

Economy Profile  
Dominican Republic

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

## Economy Profile of Dominican Republic

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

Ease of Doing Business in Dominican Republic

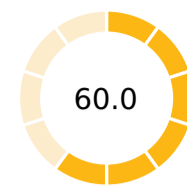


Region	Latin America & Caribbean
Income Category	Upper middle income
Population	10,627,165
City Covered	Santo Domingo

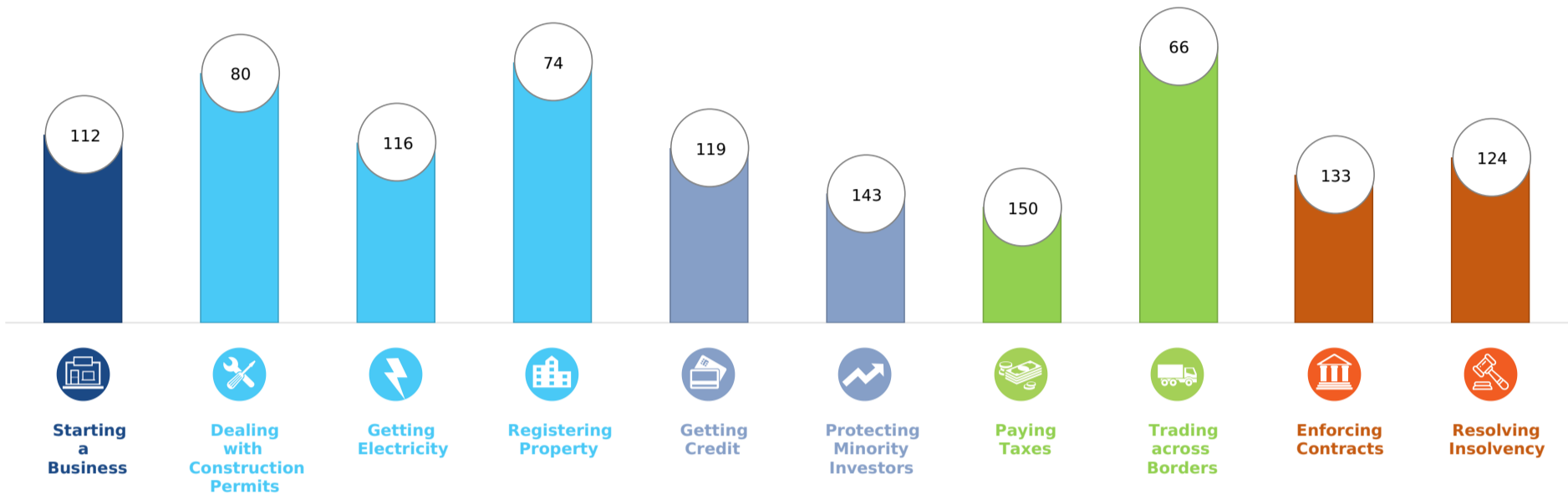
DB RANK



DB SCORE



Rankings on Doing Business topics - Dominican Republic



Topic Scores



<b>Starting a Business</b> (rank)	112
Score of starting a business (0-100)	85.4
Procedures (number)	7
Time (days)	16.5
Cost (number)	13.7
Paid-in min. capital (% of income per capita)	0.1
<b>Dealing with Construction Permits</b> (rank)	80
Score of dealing with construction permits (0-100)	70.7
Procedures (number)	15
Time (days)	206
Cost (% of warehouse value)	2.4
Building quality control index (0-15)	13.0
<b>Getting Electricity</b> (rank)	116
Score of getting electricity (0-100)	68.0
Procedures (number)	7
Time (days)	67
Cost (% of income per capita)	209.5
Reliability of supply and transparency of tariff index (0-8)	5
<b>Registering Property</b> (rank)	74
Score of registering property (0-100)	67.2
Procedures (number)	6
Time (days)	33
Cost (% of property value)	3.4
Quality of the land administration index (0-30)	14.5

<b>Getting Credit</b> (rank)	119
Score of getting credit (0-100)	45.0
Strength of legal rights index (0-12)	1
Depth of credit information index (0-8)	8
Credit registry coverage (% of adults)	26.8
Credit bureau coverage (% of adults)	100.0
<b>Protecting Minority Investors</b> (rank)	143
Score of protecting minority investors (0-100)	34.0
Extent of disclosure index (0-10)	5.0
Extent of director liability index (0-10)	4.0
Ease of shareholder suits index (0-10)	8.0
Extent of shareholder rights index (0-6)	0.0
Extent of ownership and control index (0-7)	0.0
Extent of corporate transparency index (0-7)	0.0
<b>Paying Taxes</b> (rank)	150
Score of paying taxes (0-100)	57.4
Payments (number per year)	7
Time (hours per year)	317
Total tax and contribution rate (% of profit)	48.8
Postfiling index (0-100)	10.7

<b>Trading across Borders</b> (rank)	66
Score of trading across borders (0-100)	83.5
<i>Time to export</i>	
Documentary compliance (hours)	10
Border compliance (hours)	16
<i>Cost to export</i>	
Documentary compliance (USD)	15
Border compliance (USD)	488
<i>Time to export</i>	
Documentary compliance (hours)	14
Border compliance (hours)	24
<i>Cost to export</i>	
Documentary compliance (USD)	40
Border compliance (USD)	579
<b>Enforcing Contracts</b> (rank)	133
Score of enforcing contracts (0-100)	50.6
Time (days)	590
Cost (% of claim value)	40.9
Quality of judicial processes index (0-18)	6.5
<b>Resolving Insolvency</b> (rank)	124
Score of resolving insolvency (0-100)	38.0
Recovery rate (cents on the dollar)	9.6
Time (years)	3.5
Cost (% of estate)	38.0
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	10.5

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul>	<p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>
<p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	

Starting a Business - Dominican Republic

Standardized Company

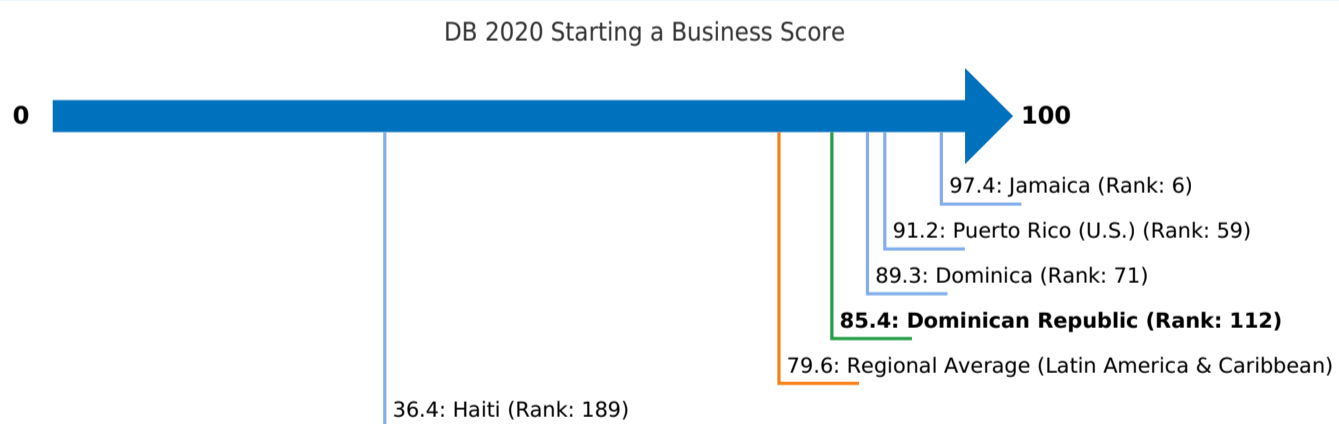
Legal form	Sociedad de Responsabilidad Limitada (SRL)
Paid-in minimum capital requirement	DOP 500
City Covered	Santo Domingo

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedure - Men (number)	7	8.1	4.9	1 (2 Economies)
Time - Men (days)	16.5	28.8	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	13.7	31.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	7	8.1	4.9	1 (2 Economies)
Time - Women (days)	16.5	28.8	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	13.7	31.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.1	0.4	7.6	0.0 (120 Economies)

Figure - Starting a Business in Dominican Republic - Score

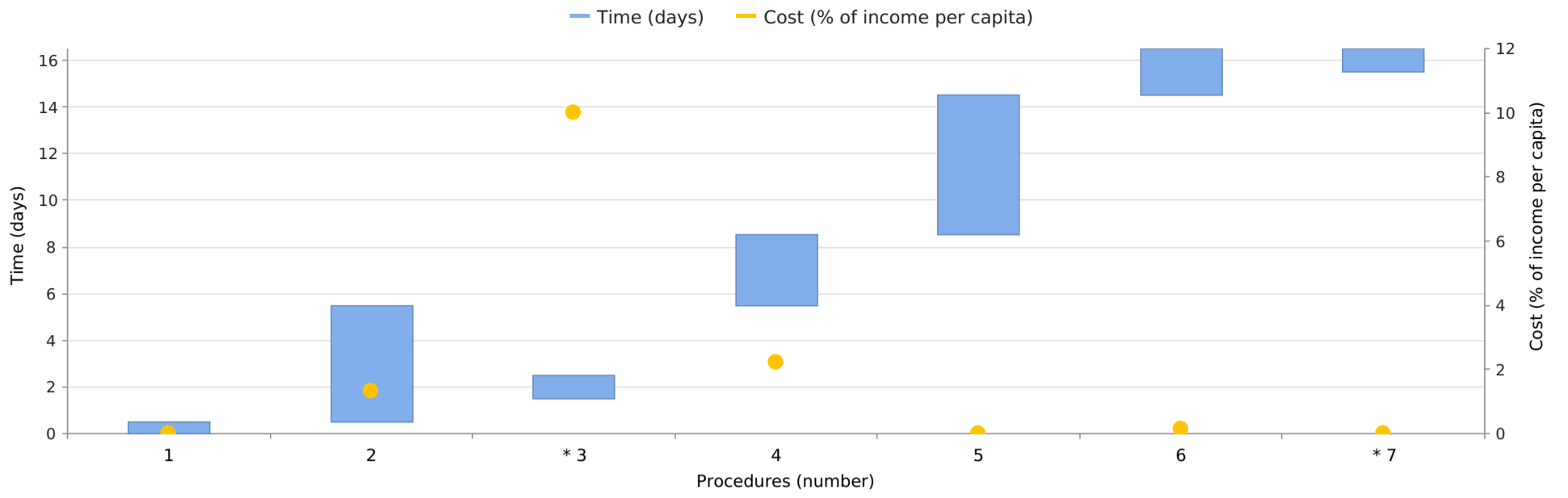


Figure - Starting a Business in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Dominican Republic - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Dominican Republic - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Verify the availability of the company name</b>  <i>Agency:</i> ONAPI (Oficina Nacional de la Propiedad Industrial)            The availability of the proposed company name must be verified by business founders. This can be done online at <a href="http://www.onapi.gov.do">www.onapi.gov.do</a>.</p>	Less than one day (online procedure)	included in procedure 2
2	<p><b>Purchase of the company name</b>  <i>Agency:</i> ONAPI (Oficina Nacional de la Propiedad Industrial)            After the petition or request of the registration of a commercial or trade name is made, the National Office of Industrial Property (ONAPI) will issue the formal Certificate within 5 business days.</p> <p>Then, the company name announcement is published in a national circulation newspaper in about 10 days. The National Office of Industrial Property publishes the list of requested corporate names and their petitioners twice a month. After that publication, third parties may lodge protests within 45 days. The publication receipt suffices for the company to continue with subsequent simultaneous formalities.</p> <p>Since December 31, 2012, the cost for publication was unified with the cost to check and purchase the company's name. This unification was due to article 114 of the Law no. 20 00 and article 74 of the Decree Law no. 326 06 and the current cost is DOP 4,755.</p>	5 days	DOP 4755
⇒ 3	<p><b>Payment of the incorporation tax</b>  <i>Agency:</i> Tax Authorities (Dirección General de Impuestos Internos)            As the amount to be paid exceeds the DOP 10,000, the incorporation tax is paid directly at the Internal Revenue Service office (Dirección General de Impuestos Internos) and Banco de Reservas. It only can be paid by cashier's checks (Cheques de Administración) issued in favor of the Internal Revenue Collector. Certified checks are no longer allowed to make payments of taxes.</p>	1 day (simultaneous with previous procedure)	1% of the capital
4	<p><b>Register the company in the Chamber of Commerce</b>  <i>Agency:</i> Chamber of Commerce            The company must be registered at the Chamber of Commerce of the domicile of the company. In Dominican Republic, the domicile of the company is where the effective center of administration and management of the company is located.</p> <p>The following documents have to be filed at the Mercantile Registry at the Chamber of Commerce:</p> <ul style="list-style-type: none"> <li>- Bylaws properly signed;</li> <li>- General Constitutive Assembly with its corresponding list of presence of Associates;</li> <li>- List of the distribution of each of the associate's investment to the company and their corresponding amounts of corporate quotas;</li> <li>- Application Form for registration of Limited Liability Company, duly completed and signed by the authorized manager or agent (must attach original power of attorney, if applicable).</li> <li>- Receipt of payment of incorporation taxes;</li> <li>- Photocopies of identity card;</li> <li>- Copy of Business Name Registration issued by the National Office of Industrial Property (ONAPI).</li> </ul> <p>The Resolution No. 147-18 for the prevention of money laundering and terrorism financing requires a copy of the receipt whereby it can be confirmed that the payment of the subscribed capital was made through a banking method.</p> <p>In December 2013, the Chamber of Commerce made company registration available online at <a href="http://www.formalizate.gob.do/">http://www.formalizate.gob.do/</a>. This electronic method of registration is not widely used in practice, but it is available to business entrepreneurs in Santo Domingo.</p>	3 days	DOP 8,000



