

To make sure you receive our communications, please subscribe to our mailing list



# Tax Alert

KPMG Dominican Republic

Tax and Legal Practice  
June, 2023

## Dominican Republic: New legislation proposes tax incentives for the application of e-invoicing



During the month of May 2023, the Executive Branch passed Law 32-23 (hereinafter, the "Law"), which sets forth the National Tax System of Electronic Invoicing.


It should be noted that the Dominican Tax Authority ("DGII") has started granting the tax incentives provided by the aforesaid Law, to those taxpayers who opt to register as issuers of electronic tax receipts ("e-CF", per its Spanish acronym), during the voluntary period.

The aforementioned voluntary period would end upon the initiation of the mandatory implementation phase of electronic invoicing detailed in the Law, structured according to the taxpayer's contributory capacity:



**José Manuel Romero**  
Tax & Legal Partner  
[Joseromero1@kpmg.com](mailto:Joseromero1@kpmg.com)

### CONTACTO


 1 (809) 566-9161

 Email

 Visit [kpmg.com](https://www.kpmg.com)

### TAX PRACTICE SERVICES

 Tax Opinions

 Fiscal Assistance

(i) **large locals and medium-sized**, until May 2025; and (ii) **small, micro and unclassified**, until May 2026.

As for **large national taxpayers**, through Notice No. 08-23, dated May 25, 2023, the DGII divided said taxpayers into groups, each with a different implementation deadline, as follows: (i) **group 1**, on January 15, 2024; (ii) **group 2**, on March 15, 2024; (iii) **group 3**, on May 15, 2024. Therefore, each large national taxpayer must consult, on the DGII's website, the group to which it belongs.

Furthermore, it should be emphasized that, in the event that a taxpayer is unable to comply with the implementation deadline corresponding to the group to which it belongs, said taxpayer may file a request to the DGII aiming to be reassigned to a different group; thus extending the mentioned deadline, following the provisions of the aforementioned Notice.

Concerning the tax credit incentives, the Law provides the amounts that would be authorized by the DGII, based on the classification of the taxpayers, as follows:

<b>Taxpayer category</b>	<b>Maximum amount (DOP)</b>
Large micro, small & medium enterprises (MSMEs)	300,000.00
Medium taxpayers	200,000.00
Small taxpayers	75,000.00
Micro-enterprises and unclassified	25,000.00

The referred tax credit incentives may be used, within the same fiscal year in which they were granted, regarding the following tax obligations: (i) Advanced Income Tax Payments; (ii) Operational Value-Added Tax ("VAT," or "ITBIS," per its Spanish acronym); (iii) Income Tax; and (iv) Asset tax.

Finally, the Law provides a 5% withholding tax exemption, applicable to payments made by the Dominican Government, provided that the services providers invoice the good or service using an e-CF.

KPMG confirms its interest to further assist you in the implementation of electronic invoicing and e-CF in your company, as to potentially benefit from the tax incentives currently granted by the DGII.


---


## Services

 Tax Compliance

 Tax Diagnosis


 Tax Planning for Mergers and Acquisitions

 Tax Planning and Audit

 Individual Tax Planning

 Preparation and Filing of Returns and Monthly Reports

 Administrative Appeals

 Transfer Pricing

Corporate:	International Trade:	Fiscal Litigation:	Other Services:	Legal
<ul style="list-style-type: none"> <li>• General legal advice</li> <li>• Negotiation of transactions on behalf of clients</li> <li>• Legal services in mergers and acquisitions (including legal due diligence services)</li> <li>• Consultancy and opinion before the tax authority</li> <li>• Social security and remunerations</li> <li>• Foreign investment, Free Trade Zones, Law 173</li> <li>• Legal compliance</li> <li>• Global entity management</li> <li>• Regulatory compliance of financial services</li> </ul>	<ul style="list-style-type: none"> <li>• International trade and customs assistance</li> <li>• Rules of origin and customs classification</li> <li>• International trade diagnosis</li> <li>• Customs audit</li> </ul>	<ul style="list-style-type: none"> <li>• Legal fiscal assistance</li> <li>• Representation of clients before tax courts / arbitration forums</li> <li>• Fiscal legal procedures and constitutional rights</li> <li>• Customs and international trade dispute resolution</li> <li>• Double taxation and tax treaties dispute resolution</li> <li>• Enquiries to tax authority</li> </ul>	<ul style="list-style-type: none"> <li>• Labor law assistance</li> <li>• Legal due diligence</li> <li>• Legal immigration assistance</li> <li>• Arbitration and alternative dispute resolution</li> <li>• Administrative and regulatory issues</li> <li>• Business and competition law</li> <li>• Intellectual property</li> <li>• Energy law, mining, telecommunications, aeronautic, maritime, securities, banking and currency</li> <li>• Environmental, Social &amp; Governance</li> </ul>	

Links of interest



Privacy | Legal

If you have any questions, email us at [do-fmkpmg@kpmg.com](mailto:do-fmkpmg@kpmg.com)

KPMG Dominicana, Acrópolis Tower, 23rd Floor, Santo Domingo, Dominican Republic

© 2023 KPMG Dominicana, S.A., a Panamanian entity and member firm of KPMG's worldwide organization of independent member firms affiliated with KPMG International Limited, an English private company limited by guarantee. All rights reserved.

