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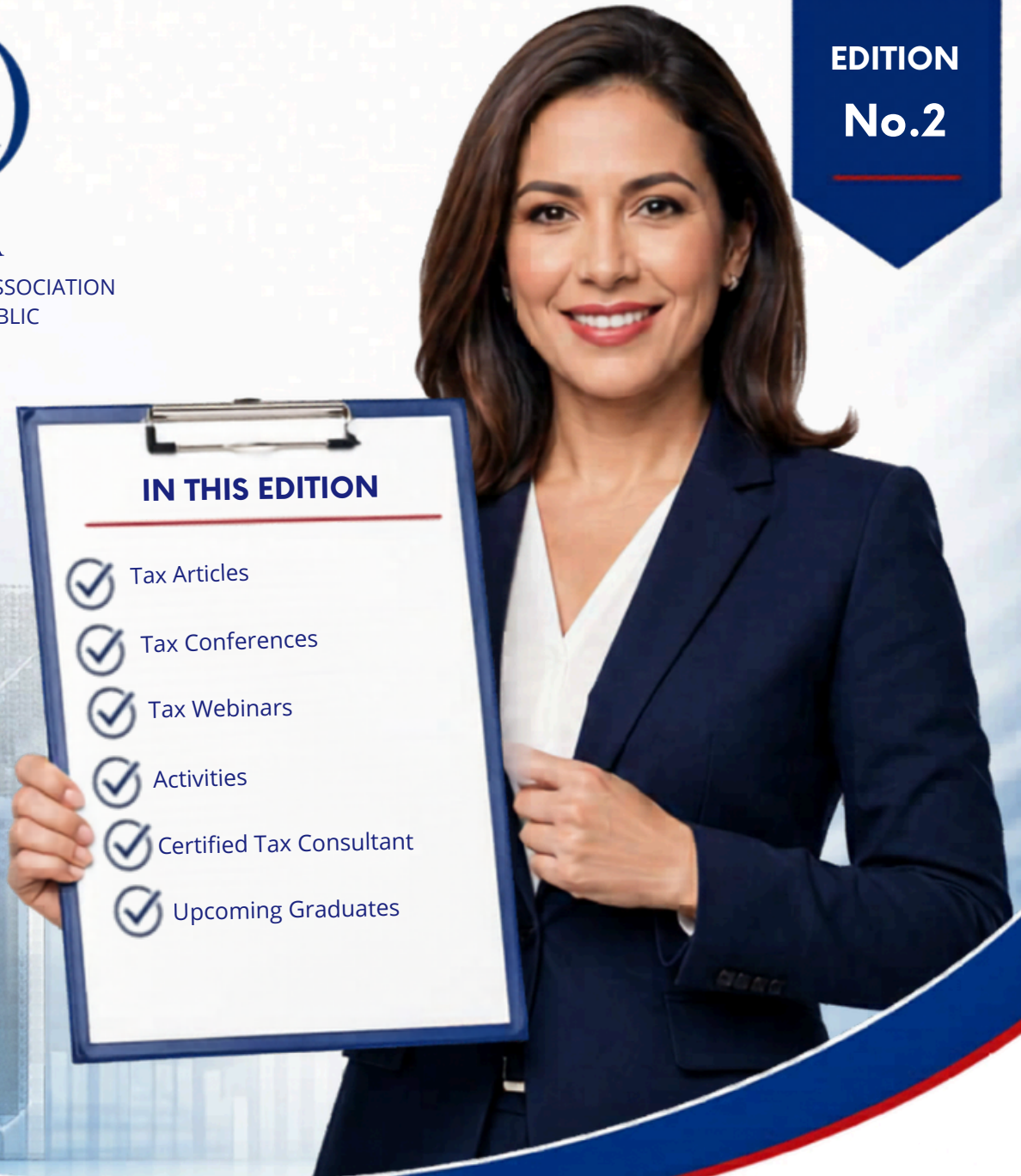
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IN THIS EDITION

- ✓ Tax Articles
- ✓ Tax Conferences
- ✓ Tax Webinars
- ✓ Activities
- ✓ Certified Tax Consultant
- ✓ Upcoming Graduates



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INDEX



01

Electronic Invoicing: From Fear to Opportunity

By *Elayne Jiménez Méndez*



02

Impact of Case Law on Tax Administrations

By *Edgar Barnicha Geara*



03

Global Minimum Tax and Exportation of Tax Revenue Collection

By *Montserrat Viñals Prestol*



04

Estate Planning in Global Families: Residence, Succession and Government as Pillars of Tax Stability

By *Félix J. Espíritu*



05

On Payment Facilities, tax Prescription and Suspension of the Taxpayer Registry (RNC)

By *Eunice Arias Torres*



06

Monotax and Smart Formalization: Keys to SME Competitiveness in Latin America

By *Altagracia Mateo Chalas*



EDITING, LAYOUT AND COORDINATION

- Arturo Matos
- info@atrird.com



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Activities and photos

A summary of the activities carried out so far in 2026





ELECTRONIC INVOICING:

From fear to opportunity in the final stretch

By Elayne Jiménez Méndez

Business intelligence specialist

Electronic invoicing, DGII Digital transformation

“Do I still have time?” That is probably one of the most common questions these days among taxpayers of different sizes and business sectors.

