Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · GREATER ANTILLES

# Doing Business in the Dominican Republic

*A practical guide to establishing, operating and growing a business in the Dominican Republic*

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## FOREWORD

The Dominican Republic is one of the largest and fastest-growing economies in the Caribbean and Central America, with strong tourism, free zone manufacturing and services sectors.

Investors are drawn to the Dominican Republic for good reason: a large domestic market, a central position between North and South America, preferential access to the US and Europe, and well-established free zone and tourism incentive regimes. Opportunity sits alongside complexity. Civil law, Spanish-language procedures, a major tax reform in 2026 and protective labour rules all need careful handling from the first day.

This guide sets out what you need to know in plain language: how to choose a structure, how the set-up process works, what taxes apply, how to employ people, and which incentives may be available. It is written for investors, entrepreneurs and regional and international groups considering the Dominican Republic.

We serve clients in the Dominican Republic through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, and we are ready to help you turn a plan into a well-run, compliant business.

**Dr. Dawkins Brown, Ph.D., MCMI, ACFE**

Executive Chairman, Dawgen Global

> **How to use this guide**
>
> This guide gives a practical overview of establishing and running a business in the Dominican Republic. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act.

OVERVIEW

# 01 The Dominican Republic at a glance

A Spanish-speaking republic sharing Hispaniola with Haiti, with an economy built on tourism, free zones, services, mining and agriculture.

CAPITAL
### Santo Domingo
Commercial and financial centre; Santiago de los Caballeros is the second city

POPULATION
### About 11 million
Large diaspora in the United States and Spain

LANGUAGE
### Spanish
Official language of law and government; English common in tourism

CURRENCY
### Dominican peso (DOP)
Floating exchange rate; no exchange controls

LEGAL SYSTEM
### Civil law
French-based codes; registry-based company and land law

TIME ZONE
### UTC−4
Atlantic Standard Time all year; no daylight saving

CORPORATE INCOME TAX
### 27%
30% for 2026 to 2028 where income is DOP 1 billion or more

ITBIS (VAT)
### 18%
16% on certain listed foods; many basic goods exempt

TRADE AGREEMENTS
### DR-CAFTA, EU, CARICOM
CARIFORUM–EU EPA; CARICOM–Dominican Republic FTA

**Leading sectors**

Tourism and hospitality · Free zone manufacturing · Medical devices · Contact centres and services · Mining · Agriculture and agro-processing · Logistics · Construction and real estate · Energy

**Gateways**

International airports include Punta Cana, Las Américas (Santo Domingo), Cibao (Santiago) and Puerto Plata, with flights to North America, Europe and Latin America. Caucedo and Haina are the main cargo ports.

**Public holidays**

About a dozen public holidays a year, including Independence Day (27 February) and Restoration Day (16 August). Some move to the nearest Monday.

INVESTMENT CLIMATE

# 02 Why the Dominican Republic

Market size, location and mature incentive regimes make the Dominican Republic a natural base for manufacturing, tourism and regional services.

### Strategic location

The country sits on the main shipping lanes between the Atlantic, the Panama Canal and the US East Coast, a short flight from Miami and New York. Its ports and airports connect it to North America, Europe, Central America and the Caribbean.

### Workforce and market

A large, young labour force supports free zone manufacturing, contact centres and tourism, and a market of about 11 million people supports retail and construction. Bilingual staff are found in the main cities and resorts.

### Open to foreign investment

Law 16-95 gives foreign investors the same treatment as local investors, with free repatriation of capital and profits. Foreign nationals may own companies and land, and the free zone and tourism regimes are among the most established in the region.

## A growing economy

The Dominican Republic has been one of the fastest-growing economies in Latin America and the Caribbean over two decades, supported by tourism, remittances, free zone exports and foreign investment, with inflation targeting at the Central Bank.

In 2026 the government enacted Law 30-26, a broad tax reform aimed at raising revenue, simplifying compliance and tightening the rules for cross-border services.

## Where the opportunities are

| Sector | Examples of opportunity |
|---|---|
| **Tourism** | Hotels, resorts, tourism real estate and supply chains, including new areas such as Pedernales |
| **Free zones** | Medical devices, electrical components, apparel, tobacco and contact centres for export markets |
| **Logistics** | Warehousing, distribution and nearshoring for the US market |
| **Agriculture** | Cocoa, bananas, avocados, tobacco and agro-processing for export |
| **Energy** | Solar and wind generation, gas and grid investment |

### ProDominicana

ProDominicana, the Export and Investment Centre of the Dominican Republic, is the national investment and export promotion agency. It registers foreign investment under Law 16-95 and guides investors through approvals.