5	<b>Obtain the identification number (RNC) and apply for fiscal invoices (NCF) at the Tax Authorities (DGII)</b>	6 days	no charge
<p><i>Agency</i> : Tax Authorities (Dirección General de Impuestos Internos)</p> <p>The company shall register as tax contributor at the RNC (Registro Nacional del Contribuyente). The documents required are:</p> <ul style="list-style-type: none"> <li>(i) Application Form RC-02 signed;</li> <li>(ii) Copy of the registration certificate;</li> <li>(iii) Copy of the receipt of the incorporation tax payment;</li> <li>(iv) Copy of the company name certificate issued by the ONAPI;</li> <li>(v) Copies of the identification document of the partners.</li> </ul> <p>Within 5 working days, the DGII checks the information and notifies the identification number (RNC). The application can be made also online, through the DGII's webpage. After this, physical documents must be filed at the DGII.</p> <p>After obtaining the RNC, the company can automatically apply for the Sequence of the Fiscal Invoice Numbers (Sequencia NCF). According to Decree 254-06, companies that render services or whose operations require the transfer of goods to the final consumer get this Fiscal Invoice Number immediately. DGII will authorize the numbers of NCF according to the economic activity, the volume of operations, the tax compliance and the risk profile of the company.</p> <p>After receiving the authorization, the company can print the NCF in the DGII printers.</p>			
6	<b>Register employees with the Department of Labor</b>	2 days	DOP 500
<p><i>Agency</i> : Ministry of Labor</p> <p>Forms DGT-3 must be completed within the first week of employment. The following forms, found at the local Department of Labor office, must be filed: a list of permanent personnel and employee work schedules and vacation periods.</p> <p>This procedure can be completed only once the taxpayer's identification number has been obtained.</p>			
⇒ 7	<b>Register employees at the Social Security Office (Tesorería de la Seguridad Social)</b>	1 day (simultaneous with previous procedure)	no charge
<p><i>Agency</i> : Social Security Treasury (Tesorería de la Seguridad Social)</p> <p>The company shall registered and file the list of its employees at the Social Security National Treasury (Tesorería Nacional de la Seguridad Social, TNSS), a dependency of the main social security office (Consejo Nacional de Seguridad Social, CNSS).</p> <p>Under Law 87-01, employers must register employees at the CNSS within 3 days of hiring them or upon the start of business. This procedure can be done online: <a href="http://www.tss2.gov.do/">http://www.tss2.gov.do/</a> or at the Tesorería Nacional de la Seguridad Social.</p>			

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

#### Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

### Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

#### The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

#### The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

#### The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

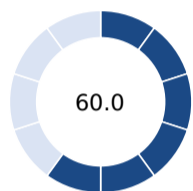
Dealing with Construction Permits - Dominican Republic

Standardized Warehouse

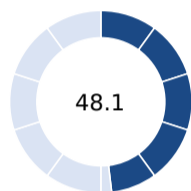
Estimated value of warehouse	DOP 18,051,084.60
City Covered	Santo Domingo

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	15	15.5	12.7	None in 2018/19
Time (days)	206	191.2	152.3	None in 2018/19
Cost (% of warehouse value)	2.4	3.6	1.5	None in 2018/19
Building quality control index (0-15)	13.0	9.0	11.6	15.0 (6 Economies)

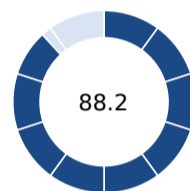
Figure - Dealing with Construction Permits in Dominican Republic - Score



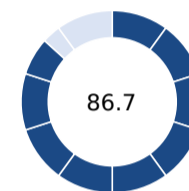
Procedures



Time

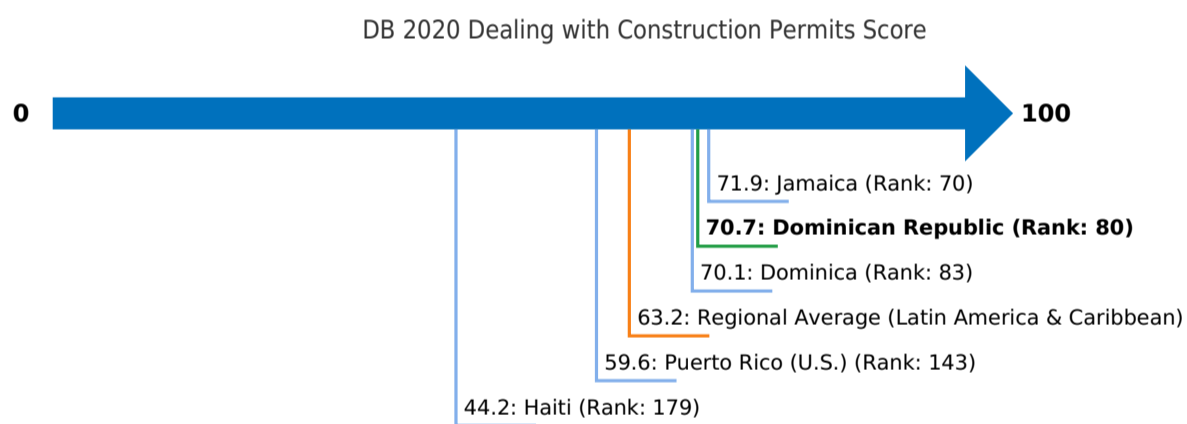


Cost



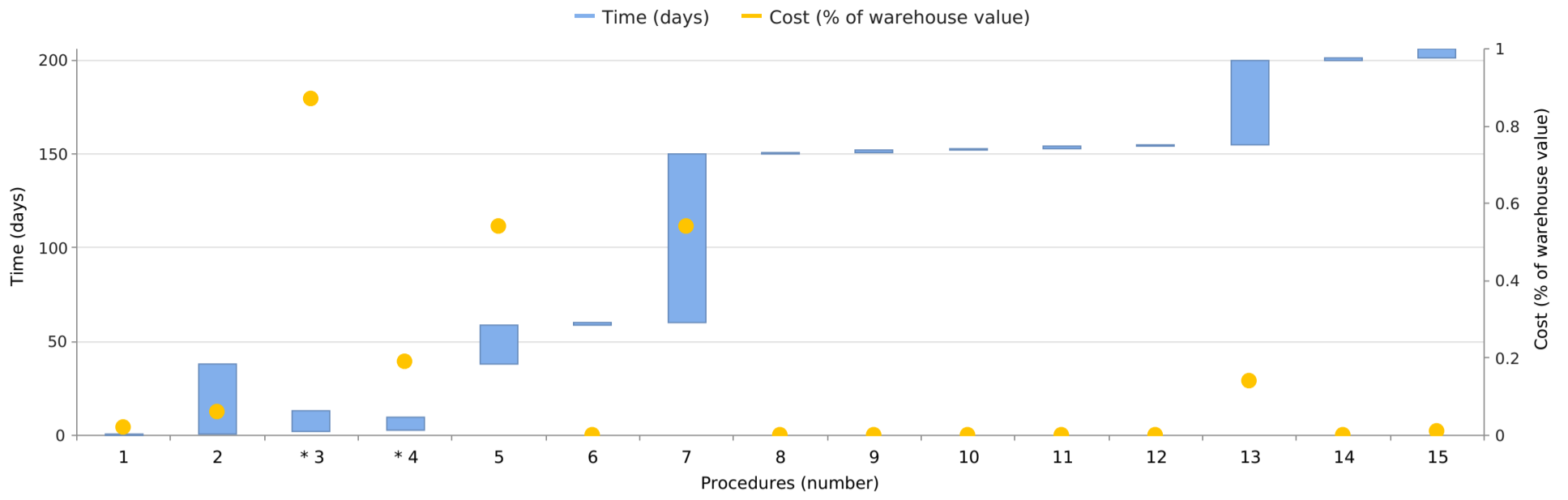
Building quality control index

Figure - Dealing with Construction Permits in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

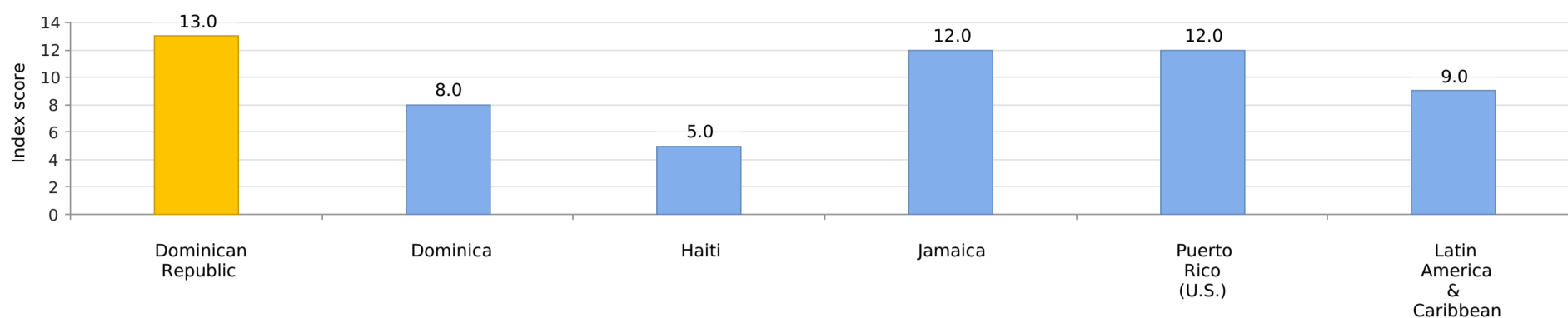
Figure - Dealing with Construction Permits in Dominican Republic - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Dominican Republic and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Dominican Republic - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Request a certificate to use the land and a certificate of no objection ("Certificado de uso de suelo", "certificado de no objecion") and receive inspection by the Municipal Council (Departamento de Planeamiento Urbano)</b></p> <p><i>Agency:</i> Municipal Council (Departamento de Planeamiento Urbano)</p> <p>Following the Doing Business case study assumptions and based on Resolution 5/2004 one needs to request a certificate to use the land and also obtain a certificate of no objection prior to obtaining the construction permit. Moreover, in order to obtain the certificate to use the land an inspection by the Municipal Council is required (the official cost for this inspection is DOP 3000). The land-use certificate confers the right to build on the plot, but it does not authorize construction. The certificate ensures that the project conforms to zoning regulations. The certificate of no objection is a certificate which according to your project plans, elevations and sections approves and appoints the urban design parameters.</p> <p>The request must be accompanied by several documents related to the land, including:</p> <ul style="list-style-type: none"> <li>• A copy (simple, unnotarized) of the real property deed for the plot (does not have to be recently obtained)</li> <li>• A cadastral plan</li> <li>• A map of the project's location and a first draft of the project design drawings</li> </ul>	1 day	DOP 3,000
2	<p><b>Obtain a certificate to use the land and a certificate of no objection ("certificación de uso de suelo" y "certificación de no objeción" )</b></p> <p><i>Agency:</i> Municipal Council (Departamento de Planeamiento Urbano)</p> <p>According to Ordenanza No 4 2018, the cost for this procedure is DOP 10 000.</p>	37 days	DOP 10,000
⇒ 3	<p><b>Obtain a soil test study report</b></p> <p><i>Agency:</i> Private Firm</p> <p>Although a soil study is not a legal requirement to obtain a building permit, in practice, contractors ask for a soil test to ensure that the foundation of the building is solid. The engineer must understand the suitability of the soil for the proposed construction work. Soil test allows to build a solid foundation and avoid structures to be damaged, collapsed or leaned.</p>	11 days	DOP 156,508
⇒ 4	<p><b>Obtain a topographical map</b></p> <p><i>Agency:</i> Private Engenieer</p> <p>While a topographic survey is not a legal requirement to obtain a building permit, in practice, the contractors will need a topographical survey to draw the site plan.</p>	7 days	DOP 35,000
5	<p><b>Request and obtain approval of project design drawings by the Municipal Council</b></p> <p><i>Agency:</i> Municipal Council (Departamento de Planeamiento Urbano del Ayuntamiento de la jurisdicción correspondiente)</p> <p>The request for approval of the project design drawings must be accompanied by several documents, including the property deed, the cadastral plan, and project design drawings, certified by an architect or engineer registered at the Dominican College of Engineers and Architects (CODIA) by the corresponding Municipal Council. BuildCo must request an inspection upon filing the project drawings. This is a prerequisite for other procedures.</p> <p>Once the request is approved by the Municipal Council, the Municipality forwards the request to the Ministry of Public Works and Communications. The Ministry then grants a construction license for the project. The license is granted to the project itself and not to BuildCo. During this process, BuildCo must follow up with both agencies to ensure license processing. Construction must commence within 1 year from the date of issuance of the license.</p> <p>According to Resolution #5 2004 of the National District Office (Ayuntamiento del Distrito Nacional de Santo Domingo) the official cost for the construction of a warehouse is DOP 75.00 per sq. m. For a warehouse of 1300.6 sq. m. the total cost will be DOP 97,545.00.</p>	21 days	DOP 97,545

