

2025 Dominican Republic Investment Climate Statement

Executive Summary

The Dominican Republic, an upper middle-income country, has been one of the fastest growing economies in Latin America over the past 50 years, with real GDP growth of 5 percent in 2024. Foreign direct investment (FDI) plays an important role in the Dominican economy, and the country has historically been among the top recipients of FDI in the Caribbean. The government actively courts FDI with generous tax exemptions and other incentives to attract businesses to the country. The tourism, real estate, telecommunications, free trade zone (FTZ), mining, and energy sectors have attracted the most FDI.

Besides financial incentives, the country's membership in the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) is an advantage for foreign investors. Observers credit the agreement with increasing competition, strengthening the rule of law, and expanding access to quality products in the Dominican Republic. The United States remains the single largest investor in the Dominican Republic. CAFTA-DR includes protections for member state foreign investors, including mechanisms for dispute resolution.

The current government, led by President Luis Abinader, has made a concerted effort to address issues of corruption and transparency – which are core challenges for social, economic, and political prosperity – by promoting prosecutorial independence, appointing technically competent professionals in leadership positions, and enacting a civil asset forfeiture law. However, the current government has declined to prioritize important reforms supported by investors, including electricity sector reform and high levels of informality. Foreign investors continue to cite a lack of transparency and poor implementation of existing laws as key challenges in the investment climate. Complaints include perceptions of widespread corruption at both national and local levels of government; a lack of technical competency within the government; delays in government payments; bureaucratic hurdles; and non-standard procedures in customs valuation and classification of imports. Weak land tenure laws and interference with private property rights continue to be a problem. In addition, investors

perceive administrative and judicial decision-making to be inconsistent, opaque, and overly time-consuming.

Section 1. Openness to, and Restrictions upon, Foreign Investment

Policies toward Foreign Direct Investment

The Dominican government strongly seeks to attract FDI and has prioritized creating a sound enabling environment for foreign investors. However, uneven enforcement of existing laws can lead to difficulties for foreign investors. Some experts have suggested the country could attract even greater volumes of FDI if it took steps to lower high corporate tax rates and reduce the complexity of its tax system, in addition to pursuing structural reforms to simplify bureaucratic processes and reduce the high costs of transportation and electricity.

The country is a signatory to CAFTA-DR, which mandates non-discriminatory treatment, free transferability of funds, protection against expropriation, and procedures for the resolution of investment disputes.

There are two main government agencies responsible for attracting FDI: the Export and Investment Center of the Dominican Republic (known as ProDominicana) and the National Council of Free Trade Zones for Export (CNZFE). ProDominicana promotes foreign investment and aids prospective foreign investors with business registration, matching services, and identification of investment opportunities. It publishes an annual [Investment Guide for the Dominican Republic](#) highlighting many of the tools, incentives, and opportunities available for prospective investors. CNZFE assists foreign companies looking to establish operations in the country's 92 FTZs focused on producing goods for export outside Dominican territory.

There are a variety of business associations that promote dialogue between the government and private sector, including the [Association of Foreign Investment Companies](#).

Limits on Foreign Control and Right to Private Ownership and Establishment

Law No. 16-95 states that unlimited foreign investment is permitted in all sectors, with some exceptions in the safety and security industry, while the Constitution of the Dominican Republic

guarantees national treatment to foreign investors. Private entities, both foreign and domestic, have the right to establish and own business enterprises and engage in all legal remunerative activity. Foreign companies are not restricted in their access to foreign exchange. There are no requirements that foreign equity be reduced over time or that technology be transferred according to defined terms, and the government imposes no conditions on foreign investors concerning location, local ownership, local content, or export requirements.

The Dominican Labor Code (Law No. 16-92 of 1992) requires that 80 percent of the labor force of a foreign or national company, including FTZ companies, be comprised of Dominican nationals, though in practice this legal requirement is not always enforced. Senior management and boards of directors of foreign companies are exempt from this regulation. Law No. 285-04 on migration establishes a special residence regime for investors.

The Dominican Republic does not maintain a formalized investment screening and approval mechanism for inbound foreign investment.

Other Investment Policy Reviews

The [World Trade Organization \(WTO\) Trade Policy Review Secretariat published its fifth report on the Dominican Republic](#) in November 2022. The Dominican Republic is not a member of the Organization for Economic Cooperation and Development (OECD) and has not had its trade policy reviewed by that institution, but in December 2022, the OECD published a [Multi-dimensional Review of the Dominican Republic](#). In October 2023, the International Finance Corporation published a country private sector diagnostic entitled [Creating Markets in the Dominican Republic](#), which detailed investment opportunities and growth pathways to higher value addition, resilience, and inclusion.

Business Facilitation

Law No. 16-95 on foreign investment, Law No. 98-03 on the creation of the Export and Investment Center of the Dominican Republic, and Regulation 214-04 govern foreign investment in the Dominican Republic and require an interested foreign investor to file an application form with ProDominicana within 180 calendar days from the date on which the

foreign investment took place. While foreign investment registration is compulsory, failure to do so is not subject to sanction. The required documents include the application for registration, containing information on the invested capital and the area of the investment; proof of entry into the country of the foreign capital or physical or tangible goods; and documents of commercial incorporation or the authorization of operation of a branch office through the setting up of legal domicile in the country. The reinvestment of profits (in the same or a different firm) must be registered within 90 days. Once the documents have been approved, ProDominicana issues a certificate of registration within 15 business days subject to the payment of a fee which varies depending on the amount of the investment.

Lack of registration does not affect the validity of the foreign investment; but the fact that it is needed to fulfill various types of procedures makes registration necessary in practice. For example, the registration certificate must be presented to repatriate profits or investments following a sale or liquidation, to purchase foreign exchange from authorized agencies for transfers abroad, and to process the investor's residency. In April 2021, ProDominicana launched a [single-window registration process for FDI](#), which aims to streamline the registration process for investors.