The answer is clear: time has practically run out. With the upcoming deadline of May 15, 2026 approaching, covering the final group of taxpayers required to issue electronic invoices — including all micro and small businesses, all invoicing individuals, and the remaining public and private entities authorized to issue tax receipts, including newly registered taxpayers — electronic invoicing is no longer an optional or distant matter. It has become an immediate reality.

Although the electronic tax receipt (e-CF) has had a legal foundation in the Dominican Republic since 2019, later strengthened by the enactment of Law No. 32-23,

electronic invoicing was, for a long time, perceived as something remote. Today, that perception no longer has a place. This is the final stage of a process that has been under development for several years. Mandatory compliance is now a fact, and with it comes the need to act.

This stage marks a turning point: moving from postponement to action. However, it also opens the door to an important reflection: why continue viewing electronic invoicing as a burden when it can actually represent an opportunity for business evolution and improvement?

Beyond regulatory compliance, electronic invoicing is a key enabler of digital transformation within companies. Its adoption has proven to facilitate the transition from manual processes to more efficient, integrated, and data-driven business models.



Latin America's extensive experience demonstrates that implementing these systems generates significant benefits for both tax administrations and taxpayers. From an operational perspective, the automation resulting from electronic invoicing reduces manual intervention, minimizes errors, and accelerates invoicing and accounting cycles, thereby improving the quality, integrity, and consistency of financial information.

In terms of tax control, the availability of near real-time data strengthens auditing mechanisms, facilitates the detection of inconsistencies, and promotes higher levels of voluntary compliance. This data-driven approach contributes to a more preventive and efficient tax administration.

For the business sector, adopting electronic invoicing represents an opportunity to optimize internal procedures, reduce costs associated with document management, and advance digital transformation efforts. It also enables integration with other technological solutions, fostering more agile and interconnected operations.

Additionally, aspects such as interoperability among platforms and cybersecurity play a central role, considering the volume and sensitivity of the information being managed. In this context, coordination among the public sector, technology providers, and taxpayers becomes essential to ensure an effective, secure, and sustainable implementation process.

Nevertheless, it is understandable that doubts or resistance may still exist, especially among micro and small businesses. The adoption of new technologies, the initial investment, and changes in operational processes may create uncertainty. However, postponing implementation at this stage only increases the risk of penalties while preventing businesses from enjoying the associated benefits.

For its part, Law No. 32-23, through Article 39, established a tax credit incentive for taxpayers who adopt electronic invoicing within the established

deadlines. In many cases, this economic benefit may offset or even exceed the cost of acquiring an appropriate technological solution, becoming a direct incentive for timely implementation.

Likewise, Article 12 of the aforementioned law provides for the "Free Invoicing System" ("Facturador Gratuito"), a technological solution aimed at small issuers with an average operational volume of up to 150 tax receipts per month, allowing them to comply with their tax obligations without incurring implementation costs.

Ultimately, electronic invoicing should not generate fear, but vision. Those who embrace its benefits will be better positioned to operate in an increasingly digital, competitive, and demanding environment.

The invitation is to take the step as soon as possible, evaluate the use of the free invoicing system where applicable, rely on authorized providers, and train teams to adapt to improved processes, viewing electronic invoicing as an enabler of growth and efficiency. More than a compliance tool, it is a lever for building more transparent tax systems and a more competitive business environment aligned with the demands of the growing digital economy.

Main Benefits of Electronic Invoicing

- *Operational efficiency: automation of invoice issuance, reduction of human errors, and acceleration of invoicing and accounting cycles.*
- *Improved information quality: generation of structured, consistent data available in near real time for decision-making purposes.*
- *Cost reduction: elimination of paper usage, physical storage, and manual processes associated with document management.*
- *Access to modern and affordable invoicing tools.*
- *Transparency and traceability: greater control over operations, facilitating tax compliance and internal organization.*
- *Technological integration: ability to connect invoicing systems with accounting software, ERP systems, and other business solutions.*
- *Enhanced competitiveness: more agile, formalized businesses aligned with the demands of the digital economy.*



The Impact of Case Law on Tax Administrations



Por Dr. Edgar Barnichta Geara
Lawyer | Tax Expert

Jurisprudence, that is, court decisions rendered when ruling on appeals against administrative or tax decisions issued by Tax Administrations, may have a significant impact on tax collection agencies, depending on the type of ruling or jurisprudence involved.