6	<p><b>Receive pre-registration inspection (preinspeccion) by the Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</p> <p>According to article 86 of the Regulations for the Supervision and General Inspection of Work (R-0004 Reglamento para la Supervision e Inspeccion General de Obras), all projects which have been subject to the review and approval of project design drawing by the Ministry of Public Works and Communications (Oficina de Tramitacion de Planos) must be previously inspected (pre-registration) to verify that the construction has not started.</p>	1 day	no charge
7	<p><b>Request and obtain construction permit from the Ministry of Public Works and Communications</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Ministerio de Obras Publicas y Comunicaciones)</p> <p>Fees are paid once the license has been approved and the project has been valued by the Ministry of Public Works and Communications (Oficina de Tramitacion de Planos). The formula used by the Ministry of Public Works and Communications to determine the project value (is DOP 16,510.20 per sq. m (1,300.6 sq. m. x DOP 16,510 = DOP 21,473,166.12).</p> <p>Thus, the applicable administrative fees (based on a project value of 21,473,166.12 DOP ) to obtain the construction permit are as follows:</p> <ul style="list-style-type: none"> <li>• Fee for the Municipality, equivalent to 2.5 X 1,000 of the construction cost: DOP 53,682.9</li> <li>• Fee for the Dominican College of Engineers and Architects (CODIA), equivalent to 2 X 1,000 of the construction cost: DOP 42,946.3</li> </ul> <p>TOTAL: DOP 96,629.2</p> <p>BuildCo must present a copy of receipts for both payments made to the Ministry of Public Works and Communications in order to obtain the construction permit.</p>	90 days	DOP 96,629
8	<p><b>Receive an inspection before the lintel (zapata) of the project is made</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</p> <p>The inspection is carried out by an inspector from the Private Buildings Inspection Department (Departamento de Inspeccion de Edificaciones Privadas) of the Ministry of Public Works and Communications. All required inspections are set out in the Regulations for the Supervision and General Inspection of Work (R-0004 Reglamento para la Supervision e Inspeccion General de Obras). BuildCo must complete an online application form and bring it to the Ministry of Public Works and Communications to schedule the inspection.</p>	1 day	DOP 232
9	<p><b>Receive an inspection before the space between galleries (entrepiso) is completed</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</p> <p>BuildCo. receives an inspection before the space between galleries (entrepiso) is completed</p>	1 day	DOP 232
10	<p><b>Receive an inspection before the roof of the project is completed</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</p> <p>Once the construction is in the last stages, BuildCo. receives an inspection before the roof of the project is completed.</p>	1 day	DOP 232
11	<p><b>Request water and sewage connection</b></p> <p><i>Agency:</i> Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)</p> <p>After the finalization of the work, BuildCo. requests water and sewage connection.</p>	1 day	no charge
12	<p><b>Receive on-site inspection for water and sewage connection</b></p> <p><i>Agency:</i> Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)</p> <p>Due to the prior request, buildCo. receives an inspection in order to receive the utilities connections.</p>	1 day	no charge
13	<p><b>Receive water and sewage connection</b></p> <p><i>Agency:</i> Corporation of Aqueduct and Sewage System of Santo Domingo (CAASD)</p> <p>A contract must be executed with the Corporation of Aqueducts and Sewage System of Santo Domingo.</p>	45 days	DOP 25,632
14	<p><b>Notify the Ministry of Public Works and Communications of building completion</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Dirección de Edificación de la Secretaría de Estado de Obras Públicas)</p> <p>After utilities are connected, BuildCo. notifies to the Ministry of Public Works and Communications (Dirección de Edificación de la Secretaría de Estado de Obras Públicas) the completion of the work.</p>	1 day	no charge
15	<p><b>Receive final inspection</b></p> <p><i>Agency:</i> Ministry of Public Works and Communications (Departamento de Inspeccion de Edificaciones Privadas)</p> <p>Once notified of construction completion, the Ministry of Public Works undertakes a final on-site inspection. Usually, the inspectors visit the site in about a week or so. To obtain the final inspection, BuildCo must pay internal taxes of DOP 1,160.00 (five times the tax of DOP 232.00). This inspection verifies if the transit regulations have been fulfilled and examines the roof's impermeability, the sanitary installations, the electrical installations, the door, floor, and window installations, and security safety (fire).</p>	5 days	DOP 1,160

## Details - Dealing with Construction Permits in Dominican Republic - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>13.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection; Final inspection is not required by law.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Insurance is commonly taken in practice.	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer.

2.0



## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Dominican Republic

Standardized Connection

Name of utility	EDESUR
Price of electricity (US cents per kWh)	20.1
City Covered	Santo Domingo

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	7	5.5	4.4	3 (28 Economies)
Time (days)	67	66.8	74.8	18 (3 Economies)
Cost (% of income per capita)	209.5	407.2	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	5	4.4	7.4	8 (26 Economies)

Figure - Getting Electricity in Dominican Republic - Score

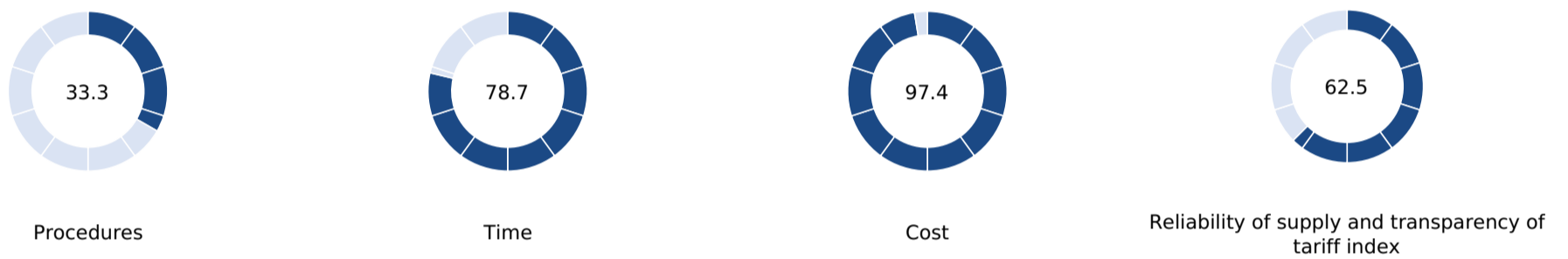
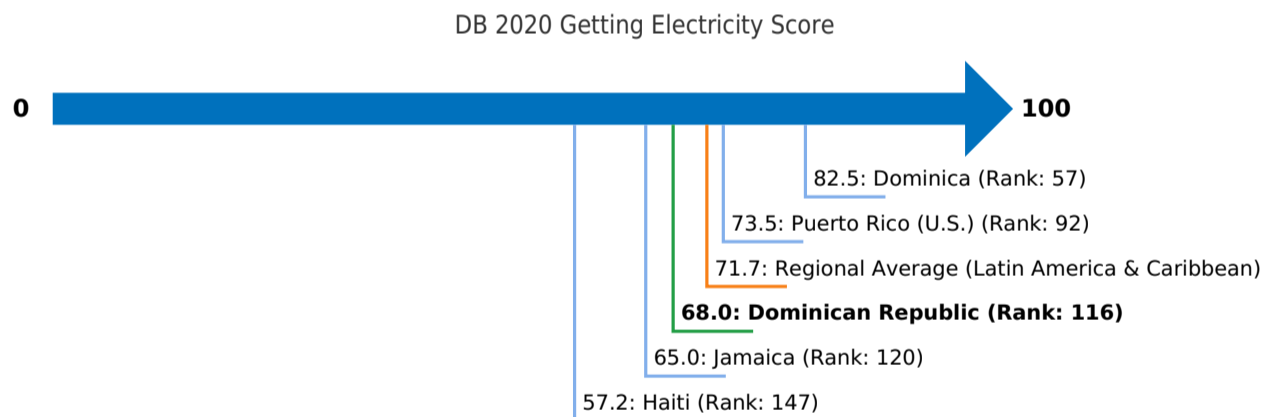
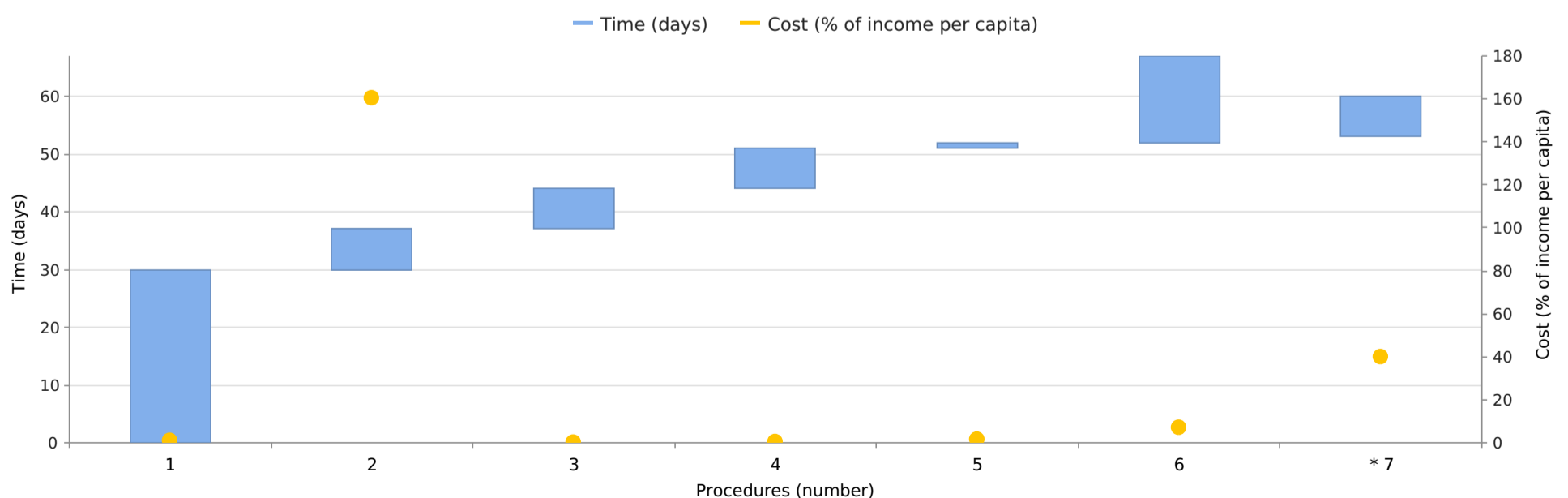


Figure - Getting Electricity in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Dominican Republic - Procedure, Time and Cost

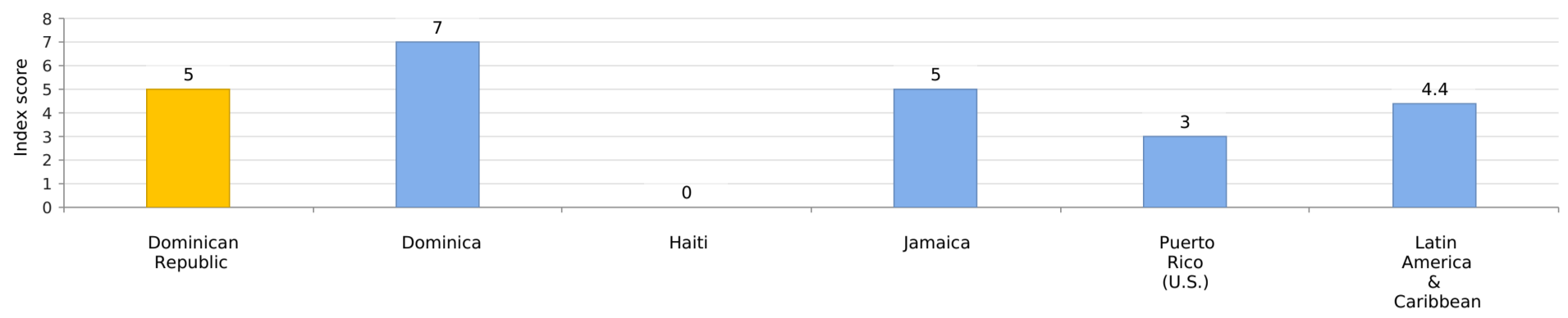


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

**Figure - Getting Electricity in Dominican Republic and comparator economies - Measure of Quality**



## Details - Getting Electricity in Dominican Republic - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain approval of electrical plans from EDESUR</b>  <i>Agency: Edesur</i>            A certified electrician hired by the client designs the interconnection plans and sends them to EDESUR for approval. In those plans the electrician specifies the nature of the transformer to be installed. Two copies of the plans need to be submitted to the nearest commercial office of EDESUR to the neighborhood of the warehouse.</p> <p>EDESUR analyses the interconnection plans and suggest corrections. It may require up to two or three visits to EDESUR to correct plans. A fee of RD\$ 3,000 must be paid at the time of submission of the application by the client and RD\$ 1,500 for further visits for submission of corrected plans, if more than two visits are needed.</p> <p>When the final connections have been approved, the client will have to submit 6 copies of the plans and EDESUR will give only 5 stamped copies back to the client.</p>	30 calendar days	DOP 3,000
2	<p><b>Hire electrician to carry out external works</b>  <i>Agency: Electrician</i>            Once the interconnection plans have been approved by EDESUR, the electrician previously hired by the client, will proceed to build the electric system (medium voltage net, substation, meter, etc.)</p>	7 calendar days	DOP 578,500
3	<p><b>Receive external inspection by EDESUR</b>  <i>Agency: Edesur</i>            EDESUR comes to check that the works follow the approved plan and raises observations to correct those works which do not follow the approved plans. The client must request the inspection when he considers everything is ready for interconnection. The first inspection do not bear any cost, but EDESUR charges RD\$ 500 for each inspection after the third one. EDESUR delivers a letter of approval (carta de Aceptación de la Obra).</p>	7 calendar days	DOP 0
4	<p><b>Receive interconnection estimate from EDESUR</b>  <i>Agency: Edesur</i>            The interconnection estimate contains the cost that the client must pay to EDESUR to carry out the interconnection works to the electricity distribution network. The client must submit the final letter of approval of EDESUR, two copies of the approved plans, a CD with the approved plan in DWG, a letter of request of estimate and he has to pay a stamp duty of RD\$ 1,000.00.</p>	7 calendar days	DOP 1,000
5	<p><b>Pay taxes to the professional association CODIA</b>  <i>Agency: CODIA</i>            After receiving the interconnection estimate from EDESUR, the client must pay the stamp duty at CODIA. The client must pay within 3 months. After payment has been done, EDESUR will carry out the interconnection works.</p>	1 calendar day	DOP 5,000
6	<p><b>Receive external works from EDESUR</b>  <i>Agency: Edesur</i>            Interconnection works are carried out by EDESUR with a TCT team (Brigada de Trabajo Con Tensión). If the works cannot be carried out with full voltage, EDESUR will stop the energy in the circuit and will charge that cost to the client.</p>	15 calendar days	DOP 25,000
⇒ 7	<p><b>Sign supply contract with EDESUR and receive meter installation</b>  <i>Agency: Edesur</i>            The client has to open a user account with EDESUR. The client has to deposit an amount which is reimbursed at the cancelation of the contract. The deposit equals twice the client's bill in RD\$ and it is calculated on the basis of the capacity declared by the client.</p>	7 calendar days	DOP 143,718.86