The Dominican Republic has a [single-window registration website for registering a limited liability company \(SRL by its Spanish acronym\)](#) that offers a one-stop shop for registration needs, with the [advertised processing time to register a company](#) being between three and seven business days. Foreign companies may use the registration website. Consultation with a local lawyer is recommended for company registrations. Some businesses complain the full incorporation process can take around three to four weeks, with companies that plan to provide services to the government being on the higher end of that range.

To set up a business in an FTZ, a formal request must be made to the CNZFE. CNZFE assesses the application and determines its feasibility. For more information on the procedure to apply [for an operating license, visit the CNZFE website](#).

Outward Investment

There are no legal or government restrictions on Dominican investment abroad, although the government does little to promote it. Outbound foreign investment is significantly lower than inbound investment. The largest recipient of Dominican outward investment is the United States.

Section 2. Investment and Taxation Treaties

The Dominican Republic has [11 bilateral investment treaties \(BITs\)](#) that are currently in force. The Dominican Republic does not have a bilateral income taxation treaty with the United States.

Section 3. Legal Regime

Transparency of the Regulatory System

The national government manages all regulatory processes. Information about regulations is often scattered among various ministry and agency websites and is difficult to access if the official number or name of the regulation is unknown. It is advisable for U.S. investors to consult with local attorneys or advisors to assist with locating comprehensive regulatory information.

Law No. 107-13 requires regulatory agencies to give notice of proposed regulations in public consultations and mandates publication of the full text of draft regulations on the relevant agency's website. Additionally, Law No. 200-04 allows citizens in general to [request information from the government on a unified website](#) and challenge in court any denial of public information. Moreover, this law requires all ministries and agencies to have an office to receive public information requests and to respond within 10 working days. Such requests may include access to draft regulations and other public documents. Foreign investors, however, note that these requirements are not always met in practice, and many businesses point out that the scope of the website's content is not always adequate for investors or interested

parties. U.S. businesses also report years-long delays in the enactment of regulations supporting new legislation.

The process of public consultation is not uniform across the government. Some ministries and regulatory agencies solicit comments on proposed legislation from the public; however, public outreach is generally limited and depends on the responsible ministry or agency. For example, businesses report that some ministries upload proposed regulations to their websites or post them in national newspapers, while others may form working groups with key public and private sector stakeholders participating in the drafting of proposed regulations. Often the criteria used by the government to select participants in these informal exchanges are unclear, which at a minimum creates the appearance of favoritism or undue influence being offered to a handpicked (and often politically connected) group of firms and investors. Public comments received by the government are generally not publicly accessible, nor is it clear how or why certain comments are integrated, and others are not. Affected parties cannot typically request reconsideration or appeal of adopted regulations through the issuing agency, although legal challenges may be brought before the courts.

By law, the [Directorate of Public Credit](#) publishes a quarterly report on the status of the non-financial public sector debt, which includes a wide array of information and statistics on public borrowing.

International Regulatory Considerations

The Dominican Republic has been a member of the Central American Integration System (SICA) since 2013, which has an economic integration component. However, the Dominican Republic is not part of SICA's economic integration agreement, such as the customs union between Guatemala, Honduras, and El Salvador.

In recent years, the Dominican Republic has frequently changed technical requirements (e.g., for steel rebar imports and sanitary registrations, among others) and has not consistently notified changes as required under the WTO Technical Barriers to Trade (TBT) Agreement and CAFTA-DR.

Legal System and Judicial Independence

The judicial branch is an independent branch of the Dominican government. According to Article 69 of the constitution, all persons, including foreigners, have the right to appear in court. The Dominican legal system belongs to the family of civil law. Dominican legal reasoning in civil and commercial law derives mainly from French law. Contracts are enforceable in courts, but investors have complained that getting court rulings implemented by government agencies at national or municipal levels can be a struggle. The Dominican Civil and Commercial Codes date back to 1884 but have been amended over time, with major revisions such as General Law on Societies of Commerce and Individual Enterprises of Limited Responsibilities No. 479-08, as modified by Law No. 31-11. Law No. 146-02 on insurance and securities and Law No. 141-15 on the restructuring and settlements of enterprises and businesspeople are also key laws for commercial operations with more recent modifications. Other laws governing commercial disputes are Law No. 3-02 on business registration; Commercial Arbitration Law No. 489-08; and Law No. 126-02 concerning e-commerce and digital documents and signatures. Additionally, all contracts entered with government agencies are governed by administrative law, which is adjudicated by the Superior Administrative Tribunal under the relevant law governing public services and Laws No. 1494-47 and No. 13-07. State-owned enterprises or other institutions of the government receive equal treatment to private enterprises.

While Dominican law mandates overall time standards for the completion of key events in civil and administrative cases, these standards frequently are not met. To expedite cases and judicial processes, President Abinader enacted Law No. 399-22 on the regulation of digital means for certain judicial processes and administrative procedures. The Supreme Court has also implemented measures to digitize operations, improve access and transparency in court procedures, and expedite judicial processes. The law has contributed to the reduction of adjudication times. Dominican nationals and foreigners alike have the constitutional right to submit their cases to an appeals court or to request the Supreme Court review (*recurso de casación*) the ruling of a lower court. In addition, Law No. 2-23, which governs the *recurso de casación* simplifies submission procedures, limits hearings to only exceptional circumstances, and allows parties to request suspension of the lower court's ruling. If a violation of

fundamental rights is alleged, the Constitutional Tribunal might also review the case with the authority to nullify the Supreme Court's judgment. Law No. 137-11, which regulates the procedure before the Constitutional Tribunal, establishes a high standard for the admissibility of such cases.

Investors complain of significant delays in obtaining judicial decisions, that the local court system is unreliable or biased against them, and that special interests and powerful individuals are able to use the legal system in their favor. Others who have successfully won in court have struggled to get rulings enforced. Several large U.S. firms cite the improper and disruptive use of lower court injunctions as a way for local distributors to obtain more beneficial settlements at the end of contract periods. To engage effectively in the Dominican market, many U.S. companies seek local partners that are well-connected and understand the local business environment.

