DOMINICAN REPUBLIC’S EXPLANATORY NOTE TO ANNEXES I AND II

Annexes I and II to the Investments and Cross-border Trade Services Chapter shall only govern trade relations among the investments, the investments of investors, and the service suppliers of the Dominican Republic and the United States of America. The exchange of schedules among Central American countries and the Dominican Republic shall take place within the framework of the Free Trade Agreement between Central America and Dominican Republic.
### Annex I

**Sector:** All sectors *<OK 12 March>*

**Obligations Concerned:** National Treatment (Article 10.3)

**Measures:**
- Law No. 16-95 of November 30, 1985, on Foreign Investment (Official Gazette 9915) (Art. 5)
- Law No. 64-00 on the environment and natural resources of July 2000 (Art. 101).

**Description:** Investment

Only Dominican nationals may perform activities related to the disposal of toxic, hazardous, or dangerous or radioactive waste produced outside the Dominican Republic.
Sector: Professional Services <OK 11 March> Legal Services

Obligations Concerned: National Treatment (Article 11.2) Market Access (Article 11.4)

Measures:
- Law No. 301 regarding Public Notaries, of June 18, 1964, Articles 4, 5, and 10
- Law No. 821 on judicial organization and its modifications, Article 73. Chapter XI. Art. 2 of November 21, 1927, Official Gazette 3921.
- Law No. 91, of February 3, 1983, creating the Bar Association of the Dominican Republic, Article 4.

Description: Cross-Border Services

To practice law before the courts in the Dominican Republic or to render public notary services a lawyer must be a Dominican national, a member of the Colegio de Abogados.

A foreign lawyer may render legal services other than those related to the judicial function or appearing in court provided the foreign lawyer is a member of the Colegio de Abogados.

A foreign lawyer who is not a member of the Colegio de Abogados may supply foreign legal consulting services provided that the foreign lawyer is licensed to practice law in a jurisdiction that permits Dominican nationals to supply foreign legal consulting services. The Dominican Republic shall permit foreign lawyers who are supplying foreign legal consulting services from the territory of a Party into the territory of the Dominican Republic in the period preceding the date of signature of this Agreement to continue supplying such services.

The authorization of new notaries public is subject to quotas, proportional to the number of inhabitants in each municipality and the national district.

A foreign lawyer may become a member of the Colegio de Abogados:

(a) by obtaining a law degree in the Dominican Republic,
(b) by obtaining revalidation of a law degree issued in a foreign country, or

(c) if the government of a jurisdiction in which the foreign national has a license to practice law has an agreement with the Dominican Republic establishing reciprocal treatment for Dominican lawyers.

For purposes of this entry:

(a) **lawyer** means in general all persons who, in the exercise of a function and by reason of special knowledge regarding the law, render legal advice, and includes professors and researchers working in universities, all the judges of the Republic, court-appointed lawyers (*defensores de oficios*), public prosecutors, public notaries, legal advisors and consultants to natural or corporate persons, public or private; and

(b) **foreign legal consulting service** means providing advice regarding matters with respect to which the lawyer or law firm is authorized to render legal services in his, her, or its home market.
Sector: Professional Services
Architectural and Engineering Services

Obligations Concerned: National Treatment (Article 11.2)
Most Favored Nation (Article 11.3)
Local Presence (Article 11.5)

Measures:
- Law No. 6200, of February 24, 1962, on the practice of Engineering, Architecture, Land Surveyance, and other related professions, Articles 17, 18, and 19.
- Decree No. 510-86, of June 26, 1986, regulating the professional practice of Chemical Engineers, Articles 8, 9, and 10.
- Law No. 158-01, of July 24, 2001, on the promotion of tourist development for under-developed destinations and new destinations in provinces and locations with extraordinary potential, creating the Official Fund for the Promotion of Tourism, Article 14.

Description: Cross-Border Services

Only members of the Colegio Dominicano de Ingenieros, Arquitectos y Agrimensores de la Republica Dominicana (“CODIA”) may practice as engineers, architects, and land surveyors. A foreign professional who meets the relevant qualifications may join CODIA as long as Dominican nationals are not prohibited from practicing in the jurisdiction in which the foreign professional is licensed.

However, professionals graduated outside the Dominican Republic who are not members of CODIA may practice in the Dominican Republic when:

(a) the Executive Branch, in special and justified cases, contracts their services to perform specialized jobs or technical consulting in those fields of the profession in which such service is necessary; or

(b) an enterprise or institution contracts the professional to supply a specific service for a specified time and sufficiently demonstrates the necessity for this to CODIA, which will then authorize the professional to supply the service.