LEGAL VEHICLES

# 03 Choosing a business structure

Company law is set out in Law 479-08. Most investors use an SRL or an SAS; overseas companies may register a branch. The right choice depends on liability, governance, financing and exit plans.

| Vehicle | Key features | Typical use | Main obligations |
|---|---|---|---|
| **Limited liability company (SRL)** | Two to 50 partners, liable only to their contributions; minimum capital DOP 100,000; one or more managers | Most small and medium businesses and subsidiaries | Mercantile Registry and RNC; annual partners' meeting; corporate income tax returns |
| **Simplified stock company (SAS)** | Flexible governance set in the by-laws; minimum authorised capital DOP 3 million, at least 10% paid in; cannot offer shares to the public | Larger investments, joint ventures and foreign-owned subsidiaries | As for the SRL; statutory auditor (comisario) in some cases |
| **Stock company (SA)** | Minimum authorised capital DOP 30 million, at least 10% paid in; board of at least three directors and a statutory auditor; may raise capital publicly | Large businesses and companies raising capital | Audited accounts; securities rules where shares are offered publicly |
| **Branch of a foreign company** | Registered with the Mercantile Registry and the DGII; not a separate legal entity | Projects, contracts and market entry | Corporate income tax on Dominican profits; local accounts |
| **Individual limited liability enterprise (EIRL)** | One individual owner with limited liability | Owner-managed businesses | Mercantile Registry; corporate income tax |
| **Sole trader** | Individual trading in their own name; unlimited liability | Small businesses | RNC registration; personal income tax |

### Foreign ownership

Foreign investors may own 100% of a Dominican company in most sectors. Banking, insurance, securities, telecoms, mining, energy and gaming need licences or concessions. Registering the investment with ProDominicana is advisable.

### Beneficial ownership

Companies must identify their ultimate beneficial owners, the individuals who own or control them, and report this information to the tax authority and the Mercantile Registry under anti-money laundering rules (Law 155-17). Keep it up to date.

GETTING STARTED

# 04 Setting up: step by step

Registration runs through ONAPI, the tax authority (DGII) and a Chamber of Commerce. A company can usually be formed in a few weeks once documents are ready; bank accounts and licences take longer.

1 **Plan the structure and register the name** — WEEK 1

Choose the vehicle, partners and managers, and register the trade name with the National Office of Industrial Property (ONAPI).

2 **Sign the by-laws and pay the incorporation tax** — WEEK 1–2

Prepare the by-laws in Spanish and pay the 1% tax on the company's capital to the DGII. This tax is repealed from 2027.

3 **Register with the Mercantile Registry** — WEEK 2–3

File with the Chamber of Commerce and Production for the company's location. The Mercantile Registry certificate confirms the company is formed.

4 **Obtain the RNC** — WEEK 3–4

Register with the DGII for the National Taxpayers' Registry (RNC) number, tax receipts (NCF), electronic invoicing, ITBIS and withholdings.

5 **Register the investment and open a bank account** — WEEK 3–8

Register the foreign investment with ProDominicana. Banks apply full know-your-customer checks on the company, managers and beneficial owners.

6 **Register as an employer and obtain permits** — VARIES

Register with the Ministry of Labour and the Social Security Treasury (TSS), and apply for municipal, environmental and sector permits, and visas and residence for foreign staff.

7 **Set up accounting and compliance** — BEFORE TRADING

Put in place bookkeeping, payroll, a tax and filing calendar, data protection under Law 172-13 (a broader law was before Congress in 2026) and anti-money laundering controls where required.

### Documents you will usually need

Certified passport and proof of address for each partner, manager and beneficial owner; a local address; and, for a foreign corporate shareholder or branch, certified constitutional documents and a certificate of good standing. Foreign documents generally need an apostille and a certified Spanish translation.

TAXATION

# 05 Tax at a glance

The Dominican Republic taxes mainly Dominican-source income, with residents also taxed on foreign investment income and financial gains. Law 30-26 of 2026 changes several rates in stages.