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Dominican Republic - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	5
<b>Total duration and frequency of outages per customer a year (0-3)</b>	1
System average interruption duration index (SAIDI)	6.6
System average interruption frequency index (SAIFI)	6.9
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="https://www.edesur.com.ar/wordpress/wp-content/uploads/2019/05/2019_mayo.pdf">https://www.edesur.com.ar/wordpress/wp-content/uploads/2019/05/2019_mayo.pdf</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

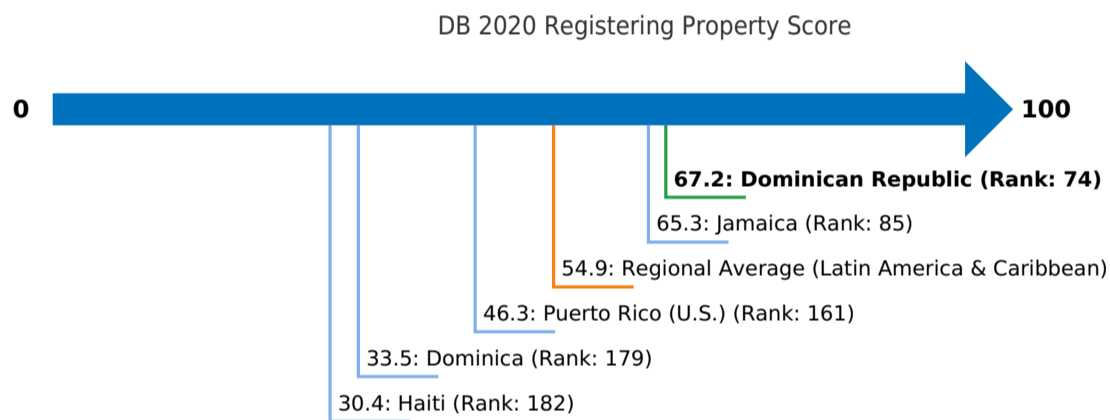
Registering Property - Dominican Republic

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	6	7.4	4.7	1 (5 Economies)
Time (days)	33	63.7	23.6	1 (2 Economies)
Cost (% of property value)	3.4	5.9	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	14.5	12.0	23.2	None in 2018/19

Figure - Registering Property in Dominican Republic - Score

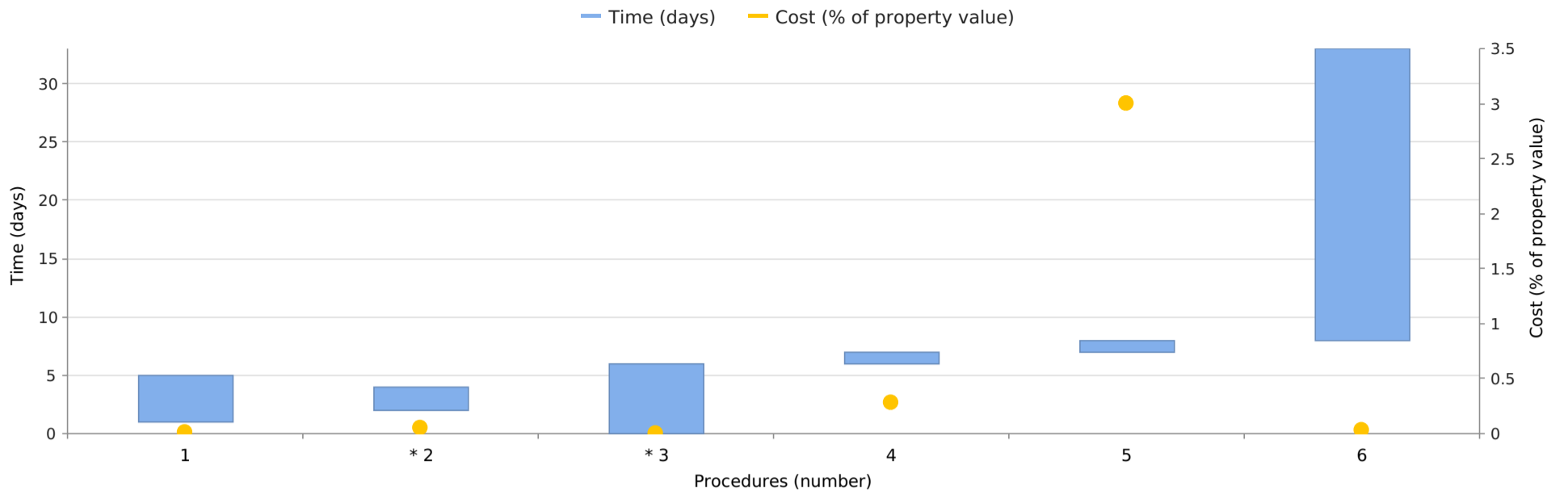


Figure - Registering Property in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

Figure - Registering Property in Dominican Republic - Procedure, Time and Cost

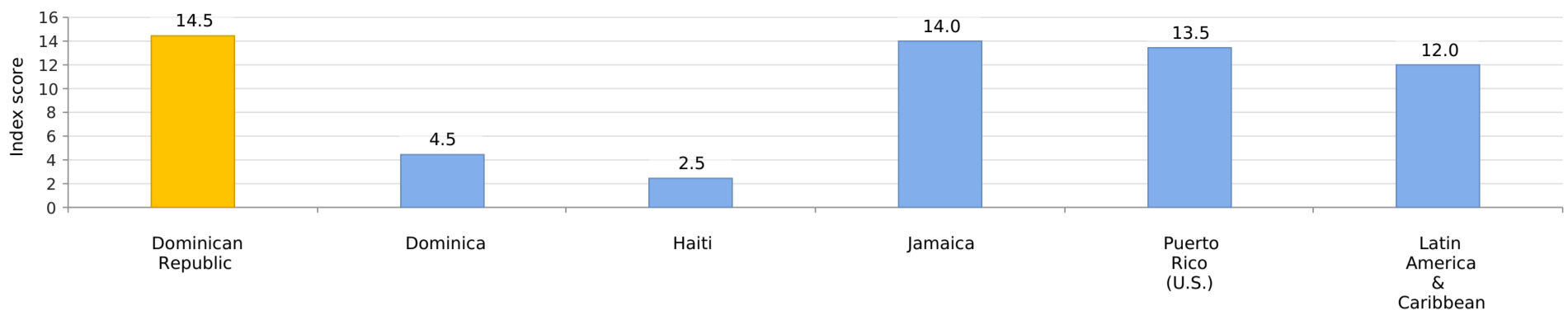


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.



Figure - Registering Property in Dominican Republic and comparator economies - Measure of Quality



Details - Registering Property in Dominican Republic - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a judicial status certificate from the title Registry Office.</b>  <i>Agency:</i> Title Registry Office                      A non-encumbrance certificate ("Certificado del Estado Jurídico del Inmueble") must be obtained from the Title Registry Office in order to ensure that the property has no liens and there are no other conflicts related to it.</p> <p>With the new Ventanilla Expres (launched July 2017), the non-encumbrance certificate is obtained between 3 days and 5 days at the Land Registry of the Distrito Nacional, Santo Domingo, La Vega and Santiago.</p> <p>To obtain the certificate without using the Ventanilla Expres takes between 15-20 days, and is less likely to be used.</p>	4 days	DOP 2,060; (Cost for "Ventanilla Expres" is: DOP\$2,060.00 -DOP\$ 2,000.00 (100% more than regular fee of DOP\$ 1000.00) in accordance with Act 01/2017 -Plus stamp duties for DOP\$50.00 (Law 91) -Plus DOP\$10.00 (Law 91/83))
⇒ 2	<p><b>Site inspection to establish the exact location of the property</b>  <i>Agency:</i> Surveyor (agrimensor)                      A surveyor ("agrimensor") inspects the site in order to establish the exact location of the property. This is not mandatory, but a way the buyer has to protect against potential problems.</p>	2 days	DOP 8,500; (DOP 5,000 - 12,000)
⇒ 3	<p><b>Obtain the appraisal of the property and the tax certificate at the Dirección General de Impuestos Internos (Tax Authority)</b>  <i>Agency:</i> Tax Authority (Dirección General de Impuestos Internos)                      The parties must request the valuation of the property for the payment of the transfer tax. A certificate is also obtained at the DGI stating that the real estate taxes are up to date.</p> <p>For online certification requests to the Tax Authority (DGII), first must have a Tax ID and access to the Virtual Office (Oficina Virtual), with the Tax ID, a Password and a token or code card required by the Tax Authority (DGII). This service can be paid with credit card. The certification is issued with a bar code and can be printed and verified online at <a href="http://www.dgii.gov.do">www.dgii.gov.do</a></p>	6 days	DOP 300; (DOP 300 to obtain the tax certificate)

4	<p><b>Notarization of the sale purchase agreement</b>  <i>Agency</i> : Notary</p> <p>After the agreement is reached and the documentation has been exchanged by the parties, the sale purchase agreement must be notarized by the public notary. The Notary can no longer freely establish his fees after the enactment of the Notarial Law No. 140-15 (which institutes the Dominican Bar of Notaries (Colegio Dominicano de Notarios) in August 2015. The Notaries have the obligation to observe the schedule of fees set forth in this law which are:</p> <p>Art. 66: For every hour of service: DOP 1,000. After three hours, DOP 2,000 per hour.</p> <p>Art. 66 A) Sale and purchase agreement fee schedule:</p> <p>Between DOP 1000.01 to DOP 100,000: DOP 3,000  Between DOP 100,000.01 to DOP 200,000: DOP 5,000  Between DOP 200,000.01 to DOP 500,000: DOP 10,000  Between DOP 500,000.01 to DOP 1,500,000: DOP 20,000  Between DOP 1,500,000.01 to DOP 3,000,000: DOP 25,000  Between DOP 3,000,000.01 to DOP 5,000,000: DOP 30,000  Between DOP 5,000,000.01 to DOP 10,000,000: DOP 40,000  Between DOP 10,000,000.01 to DOP 20,000,000: DOP 50,000  Between DOP 20,000,000.01 to DOP 30,000,000: DOP 60,000  Between DOP 30,000,000.01 to DOP 40,000,000: DOP 70,000  Between DOP 40,000,000.01 to DOP 50,000,000: DOP 80,000  Between DOP 50,000,000.01 to DOP 100,000,000: DOP 100,000  Between DOP 100,000,000.01 to DOP 150,000,000: DOP 200,000</p>	1 day	<p>DOP 50,000; (Notarization fee of DOP 50,000.</p> <p>Fee schedule to Notarize the sale agreement is the following:</p> <p>From DOP 1,000.01 to DOP 100,000.00: DOP 3,000.00;  From DOP 100,000.01 to DOP 200,000.00: DOP 5,000.00;  From DOP 200,000.01 to DOP 500,000.00: DOP 10,000.00;  From DOP 500,000.01 to DOP 1,500,000.00: DOP 20,000.00;  From DOP 1,500,000.01 to DOP 3,000,000.00: DOP 25,000.00;  From DOP 3,000,000.01 to DOP 5,000,000.00: DOP 30,000.00;  From DOP 5,000,000.01 to DOP 10,000,000.00: DOP 40,000.00;  From DOP 10,000,000.01 to DOP 20,000,000.00: DOP 50,000.00;  From DOP 20,000,000.01 to DOP 30,000,000.00: DOP 60,000.00;  From DOP 30,000,000.01 to DOP 40,000,000.00: DOP 70,000.00;  From DOP 40,000,000.01 to DOP 50,000,000.00: DOP 80,000.00;  From DOP 50,000,000.01 to DOP 100,000,000.00: DOP 100,000.00;  From DOP 100,000,000.01 to DOP 150,000,000.00: DOP 200,000.00;)</p>
5	<p><b>Payment of taxes at the Dirección General de Impuestos (Tax Authority)</b>  <i>Agency</i> : Tax Authority (Dirección General de Impuestos Internos)</p> <p>After the inspection is over and the value of the property is calculated, a tax of 3% of the property value must be paid before the "Dirección General de Impuestos Internos" (Tax Authority) before registering the property transfer, by virtue of de "Eficiencia Recaudatoria" Law No. 173-07 dated July 17th, 2007.</p> <p>If there is a difference between the property value indicated in the purchase agreement and the one estimated by the Internal Revenue Department upon valuation, the higher value will be the one considered as valid for calculation of this transfer tax.</p> <p>However, Law No. 17-07 provides an exemption of this tax in cases of transfer of real estate properties acquired by means of loans with financial institutions and cooperatives, if such real estate property has a value under DOP\$1,000,000.00 (adjustable upon inflation).</p> <p>The property tax must be paid within the six (6) months following to the Sale and Purchase Agreement entered by the parties. Otherwise, surcharges will be applied. Surcharges amount to 10% of the sum not paid (the corresponding transfer taxes) for the first month or fraction of the month. To any additional delays the Tax authorities will charge a 4% (per month or fraction) over the 10% plus a 1.73% indemnity (per month or fraction).</p> <p>Moreover, on July 10, 2009, Law 182-09 was enacted granting a tax exemption on the 2% that must be paid to record a mortgage. This exemption only applies when it is proved that a new loan/mortgage has been obtained to pay off an existing loan secured with the same land. Consequently, the former mortgage would be cancelled to record the new one, with no additional cost.</p> <p>Stamp duties are required to be paid by Law 3-19 and Law 91-83 as well before registering the deed.</p>	1 day	<p>DOP 541,532.54; (3% of property value (transfer tax))</p>