A Dominican chemical engineer must review the plans for and installation of any production facility constructed in the
Dominican Republic by foreign technicians or enterprises. In addition, if foreign technicians whose activities are related to the chemical engineering field are used in the installation or start up of a production facility, at least one Dominican chemical engineer must have a role in their supervision.

After the installation and start-up of a production facility, the facility may not employ foreign technicians related to the field of chemical engineering if Dominican engineers with the relevant expertise are available. If no qualified Dominican engineer is available, an enterprise may employ foreign technicians, but only as long as their number is proportionate to the number of Dominican technicians. However, this requirement does not apply to enterprises that employ at least one Dominican engineer.

To provide architectural and engineering services related to construction, persons who are not members of CODIA must associate with a CODIA member.

A Dominican professional must prepare any projects and preliminary plans that are submitted to qualify for benefits from the Fondo Oficial de Promoción Turística.

Foreign nationals and enterprises organized under foreign law must associate with an enterprise organized under Dominican law in order to provide services related to urban and architectural studies, for a tourism-related project.

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1 In practice, an enterprise may meet this requirement at any time by employing three Dominican technicians for every seven foreign technicians.
Sector: Professional Services <OK 10 March>
Accounting, Auditing and Book-keeping Services.

Obligations Concerned: National Treatment (Article 11.2)
Local Presence (Article 11.5)
Market Access (Article 11.4)

Measures:
- Decree No. 2032, of June 1, 1984 approving the internal regulations of the Institute of Certified Public Accounts of the Dominican Republic, Article 6.
- Code of Professional Ethics of the Institute of Certified Public Accounts of the Dominican Republic (ICPARD), of October 9, 2001, Article 3.2.13.

Description: Cross-Border Services

Only Dominican nationals may practice as Certified Public Accountants in the Dominican Republic. Foreign public accountants, auditors, or bookkeepers, as individuals or enterprises, may practice their profession only in association with a Dominican accountant.
Sector: Professional Services <OK 10 March>
Health Services and Related Professions

Obligations Concerned: National Treatment (Article 11.2)
Most-Favored-Nation (Article 11.3)
Local Presence (Article 11.5)

Measures:
- General Law on Health No. 42-01, of February 7, 2004, Article 92 and 93
- Law No. 22-01 creating the Dominican Board of Psychologists, of November 28, 2000, Article 1.
- Law No. 3491 of March 7, 1953, Articles 1.\(^2\)

Description: Cross-Border Services

Foreign nationals graduated from foreign universities may practice health-related professions in the Dominican Republic provided that:

(a) there is an agreement between governments allowing professionals to practice in both countries;

(b) the service is not offered or is insufficient in the Dominican Republic; and

(c) the foreigner has the degree certified for equivalency and obtains an exequatur from the Executive Branch.

However, health professionals authorized by the Minister of Health may practice their profession provided they are visiting the country to render public health services on a non-profit basis.

Other health professionals may practice medicine or surgery on a temporary basis if requested or contracted by a clinic or hospital of the Dominican Republic and authorized by the Secretaria de Estado de Salud Publica y Asistencia Social (SESPAS) and by the Medical Association of the Dominican Republic. For greater certainty, such temporary practice may include training, demonstration, lecturing, or research through a health-related facility, including a university or laboratory. Before leaving the country, the

\(^2\) The reference in Article 1 to Law 289 does not signify that Article 1, 2, or 3 of Law 289 are a measure within the scope of this entry.
facility or the foreign health professional must present a
declaration to SESPAS stating in detail the amounts, if any,
the professional has charged to private patients.

To offer psychology services in the Dominican Republic a
professional must be permanent resident.
<table>
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<tr>
<th><strong>Sector:</strong></th>
<th>Energy Related Services &lt;OK 12 March&gt;</th>
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</table>
| **Obligations Concerned:** | National Treatment (Article 10.3)  
Market Access (Article 11.4) |
| **Measures:** | - General Law No. 125-01 on Electricity, of June 27, 2001, Article 53.  
| **Description:** | Cross-Border Services  
Three joint ventures currently distribute electricity on an exclusive basis within specified regions of the Dominican Republic pursuant to concessions granted by the Dominican State. |
Sector: Mining <OK 12 March>

Obligations Concerned: National Treatment (Article 10.3)

Measures: - Mining Law No. 146, of June 16, 1971, Article 9.

