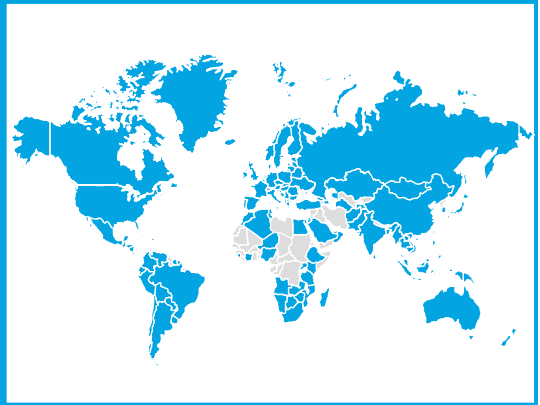


INPATRIATES

Dominican Republic

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

In Dominican Republic anyone who receives income from work done is subject to paying taxes, regardless of whether they are a resident or not.

The Income Tax Revenue (ISR) is the tax payable by anyone who receives or generates income, profits or benefits obtained by individuals, companies, and undivided assets in a fiscal period.

Any natural or juridical person residing in the Dominican Republic and the undivided causal successions domiciled in the country, will pay the tax on their income from a Dominican source, and from sources foreign to the Dominican Republic that come from investments and financial gains.

Even the salary is received from abroad, he/she is working in Dominican territory. The Dominican tax regime is based on the concept of territoriality. This implies that, no matter where the income or the payment is received, it was already originated by the work done in the Dominican Republic and, therefore, is governed by the local tax laws.

Double Taxation Treaties

Dominican Republic has double taxation treaties with Canada and Spain.

REGISTRATION / FORMALITIES

Every foreigner must have a residence permit and a work visa to work in the Dominican Republic. You must first apply for the visa at the Dominican Embassy of the country where you reside and, later, the residence and work permit.

There are different categories of work permits, depending on the duration of the foreigner's assignment in the country.

Business Visa	Term	No. of Entries
Simple Business (NS)	60 days	One (1)
Multiple Business (NM)	One Year	Multiple
Business Work Purposes (NM1)	One Year	Multiple

INCOME TAX RATES

Annual Scale	Tax Rate
Income up to RD\$416,220.00	Exempt
Income from RD\$416,220.01 up to RD\$624,329.00	15% of the surplus of RD\$416,220.01
Income from RD\$624,329.01 up to RD\$867,123.00	RD\$31,216.00 plus 20% of the surplus of RD\$624,329.01
Income of RD\$867,123.01 and above	RD\$79,776.00 plus 25% of the surplus of RD\$867,123.01

SOCIAL SECURITY CONTRIBUTION

Contributions to the payment of the cost of insurance for old age, disability, survivorship, and contributions, and for family health insurance, which will come into force shortly, will be as follows:

CONTRIBUTIONS TO THE SOCIAL SECURITY SYSTEM (TSS)		
Item	Family Health Insurance (SFS)	Pension and Disability Plan (SVDS)
Personal Health Care	9.53	
Children's Stays	0.1	
Subsidies	0.43	
Superintendence	0.07	
Personal account		0.07
Personal Life Insurance		8
Solidarity Fund		0.4
AFP Commission		0.05
Affiliate / Employee	3.04	2.87
Employer	7.09	7.1
TOTAL CONTRIBUTION	10.13%	9.97%

The percentage payment that will be made to the Social Security Treasury (TSS) will be based on the employee's monthly wage earned. It is established a quotable salary equivalent to twenty (20) national minimum wage. Payment is due within three (3) early days of the month.

The contributions made by the employee to the TSS are exempt from the ISR, therefore, they must be deducted from the amount that applies for this tax.

OTHER TAXES (PAID IN FULL BY THE COMPANY)

- Infotep: 1% of gross salary and 0.5% of bonus paid by the employee.
- Occupational Hazard Insurance: varies from 1.1% to 1.36% of salary quotable (assigned by the TSS)

For further information and to register for future updates contact expat@bdo.global

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