6	<p><b>Buyer files the property transfer request before the Title Registrar's Office</b></p> <p><i>Agency : 0</i></p> <p>When filing request for property registration before the Title Registrar's Office, stamp duties are paid (Art. 13 of Law 140-2015: DOP 100 for the Notarial receipt; 30 DOP according to Law 91; and 20 DOP according to Law 33/91). Additionally, Article 42 (2) of Law 108/05 establishes a special contribution to the "Fondo de Garantía de Inmuebles Registrados" of DOP 5,000 to be paid every time a new Certificate of Title is issued after a property transaction (in practice, this Fund has not been created yet and Registrars are not requiring them). After all payments have been made and all documents are ready, the buyer will apply for registration of the property under his name at the Property Registry.</p> <p>140-201</p> <p>The registrar will analyze the documentation and, if everything is correct, will register the property under the name of the buyer, issue a new Certificate of Title in the name of the buyer, cancel the old Certificate and will set the date for giving the new title to the buyer.</p> <p>Because of the higher workload, this procedure takes longer in Santo Domingo and Santiago than in other provinces, taking between 20 and 30 days to complete this procedure.</p> <p>However, the "Ley de Registro de la Propiedad Inmobiliaria", passed on March 2005 to replace the previous law from 1947, together with the "Reglamento General del Registro de Títulos" of September 2009, introduced changes into the system seen up to now. The registrar should take no more than 45 days to qualify the transfer.</p> <p>The filed documentation shall include:</p> <ul style="list-style-type: none"> <li>(i) Notarized purchase agreement (obtained in Procedure 4).</li> <li>(ii) Real estate property taxes declaration; receipt of payment; and Certification issued by the Tax Authority stating the Buyer is up to date on the payment of taxes on the real estate property (obtained in Procedure 5).</li> <li>(iii) Payment of stamp duties (completed in this procedure).</li> <li>(iv) Copy of identity documents for seller and buyer (such documents may vary whether seller and buyer are natural persons or companies).</li> <li>(v) Copies of their Mercantile Registration Certificate ("Certificado de Registro Mercantil") issued by the corresponding Chamber of Commerce, and</li> <li>(vi) Certificate of registration at the National Taxpayers Registry ("RNC") issued by the Dirección General de Impuestos Internos (the Tax Authority)</li> <li>(vii) Reliable proof of payment of purchase price in virtue of the Law No. 155-17 against money laundering and financing of terrorism and the Decree No. 408-17.</li> <li>(viii) If the value of the property is greater than (DOP\$1,000,000.00) the documentation shall include the payment receipts for the exact amount established in the contract.</li> </ul> <p>It should also be noted that the Buyer is also required to file the original copy of the Title Certificate. Furthermore, if either Buyer and/or Seller are companies or legal entities, the authorities will require evidence of the corporate approval of the transaction (i.e. minutes of the meeting of the corporate body that has authorized the purchase/sale). Another relevant point is that if the Buyer and/or Seller are foreigners, they must present two different copy of their identity documents: their passport and any official identification from their country of origin.</p> <p>The land registry operates with the Torrens title system and is being digitized since 2005. All new transactions are completed digitally, but all titles created before 2005 are not digitized yet. The registry has consultation room units ("Departamento de sala de consultas") where the registry's electronic database is available.</p>	25 days	DOP 5,170; (DOP 100 Notarial receipt (Law 140/15) + stamp duties of 50 DOP (Law 91/83) + DOP 20 (Law 33/91) + DOP 5,000 for the Guarantee Fund (Art. 43 (3) of Law 108-05))
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→ Takes place simultaneously with previous procedure.

## Details - Registering Property in Dominican Republic - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>14.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>6.0</b>
Type of land registration system in the economy:	Dual system (Title & Deed)	
What is the institution in charge of immovable property registration?	Oficina de Registro de Títulos	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Dirección Nacional de Mensuras Catastrales	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>3.0</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.ji.gov.do/images/Resoluciones/Resolucion21-0313.pdf">http://www.ji.gov.do/images/Resoluciones/Resolucion21-0313.pdf</a> (page 3) <a href="http://ji.gov.do/index.php/atencion-al-usuario/actuaciones-y-requisitos/requisitos-registro-de-titulos/42-transferencia">http://ji.gov.do/index.php/atencion-al-usuario/actuaciones-y-requisitos/requisitos-registro-de-titulos/42-transferencia</a>	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.ji.gov.do/images/Resoluciones/Resolucion21-0313.pdf">http://www.ji.gov.do/images/Resoluciones/Resolucion21-0313.pdf</a> (page 5) <a href="http://ji.gov.do/index.php/atencion-al-usuario/pagos-de-tasas-por-servicios">http://ji.gov.do/index.php/atencion-al-usuario/pagos-de-tasas-por-servicios</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		

Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://ji.gov.do/index.php/atencion-al-usuario/pagos-de-tasas-por-servicios">http://ji.gov.do/index.php/atencion-al-usuario/pagos-de-tasas-por-servicios</a>	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>5.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Article 90 Law No. 108-05 for Real Estate Registration dated April 2, 2005	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Article 91 of Law 108-05 for Real Estate Registration dated April 2, 2005 "El Certificado de Título es el documento oficial emitido y garantizado por el Estado Dominicano, que acredita la existencia de un derecho real y la titularidad sobre el mismo."	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Legal basis:	Article 39 law 108-05 for Real Estate Registration dated April 2, 2005	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	

Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Tribunal de Jurisdicción Original	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 2 and 3 years	1.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

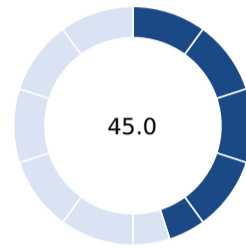
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Dominican Republic

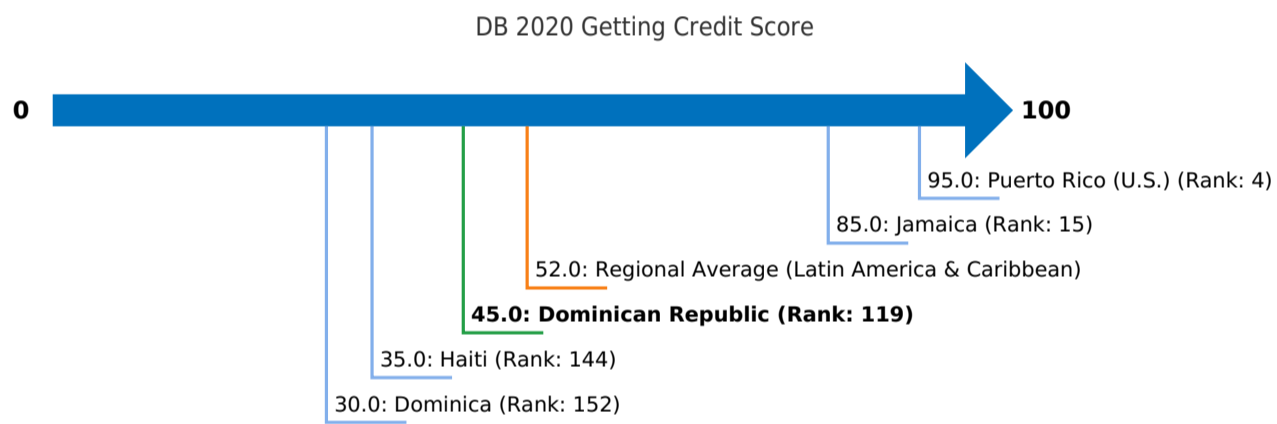
Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	1	5.3	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	26.8	14.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	100.0	47.6	66.7	100.0 (14 Economies)

Figure - Getting Credit in Dominican Republic - Score



Score - Getting Credit

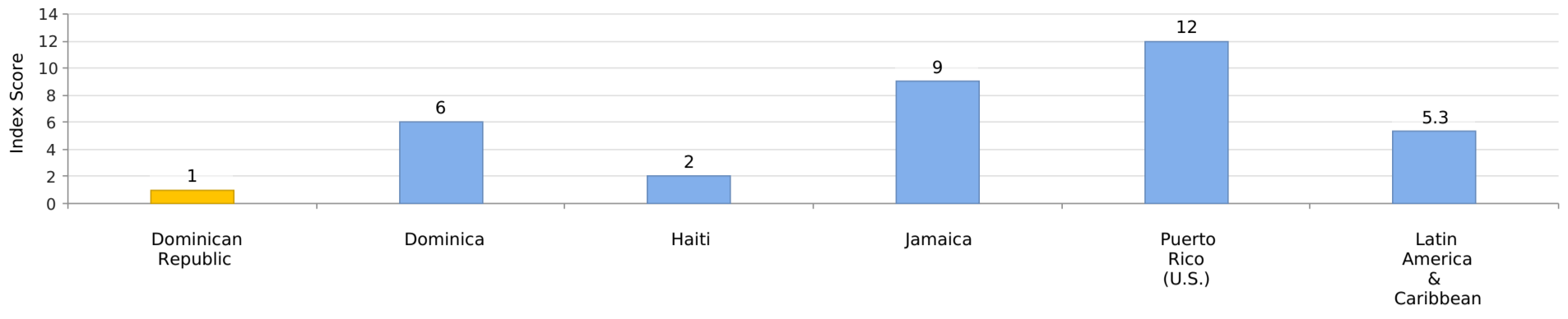
Figure - Getting Credit in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.



Figure - Legal Rights in Dominican Republic and comparator economies



Details - Legal Rights in Dominican Republic

Strength of legal rights index (0-12)

1

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? No

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? No

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? No

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

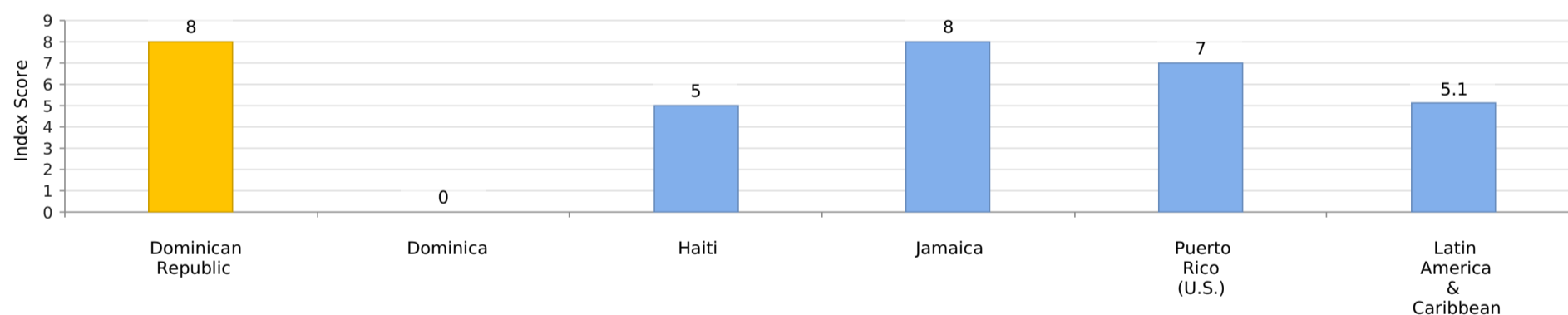
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure - Credit Information in Dominican Republic and comparator economies



## Details - Credit Information in Dominican Republic

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	8,520,768	1,794,498
Number of firms	754,086	24,438
Total	9,274,854	1,818,936
<b>Percentage of adult population</b>	<b>100.0</b>	<b>26.8</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

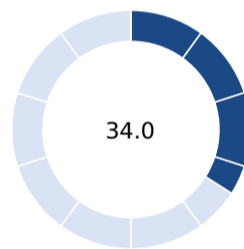
Protecting Minority Investors - Dominican Republic

Stock exchange information

Stock exchange	Bolsa de Valores de la República Dominicana
Stock exchange URL	https://bvrld.com.do/
Listed firms with equity securities	0
City Covered	Santo Domingo