While the law provides for an independent judiciary, businesses and other external groups have noted that the government historically did not respect judicial independence or impartiality, and improper influence on judicial decisions was widespread. The Abinader administration has made a concerted effort to respect the autonomy of the Attorney General's Office and the public prosecutor in general, and investors have noted improvements.

Laws and Regulations on Foreign Direct Investment

Article 221 of the constitution declares that foreign investment shall receive the same treatment as domestic investment. Law No. 16-95 states that unlimited foreign investment is permitted in all sectors, with a few exceptions such as:

- a) disposal of toxic, dangerous, or radioactive waste not produced in the country
- b) activities affecting the public health and the environmental equilibrium of the country, pursuant to the norms that apply in this regard; and
- c) production of materials and equipment directly linked to national defense and security, except for an express authorization from the Executive. Law No. 285-04 on migration also establishes a special residency program for investors.

In May 2023, President Abinader enacted Law No. 32-23 on electronic invoicing, which requires businesses to digitize their tax accounting and claims processes, which should lead to more expedient interactions with the tax authority (DGII). Large taxpayers had until May 2024 to comply with the new regulation, whereas medium and small taxpayers have until May 2025. Voluntary participants could benefit from a monetary incentive from early enrollment, consisting of a tax credit certificate, which may be attributed in any of the following tax obligations: income tax advances, tax on the transfer of industrialized goods and services (ITBIS), income tax, or asset tax. To benefit from this incentive, taxpayers must comply with certain requirements established by law, such as the validation with tax receipts of the expenses used for the implementation of electronic invoicing. In the case of micro, small, and medium-sized enterprises, the amount of the tax credit certificate may range from RD25,000 to RD300,000 (approx. \$398 to \$4,773), depending on the classification. For large companies, the maximum limit of the certificate is capped at approximately RD2,000,000 (approx. \$31,822) and may not exceed 10 percent of the tax paid in the annual income tax return of fiscal year 2019.

The [Export and Investment Center of the Dominican Republic \(ProDominicana\)](#) aims to be the one-stop shop for investment information, registration, and investor after-care services. ProDominicana maintains a website that indicates the government's priority sectors for inward investment and provides information on the services it can provide to support investors. The website provides information on the laws governing foreign investment and incentives available.

The General Directorate of Public-Private Partnerships (DGAPP) is the agency responsible for the promotion and regulation of public-private partnerships (PPPs). The law recognizes public-private and public-private non-profit partnerships from public or private initiatives and provides for 40-year concession contracts, five-year exemptions of the Impuesto sobre Transferencias de Bienes Industrializados y Servicios (ITBIS) value-added tax, and accelerated depreciation and amortization regimes. The [DGAPP website](#) has the most up to date information on PPPs.

Competition and Antitrust Laws

Law No. 42-08 governs commercial competition rules and establishes the [National Commission for the Defense of Competition \(ProCompetencia\)](#), granting it the power to review transactions for competition-related concerns. In practice, many sectors of the local economy demonstrate oligopolistic characteristics. Private sector contacts note that strong public pressure is required for ProCompetencia to act. The decisions of ProCompetencia can be challenged before the Superior Administrative Tribunal. The tribunal's ruling can be appealed through a *recurso de casación* to the Supreme Court of Justice, and if there is an allegation of a constitutional violation, the case could be heard by the Constitutional Tribunal.

Expropriation and Compensation

The Dominican Constitution and Law No. 344 regulate expropriations. The Dominican constitution permits the government's exercise of eminent domain after the President has declared a plot of land for public use by official decree, but it also mandates full compensation in advance of the use of seized land. Nevertheless, there are outstanding disputes between U.S. investors and the Dominican government concerning unpaid government contracts or expropriated property and businesses, as well as indirect expropriation. Property claims make up most cases. Most, but not all, expropriations have been used for infrastructure or commercial development and many claims remain unresolved for years. The Abinader administration has committed to resolve disputes over land title before government use, but in some cases the matters are protracted and there are multiple claims to the same piece of land.

Traditionally, investors and lenders have reported that they typically do not receive prompt payment of fair market value for their expropriated property. They have complained of difficulties in enforcement, even in cases in which the Dominican courts, including the Supreme Court, have ordered compensation or when the government has recognized a claim. In other cases, some investors indicate that lengthy delays in compensation payments are blamed on errors committed by government-contracted property assessors, slow processes to correct land title errors, a lack of budgeted funds, and other technical problems. There are also cases of regulatory action that investors say could be viewed as indirect expropriation. For example,

they note that government decrees mandating atypical setbacks from roads or establishing new protected areas can deprive investors of their ability to use purchased land in the manner initially planned, substantially affecting the economic benefit sought from the investment. Many companies report that the procedures to resolve expropriations lack transparency. Government officials are rarely, if ever, held accountable for failing to pay a recognized claim or failing to pay in a timely manner.

Dispute Settlement

ICSID Convention and New York Convention

In 2000, the Dominican Republic signed the International Center for the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention, also known as the Washington Convention). However, the Dominican Congress did not ratify the agreement as required by the Constitution. In 2001, the Dominican Republic became a contracting state to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. The agreement entered into force by Congressional Resolution No. 178-01.

Investor-State Dispute Settlement

Most of the Dominican Republic's 11 BITs contain dispute resolution provisions that submit the parties to arbitration. As a signatory to CAFTA-DR, the Dominican Republic is bound by the investment chapter of CAFTA-DR, which submits the parties to arbitration under either the ICSID or the United Nations Commission on International Trade Law (UNCITRAL) rules. There have been three foreign investor-state dispute cases filed against the Dominican Republic under CAFTA-DR since 2015. One dispute remains unresolved.