Thus, for example, in matters of jurisprudence we may encounter the following types of judgments:

1) Judgments issued by the Administrative Litigation Court, currently the TSA.

This type of judgment, issued by a court within the judicial system in administrative or tax matters, arises as a consequence of a contentious-administrative appeal filed by a taxpayer or person liable for the tax against an assessment or appealable decision issued by a tax collection authority, whether the General Directorate of Internal Taxes, the General Directorate of Customs, or a Municipality regarding municipal taxes.

These judgments are binding only upon the parties involved in the litigation and may be appealed in cassation before the Supreme Court of Justice, which may uphold or overturn them.

Nevertheless, although they are binding only upon the parties involved in the litigation, as previously stated, nothing prevents them from being used as a basis for future decisions of the Tax Administration in general proceedings, since they indicate the legal path that similar cases may follow, thereby allowing the Tax Administration to avoid participating in unnecessary judicial proceedings.





2) Judgments issued by the Supreme Court of Justice.

In this case, these would be judgments issued by the Supreme Court of Justice acting as a Court of Cassation, as a consequence of a Cassation Appeal filed by one of the litigating parties against a judgment issued by the Administrative Litigation Court.

As occurs with judgments issued by the Administrative Litigation Court, the judgments rendered by the Supreme Court of Justice are binding only upon the parties involved in the litigation and therefore do not have a general effect, that is, they are not mandatory for other similar cases.

Nevertheless, and just as occurs with judgments issued by the Administrative Litigation Court, nothing prevents them from being used as a basis for future decisions of the Tax Administration in general proceedings, since they indicate the legal path that similar cases may follow, thereby allowing the Tax Administration to avoid participating in unnecessary judicial proceedings.

3) Judgments issued by the Constitutional Court.

The Constitutional Court has jurisdiction to hear the following appeals:

- a) Appeals for Review of Judgments issued by the Administrative Litigation Court in Constitutional Amparo matters; and,
- b) Appeals for Review of Judgments issued by the Supreme Court of Justice involving possible violations of the Constitution.

In both cases, Law No. 137-11, the Organic Law of the Constitutional Court and Constitutional Procedures, establishes that: “The decisions of the Constitutional Court are final and irrevocable and constitute binding precedents for public authorities and all State bodies” (Art. 31).

As may be observed, and unlike judgments issued by the



Administrative Litigation Court or the Supreme Court of Justice, judgments issued by the Constitutional Court are mandatory for everyone and may indeed serve as binding precedents before other courts and before the Tax Administration.

This has even been ruled by the Constitutional Court itself when it stated the following: “The Precedents or Judgments of the Constitutional Court are Mandatory. Since this is a case presenting the same factual profile as the precedent established in Judgment TC/0309/15, the Court is obligated to apply it to the present case, pursuant to the principle of stare decisis, as provided in Articles 184 of the Constitution and 31 of Law No. 137-11, which establish the binding nature of all constitutional precedents. In this regard, the lower court failed to consider this circumstance and disregarded the precedents established by the Constitutional Court in this matter, for which reason Judgment No. 459-2013 must be revoked and, consequently, the constitutional amparo action filed by CAI on November five (5), two thousand thirteen (2013), must be declared inadmissible, since the contentious-administrative jurisdiction constitutes an effective judicial remedy pursuant to Article 70.1 of Law No. 137-11.” (Judgment TC/0553/16, dated November 8, 2016)

4) Change of Criteria.

Due to the evolutionary nature of law and jurisprudence, as well as an ever-changing world, it is understood that the jurisprudence or criterion adopted in a decision or judgment may vary in a subsequent ruling. Otherwise, the law would become stagnant over time.



b) Judges may vary their Criteria regarding the same Matter decided in another Judgment.

Considering, finally, with regard to the allegation made by the appellant that, in rendering this judgment, the judges of the Superior Administrative Court disregarded the precedent issued by this Third Chamber in 2012 validating the provision contained in the challenged Article 48 and therefore considering that the Christmas salary is exempt up to the limit of one-twelfth of the annual salary, in response to this argument this Third Chamber of the Supreme Court of Justice has the duty to clarify to the appellant that, after deep reflection, the judges composing this Chamber proceeded to vary said criterion, based on reasons identical to those expressed by the judges of the lower court, which has been reiterated in several subsequent judgments of this Chamber, and has also been ratified by the judgment of July 15, 2015, issued by the Joint Chambers of this Supreme Court of Justice, in which the settled jurisprudential criterion was established as follows: “Contrary to what Article 48 of Regulation No. 139-98 for the application of income tax intends, under no circumstance may a regulatory norm prevail over a legal norm by attempting to establish a tax obligation not contemplated by law, but rather expressly exempted by it; ruling otherwise would constitute a violation and disregard of the principle of legality established in Article 39, numeral 15 of the current Constitution, and more specifically of the principle of tax legality embodied in the maxim ‘No taxation without law’; which prevents a regulation or any norm hierarchically inferior to law from establishing any obligation relating to the payment of any tax.” (Joint Chambers of the Supreme Court of Justice, judgment of July 15, 2015, cassation appeal filed by the General Directorate of Internal Taxes v. PMD.); which indicates that, through this judgment, the Joint Chambers established their position to resolve the normative conflict arising in the interpretation of these two norms with respect to the exemption of the Christmas salary, and that this jurisprudential doctrine is correct and consistent with the principles evaluated therein. (SCJ Judgment No. 604, dated October 11, 2017)