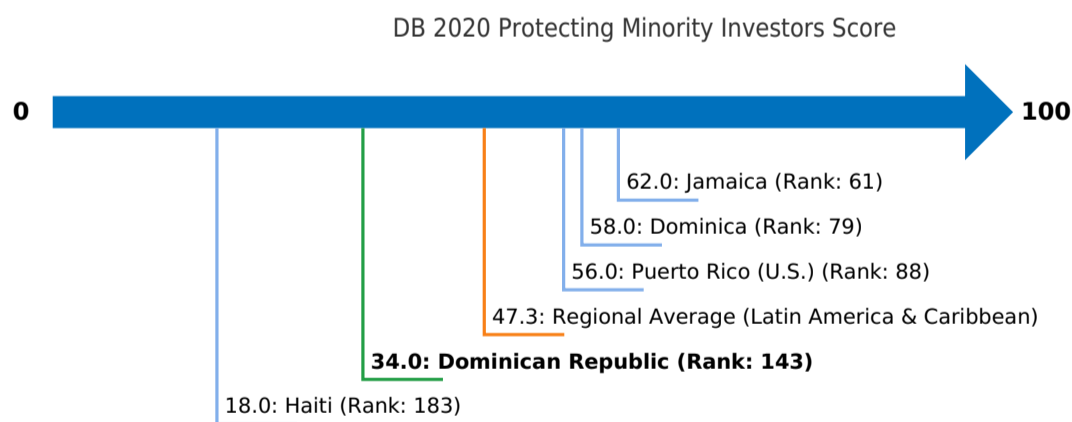
Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	5.0	4.1	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	8.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	0.0	3.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	0.0	2.3	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	0.0	2.3	5.7	7 (13 Economies)

Figure - Protecting Minority in Dominican Republic - Score



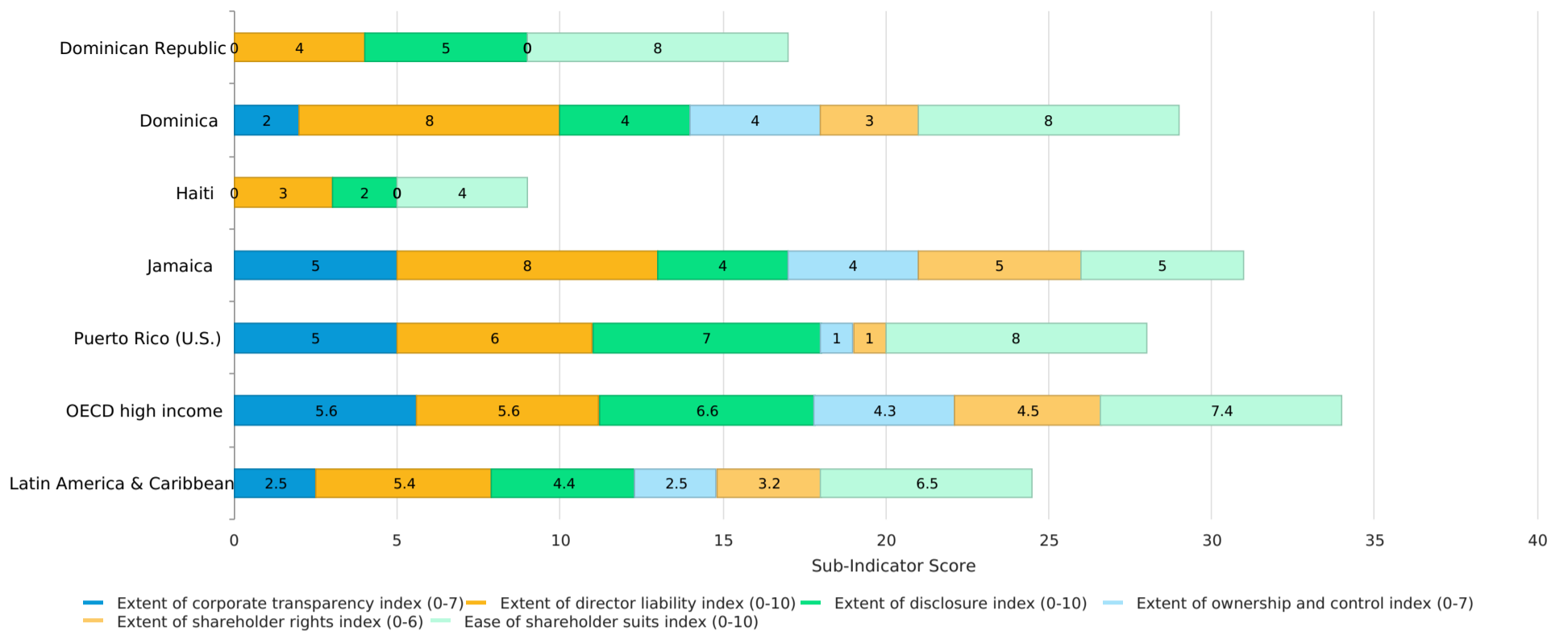
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Dominican Republic and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Dominican Republic - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>5.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	No disclosure obligation	0.0
<b>Extent of director liability index (0-10)</b>		<b>4.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>8.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>0.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
<b>Extent of ownership and control index (0-7)</b>		<b>0.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0

Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
<b>Extent of corporate transparency index (0-7)</b>		<b>0.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	No	0.0



## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 - December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

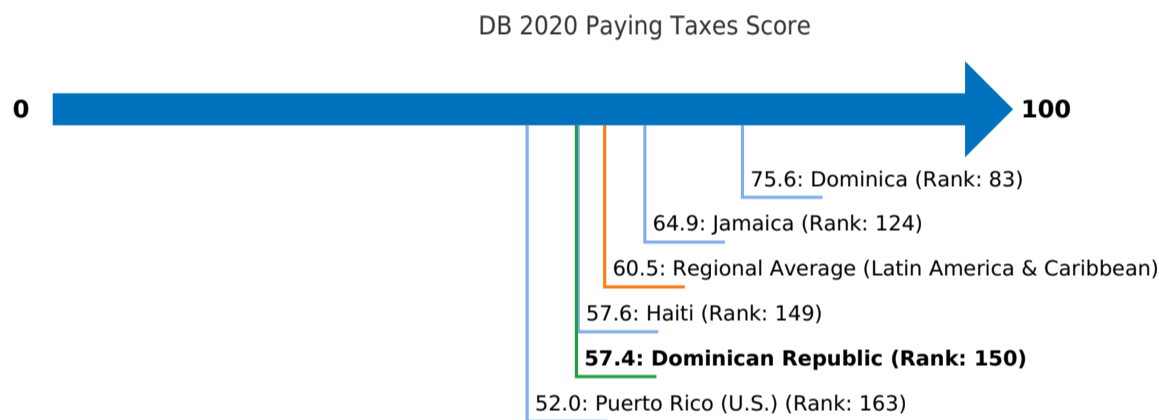
Paying Taxes - Dominican Republic

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Payments (number per year)	7	28.2	10.3	3 (2 Economies)
Time (hours per year)	317	317.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	48.8	47.0	39.9	26.1 (33 Economies)
Postfiling index (0-100)	10.7	47.5	86.7	None in 2018/19

Figure - Paying Taxes in Dominican Republic - Score

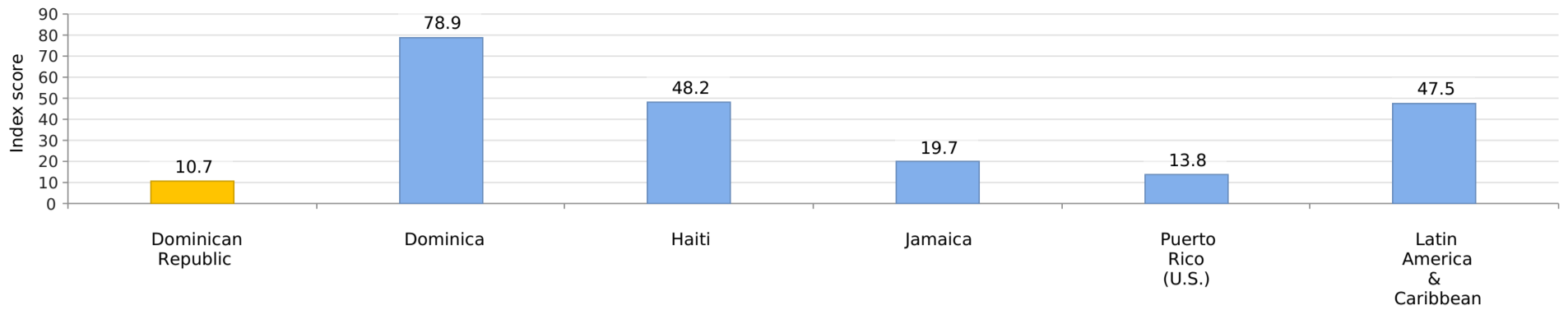


Figure - Paying Taxes in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Dominican Republic and comparator economies - Measure of Quality



## Details - Paying Taxes in Dominican Republic

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	74.0	27%	taxable profit	29.08	
Employer paid - Pension contributions	0.0	online and jointly	80.0	7.1%	gross salaries	15.56	
Employer paid - Labor risk insurance contributions	0.0	online and jointly		1.3%	gross salaries	1.47	
Employer paid - Training tax (INFOTEP)	1.0	online		1%	gross salaries	1.13	
Tax on electronic transfers	1.0	online		0.15%	per cheque	1.10	
Employer paid - Health insurance contributions	1.0	online		7.09%	gross salaries	0.44	
Vehicle tax	1.0	online		RD\$ 3,000	fixed fee	0.02	
Value added tax (VAT)	1.0	online	163.0	18%	value added	0.00	not included
Employee paid - Health insurance contributions	0.0	online and jointly		3.04%	gross salaries	0.00	withheld
Employee paid - Pension contributions	0.0	online and jointly		2.87%	gross salaries	0.00	withheld
Fuel tax	1.0			RD\$ 6.3 per gallon	fuel consumption	0.00	
Totals	7		317			48.8	

## Details - Paying Taxes in Dominican Republic - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	29.1
Labor tax and contributions (% of profit)	18.6
Other taxes (% of profit)	1.1

## Details - Paying Taxes in Dominican Republic - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>10.7</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to international traders	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	59.5	0.0
Time to complete a corporate income tax correction (weeks)	18.3	42.9

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.

- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.

- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.

- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.

- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.

- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Dominican Republic

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	16	55.3	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	488	516.3	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	10	35.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	15	100.3	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	24	55.6	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	579	628.4	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	14	43.2	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	40	107.3	23.5	0 (30 Economies)

Figure - Trading across Borders in Dominican Republic - Score

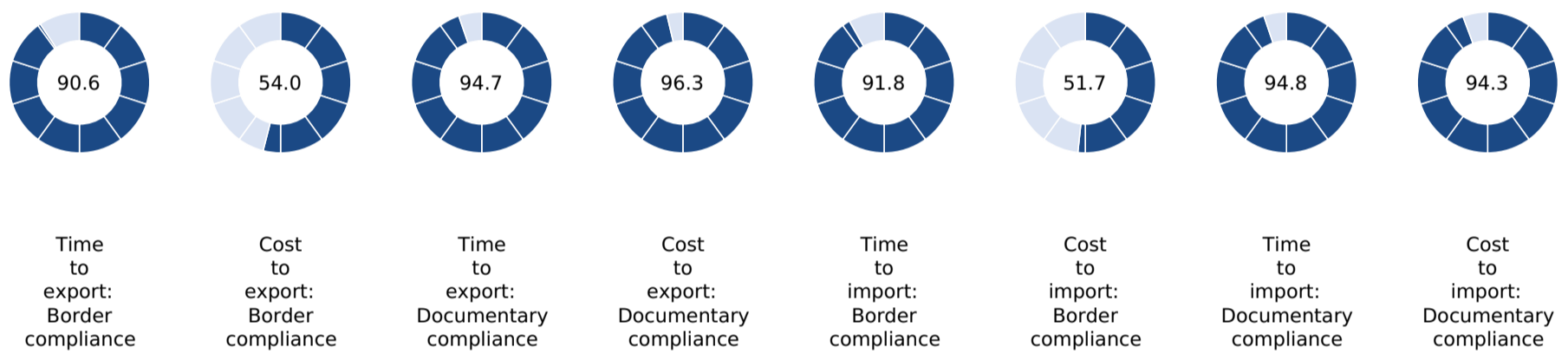
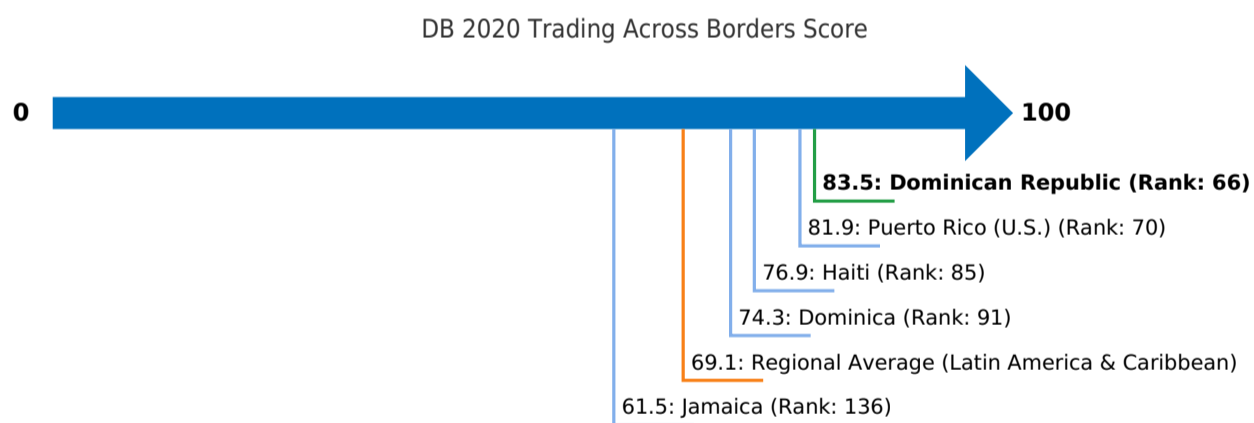


