



Dominican Republic

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> INTRODUCTION

The Dominican Republic is a country in the Antilles located in the eastern part of an island it shares with Haiti. This democratic republic combines the republican model and the British system.

Although the economy of the island is mainly concentrated in tourism and agriculture, many reforms have been implemented in recent years with the aim of promoting and developing other sectors, such as *offshore*/international financial services, in order to attract foreign investors and companies through an attractive fiscal policy.

> INCORPORATION OF A COMPANY

The legislation of the Dominican Republic is based on the **International Business Companies (IBC)**, based on a limited liability presented as follows: Ltd (Limited), SA (Société Anonyme) and SARL (Société Anonyme à Responsabilité Limitée).

Setting up a company in the Dominican Republic is particularly interesting for *Call Centres*, due to the availability of skilled and multilingual labour (French, Spanish, Italian and Portuguese) and the existence of technical infrastructures with very good facilities and at very attractive prices.

The types of companies most frequently used are the SRL (Société à Responsabilité Limitée) and the SA (Société Anonyme).

SRL COMPANY

- **Two shareholders/partners required as a minimum:** No requirements on their residence or nationality. In case of foreign shareholders, it is mandatory to have a legal representative *in situ*.
- **At least one administrator/manager** (at least one resident in the DR), who may also be a member.
- The legal representative can be a natural or legal person.
- Annual General Meeting: Must be held annually.
- The minimum capital required is 100,000 DOP. The shares corresponding to each partner are not transferable to a third party without the prior consent of three quarters of the remaining partners.
- Registered and bearer shares.
- There is no obligation to appoint an auditor.
- Maintenance of accounting is not required.

SA COMPANY

- **Two shareholders/partners required as a minimum:** No requirements on their residence or nationality. In case of foreign shareholders, it is mandatory to have a legal representative *in situ*.
- **Minimum 2 administrators/managers** (at least one resident in the DR), who may also be members.
- The legal representative can be a natural or legal person.
- Annual General Meeting: Must be held annually.
- The minimum capital required is 30 million DOP. The social capital is divided into freely transferable shares and the nominal value of each share must not be less than 100 DOP.
- Registered shares only.
- Mandatory to appoint an auditor.
- Mandatory to maintain accounting.

> TAXATION

The Dominican Republic enjoys free trade agreements signed with many states. These agreements allow to attract more and more foreign investors.

- CARIFORUM countries (LAC RD - CARICOM)
- Central America (LAC RD - Central America)
- Panama (AAP RD - Panama)
- United States (DR - CAFTA)
- Europe (AAE)

THE TAXATION INDICATED IS SUBJECT TO DEDUCTIONS THAT CAN REACH TOTAL EXEMPTION.

(Consult our accountants for personal advice).

SARL AND SA COMPANIES

- Annual Government tax: 150 USD
- **Corporate tax: 29% (2013)**
- Tax on dividends: 25%

Exemption on income from abroad during the first 3 years for foreign residents in the Dominican Republic.

- **VAT - ITBIS: 18% (in 2013 and 2014), then 16% (in 2015).**
- No capital gains tax on income or rental revenue.
- Mandatory to maintain and report accounting for SA only.

> SUMMARISED COUNTRY FACT SHEET

COUNTRY'S FEATURES

Geographic location	Country of the Greater Antilles
Political regime	Republic
Population	10 088 598 (2012)
Language	Spanish
Currency	Dominican Peso (DOP)
Time zone	GMT-4

CHARACTERISTICS OF INCORPORATION OF A COMPANY

Type of company	SRL	SA
Capital required	100 000 DOP	30 million DOP
Legal system	Civil Law	Civil Law
Number of directors/shareholders	Minimum 1 administrator. Minimum 2 shareholders.	Minimum 2 administrators. Minimum 2 shareholders.
Anonymity and confidentiality	The administrators' and directors' name is not public, the services of a nominee can be used	The administrators' and directors' name is not public, the services of a nominee can be used
Secretary service	Yes: It is mandatory to have a resident local agent	Yes: It is mandatory to have a resident local agent
Corporate tax	29% (2013) 28% (2014) 27% (2015)	29% (2013) 28% (2014) 27% (2015)
Wealth tax	0%	0%
Tax on dividends	10%	10%
VAT	18% (in 2013 and 2014), then 16% (in 2015).	18% (in 2013 and 2014), then 16% (in 2015).
Government taxes	Yes: 150 USD	Yes: 150 USD
Accounting requirements	There is no obligation to appoint an auditor or maintain accounts	Accounts must be kept and mandatory to appoint an auditor for the accounts
Bearer shares	Registered or bearer	Nominative
Exchange control - non-residents	No	No



Please contact one of our consultants in London, Geneva and Barcelona for more information

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