| Business taxes | |
|---|---|
| **Corporate income tax** | 27%; 30% for fiscal years 2026 to 2028 where income is DOP 1 billion or more |
| **Asset tax** | 1% of total assets, payable only where it exceeds income tax |
| **ITBIS** | 18% standard; 16% on certain listed foods; exports 0%; many basic goods and services exempt |
| **Advance payments** | Monthly, based on prior-year tax or gross income; a staggered regime applies from 2027 |
| **Property transfer tax** | 3% of the value of real estate transferred |
| **Property tax (IPI)** | 1% a year on an individual's real estate above DOP 10,695,494 (2026) |
| **Transfers tax** | 0.2% on cheques and electronic transfers (from 0.15%) |

| Individuals | |
|---|---|
| **2026 scale** | Nil to DOP 416,220; 15% to DOP 624,329; 20% to DOP 867,123; 25% above |
| **From 2027** | Nil to DOP 480,000; 15%, 20%, 25%, and 27% above DOP 4.8 million |
| **Residence** | More than 182 days in a calendar year |

| Withholding tax | Rate* |
|---|---|
| **Dividends** | 10% (final) |
| **Interest to non-residents** | 10% |
| **Royalties, software, online advertising** | 15% |
| **Other payments to non-residents** | 27% |

*Domestic rates. Tax treaties with Canada and Spain may reduce them.

### Recent changes: Law 30-26

Promulgated in 2026 (Gaceta Oficial). It adds the temporary 30% rate for the largest taxpayers, a new personal scale from 2027, a 10% final tax on individuals' real estate gains, 15% withholding on fees and rent paid to individuals (from 10%), source rules for technical services used locally, repeal of the 1% incorporation tax from 2027, lower late-payment surcharges and a tax amnesty to 31 December 2026.

PEOPLE

# 06 Employing people

The Labour Code (Law 16-92) is protective. Employers must register staff with the TSS, withhold tax and contributions monthly, and observe minimum standards on wages, leave and termination.

### Minimum standards

- **Minimum wage** (from 1 February 2026, monthly): large companies DOP 29,988; medium DOP 27,489.60; small DOP 18,421.20; micro DOP 16,993.20. Free zones and hotels differ
- **Hours:** 44-hour week; overtime at a statutory premium
- **Vacation:** 14 working days after a year's service, 18 after five years
- **Christmas salary:** one-twelfth of the year's ordinary salary, paid by 20 December
- **Profit sharing:** 10% of net profits, capped at 45 or 60 days' salary
- **Notice (preaviso):** 7 days to 28 days, by service
- **Severance (cesantía):** on dismissal without cause, from 6 days' salary to 21 days per year of service (23 after five years)

### Statutory payroll contributions

| Contribution | Employee | Employer |
|---|---|---|
| **Income tax** | 0% to 25% | — |
| **Pensions (AFP)** | 2.87% | 7.10% |
| **Health (SFS)** | 3.04% | 7.09% |
| **Occupational risks (SRL)** | — | About 1.1% to 1.3% |
| **INFOTEP training** | 0.5% of bonuses | 1% |

From February 2026 monthly caps are DOP 464,460 for pensions, DOP 232,230 for health and DOP 92,892 for occupational risks. Contributions are paid to the TSS monthly.

## Bringing in foreign staff

### Visas and residence

Foreign employees usually obtain a work visa at a Dominican consulate, then temporary residence from the General Directorate of Migration, supported by the employment contract.

### The 80% rule

At least 80% of a company's workers, and of its payroll, must be Dominican. Foreign technical staff in management roles are excluded.

### Labour reform

A Labour Code reform was before Congress in 2026, changing vacation and working-time rules but not severance. Check the position before drafting contracts.

### HR essentials from day one

Give every employee written terms in Spanish, register them with the TSS, keep accurate time, pay and leave records, budget for Christmas salary and profit sharing, and adopt a staff handbook. Most disputes we see start with missing paperwork, not bad intentions.

MONEY AND ASSETS

# 07 Banking, currency and property

## Banking and finance

Banks, savings and loan associations and securities firms are supervised by the Superintendency of Banks and the Securities Market Superintendency.

- **No exchange controls:** funds, profits and capital can be moved in and out freely through the banking system
- **Floating currency:** the peso traded at about DOP 60 to 61 per US dollar in late October 2026
- **US dollar accounts** are widely available
- **Capital markets:** the Santo Domingo stock exchange (BVRD) is active mainly in bonds
- **Compliance:** expect thorough know-your-customer checks under Law 155-17

### Financial reporting

Companies generally report under IFRS or IFRS for SMEs as adopted by the Institute of Certified Public Accountants (ICPARD). Confirm audit requirements for your company.

## Land and property

Foreign nationals and foreign-owned companies may buy and own land without special approval. Title is registered with the Registry of Titles under the Real Estate Registry Law (Law 108-05).

| Typical costs on a property purchase | |
|---|---|
| **Transfer tax** | 3% of the higher of the price and the official valuation, usually paid by the buyer |
| **Mortgage registration** | 2% tax, falling to 1% in 2027 and abolished from 2028 |
| **Legal fees** | Agreed with the lawyers and notary for each party |
| **Property tax (IPI)** | 1% a year above the exempt amount for individuals; companies pay the asset tax instead |

### Before you build

Do a full title and survey search before buying. Development needs municipal and Ministry of Public Works approval, and larger projects an environmental permit from the Ministry of Environment.

