free Zones</i>	US\$254.10
<i>Trabajadores en el campo por una jornada de 10 horas.</i>	US\$9.13
<i>Workers in the Sugar Industry</i>	US\$273.92

Source: Ministry of Labor of the Dominican Republic, Social Security Treasury.



Company categories	Category	Features
	Large Companies	<i>Annual gross sales equal to or greater than DOP\$202,000,001.00, or a minimum of 151 employees.</i>
	Medium-sized Companies	<i>Annual gross sales between DOP\$54,000,001.00 and RD\$202,000,000.00, or 51 to 150 employees.</i>
	Small-sized Companies	<i>Annual gross sales between DOP\$8,000,001.00 and DOP\$54,000,000.00, or 11 to 50 employees.</i>
Overtime	Category	Applicable Rate
	More than 44 hours	<i>35% of base salary</i>
	More than 68 hours	<i>100% of base salary</i>
Vacations	Night Shift	<i>15% over the salary of a work day</i>
	Time in the Company	Days
	1 - 5 years	<i>14 days</i>
	5 years or more	<i>18 days</i>

Source: Labor Code of the Dominican Republic



Leave of Absence	Concept	Paid leave (days)
	Marriage	5 days
	Death of grandparents, parents, children or spouse	3 days
	Birth of a child (if the father)	2 days
	Maternity leave	14 weeks

Source: Labor Code of the Dominican Republic

Withholdings to employees (Insurance and other)	Charges	% contributed by employer	days payment
	AFP	7.10%	2.87%
	SFS	7.09%	3.04%
	SRL	1.2%	
	INFOTEP	1% of wages	

Source: Superintendence of Health and Labor Risks [Superintendencia de Salud y Riesgos Laborales (SISARIL)].

Income Tax Withholdings to Employee	Salary Range	Applicable Fee
	Salaries equal or less than DOP\$416,220.00	Exempt
	Salaries from DOP\$416,220.01 to DOP\$624,329.00	15% from the surplus of DOP\$416,220.01
	Salaries from DOP\$624,329.01 to DOP\$867,123.00	DOP\$31,216.00 plus 20% from the surplus of DOP\$624,329.01
	Salaries of DOP\$867,123.01 or more	DOP\$79,776.00 plus 25% from the surplus of DOP\$867,123.01

Source: Dominican Internal Revenue Service (DGII). Amounts in US\$



Compensation for the Termination of Employment Agreement	<i>Time the employee worked in the company</i>	<i>Applicable Compensation</i>
	<i>3 months, but less than 6 months</i>	<i>6 days of ordinary salary</i>
	<i>6 months, but less than 1 year</i>	<i>13 days of ordinary salary</i>
	<i>1 year, but less than 5 years</i>	<i>21 days of ordinary salary for every year of service</i>
	<i>More than 5 years</i>	<i>23 days of ordinary salary for every year of service</i>

Source: Labor Code of the Dominican Republic. Amounts in US\$

TAX

	<i>Tax</i>	<i>Applicable Rate</i>
<i>Income tax</i>		<i>27%</i>
<i>Tax [ITBIS]</i>		<i>18%</i>
<i>Tax on interest paid abroad</i>		<i>10%</i>
<i>Tax on payment abroad</i>		<i>10%</i>
Excise Tax		
	<i>Tax for the use of credit card, wire transfers and checks</i>	<i>0.15%</i>
	<i>Tax over insurance amount</i>	<i>16%</i>
	<i>Tax on Telecommunications Services</i>	<i>10%</i>
	<i>Tax over the lease / rent of a property</i>	<i>10%</i>
<i>Real Estate Property Tax</i>		<i>Individuals: a rate of 1% is applied to the excess value of (RD\$9,520,861.00) of the taxed assets. Trusts: 1% of the total value of the taxed assets.</i>
<i>Real Estate Transfers Tax</i>		<i>3%</i>
<i>Asset Tax</i>		<i>1%</i>
<i>Motor Vehicle Transfer Tax</i>		<i>2%</i>

Source: Dominican Internal Revenue Service (DGII). Amounts in US\$

<https://www.mic.gob.do/> Canasta Básica Familiar a Diciembre 2021



BASIC NATIONAL SHOPPING BASKET AS OF DECEMBER 2022

Group	Cost
National	US\$722.05
Quintile 1	US\$426.85
Quintile 5	US\$1,193.73

Source: Central Bank of the Dominican Republic.