Dual nationals of the United States and Dominican Republic should be aware that their status as a Dominican national might interfere with their status as a "foreign" investor if they seek dispute settlement under CAFTA-DR provisions. U.S. citizens who contemplate pursuing Dominican naturalization for the ease of doing business in the Dominican Republic should

consult with an attorney about the risks that may be raised by a change in nationality with regard to accessing the dispute settlement protections provided under CAFTA-DR.

Investors have noted problems with dispute resolution, both with the Dominican government and with private-sector entities. In several instances, investors have been seeking resolution to their claims through local or international legal systems for over a decade. For its part, the Dominican Republic has taken an important step towards dispute prevention by creating through Decree No. 303-15 the System for the Prevention of Disputes Arising from WTO Agreements, Free Trade Treaties, and International Investment Treaties with the objective of optimizing public sector responses and coordination in the face of international disputes and propitiating timely and appropriate warning and attention. Likewise, the decree declares of public interest the prevention, attention, and effective defense of this type of disputes and empowers the Trade Office of the Ministry of Industry and Commerce as the lead agency for the management of this system.

International Commercial Arbitration and Foreign Courts

Law No. 489-08 on commercial arbitration governs the enforcement of arbitration awards, arbitral agreements, and arbitration proceedings in the Dominican Republic. Per Law No. 489-08, arbitration may be ad-hoc or institutional, meaning the parties may either agree on the rules of procedure applicable to their claim, or they may adopt the rules of a particular institution. Fundamental aspects of the United Nations Commission on International Trade (UNCITRAL) model law are incorporated into Law No. 489-08. In addition, Law No. 181-09 created an institutional procedure for the Alternative Dispute Resolution Center of the [Chamber of Commerce Santo Domingo](#).

Foreign arbitral awards are enforceable in the Dominican Republic in accordance with Law No. 489-08 and applicable treaties, including the New York Convention. U.S. investors complain the judicial process is slow and that domestic claimants with political connections have an advantage.

Bankruptcy/Insolvency Regulations

Law No. 141-15 provides the legal framework for bankruptcy. It allows a debtor company to continue to operate for up to five years during reorganization proceedings by halting further legal proceedings. It also authorizes specialized bankruptcy courts; contemplates the appointment of conciliators, verifiers, experts, and employee representatives; allows the debtor to contract for new debt which will have priority status in relation to other secured and unsecured claims; stipulates civil and criminal sanctions for non-compliance; and permits coordination of cross-border proceedings based on the UNCITRAL Model Law of 1997. The law also created the Restructuring and Liquidation Courts of First Instance, which became operational in March 2019.

Section 4. Industrial Policies

Investment Incentives

The Dominican Republic offers investment incentives in various sectors. These incentives are available to all investors, foreign and domestic. Incentives typically take the form of preferential tax rates or exemptions, preferential interest rates or access to finance, or preferential customs treatment. Sectors where incentives exist include agriculture, construction, energy, film production, manufacturing, and tourism. Investment incentives are generally assessed to be applied uniformly to both domestic and foreign investors in a systematic manner.

Incentives for manufacturing apply principally to production in FTZs or for the manufacturing of textiles, pharmaceutical products, tobacco and derivatives, clothing, and footwear specifically under the Promotion of National Textile and Apparel Production Law (Law No. 84-99).

Additionally, Law No. 392-07 on competitiveness and industrial innovation provides a series of incentives that include exemptions on taxes and tariffs related to the acquisition of materials and machinery and special tax treatment for approved companies.

Special Zones for Border Development, created by Law No. 28-01, encourage development near the Dominican Republic-Haiti border. Law No. 12-21 modified Law No. 28-01 by extending

incentives for direct investments in manufacturing projects in the zones from 20 to 30 years. These incentives include the exemptions from income tax on net taxable project income; sales tax; and from import duties, tariffs, and related charges on imported equipment and machinery used exclusively in industrial processes. Imports of lubricants and fuels used in these processes are also exempt, except for gasoline, which remains subject to excise and VAT. Provinces included in the zones are Montecristi, Dajabón, Elías Piña, Independencia, Pedernales, Baoruco, and Santiago Rodríguez.

Tourism is a particularly attractive area for investment and the government strongly encourages investment in this sector. Law No. 158-01 on tourism incentives, as amended by Law No. 195-13 and its regulations, grants wide-ranging tax exemptions for 15 years to qualifying new projects. For existing projects, hotels and resort-related investments that are five years or older are granted complete exemption from taxes and duties related to the acquisition of the equipment, materials and furnishings needed to renovate their premises. In addition, hotels and resort-related investments that are at least 15 years old may receive the same benefits as new projects if renovation or reconstruction involves 50 percent or more of the premises. In addition, individuals and companies receive an income tax deduction for investing up to 20 percent of their annual profits in an approved tourist project. The [Tourism Promotion Council \(CONFOTOUR\)](#) is the government agency in charge of reviewing and approving applications by investors for these exemptions, as well as supervising and enforcing all applicable regulations. Once CONFOTOUR approves an application, the investor must start and continue work in the authorized project within a three-year period to avoid losing the incentives.

The Dominican Republic also strongly encourages investment in the renewable energy sector. Under Law No. 57-07 on the development of renewable sources of energy, investors in this sector are granted, among other benefits, the following incentives:

- a) no customs duties on the importation of the equipment required for the production, transmission and interconnection of renewable energy;
- b) no tax on income derived from the generation and sale of electricity, hot water, steam power, biofuels or synthetic fuels generated from renewable energy sources; and

- c) exemption from the goods and services tax in the acquisition or importation of certain types of equipment. In addition, investors generally benefit from competitive energy sale rates to the national grid, long-term contracts, and a stable regulatory environment, ensuring predictable revenue streams.

The Dominican government does not currently have a practice of jointly financing FDI projects. In some circumstances, however, the government has authority to offer land or infrastructure as a method of attracting and supporting investment that meets government development goals.

