



GOVERNMENT OF THE  
**DOMINICAN REPUBLIC**

REPÚBLICA DOMINICANA

**COORDINATION COUNCIL OF THE SPECIAL  
BORDER DEVELOPMENT ZONE (CCDF)**

# LAW 12-21

**PREVIOUS LAW NO. 28-01**  
**APPLICATION REGULATIONS DECREE 766-21**





**COORDINATION COUNCIL OF THE SPECIAL  
BORDER DEVELOPMENT ZONE (CCDF)**

**LAW NO. 12-21**

**PREVIOUS LAW NO. 28-01**

**APPLICATION REGULATIONS DECREE 766-21**

## PROLOGUE

The Coordination Council of the Special Border Development Zone (CCDF), is honored to make available to the public opinion, the present document that contains the Law No. 12-21, which creates the special border development zone and a regime of incentives, which covers the provinces: Montecristi, Dajabón, Elías Piña, Independencia, Pedernales; In addition, the provinces Santiago Rodríguez and Bahoruco, integrated by the National Planning System, due to their similar socioeconomic characteristics.

Law No. 12-21 was enacted by the Executive Branch on February 22nd, 2021 replacing the old Law No. 28-01. This pocket edition, which seeks to ensure that the reader can have in one single copy, the Law and the Application regulations decree as a normative framework for the rules and procedures for companies that decide to settle on the border zone.

It is the interest of this Coordination Council to promote into the national and foreign private sectors, about the fiscal benefits, comparative and competitive advantages offered by the Special Border Development Zone and the Law No.12-21.

This publication serves as a reference for entrepreneurs, consultants, students, professionals from all areas and anyone else interested in learning about the fiscal incentives provided by this law, in an attempt to contribute to the socio-economic development of the border.

Thanks to the timely reaction of President Luis Abinader, it was possible to generate an adequate consensus with all the sectors involved in the promotion, approval and enactment of this Law.

Thanks to the legislators, especially, to the senators and deputies of the border, to businessmen and to the organizations of the border civil society, for all their efforts taken in order to this law could be approved.

Pleased to know that in our country and its border zone, we have a true instrument for comprehensive development of the border.

**Lic. Erodís Fernelis Díaz**  
**Executive Secretary**

052-2022

I, **Virginia Wall Guerra**, judicial interpreter for the Dominican Republic, duly sworn by the judiciary council, national identification number 001-1637246-7, **code 47144**, CERTIFY that this is to the best of my abilities, a faithful translation of a document in SPANISH, which in ENGLISH reads as follows:

**Law No. 12-21 that creates the Special Zone for comprehensive border Development and an incentive regime, which covers the provinces of Pedernales, Independencia, Elias Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco. G. O<sup>1</sup> . No. 11010 of February 23, 2021.**

**THE NATIONAL CONGRESS  
in the name of the Republic**

**Law No. 12-21**

**Whereas (1)**, after the constitutional reform of the year 2010, the need to intensify the intention to consecrate security, economic, social and tourist development, road and communicational integration, of the entire territory that comprises the border area security, was reinforced as a fundamental postulate of supreme and permanent national interest.

**Whereas (2)**, the Legislative Branch approved Law No. 28-01, enacted on February 1, 2001, with the purpose of fomenting and promoting a special treatment oriented to border development creating a special zone that included the province of Pedernales, Independencia, Elias Piña, Dajabón, Montecristi, and including the provinces of Santiago Rodríguez and Bahoruco, and that together with the design of that special zone, a component of fiscal and tariff incentives was also established to attract or stimulate private investment as a mechanism for development and guarantee of job creation in the communities of the border area.

**Whereas (3)**, the approved tax and tariff exemption regime was for a period of twenty years, a term that ended of February 1, 2021, hence there is a general consensus between the National Congress, the Central Government institutions, the industrial and business sectors and the inhabitants of the border area to keep and re-establish the special treatment of incentives, which attracts and significantly increases the flow of investment within the territory of the border and the provinces of Santiago Rodríguez and Bahoruco, with the aim to promote the social and economic development of its inhabitants.

**Whereas (4)**, it is also worth to highlight the need to reduce, restructure and update the integration of the Coordination Council of the Special Border Development Zone, to adapt it to the constitutional framework to assing it to the corresponding public institution, according to the subject matter and nature of its functions to make its operability or regular operation viable.

**Whereas (5)**, to lay the foundations for a real economic and social development of the Special Border Development Zone, it is necessary for the State, as a regulatory body, to establish a regulatory framework containing the rules for investment, which provides security to companies that want to enjoy the benefits of the law, and also for the establishment of a regime of consequences for social reasons that violate the conditions and requirements for its installion.

**Whereas (6)**, after the exhaustion of the consultation mechanisms available to the legislator, the need has been established to approve a rule that guarantees its effectiveness in the application, and the provision of certainty and legal certainty to the companies and investments that abide by the new regime, as tools that contribute to promoting real and tangible development of the border area.

Whereas (7), in view of the loss of validity if the tax incentive

component for companies that were created under the provisions set forth in article 5 of Law No. 28-01, of February 1, 2001, and the requirement of the constitutional mandate of permanent development of the border zone, the approval of a law that allows extending or reestablishing a tax incentive regime that motivates the continuity and the establishment of new investment companies subject to a regulatory regime, which in principle guarantee the aspirations and desires for development and progress of the deprived zone of the border is imperative.

**Having seen:** The Constitution of the (Dominican) Republic.

**Having seen:** Law No. 1494, of August 2, 1947, which establishes the Contentious-Administrative courts.

**Having seen:** Law No.3489, of February 14, 1953, for the Customs Regime.

**Having seen:** Law No.11-92, of May 16, 1992, which approves the Tax Code of the Dominican Republic.

**Having seen:** La No.64-00, of August 18, 2000, which creates the Secretary of State for the Environment and Natural Resources.

**Having Seen:** Law No.288-04, of September 28, 2004, on Tax Reform.

**Having seen:** Law No.13-07, of February 5, 2007, which creates the Contentious, Tax and Administrative Court.

**Having Seen:** Law No.392-07, of December 4, 2007, on Competitiveness and Industrial Innovation.

**Having seen:** Law No.226-06, of June 19, 2006, which grants legal personality and functional, budgetary, administrative,

technical autonomy and its own assets to the General Directorate of Customs (DGA).

**Having Seen:** Law No.227-06, of June 19, 2006, which grants legal personality and functional, budgetary, administrative, technical autonomy and its own assets to the General Directorate for the internal Taxes (DGII).

**Having Seen:** Law No.28-01, of February 1, 2001, which creates a Special Border Development, Zine, which covers the following provinces: Perdernales, Independencia, Elias Piñas, Dajabón, Montecristi, Santiago Rodriguez and Bahoruco.