MAIN PUBLIC INSTITUTIONS RELATED TO THE INVESTMENT PROCESS

INSTITUTION	SECTOR	FUNCTIONS	LINKS
ProDominicana	Multisectoral	<p>Responsible for the promotion of exports and direct foreign investment activities.</p> <p>Responsible for the Foreign Direct Investment Registration and/or Transfer of Technology. Law for Export Incentives No. 84-99 and Law No. 110-13 for Commerce and Export of Metal Waste.</p>	https://www.prominicana.gob.do/
<i>Ministry of Tourism [MITUR] Tourism Promotion Council [CONFOTUR]</i> <i>Planning and Projects Department [DPP]</i>	Tourism	<p>Plan and promote the tourism industry and investments in the tourism sector, and regulate tour operators.</p> <p>CONFOTUR: classify, pass, and grant tax exemptions to tourism projects.</p> <p>The Planning and Project Monitoring Bureau [Dirección de Planeación y Proyectos (DPP)] ensures rational use of tourist territories.</p>	www.mitur.gob.do www.confotur.mitur.gob.do



INSTITUTION	SECTOR	FUNCTIONS	LINKS
<i>National Council of Export Free Zones [CNZFE])</i>	<i>Free Zones</i>	<i>Incorporate companies pursuant Free Trade Zone Regimes: Export Processing Zones or Service Free Zones, Border Free Zones, and Special Free Zones.</i>	www.cnzfe.gob.do
<i>Ministry of Foreign Affairs of the Dominican Republic [MIREX]).</i>	<i>Multisectoral</i>	<i>Responsible for implementing the country's Foreign Policy.</i>	www.mirex.gob.do
<i>National Energy Commission [CNE])</i>	<i>Energy</i>	<p><i>In charge of drawing up the Government policy for the Energy Sector. Created under the General Law of Electricity [Ley General de Electricidad (LGE)] No.125-01, which enshrines the activities of the Electricity, Hydrocarbon, Alternative Source and Rational Electricity Use subsectors.</i></p> <p><i>CNE is responsible for monitoring compliance with the Law on Incentives for Development of Renewable Energy Sources and its Special Regimes (Law No.57-07)</i></p>	www.cnzfe.gob.do
<i>Superintendence of Electricity [SIE])</i>	<i>Energy</i>	<i>Regulatory Body of the Dominican Electricity Subsector, in charge of overseeing and monitoring compliance with the legal and regulatory provisions and the technical regulations applicable to the subsector, regarding the development of electricity generation, transmission, distribution and trading activities. It is also responsible for setting all tariffs and tolls subject to price regulation.</i>	www.sie.gob.do



INSTITUTION	SECTOR	FUNCTIONS	LINKS
Dominican Electricity Transmission Company [EETED]	Energy	<p>ETED is a government-owned electricity company that works to operate the National Interconnected Electricity System (SENI) with the aim of providing high-voltage electricity transportation services across the entire national territory.</p>	www.eted.gov.do
National Film Directorate [DGCINE]	Film Industry	<p>Dominican Republic Film Commission (DGCINE) - In charge of promoting the development of the Film Industry, and establishing and regulating all policies pertaining to Cinematographic and Audiovisual activities, in line with the modernization and internationalization of the local film industry, in accordance with the provisions of Law No. 108-10.</p>	www.mirex.gob.do
Ministry of Energy and Mines [MEM]	Energy and Mines	<p>Body in charge of promoting the development of the mining-metallurgical sector and safeguarding all matters related thereto.</p>	www.mem.gob.do
Ministry of Environment and Natural Resources [MIMARENA])	Multisectoral	<p>Aimed at regulating the use of natural resources, including use of terrestrial, aquatic, and maritime resources, forests, caves, and mineral resources.</p>	www.ambiente.gob.do
Dominican Institute of Telecommunications [INDOTEL)	Telecommunications	<p>Responsible for full regulation of the telecommunications sector, which is to say, signal transmission and reception by any electromagnetic means.</p>	www.indotel.gob.do