However, both our Constitutional Court and our Supreme Court of Justice have stated that such change of criteria cannot be arbitrary, but rather justified and based on solid arguments; otherwise, Changing Jurisprudential Criteria without Proper Justification constitutes a violation of the Principles of Equality and Legal Certainty. (Judgment TC/0182/19 of June 25, 2019).

Let us examine these judgments regarding changes in jurisprudential criteria:

a) The Judge has the Authority to establish Exceptions to Precedent or Jurisprudence when the Case warrants a Different Solution.

Therefore, in light of the situations previously described -and following the precedents of the Constitutional Court in relation to analogous cases- this court has applied in this matter the technique of distinguishing; that is, “[...] the authority of the constitutional judge to establish exceptions to constitutional precedent when, regarding a particular case, there are specific elements warranting a different solution, without such circumstance implying the repeal of the previous precedent”; a measure applied for the purpose of determining whether, in the present case, the constitutional amparo action was filed after the expiration of the aforementioned sixty (60) day period established in Article 70.2 of Law No. 137-11, as we indeed consider occurred in this case. (Judgment TC No. 0539/15, dated December 1, 2015).



Pillar Two of the Global Minimum Tax and the Exportation of Tax Revenue:

Implications for Dominican Fiscal Policy



By Montserrat Viñals Prestol
Lawyer | Tax Expert

I. Transformation of the International Tax System

The international tax system is currently undergoing a process of structural transformation driven by economic globalization, the digitalization of business models, and the increasing mobility of capital. These dynamics have enabled certain multinational groups to structure operations which, while legal, significantly reduce their effective tax burden through the strategic allocation of profits to low-tax jurisdictions.

In response to these challenges, the OECD/G20 Inclusive Framework on BEPS developed an international tax reform based on two pillars. Within this reform, Pillar Two introduces a global minimum tax regime aimed at ensuring that large multinational groups are subject to a minimum effective tax rate of 15% on their profits.

This regime applies to multinational groups with consolidated revenues exceeding EUR 750 million and is implemented through the Global Anti-Base Erosion (GloBE) Rules. The primary objective of these rules is to reduce incentives for profit shifting to low-tax jurisdictions and to enhance the stability of the international tax system.

Beyond its technical dimension, Pillar Two represents a significant evolution in the relationship between national tax sovereignty and international tax coordination. While each jurisdiction retains the authority to design its own tax system, the introduction of a global minimum tax establishes a common standard aimed at limiting tax competition based solely on reduced tax rates.

II. Technical Architecture of Pillar Two

The operation of Pillar Two is based on a jurisdictional effective tax rate calculation approach (jurisdictional



blending). Under this method, the effective tax rate is computed for each jurisdiction in which the multinational group operates, by comparing covered taxes with adjusted profits under the GloBE Rules.

Where the effective tax rate in a jurisdiction falls below 15%, a top-up tax is triggered, equal to the amount required to reach the minimum threshold.

The model provides for three primary mechanisms to ensure the application of the global minimum tax:

•Income Inclusion Rule (IIR)

Allows the jurisdiction of the parent entity to tax the income of its foreign subsidiaries when such income is subject to an effective tax rate below the minimum.

•Undertaxed Profits Rule (UTPR)

Operates as a backstop mechanism where the parent jurisdiction does not apply the IIR, allowing other jurisdictions in which the group operates to collect the top-up tax.

•Qualified Domestic Minimum Top-Up Tax (QDMTT)

Enables the jurisdiction where the income is generated to collect the additional tax necessary to meet the global minimum rate. This mechanism ensures that multinational profits are subject to a minimum level of taxation regardless of their formal location.

III. Illustrative Example of Application

To illustrate the operation of Pillar Two, consider a multinational group with operations in the Dominican Republic (DR) and Mexico.

Assume that during a fiscal period the group generates:

- USD 10 million in profits in the DR, subject to an effective tax rate of 10%; and
- USD 5 million in profits in Mexico, taxed at an effective rate of 20%.

Under the jurisdictional blending approach of the GloBE model, the effective tax rate is assessed separately for



each jurisdiction; therefore, higher taxation in Mexico does not offset the lower taxation in the DR.