Foreign Trade Zones/Free Ports/Trade Facilitation

Law No. 8-90 governs operations of the Dominican Republic's FTZs. The law provides for complete exemption from all taxes, duties, charges, and fees affecting production and export activities in the zones. CNZFE exercises regulatory oversight of the FTZs. CNZFE delineates policies for the promotion and development of FTZs, as well as approving applications for operating licenses, with discretionary authority to extend the time limits on these incentives. CNZFE is comprised of representatives from the public and private sectors and is chaired by the Minister of Industry and Commerce. As of March 2025, the country had 92 parks nationwide, mostly managed by the private sector or under a public-private agreement, comprised of 850 companies, directly employing more than 198,000 people.

In general, firms operating in the FTZs report fewer bureaucratic and legal problems than do firms operating outside the zones. Foreign currency flows from the FTZs are handled via the free foreign exchange market. Foreign and Dominican firms are afforded the same investment opportunities both by law and in practice and Dominican companies operating in or adjacent to the FTZs benefit from exposure to international business standards and best practices.

Performance and Data Localization Requirements

The Dominican Republic does not have a forced localization policy to compel foreign investors to use domestic content in goods or technology. There are no rules requiring local data storage. There are no performance requirements as there is no distinction between Dominican

and foreign investment. Investment incentives are applied uniformly to both domestic and foreign investors in accordance with WTO requirements. In addition, there are no requirements for foreign IT providers to turn over source code or provide access to encryption.

Law No. 172-13 on comprehensive protection of personal data restricts companies from freely transmitting customer or other business-related data inside the Dominican Republic or beyond the country's borders. Under this law, companies must obtain express written consent from individuals to transmit personal data unless an exception applies. The Superintendency of Banks currently supervises and enforces these rules, but its jurisdiction generally covers banks, credit bureaus, and other financial institutions.

Section 5. Protection of Property Rights

Real Property

The Dominican constitution guarantees the right to own private property, regardless of gender. Law No. 108-05 serves as the local real property law which establishes the formalities required to register property rights and interests. Thus, property rights and interests (such as mortgages and liens), are subject to the recording system and procedure established under the law and the applicable regulations. Dominican law requires all land to be registered. Unregistered land is presumed to be state-owned. There are no restrictions or specific regulations on foreigners or non-resident owners of land. Registering property in the Dominican Republic requires six steps, an average of 33 days, and payment of 3.4 percent of the land value as a registration fee. Despite adequate laws and regulations, the recording system has significant challenges as the same property rights may appear in the name of various individuals or corporations. Although the present government is working to address existing problems in the recording system, it is still not entirely reliable. Prior to acquiring a property in the country, private sector representatives recommend comprehensive due diligence.

Article 25 of the Dominican constitution establishes that foreigners are entitled to the same rights and duties as local citizens. In this sense, there are no specific regulations regarding land lease or acquisition by foreign and/or non-resident persons, meaning that these procedures do not vary if they are executed by a local citizen or a foreigner.

By recent estimates, approximately 60 percent of land in the Dominican Republic has no title. The government is working to expand formal property registration. In 2024, the Technical Executing Unit for State Land Titling (UTECT) issued 58,496 property titles.

Property owners maintain ownership of legally purchased property whether unoccupied or occupied by squatters, and Law No. 5869 of 1962 imposes penalties of up to three years in prison for illegal occupation of private land. However, it can be difficult and costly to enforce private rights against squatters. This may in part be due to a provision in the law known as “adverse possession,” which allows squatters to acquire legal ownership of land without a title.

Intellectual Property Rights

The Dominican Republic has strong intellectual property rights (IPR) laws, is meeting its obligations under international agreements, and has shown consistent progress on building the capacity of the institutions responsible for enforcement. From 1997-2023, the United States Trade Representative (USTR) designated the Dominican Republic as a Special 301 Watch List country for serious IPR deficiencies. In 2024, USTR removed the Dominican Republic from the Watch List for making significant progress on addressing concerns with intellectual property (IP) enforcement and transparency. The country is not listed in USTR’s Review of Notorious Markets for Counterfeiting and Piracy.

The government has focused on coordination and enforcement since a December 2022 executive order to create the National Inter-Ministerial Council of Intellectual Property. Led by the Ministry of Industry and Commerce and including directors of all relevant IP agencies, the council serves as a formal coordination mechanism to delegate responsibilities to the various agencies. In its fifth year of operation, the Attorney General’s IP Unit continues to investigate and prosecute cases while building capacity of specialized IP prosecutors in every region of the country. The Dominican Republic has committed to continue taking enforcement actions to combat copyright infringement, including signal piracy, and to increase capacity through training and engagement with the United States.

Illicit or counterfeit goods are common and include:

- fashion apparel and accessories
- electronics
- pharmaceuticals
- cosmetics
- cigarettes
- and alcohol.

In 2024, the Attorney General's Office, in conjunction with law enforcement, destroyed 1,297,031 units of counterfeit medications (more than doubling the 528,292 destroyed in 2023), 33,696,586 tobacco products (an 18 percent increase from 2023), and 80,095 alcohol products (a 27 percent decrease). While allegations of corruption among customs officials to facilitate the entry of counterfeit goods persisted, the Dominican government generally cooperated with U.S. law enforcement agencies to investigate and, where appropriate, dismiss and arrest officials who were complicit. The government has not enacted any IP-related laws or regulations within the past year. In April 2024, the Dominican Republic's National Intellectual Property Office (ONAPI) signed a memorandum of understanding with the U.S. Patent and Trademark Office (USPTO) to implement an Accelerated Patent Grant (APG) process, which allows ONAPI to grant a Dominican patent based on an issued U.S. counterpart patent. Industry representatives welcomed the agreement, which will streamline the patent adjudication process and result in greater consistency with international standards.

For additional information about national laws and points of contact at local IP offices, please see [WIPO's country profiles](#).