GROWTH LEVERS

# 08 Incentives, trade and customs

The Dominican Republic offers well-established incentive regimes for free zones, tourism and the border provinces, alongside preferential access to US and European markets.

## Key incentive regimes

| Regime | What it offers |
|---|---|
| **Free zones (Law 8-90)** | 100% exemption from income tax, ITBIS, import duties and other taxes for approved operators, through the National Free Zones Council; local sales limited and taxed at 3.5% |
| **Tourism (Law 158-01)** | Up to 15 years' exemption from income tax, transfer tax, IPI and ITBIS on construction for projects approved by CONFOTUR |
| **Border development (Law 12-21)** | 100% income tax exemption for 30 years, and duty and ITBIS relief, in seven border provinces |
| **Accelerated depreciation** | Faster write-off of new industrial machinery and equipment under Law 30-26 |

Under Law 30-26 a taxpayer may use only one incentive regime for the same activity or investment. Eligibility and conditions apply; we can assess which regime fits your project and prepare the applications.

## Market access

- **DR-CAFTA:** free trade with the United States and Central America
- **CARIFORUM–EU Economic Partnership Agreement:** preferential access to the European Union and the UK
- **CARICOM–Dominican Republic Free Trade Agreement:** preferential trade with CARICOM members
- **Central America:** membership of the Central American Integration System (SICA)

## Customs

The General Directorate of Customs (DGA) handles imports and exports through its electronic systems. Importers need an RNC. Duty is charged on the customs value at tariff rates, plus ITBIS and excise where applicable. Under Law 30-26, importers not registered for tax pay ITBIS on an uplifted base at customs.

COMPLIANCE

# 09 Regulators and compliance calendar

## Who regulates what

| Body | Role |
|---|---|
| **Chambers of Commerce and Production** | Mercantile Registry for companies and branches |
| **DGII** | Income tax, ITBIS, asset tax, withholdings, IPI and transfer tax |
| **General Directorate of Customs** | Imports, exports and duties |
| **Central Bank and Superintendency of Banks** | Banks, foreign exchange and monetary policy |
| **Securities, insurance and pensions superintendencies** | Capital markets, insurers and pension funds |
| **Financial Analysis Unit (UAF)** | Anti-money laundering reporting |
| **TSS and Ministry of Labour** | Social security, labour standards and dismissals |
| **General Directorate of Migration** | Visas and residence permits |
| **ProDominicana, CNZFE and CONFOTUR** | Foreign investment, free zones and tourism incentives |
| **ONAPI** | Trade names and trademarks |

## Key filing dates

| When | What |
|---|---|
| **Early each month** | TSS contributions for the month |
| **10th of each month** | Payroll income tax and other withholdings for the previous month |
| **15th of each month** | Income tax advance payment |
| **20th of each month** | ITBIS return and payment for the previous month |
| **By 20 December** | Christmas salary to employees |
| **Within 120 days of year-end** | Corporate income tax return (IR-2), first asset tax instalment and profit sharing |
| **Every two years** | Renewal of the Mercantile Registry certificate |

Companies may close their year on 31 March, 30 June, 30 September or 31 December. Late filing and payment attract surcharges and interest, reduced from 10% to 3% a month under Law 30-26.

### Anti-money laundering

Financial institutions and designated businesses, including real estate agents, lawyers, notaries, accountants and casinos, must meet Law 155-17 obligations and report to the UAF.

ACTION PLAN

# 10 Your first 90 days: checklist

Use this checklist to track the essential steps from decision to first trading day.

### Days 1–30: establish

- [ ] Agree business plan, structure and ownership
- [ ] Register the trade name with ONAPI
- [ ] Gather KYC documents for partners and owners
- [ ] Apostille and translate foreign documents
- [ ] Sign by-laws and pay the incorporation tax
- [ ] Register with the Mercantile Registry
- [ ] Obtain the RNC from the DGII
- [ ] Record beneficial ownership information

### Days 31–60: register and license

- [ ] Register the investment with ProDominicana
- [ ] Open business bank accounts
- [ ] Register with the Ministry of Labour and the TSS
- [ ] Apply for visas and residence for foreign staff
- [ ] Apply for municipal and sector permits
- [ ] Assess free zone, tourism or border incentives
- [ ] Lease premises and check title

### Days 61–90: operate

- [ ] Set up accounting and electronic invoicing
- [ ] Set up payroll, TSS and withholdings
- [ ] Issue written employment contracts
- [ ] Build the tax and filing calendar
- [ ] Put AML and data protection policies in place
- [ ] Agree year-end and audit arrangements

### Ongoing

- [ ] Monthly TSS, withholding and ITBIS filings
- [ ] Monthly income tax advances
- [ ] Annual IR-2 return and financial statements
- [ ] Christmas salary and profit sharing
- [ ] Renew registry certificates and permits on time

YOUR PARTNER

# 11 How Dawgen Global helps

One Dawgen Global team supports you through our Caribbean Service Desk, managed from Kingston.