In this scenario, the effective tax rate in the DR is five percentage points below the global minimum of 15%. As a result, a top-up tax equal to 5% of the profits generated in that jurisdiction arises, amounting to USD 500,000.

If the DR does not implement a Qualified Domestic Minimum Top-Up Tax (QDMTT), such top-up tax may be collected by the jurisdiction of the parent entity through the Income Inclusion Rule (IIR).

Consequently, the tax benefit derived from lower taxation in the DR would not necessarily reduce the group's overall tax burden, as the adjustment could be captured by another jurisdiction.

IV. Implications for Dominican Tax Incentives

The DR is a member of the BEPS Inclusive Framework, reflecting its commitment to international standards of tax transparency and administrative cooperation. However, to date, the country has not formally incorporated the Pillar Two rules into its domestic legislation.

This issue is particularly relevant for economies that rely on tax incentive regimes as a tool of economic policy. In the Dominican case, the free trade zone regime has historically played a central role in attracting foreign direct investment and fostering export-oriented industries.



challenges for Dominican tax policy. First, it will be necessary to carefully assess the interaction between the global minimum tax and existing tax incentive regimes, particularly in export-oriented sectors.

Second, the Dominican Tax Administration (Dirección General de Impuestos Internos – DGII) will need to continue strengthening its capabilities in areas such as exchange of information, country-by-country reporting analysis, and the audit of multinational structures.

Finally, the new international tax environment suggests that fiscal competitiveness will depend less on reductions in statutory tax rates and more on factors such as legal certainty, regulatory stability, and institutional efficiency.

Conclusion

Pillar Two of the global minimum tax constitutes one of the most significant developments in the recent evolution of international tax law. For open economies focused on attracting foreign investment, such as the Dominican Republic, this reform presents both regulatory challenges and opportunities for institutional strengthening.

In particular, the new international tax environment requires a careful assessment of the interaction between tax incentive regimes and the global minimum tax rules, in order to prevent tax revenues associated with domestic economic activity from being captured by other jurisdictions.

Strategic foresight, the strengthening of tax administration, and the technical review of tax incentive regimes will enable the country to effectively adapt to this new architecture of the international tax system, while preserving its capacity to tax economic activities carried out within its territory.

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However, under the new international tax environment, the benefits associated with certain tax incentives may be partially neutralized. Where the effective tax rate in a jurisdiction falls below the global minimum, the corresponding top-up tax may be collected by another jurisdiction in which the multinational group operates.

As a result, a reduction in the effective tax rate in a given country does not necessarily translate into a proportional reduction in the overall tax burden of the multinational group.

V. The Risk of Exportation of Tax Revenue

One of the less discussed effects of Pillar Two is what may be described as the “exportation of tax revenue.” This occurs when a country grants tax incentives that reduce the effective tax rate below the global minimum of 15%. In such cases, the top-up tax may be collected by another jurisdiction within the multinational group, typically the jurisdiction of the parent company.

Consequently, tax incentives granted by one jurisdiction may ultimately generate additional tax revenue for another country, even when the underlying economic activity takes place in the jurisdiction granting the incentive.

From this perspective, the adoption of a Qualified Domestic Minimum Top-Up Tax (QDMTT) would allow such additional tax to be collected in the jurisdiction where the income is generated, preventing that revenue from being captured by foreign tax authorities.

VI. Reflections for Dominican Tax Policy

The implementation of Pillar Two poses several strategic



Wealth Planning in Global Families:

Residence, Succession, and Governance as Pillars of Tax Stability



By Lic. Félix Espíritu

CPA | Ex President IFA DR | Fintax Partner

I. Introduction: The Complexity of Cross-Border Wealth Planning

The internationalization of family wealth has transformed estate and wealth planning into an increasingly complex exercise. When a family distributes its residence, investments, economic activity, and decision-making across multiple authorities, the analysis ceases to be purely civil or tax related. It becomes a matter of coherence between the personal reality of its members, the location of its assets, the chosen legal structure, and the tax consequences arising from that combination. This is precisely the central concern underlying the discussion of mobility, structuring, and taxation in global families.

II. Tax Residence in Highly Mobile Families

One of the primary points of tension arises in deciding effective tax residence. In highly mobile families, traditional residence criteria may prove insufficient when an individual keeps a meaningful presence with more than one authority.

In such cases, international tax treaties typically resolve the issue through tie-breaker rules based on factors such as permanent home and center of vital interests. The difficulty arises when personal ties point to one authority while economic ties point to another, as each State may assert that the taxpayer qualifies as a tax resident within its territory.

Within this framework, the relative weight of family location, asset concentration, and business management becomes particularly relevant. The location of the family helps figure out the center of vital interests; assets write down where the economic base is concentrated; and business management reveals where decisions are effectively made.

Rather than providing a mechanical formula, these factors require a holistic assessment of the taxpayer's reality. While they allow a degree of structuring flexibility, they also work as a limitation: tax residence cannot be based solely on formal arrangements, but must reflect the taxpayer's actual personal, economic, and patrimonial circumstances.