**Having seen:** The Law of Organization of the State Secretariat for Finance, No.494-06, of December 27, 2006.

**Having seen:** Law No.496-06, of December 28,2006, which creates the State Secretariat for Economy, Planning and Development (SEEPYD).

**Having seen:** The Organic Law of the Public Administration, No 247-12, of August 9, 2012.

**Having Seen:** Law No.107-13, of August 6, 2013, on the Rights of Persons in its Relations with the Administration and Administrative Procedure.

**Having seen:** Law No.37-17, of February 4, 2017, which reorganizes the Ministry of Industry, Commerce and MSMEs.

**Having Seen:** Law no. 17-19, of February 20, 2019, on the Eradication of Illicit Trade, Contraband and Counterfeiting of Regulated Products.

**Having Seen:** Decree No.539-05, of September 28, 2005, which approves the Application Regulation for Law No.28-01, which creates the special Border Development Zone.



**HAS GIVEN THE FOLLOWING LAW:**

**CHAPTER I  
OF THE PURPOSE AND SCOPE OF APPLICATION**

**Article 1.- Object.** The purpose of this law is to create a Special Border Development Zone, which covers the provinces of: Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco, and to establish a regulatory framework that provides the rules for granting incentives to companies that establish themselves within the territory that includes the special zone and to fix the term of validity.

**Articles 2.- Scope of application.** This law is applicable and implemented throughout the territory of the provinces of: Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco, and in general throughout the national territory.

**Paragraph. -** The products, goods and services produced by the companies covered by this law may be marketed in the national and international territory.

**CHAPTER II  
OF THE SPECIAL BORDER DEVELOPMENT ZONE,  
TAX EXEMPTION AND THE VALIDITY OF THE  
INCENTIVES**

**Articles 3.- Creation of the Special Border Development Zone.** The Special Border Development Zone is created, which covers the provinces of: Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco, in which the tax exemptions subject of this law will be granted.



**Article 4.- Tax exemption for classified companies.** The enjoyment of tax exemption on operations or activities carried out exclusively in the provinces provided for in Articles 3 of his law, is established in favor of industrial, agro-industrial, agricultural, metalworking, metallurgical companies, as well as all types of companies constituted in accordance with Dominican law, according to the following incentive component:

- 1) One hundred percent of the payment of Income Taxes.
- 2) One Hundred percent of the payment of the Selective Consumption tax, applicable on telecommunications and insurance services for the project facilities located in the Special Zone.
- 3) One hundred percent of the payment of tariffs and VAT<sup>2</sup> on machinery and equipment imported or acquired in the local market, as appropriate, required for the installation and start-up of the company.
- 4) One hundred percent of the VAT for the acquisition and importation of inputs and raw materials used in the production of goods exempt from VAT in accordance with current tax legislation.
- 5) Fifty percent of VAT for the acquisition and import of supplies and raw materials used in the production of goods not exempt from VAT in accordance with current tax legislation.
- 6) One hundred percent of the payment of the tariff for the importation of inputs and raw materials used for the production of goods, only when they are not produced in the country.
- 7) One hundred percent of the payment of real estate transfer tax and other taxes related to real estate operations on the land and infrastructure where the qualified project will be developed.

<sup>2</sup> ITBIS [Impuesto a la transferencia de bienes industrializados y servicios] is the equivalent in the Dominican Republic of the Valued Added Tax (VAT)

8) Exemption from the obligation to withhold and pay to the Tax Administration payments abroad for technological innovation services required by projects exclusively during construction and start-up.

9) Exemption of one hundred percent of the taxes, fees and registration rights related to the capital increase and transfer of social shares in commercial companies with registered office within the Special Border Development Zone.

**Paragraph.** - The exemptions established in this law may not be extended to facilities outside the territory of the Special Border Development Zone of classified companies.

**Article 5.- Period of validity of the incentives,** a term of 30 years is established from the entry into force of this law, for the enjoyment of the component of the incentives granted to the companies indicated in article 4 of this law.

**Paragraph I.-** The legal entities that are subject of the incentives established in this law will have a period of two years, counted from the granting of the installation license to start their operations, after this period the license granted will be declared expired.

**Paragraph II.-** Legal entities classified under the regime established by this law, covered by the exemptions established in article 4, who have received their installation certification, will be reviewed within a period of ten (10) years, from the date of issue of the operating license.

**Paragraph III.-** The validity of the operating license will be conditional on the results of the review of the social cost-benefits analysis. In no case, the period for the enjoyment of the incentives may exceed the term provided in this law, establishing that the term of validity of the incentives begins from the date on which the company subscribes to this law, and until completing the validity period of the incentives referred to in an article 5.

**Paragraph IV.-** The legal entities that are currently classified to benefit from the incentives provided in law No. 28-01, must request their classification to this regime, providing the information that is required for the social cost-benefit analysis, according to the evaluation schedule established by the authorities, within the term of validity of the classification.

**Paragraph V. -** Transactions between related legal entities will be carried out in accordance with the provisions of current legislation on transfer pricing.

**Article 6.- Presentation of feasibility study.** The legal entities that will benefit from the incentive regime provided for in this law, in accordance with the provisions of article 45 of law No. 253-12, on the Strengthening of the collection Capacity of the State for Fiscal Sustainability and Sustainable Development, will present before the Ministry of Finance a feasibility study that allows for the establishing of a relationship of the economic benefits that the investment will provide and the tax expenditure that it will generate. The Ministry of Finance will prepare a cost-benefit analysis that will serve as the basis for issuing its No Objection or the observations that it deems pertinent to the granting of the classification request by the Council.

**Paragraph.-** The Ministry of Economy, Planning and Development will carry out a study of the economic and social impact of the companies installed at the time of entry into force, as well as those that will be installed under It. Both reports will be sent to the Coordination Council of the Special Border Development Zone for the purposes of its knowledge and analysis.

**Article 7.- Regulatory subjection.** The companies that benefit from the special regime of this law, will comply with the Labor Code and its regulations, the provisions related to the Dominican Social Security System, the obligations provided by the law that creates the National Institute of Professional Technical Training (Infotep)

and international conventions signed and ratified by the State.

### **CHAPTER III**

#### **OF THE COORDINATION COUNCIL OF THE SPECIAL BORDER DEVELOPMENT ZONE**

**Article 8.- Creation of the Coordination Council.** The Coordination Council of the Special Border Development Zone is hereby created, attached to the Presidency of the Republic and composed as follows:

- 1) The President of the Council, appointed by the President of the Republic, with a qualified vote.
- 2) The Minister of Industry, Commerce and MSMEs, or his/her representative.
- 3) The Minister of Finance, or his/her representative.
- 4) The Minister of Economy, Planning and Development, or his/her representative.
- 5) The Minister of Agriculture, or his/her representative.
- 6) The executive director of the Export and Investment Center of the Dominican Republic (CEI-RD), or his/her representative.
- 7) The executive secretary of the Council, with voice but no vote, appointed by the Executive Branch.
- 8) A representative from each of the provinces that make up the Special Border Development Zone, with voice, but without vote.