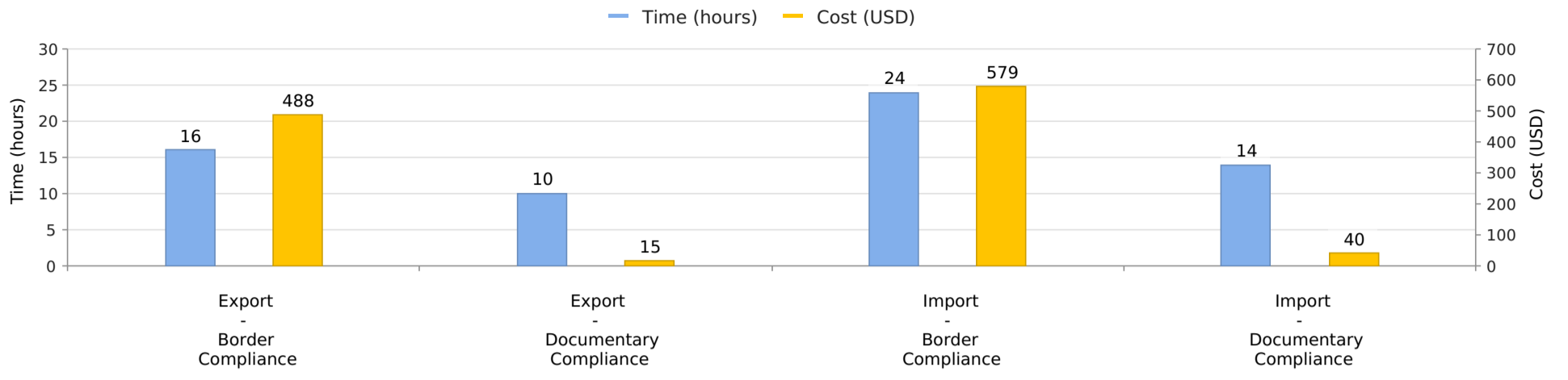
Figure - Trading across Borders in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.



Figure - Trading across Borders in Dominican Republic - Time and Cost



## Details - Trading across Borders in Dominican Republic

Characteristics	Export	Import
Product	HS 90 : Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	United States	United States
Border	Caucedo port	Caucedo port
Distance (km)	46	46
Domestic transport time (hours)	4	4
Domestic transport cost (USD)	296	296

## Details - Trading across Borders in Dominican Republic - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	6.6	200.0
Export: Clearance and inspections required by agencies other than customs	4.2	0.0
Export: Port or border handling	16.0	287.5
Import: Clearance and inspections required by customs authorities	6.8	262.5
Import: Clearance and inspections required by agencies other than customs	5.0	0.0
Import: Port or border handling	24.0	316.7

## Details - Trading across Borders in Dominican Republic - Trade Documents

## Export

## Import

Bill of lading

Bill of lading

Certificate of origin

Certificate of Origin

Commercial invoice

Commercial invoice

Customs Export Declaration

Customs import declaration

SOLAS certificate

SOLAS certificate

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - Dominican Republic

Standardized Case

Claim value	DOP 639,925
Court name	Court of First Instance of the National District, Civil and Commercial Chamber, 9th or 10th Division
City Covered	Santo Domingo

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time (days)	590	774.2	589.6	120 (Singapore)
Cost (% of claim value)	40.9	32.0	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	6.5	8.8	11.7	None in 2018/19

Figure - Enforcing Contracts in Dominican Republic - Score

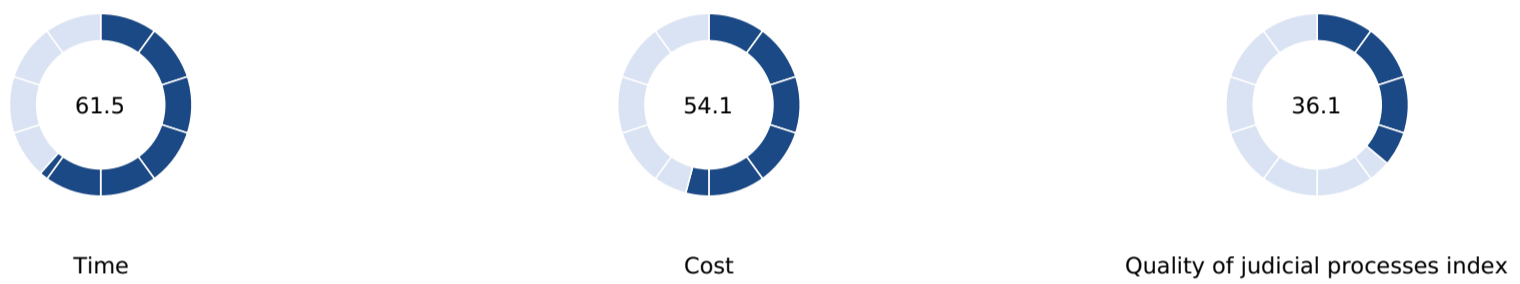


Figure - Enforcing Contracts in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Dominican Republic - Time and Cost

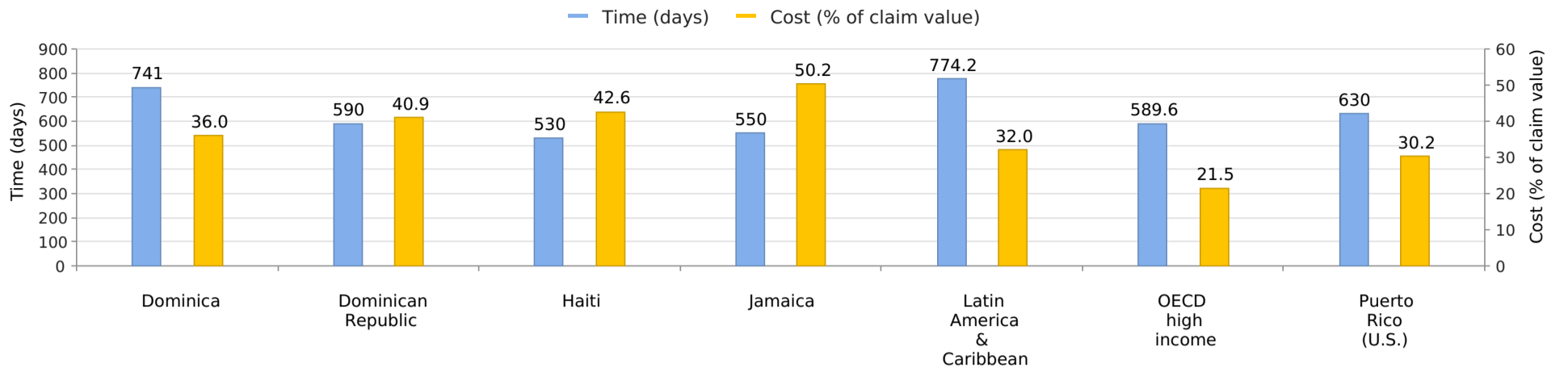
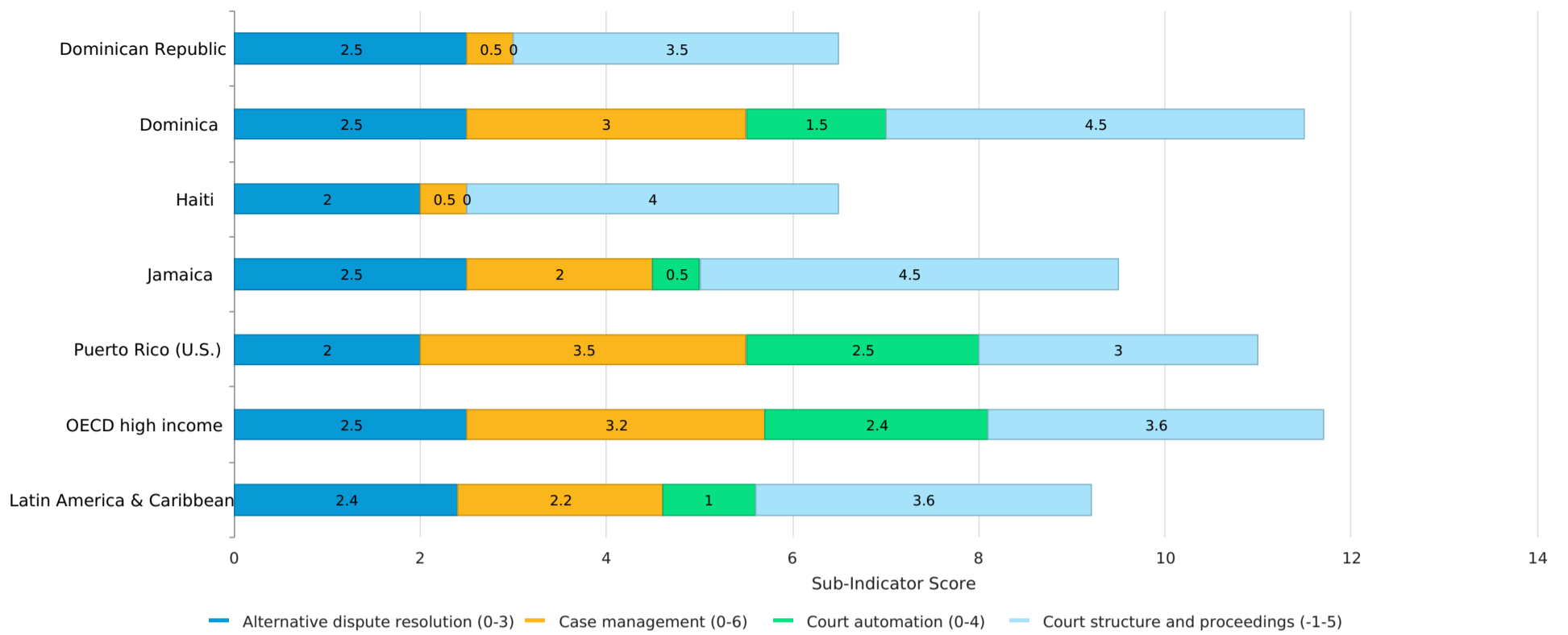


Figure - Enforcing Contracts in Dominican Republic and comparator economies - Measure of Quality



Details - Enforcing Contracts in Dominican Republic

	Indicator
<b>Time (days)</b>	<b>590</b>
Filing and service	20
Trial and judgment	450
Enforcement of judgment	120
<b>Cost (% of claim value)</b>	<b>40.9</b>
Attorney fees	25
Court fees	7.5
Enforcement fees	8.4
<b>Quality of judicial processes index (0-18)</b>	<b>6.5</b>
Court structure and proceedings (-1-5)	3.5
Case management (0-6)	0.5
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

## Details - Enforcing Contracts in Dominican Republic - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>6.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		0.0
2.a. Is there a small claims court or a fast-track procedure for small claims?	No	
2.b. If yes, is self-representation allowed?	n.a.	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>0.5</b>
1. Time standards		0.5
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
<b>Alternative dispute resolution (0-3)</b>		<b>2.5</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	



2. Mediation/Conciliation	1.0
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No

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## Resolving Insolvency

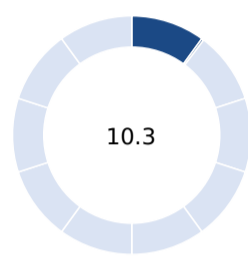
*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul> <p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul> <p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul> <p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p> <ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</li> <li>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</li> </ul> <p>In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</p>

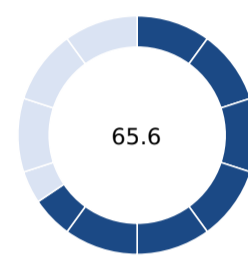
Resolving Insolvency - Dominican Republic

Indicator	Dominican Republic	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	9.6	31.2	70.2	92.9 (Norway)
Time (years)	3.5	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	38.0	16.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	10.5	7.2	11.9	None in 2018/19

Figure - Resolving Insolvency in Dominican Republic - Score

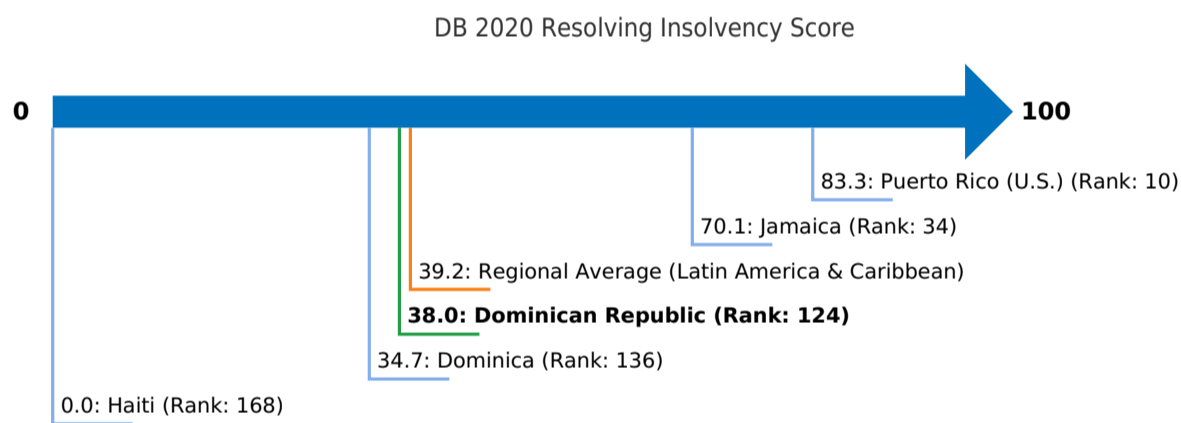


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Dominican Republic and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Dominican Republic - Time and Cost

