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DOING BUSINESS IN THE DOMINICAN REPUBLIC



Cost and number of days for opening a Company	The cost of opening a company in the Dominican Republic varies depending on the type of business entity and the services required. On average, the cost starts from approximately USD1000, including government fees and professional fees. In general, it takes around 10-15 business days to complete the process of registering a company in the Dominican Republic. The process involves several steps, including obtaining a tax identification number, registering the business with the Chamber of Commerce, obtaining a commercial registry certificate, and registering with the Social Security office.
Cost and number of days for closing a Company	The cost of closing a company in the Dominican Republic also varies depending on the specific circumstances of the business. On average, the cost start from approximately USD 1,000, including professional.
Cost and number of days for registering property	In general, it takes around 35-40 business days to complete the process of registering property in the Dominican Republic. The process involves several steps, including verifying the title, obtaining a property valuation, paying taxes and fees, and registering the property with the property registry office. The cost start from USD 500.
Country risk level classification	Standard & Poor's credit rating for Dominican Republic stands at BB with stable outlook. Moody's credit rating for Dominican Republic was last set at Ba3 with stable outlook.
Annual GDP per Capita (USD)	2022: 10,600
Dominican Republic GDP (USD)	2022: 113,259 B
GDP Annual Growth rate 2021 – 2022	4.9 %



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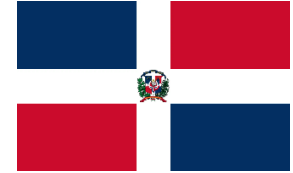
Country level of security	Level 2: Exercise Increased Caution
Recommendation for Investment	Tourism, free trade zones, remittances, foreign direct investment, and mining.
Business Climate	The Dominican Republic has a relatively open business climate and is considered one of the most attractive countries in the Caribbean region for foreign investment. The country has a stable macroeconomic environment and a strategic location, which makes it an attractive destination for international trade.
Tax rate – persons	Personal Income Tax Rate is 25% for 2022.
Tax rate – Companies / Branch	The branch profits tax rate is 27% for 2022.
Double Taxation Agreement (Main 4 countries)	The Dominican Republic has signed double taxation agreements (DTAs) with several countries, including the following main countries: United States, Spain, Canada and France.
Free Trade Agreements (FTAs)	1. United States-Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) 2. Caribbean Community (CARICOM): The Dominican Republic is a member of CARICOM, a regional trade bloc that includes 15 Caribbean countries. 3. European Union-Central America Association Agreement (EUCAAA).
# Years for losses carried forward	In the Dominican Republic, losses incurred by a company in a tax year can be carried forward for up to five consecutive years to offset against future profits. This means that a company can deduct the losses incurred in a tax year from its taxable income in the following years, up to a maximum of five years.
Tax on Properties (Commercial)	The current tax rate is 1% of the value of the property, but if the Company's Income Tax is equal to or higher, the obligation is eliminated.



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Tax on dividends (paid by resident co)	10%
Withholding Tax rates % (Dividends Interest/Royalties/rent/technical/management fees/)	Interest 10% Dividends 10% Royalties 27% Technical assistance 27% Other 27%
Value-added tax (VAT)	In the DR, VAT is known as Tax on the Transfer of Industrialized Goods and Services (ITBIS). The ITBIS is a value-added tax applied to the transfer and import of (movable) industrialized goods and the provision of services, with exemptions established by law for certain goods and services. The rate is 18%. On the other hand, a reduced rate of 16% applies to the following products: yogurt, butter, coffee, animal or edible vegetable fats, sugars, cocoa and chocolate.
Capital gains tax rates	For residents of the Dominican Republic, the capital gains tax rate on the sale of real estate is 27% of the profit. For non-residents, the capital gains tax rate on the sale of real estate is 25% of the gross selling price.
Office Rental	The cost of commercial rent can range from approximately USD 15 to USD 40 per square meter per month.
Condominium residential rental	The cost of rental can range from approximately USD 500 to USD 2,000 per month, depending on the size of the unit, location, and amenities provided.