



C a s t a ñ o s & C a s t a ñ o s A b o g a d o s y N o t a r i o s

Calle Antonio Maceo No. 10, Santo Domingo, D. N., Tel. (809) 532-6219, [E-mail:jmcastanos@yahoo.com](mailto:jmcastanos@yahoo.com)

The firm of Castaños & Castaños is pleased to present companies, as well as any other parties that are interested in investing in the Dominican Republic, with this legal guide. It is meant to provide useful information regarding good investment opportunities.

This information comes from the Law 158-01 on the Promotion of Tourist Development for New or Low Development Locations in Provinces and Areas with Great Tourism Potential approved by the Dominican Congress and reaffirmed by the President with the Decree No. 74-02, January 29, 2002.

Law 158-01 now requires the involvement of the Secretariat of State of the Environment and Natural Resources in approving all tourism projects, which reflects an improvement in the Dominican legislation of world-wide celebrated concepts such as “eco-tourism” and “sustainable development”.

The main objective of this Law is to clarify and speed up the process for developing the tourist industry in those regions with greatest potential.

The Law 158-01 facilitates becoming a resident of the Dominican Republic for those foreigners that have retired, if they receive at least USD\$ 1,500.00 from a pension, or some sort of verifiable income of USD\$ 2,000.00 from other sources. There is no specific time duration for the benefits of this law. Some other benefits for retired foreigners are:

- With the taxes of importing furniture from their house.
- Reduction in taxes of importing a vehicle.
- 50% reduction in mortgage taxes.

Article 4 of the regulation indicates that the concessions of tourist incentives granted by the Council for the Promotion of Tourism (CONFOTUR) is limited to all that invest in new tourist projects whose construction begins after the enactment of the Law. Some of the benefits for projects and investments that meet the objectives and goals identified by the Law are:

- A tax exemption period applicable for a period of 10 years.
- Companies domiciled in the Dominican Republic that wish to benefit from this Law will enjoy an exoneration of 100% applicable to the following items:
 - Income tax generated from the promotion, implementation, or capital investment in specific tourism activities.
 - National and municipal taxes collected for the use and issuance of construction permits, including land purchase acts, as long as it is used for developing a specific tourism activity. This includes Transfer Taxes or Real Estate Rights with regards to the land and its constructions, either to incorporate them to the project or to transfer them to investors or buyers.
 - Import taxes and other duties, such as rates, rights, surcharges, including the Tax on the Transfer of Industrialized Goods and Services that may be applicable on the equipment, materials and furniture required for the first equipping and initiation of operations.

Finally, this Law forbids creating new taxes, tolls, rates, etc. for all applicable projects, during the 10 year period of tax exemption.

Cortesía de: www.puntagoleta.com