III. Dominican Tax Framework on Residence and Source Rules

Article 269 of the Dominican Tax Code shows income tax liability on Dominican-source income and, additionally, on foreign-source income derived from investments and financial gains.

Furthermore, the 183-day rule applies to individuals, while for legal entities, tax residence is figured out through incorporation or registration in the National Taxpayer Registry (Registro Nacional de Contribuyentes – RNC).

IV. Succession Planning in Transnational Contexts

Succession planning in cross-border environments faces the challenge of reconciling mandatory civil law provisions with heterogeneous tax regimes. This issue is particularly complex, as succession simultaneously affects three dimensions that are not necessarily use in harmony:

- Private international law, which figures out the applicable law governing the estate.
- Civil law rules, which protect the forced heirship rights of heirs.
- Inheritance taxes or other levies on wealth or beneficiaries in each relevant authority

In response to this fragmentation, it is common to centralize assets in holding companies or in vehicles without legal personality, such as trusts, so that the transfer occurs through shares or beneficial interests rather than individual assets.

This approach may streamline the administration of succession and reduce procedural fragmentation. However, its effects should not be overstated. Obligations of public policy nature do not disappear merely due to the existence of a legal structure, and the interposition of holding entities does not automatically neutralize tax risks.

In fact, authorities such as the Dominican Republic



expressly keep the authority to tax the indirect transfer of assets or rights found within their territory through the transfer of shares in holding entities.

V. The Role of Trusts and Fiduciary Structures

A similar cautious approach applies to trusts or fiduciary arrangements, which may provide flexibility in wealth management and in the designation of individuals responsible for safeguarding the settlor’s intentions and the interests of beneficiaries.

The key point is not to present these instruments as definitive solutions, but rather as tools whose effectiveness depends on the coherence of their design and the specific circumstances of each family.

VI. Governance as a Tax and Patrimonial Discipline

Based on the foregoing, there is no single structure capable of resolving all conflicts arising in international wealth planning. A more reasonable approach is to select an authority as the central axis of the patrimonial structure and to build a consistent architecture from that base, avoiding situations in which each structural adjustment generates a tax cost greater than the issue it looks to resolve.

It is also important to emphasize that a sound legal structure is insufficient if the family lacks clearly defined and communicated rules for decision-making, distribution, control, and documentation.



structural sophistication. It requires consistency, coherence, and strict adherence to the applicable legal framework.

Tax residence must reflect the taxpayer’s actual circumstances. Succession must be structured with full awareness of civil law limitations and relevant tax nexus rules in an international law context. Governance must function as an internal discipline capable of sustaining the long-term logic of the family’s wealth.

When these three dimensions are properly aligned, wealth planning ceases to be a mere collection of entities and clauses and instead becomes a comprehensive strategy for continuity.

When family members actively participate in the management of wealth, a lack of awareness regarding the tax consequences of their decisions may trigger disorderly asset disposals, premature liquidations, or forced reorganizations, all of which may have significant tax implications, including capital gains, constructive distributions, withholding obligations, or other taxable events.

From this perspective, family governance transcends relational dynamics and gets a concrete patrimonial and tax dimension. A well-designed family protocol is not merely a tool for coexistence; it also serves an educational and preventive function. It helps document the non-tax purpose of the structure, organizes control conditions necessary to preserve access to preferential tax regimes, and formalizes internal economic relationships among family members.

VII. Key Benefits of Tailored Wealth Planning

Customized wealth planning provides stability in the following areas:

- Residence: avoiding inconsistencies between actual circumstances and the tax position adopted
- Succession: preventing the mistaken assumption that corporate structuring overrides civil or tax constraints
- Governance: minimizing the risk that internal conflicts lead to avoidable tax costs

Conclusion

Wealth planning in global families requires more



Tax Facilities:

Key Considerations for Taxpayers and Suspension of the National Taxpayer registry



By Eunice Arias Torres
Lawyer | CPA | ATRIRD President

On February 13, 2025, the General Directorate of Internal Taxes (DGII), through Circular 03-2026, established a temporary payment facilities regime that includes discounts applicable to tax debts generated up to the year 2023, including reductions in surcharges and penalties, whether through a single payment or payment agreements.

¿What should taxpayers consider before availing themselves of this Circular?

Before requesting the application of these facilities, taxpayers must verify whether the debts reflected in their virtual office are actually enforceable or whether, on the contrary, the Tax Administration has lost the right to claim them.

In this regard, paragraph d) of article 15 of the Tax Code establishes that statute of limitations is a cause for the extinguishment of the tax obligation. Likewise, paragraph a) of article 21 establishes a general statute of limitations period of three (3) years, counted from the day following the expiration of the deadline for payment of the tax obligation. This calculation is made without considering the effective date of payment or the filing of the corresponding return, in accordance with article 22 of the same code.