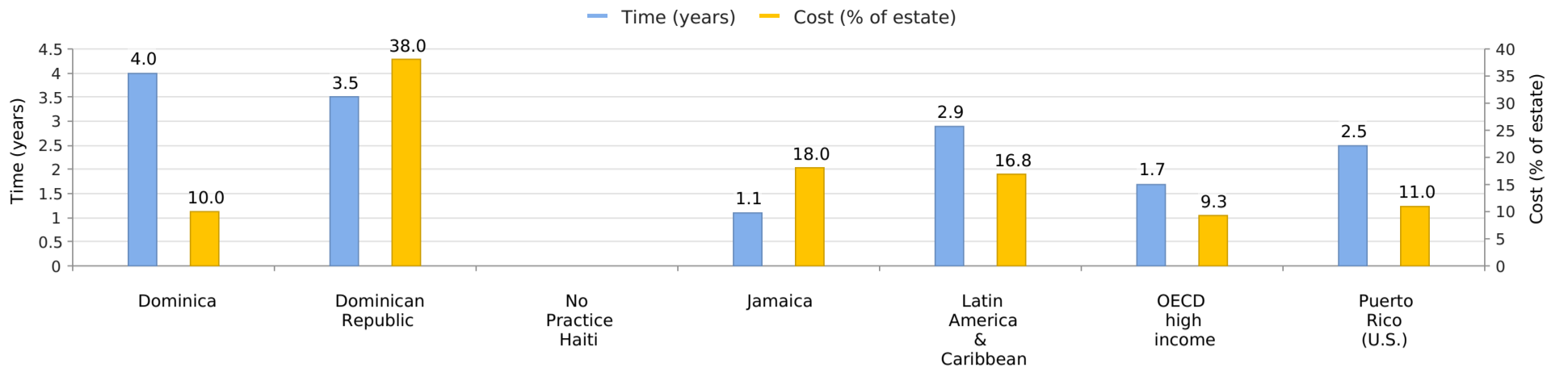
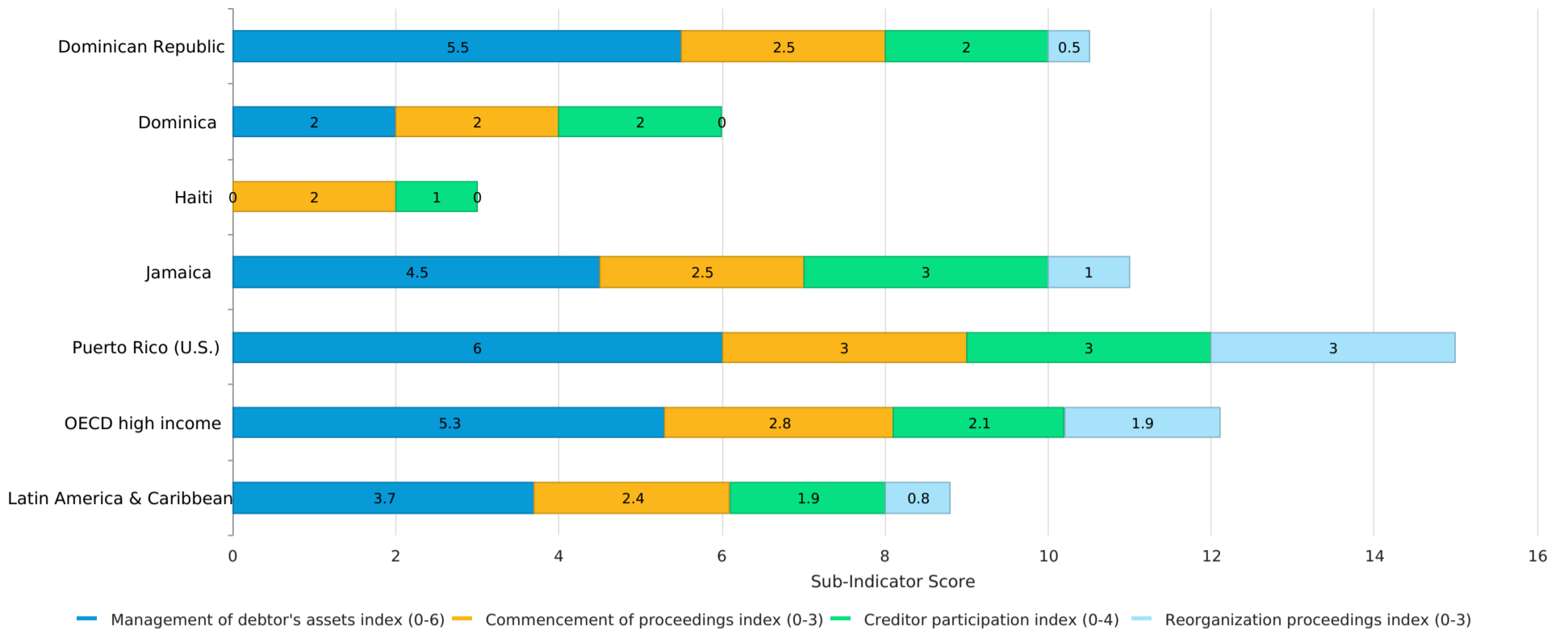
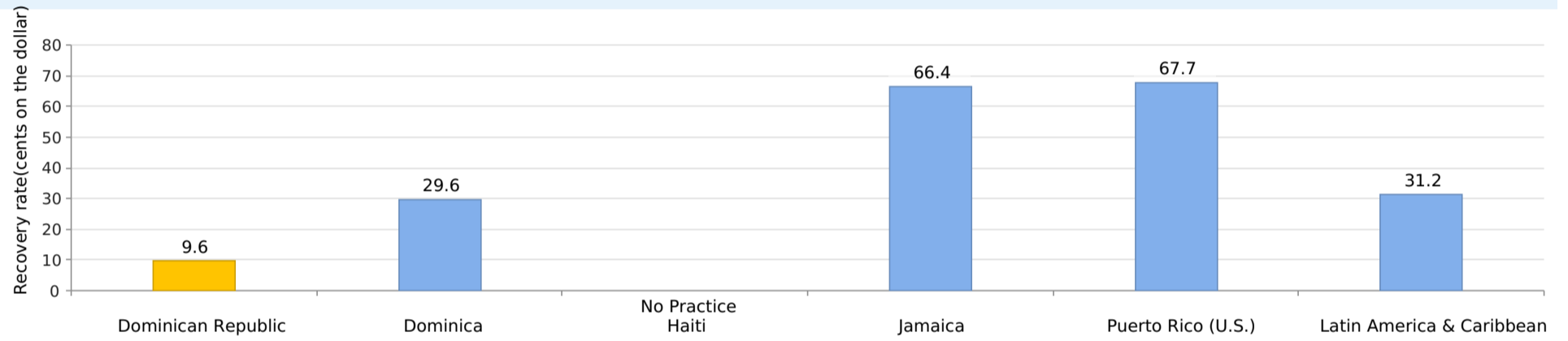


Figure - Resolving Insolvency in Dominican Republic and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Dominican Republic and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Dominican Republic

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at foreclosure)	BizBank would initiate a foreclosing proceeding to avail itself of its security right. However, Mirage will file a petition to initiate a collective insolvency proceeding of liquidation. A judgment opening insolvency proceedings will be handed down by the Court, along with the appointment of a liquidator. The liquidator would finalize the creditors' claims and prepare Mirage' assets for sale. Some or all of the proceeds of the sale are paid to BizBank.
Outcome	piecemeal sale	The hotel won't be able to continue operating and the assets of Mirage will be sold piecemeal.
Time (in years)	3.5	The liquidation proceeding after an attempt at foreclosure would take about 3.5 years. The procedure would start by the Bank filing for foreclosure which will take around 6 months. The Court will adjudicate the status of bankruptcy of the debtor converting the foreclosure procedure into a liquidation proceeding. This stage would take approximately 6 months. Afterwards, a liquidator will be appointed and the list of creditors' claims will be issued. This stage will take from 1 to 1.5 years. The sale of the debtor's assets may take up to 2 years.
Cost (% of estate)	38.0	The estimated cost would amount to approximately 38% of the value of Mirage's estate. The main component of this expense would be the attorney's fees (17%), court expenses, notification costs and administrative fees (10 %), auctioneer fees (10 %), and other professionals, including accountants (1%)
Recovery rate (cents on the dollar)		9.6

## Details - Resolving Insolvency in Dominican Republic - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>10.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	N/A	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>5.5</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(a) Yes over all pre-commencement creditors, secured or unsecured	0.5
<b>Reorganization proceedings index (0-3)</b>		<b>0.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.



## Employing Workers - Dominican Republic

## Details - Employing Workers in Dominican Republic

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	315.4
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	35.0
Restrictions on night work?	No
Restrictions on weekly holiday?	Yes
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	14.0
Paid annual leave for a worker with 5 years of tenure (working days)	18.0
Paid annual leave for a worker with 10 years of tenure (working days)	18.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	16.7
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	4.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	4.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	4.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	3.8
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	20.9

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	41.8
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	22.2
Unemployment protection after one year of employment?	No

## Business Reforms in Dominican Republic

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2020

- ✓ **Starting a Business:** The Dominican Republic made starting a business easier by reducing the minimum capital requirement.
- ✓ **Enforcing Contracts:** The Dominican Republic made enforcing contracts easier by establishing specialized commercial court divisions and by adopting a framework for mediation and conciliation including in commercial cases.

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DB2019

- ✓ **Registering Property:** Dominican Republic made registering property faster, by reducing the time necessary to obtain a judicial status certificate from the title Registry Office.
- ✓ **Protecting Minority Investors:** The Dominican Republic strengthened minority investor protections by increasing the independence of boards of directors, requiring the roles of chairman and president to fall on different persons, and charging potential acquirers of significant stakes to make their acquisitions through a public offering.

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DB2018

- ✓ **Starting a Business:** The Dominican Republic reduced the time needed to register a company by streamlining processes at the chamber of commerce.
- ✓ **Getting Electricity:** The Dominican Republic improved the reliability of electricity by investing in grid expansion, redesigning network zoning and setting up a power restoration squad to respond to outages.
- ✗ **Paying Taxes:** The Dominican Republic made paying taxes costlier by decreasing the inflation rate.
- ✓ **Resolving Insolvency:** The Dominican Republic made resolving insolvency easier by adopting a law that introduces a reorganization procedure and facilitates continuation of the debtor's business during insolvency proceedings. The new law allows creditors greater participation in important decisions during insolvency proceedings.

**Employing Workers:** The Dominican Republic increased the mandatory length of paid maternity leave.

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DB2017

- ✓ **Getting Electricity:** The Dominican Republic made getting an electricity connection faster by reducing the time required to approve electrical connection plans.
- ✓ **Paying Taxes:** The Dominican Republic made paying taxes less costly by decreasing the corporate income tax rate.

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DB2015

- ✗ **Dealing with Construction Permits:** The Dominican Republic made dealing with construction permits more costly by increasing the building permit fees.
- ✓ **Getting Credit:** The Dominican Republic improved its credit information system by enacting a new law regulating the protection of personal data and the operation of credit reporting institutions.
- ✓ **Protecting Minority Investors:** The Dominican Republic strengthened minority investor protections by introducing greater shareholder rights and requirements for greater corporate transparency.
- ✓ **Trading across Borders:** The Dominican Republic made trading across borders easier by reducing the number of documents required for exports and imports.

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DB2013

- ✗ **Paying Taxes:** The Dominican Republic increased the corporate income tax rate.

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DB2012

- ✓ **Starting a Business:** The Dominican Republic made starting a business easier by eliminating the requirement for a proof of deposit of capital when establishing a new company.

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DB2011

- ✗ **Starting a Business:** The Dominican Republic made it more difficult to start a business by setting a minimum capital requirement of 100,000 Dominican pesos (\$2,855) for its new type of company, sociedad de responsabilidad limitada (limited liability company).

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DB2010

- ✓ **Protecting Minority Investors:** The Dominican Republic strengthened investor protections through a new company law requiring greater corporate disclosure, director liability and shareholder access to information.

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DB2009

- ✓ **Starting a Business:** The Dominican Republic made starting a business easier and less costly by establishing an online facility for completing registration formalities and reducing the incorporation taxes.
- ✓ **Registering Property:** The Dominican Republic made registering property less costly by reducing and simplifying the taxes collected in property transactions.
- ✓ **Paying Taxes:** The Dominican Republic made paying taxes less costly as well as easier for companies by reducing the corporate income tax rate; abolishing several taxes, including the stamp duty; and fully implementing online filing and payment, now used by most taxpayers.
- ✓ **Trading across Borders:** The Dominican Republic reduced the time for exporting and importing through improvements in the online portal for customs documents, in risk-based inspections and in the banking sector.

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DB2008

- ✓ **Starting a Business:** The Dominican Republic reduced the time required to start a business by simplifying name registration and introducing online tax registration.
- ✓ **Registering Property:** The Dominican Republic made registering property easier by adopting several laws aimed at streamlining the process.
- ✗ **Paying Taxes:** The Dominican Republic made paying taxes more costly for companies by increasing employers' social security contribution rate.
- ✓ **Trading across Borders:** The Dominican Republic made trading across borders easier by reducing the documentation requirements.

*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

[www.doingbusiness.org](http://www.doingbusiness.org)



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