INSTITUTION	SECTOR	FUNCTIONS	LINKS
<i>National Office of Industrial Property [ONAPI]</i>	Multisectoral	<i>In charge of the administration of Industrial Property legislation in the Dominican Republic: Copyright, trademarks, trade names, and registration of pharmaceuticals, biotechnology, and patents.</i>	www.onapi.gob.do
<i>Ministry of Finance [Ministerio de Hacienda]</i>	Multisectoral	<i>Responsible for formulating, executing, and assessing fiscal policy, which covers revenues, expenses, and financing of the public sector. It offers Customs Broker Licensing services, and Shipping Agent Licensing services.</i>	www.hacienda.gob.do
<i>General Customs Directorate [DGA]</i>	Multisectoral	<i>Responsible for enabling and controlling the Dominican Republic's trade activities, increasing collections, and reducing several types of risks stemming from external factors.</i>	www.aduanas.gob.do
<i>Coordination Council for the Special Border Development Zone</i>	Multisectoral	<i>Created under Law No. 28-01 and its implementing regulations, to adopt measures aimed at stimulating business projects across the border area.</i>	www.ccdf.gob.do
<i>Center for Industrial Development and Competitiveness [PROINDUSTRIA]</i>	Multisectoral	<i>Created under the Industrial Competitiveness Law No.392-07 as a regulatory and representative body with respect to all projects, plans and efforts of the country's Industrial Sector.</i>	www.proindustria.gob.do



INSTITUTION	SECTOR	FUNCTIONS	LINKS
<i>Directorate-General of Migration</i>	Multisectoral	<p><i>Ensures compliance with all applicable laws and regulations regarding arrival and departure of nationals and foreign citizens into and from Dominican territory.</i></p> <p><i>Residence for Investment Purposes.</i></p>	www.migracion.gob.do
<i>Ministry of Labor</i>	Multisectoral	<p><i>Labor matters in the Dominican Republic are regulated under the Labor Code as published by the Ministry of Labor.</i></p>	www.ministeriodetrabajo.gob.do
<i>Dominican Internal Revenue Service [DGII]</i>	Multisectoral	<p><i>The Internal Revenue Directorate General (DGII) is the body in charge of the administration and/or collection of the main national taxes and fees in the Dominican Republic.</i></p> <p><i>DGII was created under Law No. 166-97.</i></p>	https://dgii.gov.do
<i>Superintendence of Securities of the Dominican Republic [SIV]</i>	Financial	<p><i>Created under the Securities Market Law No. 19-00. In charge of supervising and promoting the Dominican Republic's stock market through regulations intended for investors' protection.</i></p>	www.simv.gob.do
<i>Ministry of Public Works [MOPC]</i>	Infrastructure / Multisectoral	<p><i>The Ministry of Public Works and Communications [Ministerio de Obras Públicas y Comunicaciones (MOPC)] is made up of the Building Construction Directorate General, where the Plan Processing Office and the General Directorate of Land Transit are located.</i></p> <p><i>Functions: In charge of building, repairing, and carrying out maintenance of transportation infrastructure works.</i></p> <p><i>Studies, designs, builds, and improves port works.</i></p> <p><i>Responsible for organizing, monitoring, coordinating, and planning land traffic, as well as for setting standards for construction works.</i></p> <p><i>Regulates quality of construction materials.</i></p> <p><i>In charge of conducting socioeconomic and technical studies for the preparation of construction plans and schedules.</i></p>	www.mopc.gob.do



INSTITUTION	SECTOR	FUNCTIONS	LINKS
<i>Ministry of Public Health [MSP]</i>	<i>Multisectoral</i>	<p><i>Responsible for ensuring equitable access to integrated high-quality health services, promoting delivery of health care services which meet the needs of the population, with a strong focus on priority groups, through the services of licensed physicians, pharmacists, resident doctors, nutrition, and professional qualification.</i></p>	www.msp.gob.do
<i>Ministry of Sciences, Technology and Higher Education (MESCYT)</i>	<i>Education</i>	<p><i>Agency of the Executive Branch in the area of higher education, science, and technology, in charge of promoting, regulating, and managing the National System for Higher Education, Science and Technology, in accordance with Law No. 139-01 .</i></p>	www.mescyt.gob.do
<i>Instituto Tecnológico de Las Américas (ITLA)</i>	<i>Education</i>	<p><i>It is a public and non-profit technical institution of higher education, and the only institution specializing in technological education in the Dominican Republic.</i></p>	www.itla.edu.do
<i>National Institute of Technical and Vocational Training [INFOTEP]</i>	<i>Education</i>	<p><i>Governing body of the National Vocational Training System created under Law No. 116, to supply the needs of the productive sectors, which demanded qualified human resources for adequate professional performance concerning job opportunities that were opening up in the labor market, and thus boost the economy and development of the Dominican Republic.</i></p>	www.infotep.gob.do





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🌐 www.prodominicana.gob.do
servicios@prodominicana.gob.do

📱 **Contacto:**
1 (809) 530-5505

📍 **ProDominicana**
Centro De Exportación E Inversión
De La República Dominicana
Av. 27 de Febrero Esq. Av. Gregorio Luperón,
Plaza de la Bandera, Santo Domingo.
República Dominicana

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