**Paragraph.** The members of the council established in nume-

ral 8 of this article, will be chosen by consensus, every four years, by the mayors of the municipalities of each of the provinces that make up this law, a councilor from a political party different from that of the mayor, elected by the council of councilors of each municipality that make up province and by a representative of the chamber of Commerce and Production of each province.

**Article 9.- Functions.** The functions of the Council of the Special Border Development Zone are:

- 1) To examine and approve the projects that are proposed to be installed in the area, after verifying that they comply with the requirements established for the protection of the environment and the operational regulations of the region.
- 2) To examine the corresponding revocations in case of cessation of operation or when they have been the result of the commission of infractions.
- 3) To ease the enjoyment of the benefits and exemptions granted by this law to the companies installed in the special zone.
- 4) To establish the official Start date of business operations.
- 5) To intervene, as a conciliation body between the companies installed in the region or those that from now on are installed in the area delimited by this law.
- 6) To manage and coordinate, before the corresponding autonomous entities and organisms, the public policies in industrial, agro-industrial, and commercial matters that have a social and economic impact on the area delimited in this law.
- 7) To design training programs for the benefit of the border area, in coordination with autonomous entities and agencies.

8) To elaborate and execute social development programs projects that benefit the area delimited in this law, in coordination with the companies.

9) To process with the Executive Branch the works of infrastructure, road communication and public services necessary or convenient to improve the quality of life of its inhabitants and the best development of investment projects in the area.

10) To promote and manage, in the country and abroad, investments in the provinces that make up the border area.

11) To ensure strict compliance with this law and the legal provisions that are issued on the matter and to take the appropriate measures in case of violation.

12) To issue resolutions to improve the implementation and regulation of the activities of companies covered by the special exemption regime provided by this law, for the Coordination of the Special Border Development Zone, which will be consigned in the General State Budget law of each year.

**Article 10. Quorum and decisions.** The Coordination Council will meet validly with the presence of half plus one of its members, and its decisions will be adopted with an absolute majority in the form of a resolution. In the event of a tie, the Chairman of the Board will have a casting vote.

**Paragraph I.** In order to streamline the company classification procedure, the Coordination Council of the Special Border Development Zone (CCZEDF), may invite to its sessions and request the collaboration of the instances it deems necessary, and that are related to the development of the border, which will provide support, technical assistance and advice, and will offer all the facilities that are required by the agencies in charge of executing and guiding the development of the general border development plan developed by the Coordination

Council, in accordance to the guidelines established in this law.

**Paragraph II.** The process of convening, holding meetings and the organic functioning in general of the Coordination Council will be established in the applicable regulations.

## **CHAPTER IV**

### **OF THE EXECUTIVE SECRETARIAT AND THE SOURCE OF FUNDING**

**Article 11.-** Creation and functions of the Executive Secretariat of the Council. The executive Secretariat of the Coordination Council of the Special Border Development Zone is created, which will be in charge of an executive secretary, who will be designated by the Executive Power and will have the following functions:

- 1) Register and execute the decisions of the Coordination Council.
- 2) Prepare the proposal and submit for its approval to the Coordination Council the revenue and expense budget of the Executive Secretariat to be included in the preliminary draft of the General State Budget Law.
- 3) Propose the appointment and removal of the staff of the Executive Secretariat for approval as well as the establishment of the salary scale.
- 4) Propose, for the approval of the Council, the acquisition of the means and supplies that guarantee the effective functioning of the both the Executive Secretariat and the Technical Office.
- 5) Any other obligation established by the regulations for the application of this law.

**Article 12.- Identification of resources.** The resources or source of financing for the fulfillment of the functions and



operations of the Executive Secretariat of the Coordination Council of the Special Border Development Zone shall be consigned in the General State Budget Law of each year.

## CHAPTER V

### OF THE FORMS, INSTALLATION PERMITS AND OBLIGATIONS OF THE CLASSIFIED COMPANIES

**Article 13.- Application form.** The legal entities that apply for the application of classification, to benefit from this law, at the time of depositing the application form, designed by the Council, will also provide a contribution corresponding to the amount determined by resolution of the Council of Coordination of the Special Border Development Zone (CCZEDF).

**Paragraph I.-** Once the application form has been deposited in the terms, established in this article, the applicant Company will receive a numbered classification form, which must be completed with the name of the Company to be installed, and may not be transferred to another project, and only it will have a term of three (3) months from the date of its delivery.

**Paragraph II.-** Once the term of validity of the classification form has expired, the acquisition rights and effects for the corresponding purposes will be lost.

**Paragraph III.-** The installation request forms will be deposited in the Executive Secretariat, which will process them without delay to the Coordination council of the Special Border Development Zone (CCZEDF by its acronym in spanish [Consejo de Coordinación de la Zona Especial de Desarrollo Fronterizo]).

**Article 14.- Installation and operation permit,** the Coordination Council of the Special Border Development Zone (CCZEDF), once the classification process is completed, will issue

the permit or license for installation and operation within the territory of the provinces that constitute the special zone to the beneficiary Company.

**Article 15.- Obligations of the beneficiary companies of the installation and operation license.** Companies that benefit from the law, in addition to complying with the formalities required by the General Law of Commercial Companies and Individual Limited Liability Companies, No.479-08, will have the following obligations:

- 1) Keeping most of their Jobs in the provinces of the Special Border Development Zone. The minimum percentage that will be required will be established in the regulations for the application of this law and will be a condition for maintaining the classification of companies under this law.
- 2) Keeping a true and faithful record of the exempted articles, consigning them as described in the exoneration order.
- 3) Keeping an organized accounting with records that allow the verification of inventories, fixed assets and depreciation, in accordance with the laws, regulations and rules that govern the matter.
- 4) Providing collaboration at all times for the best compliance with the provision of this law, supplying the data required by the competent authorities in relation to the control of the application of the benefits that have been granted.
- 5) Presenting and filing a sworn declaration of the income tax of the previous year, payroll registered in the Treasury of the Social Security and in the Ministry of Labor, production by products and sales value, and in the cases that correspond the companies that export must specify the quantity and export value.

6) Submitting a biannual report on the operations carried out to the Executive Secretariat of the Coordination Council.

7) Any other obligation established by the regulations for the application of this law.