Consequently, all actions by the DGII to demand payment of taxes must be exercised within such period.

The statute of limitations therefore limits the Administration's right of action to a reasonable period, guaranteeing legal certainty for the parties and sanctioning governmental inactivity. This criterion has been reiterated by case law, as reflected in the following decisions:

- Judgment No. 1623 of the First Chamber of the Supreme Court of Justice (August 30, 2017, BJ 1281).
- Judgment No. SCJ-PS-SS-1330 (April 29, 2022, BJ 1337).
- Judgment No. SCJ-PS-24-2168 (October 31, 2024).
- Judgment No. 0030-04-2025-SSEN-00800 of the Superior Administrative Court (December 9, 2025).



Practical Application in the Context of Circular 03-2026

Circular 03-2026 applies to debts corresponding to tax year 2023 and earlier years.

Taking March 9, 2026 as a reference date, the following obligations could, in principle, be considered time-barred:

- Tax returns corresponding to the year 2022 and prior periods.
- VAT (ITBIS) from January 2023 and prior periods.
- Withholdings (IR-3) from February 2023 and prior periods.
- Asset tax for the year 2022 and prior years.

However, it is important to clarify that the statute of limitations may be affected by certain actions:

- Interruption: If the taxpayer files an amended return or receives a notification from the DGII, the statute of limitations period restarts from zero, in accordance with article 23 of the Tax Code.
- Suspension: If an appeal is filed in administrative or judicial proceedings, the period is suspended until there is a final and irrevocable decision with the authority of *res judicata*.
- Other circumstances: The statute of limitations may also be suspended for up to two (2) years in cases of failure to file returns or the commencement of audit or administrative verification procedures.

Once it has been determined that a debt is time-barred, the taxpayer must formally invoke the statute of limitations by completing and filing form FI-GECO-019 (“Invocation of Debt Statute of Limitations”).

Topic II. On the Suspension of the RNC

General Rule No. 04-21, in its article 24, provides that the DGII may suspend the RNC of individuals or legal entities that fail to file tax returns for twenty-four (24) consecutive months or fail to pay the corresponding taxes, which entails restrictions such as the inability to issue tax receipts and carry out procedures before the Tax Administration.

¿Is this action legal?

In formulating procedures, the DGII must always comply with administrative due process, whose principle-right grants taxpayers implicit rights and guarantees to a regular and fair procedure. In this regard, the suspension of the National Taxpayer Registry (RNC) is an unlawful action because the suspension of the RNC is based on the breach of formal duties, such as the failure to file returns for more than twenty-four (24) months, not on the existence of debts.

It is true that the suspension entails the blocking of the taxpayer’s tax receipts, and Constitutional Court Judgment No. TC/0271/21 and Superior Administrative Court Judgment TSA 2025-0229056-001 dated December 1, 2025 establish that blocking or limiting Tax Receipt Numbers (NCF) and the suspension of the RNC as an administrative sanction are unconstitutional, as they constitute measures that violate due process and are not provided for in Law No. 11-92 or its implementing regulations.

The Constitutional Court held that this is a concealed sanction that violates due process and ordered that the Tax Administration must adhere to the current legal framework when imposing sanctions.



Monotax regimes and smart formalization:

Key Drivers of PYMES Competitiveness in Latin America



Por Altigracia Mateo
CPA | Tax and Accounting Consultant

Introduction

Business informality constitutes one of the main obstacles to sustainable development in Latin America. More than 90% of companies are small and medium-sized enterprises (SMEs), accounting for between 60% and 70% of regional employment (ECLAC, 2023). However, a significant proportion operate in the informal sector due to regulatory complexity, high compliance costs, and limited administrative capacity. Informality reduces productivity, limits access to credit, and restricts participation in formal markets (ILO, 2022). In this context, simplified tax regimes—

commonly known as monotax regimes—have emerged as transitional mechanisms toward formalization, combining administrative simplification with economic incentives.

Comparative Experiences

- Argentina: The monotax regime has expanded social security coverage and facilitated the inclusion of self-employed workers.
- Uruguay: The social monotax regime links formalization with productive inclusion policies and poverty reduction.
- Brazil: The Simples Nacional program unified federal, state, and municipal taxes, reducing compliance costs and increasing formalization rates.

Developments in the Dominican Republic

The Executive Branch has submitted to the National Congress a bill establishing a monotax regime aimed at simplifying tax obligations for small taxpayers and reducing informality.

The proposal seeks to establish a unified tax regime for individuals with limited income, reducing administrative burdens and promoting financial inclusion.

In doing so, the Dominican Republic aligns itself with



regional experiences and opens the door to a model of smart formalization that strengthens SME (PYMES) competitiveness.