### Market entry and structuring

Choice of vehicle, group and tax structuring, feasibility studies and business plans.

### Incorporation and corporate secretarial

Coordination of formation, registry and RNC filings, and beneficial ownership records.

### Tax advisory and compliance

Registrations, planning, ITBIS, withholdings, returns and transfer pricing, through our Caribbean Tax Service Desk.

### Accounting and payroll outsourcing

Bookkeeping, management accounts, payroll, TSS and a Virtual CFO.

### Audit and assurance

Statutory audits, reviews and special-purpose reporting.

### HR, immigration and legal support

Employment contracts, HR policies, visas and residence, with our panel of attorneys.

### Risk and compliance

AML, data protection, internal audit and governance.

### Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

### Incentive applications

Free zone, tourism and border incentive applications.

### Start with a conversation

Tell us your plans, and we will set out the steps, timeline and costs. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **dominicanrepublic@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

# Talk to the Dominican Republic Caribbean Service Desk

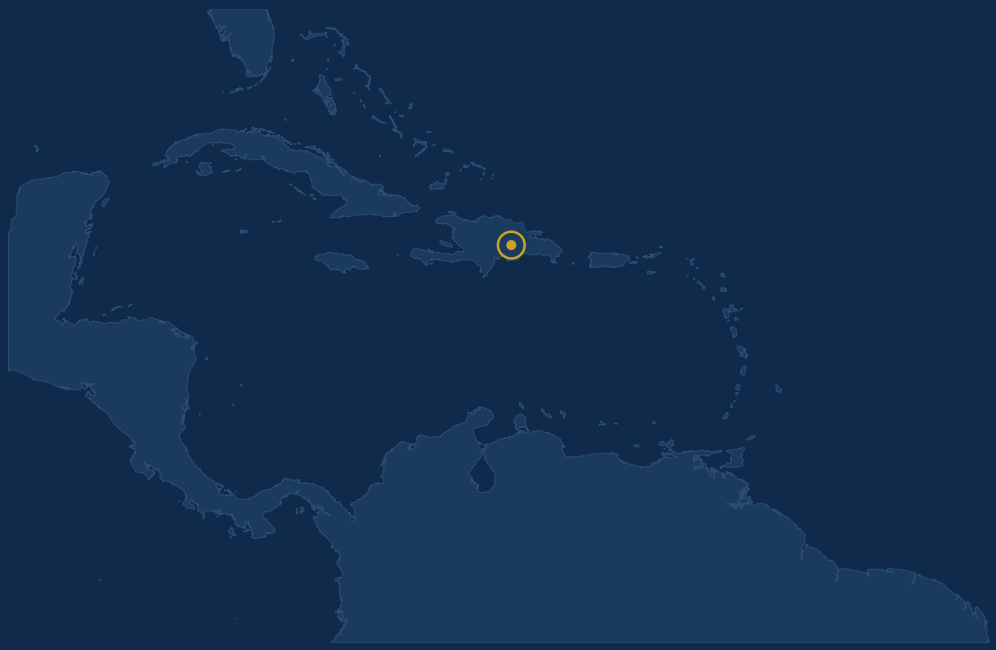
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## Key official sources

- Dirección General de Impuestos Internos (dgii.gov.do)
- ProDominicana (prodominicana.gob.do)
- National Free Zones Council (cnzfe.gob.do)
- Tesorería de la Seguridad Social (tss.gob.do)
- Ministry of Labour (mt.gob.do)
- Central Bank of the Dominican Republic (bancentral.gov.do)
- Dirección General de Aduanas (aduanas.gob.do)
- National Office of Industrial Property (onapi.gob.do)



This publication contains general information only, current to October 2026, and is not professional advice. Tax rates, thresholds, minimum wages and procedures change frequently; several measures of Law 30-26 of 2026 take effect in stages and await implementing rules, and official texts in Spanish prevail. Confirm the current position with Dawgen Global or the relevant authority before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.
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