**Paragraph.** - The records, books, inventories, files, payrolls and declarations of the classified companies are subject to the disposition and verification of the officials accredited for the purpose of the general directorates of Internal Taxes, Customs, Policy and Tax Legislation of the Ministry of Finance. Ministry of Labor and other authorities, always in coordination with the Coordination Council.

## **CHAPTER VI OF THE PENALTY REGIME AND ADMINISTRATIVE PROCESSES**

**Article 16.- Typification of offenses.** Offenses, according to their seriousness, are classified as serious and very serious.

**Article 17.- Serious offenses.** The following practices constitute serious offenses, which are sanctioned with a fine equal to one hundred percent of the applicable unpaid taxes, without prejudice to the application of the sanctions indicated by the customs legislation, as well as the interests and surcharges generated according to the provisions of the Dominican Tax Code:

1) The alienation, distraction and use of machinery and equipment exempted under this law or the use thereof for purposes other than those for which the incentive was granted.

2) The use of machinery and equipment for purposes other than those for which the incentive was granted whose investment has been reduced from net income.

**Paragraph I.-** The payment of fines referred to in this article

does not extinguish the tax obligation of companies covered by the law to pay exempt taxes, in accordance with article 4 of this law.

**Paragraph II.-** The application regulations of this law will establish the procedure that must be carried out, in order to exclude an already classified Company from the incentives of the Border Development Regime.

**Article 18.- Very serious faults.** The following practices constitute very serious offenses, the sanction of which entails the revocation or loss of the company classification of the special zone:

- 1) If the Company resorts to deception, deliberate concealment or fraudulent action to obtain the incentives established in this law or that misleadingly diverts the use for which the exemptions had been granted, without prejudice to the sanctions provided in the order laws.
- 2) If the Company fails to comply with the obligations and requirements contained in the classification resolution.
- 3) If the Company, due to causes that are attributable to it, does not start operations within the term, indicated in the classification resolution.
- 4) If the Company sells merchandise resulting from an illegal act.
- 5) If the Company imports goods that endanger the environment, human or animal health and the security of the state.
- 6) If the Company fails to comply with the regime corresponding to social security and tax matters.
- 7) Any other violation that, in the opinion of the Coordination Council, implies a distortion or substantial variation of the terms on which the approval of the installation and operation permit was based.

Council, implies a distortion or substantial variation of the terms on which the approval of the installation and operation permit was based.

**Paragraph.** - Legal persons whose classification is revoked for using the incentives provided for purposes other than those established, without prejudice to the sanctions provided for in this article, may not be admitted to any other incentive regime. The same impediment will apply to legal entities that show similar shareholding composition.

## CHAPTER VII

### OF APPEALS IN ADMINISTRATIVE AND JURISDICTIONAL SCOPES

**Article 19.- Administrative appeals.** Decisions of the Coordination Council may be challenged by means of a reconsideration appeal, within thirty days of their notification.

**Paragraph I.-** The appeal will be deposited in the Executive Secretariat, which will process it to the Council for its information.

**Paragraph II.-** The Council will have a term of thirty days to hear the appeal and will dictate the corresponding resolution. In addition, it may order any instruction measure or hold the hearings it deems necessary to substantiate its decision.

**Paragraph III.-** The decision that resolves the appeal for reconsideration concludes the challenge in administrative proceedings and enables the interested parties to file the contentious-administrative appeal.

**Article 20.- Contentious administrative appeal.** The decisions of the Council may be challenged before the Superior Administrative Court, through a contentious administrative

appeal, within thirty days of its notification.

## CHAPTER VIII

### FINAL PROVISIONS

**Article 21.-** All companies protected under the tax exemption regime contained in the old law No.28-01 at the time of its expiration will continue to be covered by the provisions established in this law.

**Paragraph.** - As of the enactment of this law, companies that have been granted permits and classifications for over than two (2) years, and that still have not provided the Coordination Council of having been formally installed or operating, are cancelled.

**Article 22.- Preparation of the application regulations.** The Ministry of Industry, Commerce and MSMEs will coordinate with the ministries represented in the Coordination Council the draft of the application regulations and their submission to the Executive Branch for approval purposes within a period not exceeding ninety (90) days from the entry in force of this law.

**Article 23.-Entry into force.** This law enters into force as of its promulgation and publication in the Official Gazette.

Given in the Session Room of the Chamber of Deputies, Palace of the National Congress, in Santo Domingo Guzmán, National District, capital of the Dominican Republic, on the eleventh (11) day of the month of February of the year two thousand a twenty-one (2021); years 177 of the Independence and 158 of the Restoration.

**Alfredo Pacheco Osoria**  
President

**Nelsa Shoraya Suárez Ariza**  
Secretary

**Agustín Burgos Tejada**  
Secretary

Given in the Session Room of the Senate, Palace of the National Congress, in Santo Domingo de Guzmán, National District, capital of the Dominican Republic, on the sixteenth (16) day of the month of February of the year two thousand a twenty-one (2021); years 177 of the Independence and 158 of the Restoration.

**Eduardo Estrella**  
President

**Ginette Bournigal de Jiménez**  
Secretary

**Lia Ynocencia Díaz Santana**  
Secretary

**LUIS ABINADER**  
**President of the Dominican Republic**

In exercise of the powers conferred on me by article 128 of the Constitution of the Republic.

**I PROMULGATE** this Law and command that it be published in the Official Gazette, for its knowledge and execution.

**GIVEN** in Santo Domingo de Gúzman, National District, capital of the Dominican Republic, on the Tweynty- Second (22nd) day of the month of February of the year two thousand and twenty-one (2021); years 177 of of the Independence and 158 of the Restoration.

LUIS ABINADER

The preceding text is a faithfull and exact translation into English from its original in spanish, made in Santo Domingo,



Dominican Republic, at the request of the interested party, on may fourth (4th), 2022, a copy of which will remain in my interpreter protocol under the number 052-2022

**Virginia Wall Guerra**  
Judicial Interpreter of the Dominican Republic  
For English and German  
C: 809-754-4979

053-2022

I, **Virginia Wall Guerra** Judicial Interpreter for the Dominican Republic, duly sworn by the Judiciary Council, national identification number 001-1637246-7, code 47144, CERTIFY that this is, to the best of my abilities, a faithful translation of a document in SPANISH, which in ENGLISH reads as follows:

**Decree No.766-21, establishing the application regulations for Law No.12-21, which creates the Special Zone for integral Border Development. G. O. 11046 of December 7, 2021.**

**LUIS ABINADER**  
**President of the Dominican Republic**

**NUMBER: 766-21**

**WHEREAS:** Article 10 of the Constitution of the Republic declares as a supreme and permanent national interest, the economic, social and touristic development of the border zone, as well as its road, communicational and productive integration.

