



Fiscal Flash

KPMG in the Dominican Republic

Tax and Legal Practice
January 2021

Executive Branch releases General Rule 242-20, granting tax incentives of up to 15 years for industries subject to competitiveness and innovation regime



The Executive Branch (hereinafter, the "EB") released General Rule 242-20 (hereinafter, the "General Rule"), amending Laws No. 542-14 and 392-07 on Industrial Competitiveness and Innovation, in order to provide additional support to companies operating under the Center for Development and Industrial Competitiveness (hereinafter "PROINDUSTRIA") regime.

We have listed the most relevant measures introduced by the General Rule hereinbelow, for your better reference:




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TAX PRACTICE
SERVICES

- **Renewal of up to 15 fiscal years**, for the transitional general rule introduced to update and modernize classified industries;
- **Contemplates a process** aimed at encouraging the transformation of raw materials, capital goods, equipment and machines, if the modified product results in a good or equipment that qualifies under a different tariff code.
- **To qualify under a different tariff code**, raw materials, capital goods, equipment, and machines must pass through a specific contemplated transformation process.
- **Allows companies under General Rule** to opt for one of the following incentives during the 90-day period prior to the filing date of Corporate Income Tax Return (hereinafter "CIT" or "Form IR-2"):
 - Renews the fifty percent (50%) deduction on Value-Added Tax (hereinafter "VAT") granted on imports of raw materials, equipment, and capital goods.
 - Expands the scope of raw materials, capital goods, equipment, and machines, which may be subject to a zero rate (0%) tariff.
 - Grants a 6-month period for qualified companies to submit reimbursement and compensation requests to the Dominican tax authority ("DGII") for the tax credits generated by the transfer of VAT-exempt finished goods to physical person or legal entities.

KPMG confirms its interest to further assist you by providing tax advisory and compliance services to comply with the tax obligations described above before the DGII.

Services

Corporate:	International Trade:	Fiscal Litigation:	Other Legal Services:
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	Tax Opinion
	Fiscal Assistance
	Tax Compliance
	Tax Diagnosis
	Tax Planning for Mergers and Acquisitions
	Tax Planning and Audit
	Individuals Tax Planning
	Preparation and Filing of Returns and Monthly Reports
	Reconsideration Requests
	Transfer Pricing

- General legal advice
- Negotiation of transactions on behalf of clients
- Legal services in mergers and acquisitions (including legal due diligence services)
- Consultancy and opinion before the tax authority
- Social security and remunerations
- Foreign investment, Free Trade Zones, Law 173
- Legal compliance
- Global entity management
- Regulatory compliance of financial services
- International trade and customs assistance
- Rules of origin and customs classification
- International trade diagnosis
- Customs audits
- Legal fiscal assistance
- Representation of clients before tax courts / arbitration forums
- Fiscal legal procedures and constitutional rights
- Customs and international trade dispute resolution
- Double taxation and tax treaties dispute resolution
- Enquiries to tax authority
- Labor law assistance
- Legal due diligence
- Legal immigration assistance
- Arbitration and alternative dispute resolution
- Administrative and regulatory issues
- Business and competition law
- Intellectual property
- Energy law, mining, telecommunications, aeronautic, maritime, securities, banking and currency

Links of interest



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If you have any questions, email us at do-fmkpmg@kpmg.com

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