

COUNTRY PROFILE



Dominican Republic

Tax overview

Corporate Income Tax	27%
Personal Income Tax	25%, progr.
Gift Tax	27%
Inheritance Tax	3%
Wealth Tax	None

Territorial Tax Regime

The Dominican Republic applies the tax principle of territoriality. Income tax is levied principally on local source income, regardless of the residence, domicile or nationality of the taxpayer.

Corporate Income Tax

Corporations incorporated in the Dominican Republic are subject to tax on local source income, at a rate of 27%.

Personal Income Tax

Residents of the Dominican Republic are subject to tax on local source income at progressive rates up to 25%. However, residents are subject to tax on foreign source investment and financial income. The Dominican Republic imposes gift tax at 27%, and inheritance tax at 3%. However, there is no wealth tax.

Anti-Avoidance Rule

The Dominican Republic applies the doctrine based on substance over form. Additionally, the Dominican Republic applies Transfer Pricing rules based on OECD guidelines, as well as Thin Capitalization rules. However, the Dominican Republic does not have Controlled Foreign Corporation (CFC) rules.

Trusts

The Dominican Republic recognizes trusts ("Fideicomisos") created under domestic law, which have a legal and tax framework.

Double Tax Treaties (DTTs)

The Dominican Republic has DTTs with Canada and Spain.

Tax Info. Exchange Agreements (TIEAs)

The Dominican Republic has a Tax Information Exchange Agreement (TIEA) with the United States.

OECD Multilateral Convention

The Dominican Republic has ratified the OECD Convention on Mutual Administrative Assistance in Tax Matters. Signatories are required to exchange information "on request," and may agree to exchange information automatically and spontaneously.

Common Reporting Standard (CRS)

The Dominican Republic has not signed the Multilateral Competent Authority Agreement (MCAA) to implement CRS for the automatic exchange of information, and has not committed to join CRS.

FATCA

The Dominican Republic has a FATCA Model 1 IGA with the United States, for the automatic exchange of account information.

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