**WHEREAS:** by virtue of the aforementioned constitutional provision, Law no. 12-21 created the Special Border Development Zone, which covers the provinces of Pedernales, Independencia, Elias Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco, in order to establish a regulatory framework for granting incentives to companies that settle in that territory.

**WHEREAS:** the aforementioned Law no. 12-21 provided for the preparation and approval of an application regulation.

**HAVING SEEN:** The Constitution of the Republic, proclaimed on June 13, 2015.

**HAVING SEEN:** Law no. 3489, of February 14, 1953, for the Customs Regime.

**HAVING SEEN:** Law no. 11-92, of May 16 1992, which approves the Tax Code of the Dominican Republic.

**HAVING SEEN:** Law no. 64-00, of August 18, 2000, which creates the Secretary of State for The Environment and Natural Resources.

**HAVING SEEN:** Law no. 28-01, of February 1, 2001, on Border Development.

**HAVING SEEN:** Law no.226-06, of June 19, 2006, which grants legal personality and functional, budgetary, administrative, technical autonomy and its own assets to the General Directorate of Customs (DGA).

**HAVING SEEN:** Law no. 227-06, of June 19, 2006, which grants legal personality and functional, budgetary, administrative, technical autonomy and its own assets to the General Directorate of Internal Taxes (DGII).

**HAVING SEEN:** Law no. 494-06, of December 27, 2006, of the Organization of the Secretary of State for Finance.

**HAVING SEEN:** Law no. 496-06, of December 28, 2006, which creates the Secretary of State for Economy, Planning and Development (SEEPYD).

**HAVING SEEN:** Law no. 13-07, of February 5, 2007, which creates the Contentious, Tax and Administrative Court.

**HAVING SEEN:** Law no. 479-08, General of Commercial Companies and Individual Limited Liability Companies, and its amendments.

**HAVING SEEN:** Organic Law no. 247-12, of August 9, 2012. Of the Public Administration.

**HAVING SEEN:** Law no. 107-13, of August 6, 2013, on the rights of people in their relations with the Administration and Administrative Procedure.

**HAVING SEEN:** Law no. 37-17, of February 4, 2017, which reorganizes the Ministry of Industry, Commerce and MSMEs.

**HAVING SEEN:** Law no. 12-21, of February, 22, 2021, which creates a Special Zone for Comprehensive Border Development, which covers the provinces of Pedernales, Independencia, Elias Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco.

In exercise of the powers conferred to me by article 128 of the Constitution of the Republic, I issue the following:

**REGULATION FOR THE APPLICATION OF LAW NO. 12-21, THAT CREATES THE SPECIAL ZONE OF INTEGRAL BORDER DEVELOPMENT**

**CHAPTER 1**

**GENERAL PROVISIONS**

**ARTICLE 1.** The purpose of this regulation is to establish the necessary administrative mechanisms for the application of the incentives provided in Law no. 12-21, which creates the Special Border Development Zone.

**ARTICLE 2.** For the interpretation and application of these regulations, the following terms and definitions shall apply:

**a) Border Company Certificate:** it is the document issued by the Coordination Council of the Special Border Development Zone (CCZEDF) after the issuance of the Classification Resolution that accredits the legal person benefited as the holder of the exemptions, the rights and the incentives provided by Law no. 12-21 and these regulations.

**b) Coordination Council:** Refers to the Coordination Council

of the Special Border Development Zone (CCZEDF), created by Law no. 12-21.

**c) Actives Companies:** These are companies that, after starting the production operation, maintain continuous activity and are up to date with their tax and corporate obligations.

**d) Feasibility Study:** Study carried out by the companies that intend to benefit from the incentive regime contemplated in Law No. 12-21. This study will be presented to the Ministry of Finance and will include the economic benefits of the investment in the province, the description of the project and its financial analysis. The ministry of Finance will prepare a cost-benefit analysis that will serve as the basis for issuing its Certificate of Non-Objection or the observations it deems pertinent to the granting of the classification request by the Council.

**e) Economic and Social Impact Study:** Study or research issued by the Ministry of Economy, Planning and Development (MEPYD) of the companies installed or to be installed, which evaluates the economic and social consequences – positive and negative, foreseen or not for society, which are brought by the activity of any company covered by the Special Regime.

**f) Installation and Operation License:** Permit issued by the Coordination Council of the Special Border Development Zone (CCDF) to the company classified for installation and operation in the border zone, which is conditional on the results of the social cost-benefit analysis review.

**g) Special Incentive Regime:** Set of norms aimed at economic sectors that, due to their nature, region or activity require incentives for the development of their operations. These incentives are granted in the form of exemptions or exonerations for compliance with certain tax obligations.

**h) Classification Resolution:** It is a binding unilateral administrative act through which the Coordination Council of the Special Border Development Zone approves the classification of a legal entity and determines its right to benefit from the exemptions and incentives regime provided in the Law no. 12-21.

**i) Classification Review:** Procedure lead by the Border Development Coordination Council, carried out every ten (10) years, after obtaining the Border Company Certificate, whose function is to determine if the beneficiary company has complied with the economic and social benefits foreseen in the Feasibility Study, the Economic and Social Impact Study and the Environmental Terms of Reference of the company presented to the Council at the time of the classification request.

**j) Executive Secretariat:** it is the executing body of the policies and guidelines outlined by the Coordination Council of the Special Border Development Zone, which will act strictly under the functions provided in Law no. 12-21 and these regulations.

**k) Application:** Set of documents processed to the Coordination Council Through the Executive Secretariat, in the order to obtain the benefits established by law for projects or companies that settle in the border area.

**l) Temporary Suspension of the company:** Process by which a company requests the suspension of the benefits of Law no. 12-21 for a specific period, due to some proven event of an economic, social, political or natural nature.

**m) Temporary ex officio suspension of the Installation and Operation License:** it is the procedure carried out by the Coordination Council on a temporary basis to the companies received due to violation of Law no. 12-21 and these regulations.

**n) Special Border Development Zone:** Area made up of the provinces of Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco, in accordance with the provisions of Law no. 12-21.

**ARTICLE 3.** For the purposes of granting the benefits and concessions established by Law no. 12-21 and these regulations, projects and companies that are located or will operate within the limits of any of the following provinces will be considered: Pedernales, Independencia, Elías Piña, Dajabón, Montecristi, Santiago Rodríguez and Bahoruco.

**PARAGRAPH I.** For a project or company to benefit from the benefits of the law, it will be an essential condition that it has not been classified or obtained benefits under special contracts or other laws and similar incentive provisions, with the exception of companies covered by Law no. 28-01 on Border Development.