Section 6. Financial Sector

Capital Markets and Portfolio Investment

The Dominican government's general attitude toward foreign portfolio investment is welcoming. The Dominican Stock Market (BVRD by its Spanish acronym) is the only stock exchange in the Dominican Republic. Law No. 249-17 regulates the BVRD. The Superintendency of Securities approves all public securities offerings. The vast majority of the

securities traded in the BVRD are fixed-income instruments issued by the Dominican government.

Law No. 163-21 complements Law No. 249-17 and promotes the issuance of shares by private and public companies. This law declares of national interest the promotion and development of the public offering of securities as a financing mechanism for the revitalization of the national economy, with special emphasis on the issuance of shares of private and public companies in the stock market of the Dominican Republic. Among the incentives proposed by Law No. 163-21 is the exemption from the 1 percent tax for listed companies issuing new shares during their first three years of validity. Likewise, during that same three-year period, the law reduces to 15 percent the rate of income tax applicable to capital gains generated by the seller of a share listed on the stock exchange.

The Dominican Republic has accepted the obligations under Article VIII, Section 2(a), 3, and 4, of the IMF Articles of Agreement, committing to refrain from restrictions on payments and transfers for current international transactions.

Credit is allocated on market terms. Foreign investors can get credit on the local market. The private sector has access to a variety of credit instruments, but access to private capital has been constrained by shallow and underdeveloped domestic capital markets, with many banks preferring to focus their private sector lending on real estate transactions. Domestic credit to the private sector as a percentage of GDP stood at just 30.6 percent in 2023 – below even the United Nations Least Developed Countries (LDC) average of 33 percent. Foreign investors often prefer to seek credit from less expensive offshore sources. The Central Bank regularly issues certificates of deposit using an auction process to determine interest rates and maturities.

Money and Banking System

According to the Central Bank's 2023 National Financial Inclusion Survey, 55 percent of Dominican adults reported having a bank account. Financial depth is relatively constrained. Real interest rates, driven in part by large interest spreads between deposit and lending rates, are relatively high, which increase borrowing costs for businesses and consumers. The country's relatively shallow financial markets can be attributed to a number of factors,

including high fiscal deficits crowding out private investment; complicated and lengthy regulatory procedures for issuing securities in primary markets; and high levels of consolidation in the banking sector. Non-performing banking sector assets are very low at only 1.6 percent as of January 2025.

According to the latest available information (January 2025), total bank assets were \$62.4 billion, an increase of 10 percent from 2024 and equivalent to 54.5 percent of GDP. This sustained growth of the national financial sector is accompanied by highly favorable solvency indicators at 17.4 percent, well above the minimum 10 percent required by domestic and external regulatory bodies. The 47 financial entities active and regulated by the Banking Superintendency hold a loan portfolio, as of January 2025, of \$35.6 billion, with just over 7.7 million current loans and 2.6 million unique debtors. The three largest banks hold 69.3 percent of the total assets: BanReservas (31.4%), Banco Popular (22.1%), and Banco BHD (15.8%).

Law No. 183-02 regulates the country's money and banking system. In 1947, Law No. 1529 created the Central Bank of the Dominican Republic. The Central Bank is an autonomous institution responsible for executing policies issued by its Monetary Board. It oversees currency, credit, and foreign exchange controls and closely regulates and supervises the activities of banks and other financial intermediaries. The Superintendency of Banks carries out the supervision of financial intermediation entities to verify compliance with the provisions of the law.

Foreign banks may establish operations in the Dominican Republic, although it may require a special decree for the foreign financial institution to establish domicile in the country. Foreign banks not domiciled in the Dominican Republic may establish representative offices in accordance with current regulations. To operate, both Dominican and foreign banks must obtain prior authorization from the Monetary Board and the Superintendency of Banks. Major U.S. banks have a commercial presence in the country, but most focus on corporate banking services as opposed to retail banking. Some other foreign banks offer retail banking. There are no restrictions on foreigners opening bank accounts, although identification requirements do apply.

Foreign Exchange and Remittances

Foreign Exchange

The Dominican exchange system is a market with free convertibility of the peso. Economic agents perform their transactions of foreign currencies under free market conditions. There are generally no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment.

The Central Bank sets the exchange rate and practices a managed float policy. Some firms have had repeated difficulties obtaining dollars during periods of high demand. Importers may obtain foreign currency directly from commercial banks and exchange agents. The Central Bank participates in this market in pursuit of monetary policy objectives, buying or selling currencies and performing other operations in the market to minimize volatility.

Remittance Policies

Decree No. 214-04 on the registration of foreign investment in the Dominican Republic establishes the requirements for the registration of foreign investments, the remittance of profits, the repatriation of capital, and requirements for the sale of foreign currency, among other issues related to investments. The foreign investor must notify the Central bank within 60 days of the remittance.

Sovereign Wealth Funds

The Dominican government does not maintain a sovereign wealth fund.

Section 7. State-owned Enterprises

The number and role of state-owned enterprises (SOEs) in the Dominican Republic has declined since 1997, with most functions now performed by privately held firms. Notable exceptions are in the electricity, banking, mining, and refining sectors. According to labor statistics, the government (public employees and defense) is the single largest employer, with 12 percent of

the total, formally employed population. The Ministry of Economy, Planning, and Development publishes a [list of SOEs](#).

Shortly after being sworn into office in August 2020, President Abinader issued Decree No. 422-20 forming the Commission for the Liquidation of State Organs (CLOE) under the charge of the Ministry of the Presidency. Since its establishment, the CLOE has overseen the liquidation of SOEs, such as the Corporación de Empresas Estatales (CORDE), the Comisión de Reforma de la Empresa Pública (CREP), and the Fondo Patrimonial de las Empresas Reformadas (FONPER). The State Sugar Council, which continues to operate one remaining sugar mill (Porvenir), and which continues to receive resources from the Central Government amounting to \$806,000 in 2024, did not publish financial statements for 2024, citing ongoing dissolution proceedings.