Impact on Competitiveness

Regional evidence identifies four main effects:

1. Reduction of administrative costs: simplification of accounting and tax compliance.
2. Access to financing: increased financial inclusion and credit eligibility.
3. Productivity gains: incentives for investment and capacity building.
4. Integration into formal markets: participation in public procurement and supply chains.

However, there remains a risk of so-called “fiscal dwarfism”, whereby some firms deliberately limit their growth in order to remain eligible for the benefits of simplified tax regimes (ECLAC, 2023).

A Smart Formalization Approach

A key element for the proper functioning of monotax regimes is the accurate assessment of the taxpayer’s real profile. For this purpose, the Tax Administration should consider factors such as income level, economic activity, administrative capacity, and tax compliance behavior of small taxpayers.

This analysis enables the establishment of thresholds and brackets that better reflect economic reality and reduce system distortions.

To enhance the effectiveness of monotax regimes, the following measures are recommended:

- Periodic updates of thresholds and income brackets
- Full digitalization of administrative procedures
- Integration with productive credit programs



- Promotion of financial and tax education
- Regional coordination of formalization criteria

Smart formalization should go beyond revenue collection and focus on building a sustainable business ecosystem, strengthening human capital and promoting productive inclusion.

Conclusion

When properly designed, monotax regimes constitute an effective policy tool to broaden the tax base, strengthen social security systems, and enhance SME (PYMES) competitiveness.

Within a broader regional development agenda, smart formalization can become a strategic pillar for equitable, sustainable, and people-centered growth.

The initiative in the Dominican Republic represents a decisive step toward tax modernization and productive inclusion.

References

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Activities IFA-DR WIN 2026





Activities IFA-DR WIN 2026





Lic. Félix Espíritu

Delegate of the Dominican Republic as a speaker
at the UCM School of Legal Practice





**Swearing Ceremony of the IFA DR Board of Directors
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XVI Congreso Tributario ATRIRD-IFA RD 2026

Date: July 17 y 18, 2026
Place: Hotel Embassy Suites, Gran Salón Opalo
More info: info@atrird.com



XVI Congreso Tributario 2026
IFA-RD/ATRIRD
17 y 18 Julio

"Tributación local vs. Tributación Internacional en la Era Digital"

XXX III Jornadas Latinoamericanas de Derecho Tributario (ILADT)

Date: September 13 to 18, 2026
Place: Brasil
More info: info@atrird.com



Congreso Regional IFA Latam Guatemala 2026

Date: May 6 to 8, 2026
Place: Guatemala
More info: info@atrird.com
Direct Contact: [Clic Aqui](#)



XVI Congreso Regional de IFA Latam
6 al 8 Mayo 2026
Guatemala, Antigua Guatemala

Congreso Mundial IFA 2026 Australia

Date: 18 to 22 Octubre 2026
Place: Australia, Melbourne
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Upcoming IFA activities around the world

REF	Actividad
Hong Kong	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	PwC, 21/F Edinburgh Tower, The Landmark 15, Queen's Road Central, Hong Kong
(Virtual)	YIN Canada Webinar- Proposed Second Package of Hybrid Mismatch Rules
	Virtual, Zoom Webinar
Singapore	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	Tax Academy of Singapore, 55 Newton Road, #B1-01, Revenue House, Singapore 307987
Suecia	International Tax Conference Sweden- Dispute Resolution in International Tax Matters
	Industrisalen, Svenskt Näringsliv, Storgatan 19, 114 51 Stockholm
Eslovaquia	IFA Slovak Republic, 10th Regional Conference: Update on International Tax Challenges
	Grant Thornton Consulting, Hodžovo nám. 1/A, Bratislava
New Delhi	India International Tax Conference- Navigating the Next Era of International Tax
	Crystal Ball Room, The Lalit, New Delhi
(Virtual)	2026 Global IFA Webinar on "Current International Tax Issues for Tax Directors"
	Online via Zoom
Guatemala	IFA LATAM Regional Conference 2026, Antigua Guatemala
	Antigua Guatemala
Tokyo	IFA 9th IFA APAC Regional Conference 2026, Tokyo
	Tokyo, Japan, Hotel New Otani
South Africa	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	South Africa, Pretoria
Paraguay	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	Asunción, Paraguay
Chile	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	Santiago, Chile
Bolivia	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	Santa Cruz, Bolivia
Morocco	Global IFA TLP 2026: The International Dimension of Withholding Taxes (Tax Treaties and Beyond)
	Rabat, Morocco
Dominicana	XVI Congreso Tributario IFA-RD/ATRIRD 2026
	Santo Domingo, República Dominicana
Brasil	IX International Tax Law Congress of Rio de Janeiro- ABDF – Brazilian Branch of IFA
	Brasil, Rio Janeiro
Australia	IFA 2026 Annual Congress
	Melbourne, Australia
Colombia	International Taxation Congress Colombia 2026
	Colombia- In-person



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