**PARAGRAPH II.** Companies whose services entail mobile management activities or the generation of intangibles, such as administration of trademark rights, patents, concessions and franchises, copyrights, among other services that do not entail substantial activity or that do not impact the productive activity of the company, may not be classified to benefit from the incentives provided in Law no. 12-21.

## **CHAPTER II**

### **OPERATION OF THE COORDINATION COUNCIL OF THE SPECIAL BORDER DEVELOPMENT ZONE (CCZEDF)**

**ARTICLE 4.** The Coordination Council of the Special Border Development Zone (CCZEDF) will be convened by its president, in coordination with the executive secretary. It may also be convened by the decision of five (5) of its members.

**ARTICLE 5.** Pursuant to article 10 of Law no. 12-21, the decisions of the Coordination Council of the Special Border Development Zone (CCZEDF) will be adopted in the form of a resolution.



**PARAGRAPH I.** In the case of resolutions that decide on criteria, classification, benefits, reinvestment and protection, these will contain a summary of the technical and economic characteristics that support the decision and will be communicated to the requesting parties by the Executive Secretariat.

**PARAGRAPH II.** Depending on the case, the resolutions of the Coordination Council of the Special Border Development Zone (CCZEDF) must also be sent to the state entities and bodies that intervene in the administration of the exemptions established in Law no. 12-21.

**ARTICLE 6.** The certificates corresponding to the resolutions of the Coordination Council of the Special Border Development Zone (CCZEDF) will be signed by the president of the Coordination Council and the executive secretary.

### **CHAPTER III**

#### **OPERATION OF THE EXECUTIVE SECRETARIAT**

**ARTICLE 7.** The Executive Secretariat is responsible for receiving and processing applications for projects and companies interested benefiting from Law no. 12-21 and submitting them to the Coordination Council of the Special Border Development Zone (CCZEDF) for its consideration and decision.

**ARTICLE 8.** In addition to the functions granted by article 11 of Law no. 12-21, the executive secretary of the Coordination Council of the Special Border Development Zone (CCZEDF) is responsible for the following:

a) Summoning and coordinating the selection processes of the provincial representatives that will integrate said council by virtue of numeral 8 and the paragraph of article 8 of Law no. 12-21. Every 4 years, after the mandates of these representatives have elapsed, the executive secretary will begin the se-

lection processes again, and until such processes are completed, the previously selected representatives will maintain their functions.

b) Guaranteeing the efficiency of the procedures under its charge, particularly those related to the reception, processing and submission of requests addressed to the Coordination Council, as well as the consequent communications to the interested parties.

c) Keeping a record of the applications submitted, approved and rejected.

d) Once the study has been carried out by the empowered evaluation commissions, sending the files to the members of the Coordination Council for their knowledge prior to the session in which they will be analyzed.

e) Preparing the minutes of each session of the Coordination Council, which after being approved and signed by the attendees, will be registered in a registry, which will remain in their custody and custody.

f) Keeping a faithful record of the resolutions adopted by the Coordination Council.

g) Periodically supervising that the approved projects continue to meet the criteria established in Law no. 12-21 under which they were granted their classification.

h) Ensuring the existence of provincial inspection offices, which must periodically verify compliance with the criteria, characteristics and operational conditions that serve as the basis for the classification of the company

i) Recording the socioeconomic statistics of the classified companies.

## **CHAPTER IV**

### **FISCAL INCENTIVES AND CLASSIFICATION CRITERIA**

**ARTICLE 9.** The incentives established in Law no. 12-21 will be granted to those projects and companies that demonstrate their economic and financial viability, or that demonstrate that the impact on the generation of jobs, foreign currency, productive chain and transmission of knowledge compensates the impact of tax expenditure, which will be tested by carrying out the cost-benefit analysis and the economic and social impact study established by law.

**PARAGRAPH I.** To receive the corresponding exemptions, companies covered by the special regime of Law no. 12-21 must submit to the tax administration a certificate of company acceptance, which will be issued by the Executive Secretariat of the Coordination Council Border Development Zone (CC-ZEDF) valid for one (1) year.

**PARAGRAPH II.** The Ministry of Industry, Commerce and MSMEs (MICM) will publish annually a list of inputs and raw materials produced in the country no later than March 1 of each year, after a national call of twenty-five (25) business days, by official or private means of national dissemination, including electronic means, so that all companies that produce supplies and raw materials can offer their services to border companies to facilitate the process of requesting the exemption referred to in the numeral 6 of article 4 of Law no. 12-21. The Ministry of Industry Commerce and MSMEs (MICM) will establish the procedure by resolution.

**ARTICLE 10.** In addition to the provisions of article 5 of Law no. 12-21, the reduction of capital or dissolution of a company whose investment is subject to exemption from payment of income tax that occurs within three (3) years of the classification, and that, for reasonable reasons, cannot justify its disa-

pearance before the Border Development Council, will entail the loss of the benefits obtained under Law no. 12-21. Consequently, the company must pay the amount of taxes, fees and contributions that had been exempted.

## **CHAPTER V CLASSIFICATION PROCEDURE**

**ARTICLE 11.** Legal entities that wish to benefit from the incentives of Law no. 12-21 will submit their request for classification to the Executive Secretariat of the Coordination Council of the Special Border Development Zone (CCZEDF), with the following documents:

- a) Request letter containing name, address and laws by virtue of which the legal person was incorporated.
- b) Project application form in physical and digital format (executive summary)
- c) Proof of payment of the corresponding contribution, determined by the Coordination Council, in accordance with article 13 of Law no. 12-21.
- d) Financial feasibility analysis of the project.
- e) Description of the requesting company and a certified copy of the constitutive documents, among which are the commercial name, corporate bylaws, attendance list, last meeting, current commercial registry and National Taxpayer Registry (RNC).
- f) Proof of the deposit before the Ministry of Environment and Natural Resources of the Terms of Reference of the project.
- g) Copy of the deed or lease contract, duly certified by a

notary of the property in which the company's operations will be carried out.

- h) Original of the certification of the legal status of the real estate property.
- i) Original of the certification of fiscal compliance, issued by the General Directorate of Internal Taxes (DGII)
- j) Letter of no objection from the corresponding Urban Planning agencies (city councils and, if required, the Ministry of Public Works and Communications).
- k) Any other information or requirement in accordance with the law that, due to the category of the project, is requested by the Executive Secretariat or the Coordination Council.

**ARTICLE 12.** For the feasibility study provided in article 6 of Law no. 12-21, legal entities that wish to benefit from the incentives must submit the following:

- a) Composition and origin of capital.
- b) Type of industrialized product or service to be offered.
- c) Estimated number and types of jobs to be created, national or foreign.
- d) Economic evaluations, financial evaluations, social impact of the project.
- e) Social commitment plan in the area of influence of the project.