After encountering obstacles and opposition from various sectors, the government passed Law No. 20-23 in March 2023 to regulate public trusts and establish rules for their organization, structure, and operation, as well as to grant them the legal capacity to administer public resources. The law also establishes the rules and requirements so that any authorized public entity can act as settlor, trustee, or beneficiary, as well as institute regulations for trusts.

The government owns the country's electricity transmission company (ETED), the three electricity distribution companies (north, south, and east), and the Unified Board of Directors (Consejo Unificado de las Empresas Distribuidoras – CUED). The distribution companies (EDEs) remain among the largest SOEs in terms of government expenditures. In 2023, the government allocated \$1.55 billion to subsidize the EDEs.

The government also participates in electricity generation, most notably in hydroelectric power and coal. In compliance with the provisions of Law No. 365-22, President Abinader issued Decree No. 142-23 creating the Punta Catalina Electric Generation Company (EGEPC), a public limited company wholly owned by the Dominican government, to enhance transparency and operational oversight of the coal-fired power plant. The Abinader administration expects the creation of EGEPC will address the transparency concerns that have plagued the plant since its construction under former President Danilo Medina's purview.

The state-owned but autonomously operated BanReservas is the largest bank in the country and is a market leader in lending and deposits. Part of this success is due to a requirement for government employees to open accounts with BanReservas to receive salary payments. Roughly a third of the bank's lending portfolio is to government institutions.

Following the 2021 buyout of Petroleos de Venezuela, S.A. (PDVSA), the Dominican government became the sole shareholder of the country's only oil refinery, Refinería Dominicana de Petróleo (REFIDOMSA). REFIDOMSA operates and manages the refinery, is the only importer of crude oil in the country and is the largest importer of refined fuels. REFIDOMSA has a market share of over 60 percent in petroleum products, with different types of diesel oil being the most sold product in its portfolio, followed by gasoline for vehicle use. The price for fuel products is set by the Ministry of Industry, Commerce, and SMEs. The government spent over \$277 million in 2024 via subsidies to stabilize fuel prices for local consumers.

In August 2024, the government created the Dominican Mining Company, S.A. (EMIDOM) through decree No. 453-24. Once operational, EMIDOM will be responsible for executing and coordinating projects related to strategic mineral resources, conducting studies to determine economic viability, and managing fiscal mining reserves, including the "Avila" Fiscal Mining Reserve in Pedernales. Dominican SOEs do not currently operate internationally and have no known investments in the United States.

Privatization Program

Partial privatization of SOEs in the late 1990s and early 2000s resulted in foreign investors obtaining management control of former SOEs engaged in activities such as electricity generation, airport management, and sugarcane processing. In the electricity sector, these reforms were reversed between 2003 and 2009 but largely remain in place for other sectors.

Section 8. Corruption

The Dominican Republic has a legal framework that includes laws and regulations to combat corruption and provides criminal penalties for corruption by officials. While challenges remain, enforcement of these laws has improved due to the Abinader administration's heightened

focus on transparency. In a change from prior administrations, investigations into corruption and arrests have targeted senior officials not just from opposing political parties, but also included current and former officials from the ruling coalition. The Dominican Republic's rank on Transparency International's Corruption Perceptions Index improved to 104 in 2024, up from 137 in 2020. Law No. 340-06 on Public Procurement and Contracting prohibits awarding public contracts to individuals or entities in which a conflict of interest exists. However, the government does not require private companies to establish internal codes of conduct that, among other things, prohibit bribery of public officials.

Nonetheless, U.S. companies continue to identify corruption as a barrier to FDI. Firms often complain about a lack of technical proficiency in government ministries that resulted in public tender opportunities that were not competently drafted or executed in accordance with international best practices. Some firms go so far as to suggest that more problematic tenders had been set up intentionally to favor politically connected firms. The business community has also complained about corruption at the municipal level and its relevance to such things as permitting procedures. U.S. businesses operating in the Dominican Republic typically implement robust compliance programs to ensure adherence to the U.S. Foreign Corrupt Practices Act.

President Abinader has generally made good on his commitment to make fighting corruption a top priority of his administration. He appointed officials with reputations for professionalism and independence and went to great efforts to respect the independence of his appointed head of the Public Procurement General Directorate and the Attorney General's Office. While there have been delays to the passage of a public procurement law, the government passed Resolution No. 416-23 in 2023. This bridge resolution serves as an interim step and has had a positive impact on procurement processes by implementing some, but not all, of the reforms included in the procurement reform bill. The regulation strengthens the regulatory and oversight roles of the General Directorate for Public Procurement (DGCP) and mandates the use of DGCP's electronic procurement portal, for example—both important anti-corruption measures. However, the regulation does not impose criminal penalties for fraud and abuse in the procurement system, as those measures require a legal change.

Civil society has been a critical voice in anti-corruption campaigns to date. Several non-governmental organizations are particularly active in transparency and anti-corruption, notably the Foundation for Institutionalization and Justice (FINJUS), Citizen Participation (Participación Ciudadana), and the Dominican Alliance Against Corruption (ADOCCO). However, there have been allegations challenging the objectivity of at least one prominent Dominican non-governmental organization working on anti-corruption issues due to its close relationships with prominent business and political groups.

The Dominican Republic signed and ratified the United Nations Convention Against Corruption (UNCAC). The Dominican Republic is not a party to the Convention on Combating Bribery in International Business Transactions (the Anti-Bribery Convention).