**PARAGRAPH I.** The Executive Secretariat of the Coordination Council of the Special Border Development Zone (CCZE-DF) will have 10 business days to validate all the information

provided. In case of having any objection, the Executive Secretariat will notify the applicant so that they can correct or withdraw the project.

**PARAGRAPH II.** After validating the documents, the Executive Secretariat has a period of five (5) days to send to the Ministry of Finance the request for the preparation of the cost-benefit analysis and the issuance of its certification of non-Objection of observations, in accordance with Article 6 of Law no. 12-21. The Ministry of Finance will have a period of no more than fifteen (15) business days to respond to the Executive Secretariat.

**PARAGRAPH III.** If the Ministry of Finance grants its Non-Objection, the Executive Secretariat will present the file to the Coordination Council of the Special Border Development Zone (CCZEDF), through its president, who will convene, in coordination with the executive secretary, within a no more than ten (10) business days, to meet within a period of no more than fifteen (15) days after the call.

**ARTICLE 13.** The Coordination Council of the Special Border Development Zone (CCZEDF) will determine by resolution if the project or company meets the requirements contemplated in Law no. 12-21 and these regulations, which will be done within a period of five (5) business days from the first or only session. It is the responsibility of the Executive Secretariat to notify the resolution to the applicant within a period no exceeding five (5) business days, also sending, if applicable, the Border Company Certificate, in which the classification granted to the applicant will be indicated, as well as than the Installation and Operation License.

**ARTICLE 14.** Requests for classification favorably received by the Coordination Council of the Special Border Development Zone (CCZEDF) will be the subject of a resolution that will contain a summary of the technical and economic charac-

teristics that have served as the basis for such decision, with the following information:

- a) Moral and economic solvency of the applicant.
- b) Summary of the technical, economic and social factors that have served as the basis for the recommendations mentioned in accordance with the study, analysis and evaluation of the project.
- c) Financial, administrative and technical conditions that must be met by the requesting firm.
- d) Incentives that will benefit the company, including a list of the products that it may manufacture and the raw materials and other items that it may import, with total or partial exemption from import taxes.
- e) Term to install the new plant or transform an existing plant, and term to start or adjust production, in accordance with the obligations to which the company is subject.

**PARAGRAPH I.** Companies that receive a favorable opinion from the Coordination Council of the Special Border Development Zone (CCZEDF) may not begin to enjoy the exemptions established in Law no. 12-21 until full compliance with the environmental standards required by the Ministry of the Environment and Natural Resources is verified, including the evaluation of the Terms of Reference. In case of non-compliance with the Terms of References, the company will automatically lose the exemptions that had been granted by virtue of Law no. 12-21.

**PARAGRAPH II.** The Coordination Council of the Special Border Development Zone (CCZEDF) will rely on the Executive secretariat to publish and update a database with the companies that have obtained the Border Company Certificate and,



consequently, benefit from the established incentives in Law no. 12-21.

**ARTICLE 15.** The resolutions of the Coordination Council of the Special Border Development Zone (CCZEDF) may be subject to an administrative appeal submitted to the same Council, as well as challenged before the Superior Administrative Court, in accordance with the provision of articles 19 and 20 of the Law no. 12-21 and in Law no. 107-13, on the rights of people in their relations with the Administration and Administrative Procedure.

**ARTICLE 16.** The legal entities that are classified and benefit from the exemptions provided in Law no. 28-01, on Border Development, after or prior the expiration of their incentives, must request their classification to the regime provided in Law no. 12-21, providing the information provided for in article 12 and in accordance with the procedure stipulated in these regulations.

## **CHAPTER VI REVIEW OF THE INCENTIVES PROCESS**

**ARTICLE 17.** Companies classified under the incentive regime contemplated in Law No. 12-21 will be subject to a review process, at least every ten (10) years, through which the Coordination Council of the Special Zone of Border Development (CCZEDF) will determine the adequacy of the projects or the continuity or not of the benefits granted.

**PARAGRAPH I.** This decision of the Coordination Council will be based on the continuous and periodic monitoring that the Executive Secretariat must do of the variables and indicators contemplated in the economic and social impact study, the feasibility study and the Terms of Reference of the Ministry of Environment and Natural Resources established for the issuance of the Installation and Operation License.

**PARAGRAPH II.** The Executive Secretariat will promptly inform the classified companies about the deviations in the variables and indicators, in accordance with their initial classification request, so that they have opportunity to establish the pertinent corrective actions prior to the review period.

## **CHAPTER VII OBLIGATIONS OF THE BENEFITED COMPANIES**

**ARTICLE 18.** The projects and companies that benefit from Law no. 12-21, without prejudice to other formalities required by Law No. 479-08, General law of Commercial Companies and Individual Limited Liability Companies, and its amendments, must comply with the following obligations:

- a) Keeping a faithful record for the entry of the exempted articles, consigning them as described in the exoneration order. This record will be accessible to commissioned officials or those with authority to examine them.
  
- b) Keeping the accounting organized with records that allow the verification of inventories, fixed assets and depreciation, in accordance with the laws and regulations that govern the matter, all available to the officials of the General Directorate of Internal Taxes (DGII), the General Directorate of Customs (DGA) and other authorities.
  
- c) Providing collaboration at all times for the best compliance with the provisions of this law, supplying the data that are required by the competent authorities, in relation to the control of the application of the benefits that have been granted.
  
- d) Abiding and complying with the established provisions of the projects, programs and plans of social commitments formulated by the Executive Secretary in coordination with the beneficiary company.

- e) Maintaining 75% of the employment in the territory of the Special Border Development Zone where they are installed, whose work corresponds to the development and operation of the commercial activity generated by the company and the volume of income generated.
- f) Complying with tax obligations and duties.

## **CHAPTER VIII SUPERVISORY CONTROLS**

**ARTICLE 19.** The Coordination Council of the Special Border Development Zone (CCZEDF), through the Executive Secretariat, will be responsible for demanding compliance with the obligations contracted by the companies and projects that benefits from Law. No. 12-21, in accordance with the following provisions:

- a) Keeping a final record in which the evidentiary resolutions are recorded, indicating the name and category of the company, benefits granted and expiration date of the benefits.
- b) Keep track of the requests for exemptions granted and verifying that they comply with the benefits granted for authorization purposes to the General Directorate of Customs (DGA) and the General Directorate of Internal Taxes (DGII).
- c) Keeping a record of machinery and equipment imported with tax exemptions by classified companies, in order to verify that they have been given the destination for which they were imported.
- d) Drawing up the corresponding minutes to record the controls and verifications carried out, copies of which will be sent to the Executive Secretariat of the Coordination Council.
- e) Carrying out periodic analysis of production and inventory

of raw materials for the host company.

f) Verifying compliance with the installation deadlines of the industrial plants and effective production, in accordance with the approved resolutions.

g) In the event that tariff exemptions have been granted to raw materials that are not produced in the country, periodically verifying, through its inspectors, the use of imported raw material with exemption, verifying the quantities consumed and the available balances. The reports rendered by the inspectors must be forwarded to the Executive Secretariat for the corresponding purposes.

h) Verifying, through supervisors and inspectors, compliance with the provisions of the Labor Code and Law no. 285-04 General law of Immigration.

i) Periodically carrying out reports on the certification of the personnel who are working in the different technical and operational areas of the company, in accordance with the provisions of Law No. 116, of 1980, which creates the National Institute of Technical-Professional Training (INFOTEP)).

j) In compliance with these obligations, the Ministry of Finance and its dependencies will carry out the control and analysis corresponding to each requested exemption request, in accordance with the provisions of their respective organic laws.

## CHAPTER IX

### TEMPORARY SUSPENSION PROCEDURES

**ARTICLE 20.** By means of a document containing the reasons, the participating companies may request the suspension of the executive and enforceable effects of the Installation and Operation License or the classification certificate, without this generating as a consequence the expiration, expiration or

of the rights, acquired by virtue of Law no 12-21, as long as at least one of the following causes is present:

- a) Natural phenomena that affects production.
- b) Legal casualties that prevent the operation of the company.
- c) Fortuitous cases or force majeure.
- d) Reconstruction of the company.
- e) Other contingencies that come from causes beyond your control, unforeseen and that make it impossible to continue with your operations.

**PARAGRAPH I.** The request for suspension must be deposited in the Executive Secretariat, which will stamp a date and acknowledge receipt of the request.

**PARAGRAPH II.** The executive secretary must ensure that within a period not exceeding ten (10) business days, the site inspection is carried out, in order to verify the cause that caused the cessation or inactivity of the company.

**PARAGRAPH III.** After the inspection, a detailed report on the situation of the company must be submitted within a period not exceeding five (5) business days.

**PARAGRAPH IV.** The executive secretary will then have a maximum period of five (5) business days to send the suspension request file to the president of the Coordination Council of the Special Border Development Zone (CCZEDF).

**PARAGRAPH V.** The president of the Coordination Council, after receiving the suspension file, must convene, in coordination with the executive secretary, the members of the Council within a period not exceeding five (5) business days, for the

hearing of the suspension request The Board must hear and decide on the request for suspension within a period not exceeding fifteen (15) business days, counted from the date of the call.

**PARAGRAPH VI.** The decision on the suspension request must be subject to resolution. The Coordination Council must send the resolution corresponding to the request for suspension to the executive secretary within a period not exceeding five (5) business days for notification purposes.

**PARAGRAPH VII.** The executive secretary, after receiving the resolution regarding the suspension, must notify the interested party and the tax administration bodies within a period not exceeding 5 business days.

**PARAGRAPH VIII.** The term of the suspension will be six (6) months, counted from the notification of the resolution that determines the suspension.

**PARAGRAPH IX.** The Executive Secretariat, after reviewing the existence of one of the breaches or violations set forth in Law no. 12-21, will inform the president of the Coordination Council, through a detailed report, so that he or she convenes the Council under the terms and conditions of these regulations.

**PARAGRAPH X.** The resolution regarding the ex officio suspension, issued by the Coordination Council, will be notified to the representative of the company and to the corresponding public administration bodies.

**ARTICLE 21.** The company that is under temporary suspension may request, by means of a reasoned document and evidence, the cessation of the cause that originated the suspension.

**PARAGRAPH I.** After receiving the request to lift the temporary suspension, the executive secretary will seek the evaluation and rendering of a report on the situation in which the company finds itself, so that the Coordination Council of the Special Development Zone Border (CCZEDF) know and decide on the lifting of the suspension.

**PARAGRAPH II.** The executive secretary must send the file with the request to lift the temporary suspension to the president of the Coordination Council within a period not exceeding five (5) business days.

**PARAGRAPH III.** The president of the Coordination Council must convene within a period not exceeding five (5) business days for the hearing of the lifting of the temporary suspension.

**PARAGRAPH IV.** The Coordination Council must decide on the lifting of the temporary suspension within a period not exceeding ten (10) business days, and must send the corresponding resolution to the executive secretary for the purposes of notifying the interested parties.

## **CHAPTER X**

### **SANCTIONS**

**ARTICLE 22.** Without prejudice to the provisions of articles 16, 17 and 18 of Law no. 12-21, any legal entity beneficiary of the incentives established in the aforementioned law that resorts to deception or fraud to obtain such incentives, or that misleadingly diverts the use for which they were granted, will be subject to criminal, civil or administrative liability and will be responsible for the payment of the corresponding duties and taxes.

**ARTICLE 23.** The Coordination Council of the Special Bor-

der Development Zone (CCZEDF) may temporarily suspend the agreed benefits, in any of the proven cases of violation of the provisions set forth in Law No. 12-21.

**PARAGRAPH I.** The Coordination Council must send the motivated resolution of the suspension to the tax administration bodies, for their knowledge and execution regarding the non-application of the corresponding incentives.

**ARTICLE 24.** The decisions of the Coordination Council may be challenged through the procedure stipulated in Law no. 107-13 on the rights of people in their relations with the Administration and Administrative Procedure.

## **CHAPTER XI**

### **SPECIAL PROVISIONS**

**ARTICLE 25.** In the definitions, descriptions and concepts of this regulation that entail commercial or accounting interpretations, the generally accepted accounting principles and established commercial practices will be applied for their interpretation. The Coordination Council of the Special Border Development Zone (CCZEDF) may make these concepts official for a better interpretation and application of the law.

**ARTICLE 26.** The funds to cover the expenses generated by the operation of the Coordination Council of the Special Border Development Zone (CCZEDF) and the Executive Secretariat shall be consigned in the General State Budget.

**ARTICLE 27.** This law shall be sent to the corresponding institutions, for their knowledge and execution.

**GIVEN** in Santo Domingo de Guzman, National District, capital of the Republic, on the thirtieth (30th) day of the month of November of the year two thousand twenty-one (2021), year



178 of the Independence and 159 of the Restoration.

**LUIS ABINADER**

The preceding text is a faithful and exact translation into English from its original in Spanish, made in Santo Domingo, Dominican Republic, at the request of the interested party, on May fourth (4th) 2022, a copy of which will remain in my interpreter protocol under the number 053-2022

**Virginia Wail Guerra**  
**Judicial Interpreter of the Dominican Republic**  
**for English and German**  
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GOVERNMENT OF THE  
DOMINICAN REPUBLIC

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