Resources to Report Corruption

Procuraduría Especializada contra la Corrupción Administrativa (PEPCA)

[Attorney General for Investigating Administrative Corruption]

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La Dirección General de Ética e Integridad Gubernamental (DIGEIG)

[Directorate General for Governmental Ethics and Integrity]

Av. México No. 419 Esq. Leopoldo Navarro, Edificio Oficinas Gubernamentales Juan Pablo Duarte, Piso 12, Gascue, Santo Domingo, D. N. República Dominicana

Phone: (809) 685-7135

Email: info@digeig.gob.do

Línea 311

[\[Line 311\] \(government service for filing complaints and denunciations\)](#)

Phone: 311 (from inside the country)

Participación Ciudadana

[Citizen Participation]

Wenceslao Alvarez #8, Zona Universitaria

Phone: (809) 685-6200

Section 9. Political and Security Environment

Despite political stability and strong economic growth, security concerns in the Dominican Republic impose costs on businesses and limit foreign and domestic investment. Criminal activity is mostly associated with street-level incidents consisting of robberies and petty larceny. Of these, street robbery is particularly concerning, as criminals often use weapons to coerce compliance from victims. President Abinader's focus on citizen security and police transformation has led to a drop in both robbery and homicide rates over the past two years including a record low 9.6 homicides per 100,000 inhabitants in 2024. Nevertheless, polling shows Dominicans consistently cite crime and violence as among the largest challenges affecting daily life. There is no history of politically motivated violence or civil disturbance in the Dominican Republic since the country's transition to democracy in 1996, and only minor protests occurred in 2024. There are no examples of politically motivated damage to investment projects or installations in the last 10 years.

The Dominican Republic faces challenges with organized crime as the country is a transshipment point for drugs from South America destined for the United States and Europe.

A porous border between Haiti and the Dominican Republic remains an ongoing concern as the security situation in Haiti continues to worsen. Dominican officials are extremely concerned about widespread civil unrest and instability in Haiti contributing to illegal flows of people and illicit goods across the border. Due to these heightened concerns, the armed forces have increased their numbers on the border and increased the number of vehicle and aerial patrols. The government has also launched a nationwide crackdown against Haitian migration, significantly increased migration raids, which have led to the detention of individuals mistakenly identified as Haitian or who held valid residency status in the Dominican Republic.

Section 10. Labor Policies and Practices

An ample labor supply is available, although there is a scarcity of skilled workers and technical supervisors. Some labor shortages exist in professions requiring lengthy education or technical certification. Some sectors, including agriculture and construction, rely heavily on undocumented Haitian laborers who lack a way to regularize their legal status. According to 2024 Dominican Central Bank data for July-September (the latest available), the Dominican labor force consists of approximately 5.03 million workers. The labor force participation rate is:

- 65.5 percent
- 56.4 percent of the labor force works in services
- 10.7 percent in industry
- 10.5 percent in education and health
- 7.5 percent in agriculture and livestock
- 9.1 percent in construction
- and 5.9 percent in public administration and defense

According to Central Bank data from July-September 2024, approximately 44.7 percent of the labor force works in formal sectors of the economy and 55.3 percent in informal sectors.

With respect to migrant workers, the most recent reliable statistical data is from 2017 and shows a population of 334,092 Haitians aged ten or older living in the country, with 67 percent working in the formal and informal sectors of the economy. Migration experts believe that this number has increased to approximately 500,000 or more since 2017, although the Dominican government deported 276,000 Haitian migrants in 2024.

The Dominican labor code establishes policies and procedures for many aspects of employer-employee relationships, ranging from hours of work and overtime and vacation pay to severance pay, causes for termination, and union registration. The code applies equally to migrant workers, but many undocumented Haitian laborers and Dominicans of Haitian descent do not exercise their rights due to fear of being fired or deported. The law requires that at least 80 percent of non-management workers of a company be Dominican nationals. Exemptions

and waivers are available and regularly granted. The law provides for severance payments, which are due upon layoffs or firing without just cause. The amount due is prorated based on length of employment.

Although the labor code provides for freedom to form unions and bargain collectively, it places several restrictions, which the International Labor Organization (ILO) has characterized as excessive, on these rights. For example, it restricts trade union rights by requiring unions to represent 51 percent of the workers in an enterprise to bargain collectively. In addition, the law prohibits strikes until mandatory mediation requirements have been met. Only a small percentage of the total workforce benefits from collective bargaining. Among the sectors where collective bargaining is more prevalent are the hotel, restaurant, and tourism sectors, FTZs, sugar, mining, and some large multinational companies. The law prohibits dismissal of employees for trade union membership or union activities. In practice, however, the law is inconsistently enforced. Formal strikes occur but are not common. In 2024, strikes by teachers reportedly affected 1.4 million students at 4,800 public schools. Informal strikes or strikes by unregistered or unrecognized unions or workers' organizations are common.

The law establishes a system of labor courts for dealing with disputes. The process is often long, with cases pending for several years. One exception is workplace injury cases, which typically conclude quickly – and often in the worker's favor. Both workers and companies report that mediation facilitated by the Ministry of Labor was the most rapid and effective method for resolving worker-company disputes.

Many of the major manufacturers in FTZs have voluntary codes of conduct that include worker rights protection clauses generally aligned with the ILO Declaration on Fundamental Principles and Rights at Work, but workers are not always aware of such codes or the principles they contain. The Ministry of Labor monitors labor abuses, health, and safety standards in all worksites where an employer-employee relationship exists, but resources for adequate monitoring and inspection are insufficient. Labor inspectors can request remediation for violations, and if remediation is not undertaken, can refer offending employers to the public prosecutor for sanctions.

Section 11. U.S. International Development Finance Corporation (DFC) and Other Investment Insurance or Development Finance Programs

DFC opened a regional office at the U.S. Embassy in Santo Domingo in 2024 to support private sector development in the Dominican Republic and across the Caribbean. DFC projects in the Dominican Republic include a \$200 million direct loan to Banco Popular to support the institution's lending to small businesses and entrepreneurs and a \$45 million loan portfolio guaranty to Banreservas to encourage increased on-lending to small businesses and entrepreneurs. DFC offers support to the private sector, including direct loans and bank guarantees for specific projects, and equity and political risk insurance to complement or support investors' capital at risk.

Section 12. Contact for More Information

U.S. Embassy Santo Domingo

Avenida República de Colombia #57, Santo Domingo, Dominican Republic

+1 (809) 567-7775

[Contact Us](#)