Description: Investment

Mining concessions may not be granted to any foreign government either directly or through the intermediation of a natural person or an enterprise. In duly justified cases, and with the prior approval of the National Congress, the Executive Branch may enter into special agreements with foreign mining enterprises that are partially or wholly state-owned.
Sector: Communications <OK 12 March>
Audio-Visual Services

Obligations Concerned: National Treatment (Article 11.2)
Most-Favored-Nation (Article 11.3)
Performance Requirements (Article 10.9)

Measures: - Decree No. 4306 that Introduces Modifications in
Regulation No. 824, March 25, 1971, Articles 101 and 109.

Description: Cross-Border Services and Investment

Only Dominican nationals may work as announcers for a
radio or television broadcast to a national audience in the
territory of the Dominican Republic. However, the National
Commission of Public Entertainment and Broadcasting
may authorize enterprises that make such broadcasts, in
special cases and for a period of six months, to hire foreign
nationals to serve as announcers. This authorization may
be extended at the discretion of the National Commission
for Public Entertainment and Radio.

Only Dominican nationals may serve as sports narrators,
including commercial announcers and commentators, for
performance purposes in transmitting sporting events for a
national audience in the Dominican Republic. However,
foreign nationals may serve as sports narrators as long as in
their country of origin Dominican sportscasters may also do
so.

In all radio programming that originates in the Dominican
Republic, 50% of the music played shall be by Dominican
authors, composers and singers.

For every three soap operas that are broadcast, for a
national audience in the Dominican Republic, one must be
by Dominican authors and must have been made in the the
Dominican Republic.
Sector: Communications <OK 12 March>
Advertising Services

Obligations Concerned: National Treatment (Article 11.2)

Measures:

Description: Cross-Border Services

Seventy-five percent of all artists, announcers, singers and other participants in the production of any jingle, video, tape, script, advertisement for use in cinemas (cintas cinematográficas), or commercial that is transmitted and presented on radio and television must be Dominican nationals. For greater certainty, this requirement applies only to such advertisements that are produced in the Dominican Republic.

However, if a commercial for Dominican goods and services to be sold in the Dominican Republic needs to be produced abroad, 25% of the artists and production personnel in charge of production must be Dominican nationals.
<table>
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<tr>
<th>Sector:</th>
<th>Communications-News Agency Services &lt;OK 11 March&gt;</th>
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<tbody>
<tr>
<td>Obligations Concerned:</td>
<td>Senior Management and Board of Directors (Article 10.10)</td>
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<tr>
<td>Measures:</td>
<td>- Law No. 6132 on Freedom of Speech and Beliefs, dated December 15, 1972, Article 5.</td>
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<tr>
<td>Description:</td>
<td>Investment</td>
</tr>
<tr>
<td></td>
<td>The Senior Manager of every newspaper or periodical produced in the Dominican Republic must be a Dominican national.</td>
</tr>
</tbody>
</table>
Sector: Communications-Broadcasting

Obligations Concerned: National Treatment (Articles 10.3 and 11.2)
Market Access (Article 11.4)
Local Presence (Article 11.5)

Measures: Ley General de Telecomunicaciones No. 153-98:
Capítulos V, X and XI.

Description: Cross-Border Services and Investment

In order to obtain a corresponding authorization to install and operate Broadcast networks and to provide Broadcast services in the Dominican Republic it is required to have a legal domicile in the Dominican Republic and be a stock company (compañía por acciones) or a non-profit organization incorporated under the laws of the Dominican Republic.

Only Dominican nationals may own and control an enterprise that provides public radio broadcasting services that originate in the Dominican Republic.

For greater certainty this does not apply to content providers.
Sector: Communications

Obligations Concerned: Market Access (Article 11.4)  
Local Presence (Article 11.5)

Measures:  
*Ley General de Telecomunicaciones No. 153-98:  
Capítulo V*

Description: Cross-Border Services

In order to obtain the corresponding authorization to install and operate telecommunications networks in the Dominican Republic, in order to provide telecommunications services to users in the Dominican Republic, it is required to have a legal domicile in the Dominican Republic and be a stock company (*compañía por acciones*) incorporated under the laws of the Dominican Republic.
Sector: Distribution, Trade and Commission Agent Services <OK 12 March>

Obligations Concerned: Market Access (Article 11.4) Local Presence (Article 11.5) Performance Requirements (Article 10.9)


Description: Cross-Border Services and Investment

1. Only enterprises organized as stock companies (compañías por acciones) under Dominican law may operate as deposit warehouses for the care and conservation of imported goods.

2. Coffee for export must be packed in locally manufactured sacks.

3. Only the Price Stabilization Institute may distribute domestically produced sugar in the Dominican Republic.

4. Only the Salt Administration Council may distribute marine unrefined salt produced in the Dominican Republic.
Sector: Tourism and Services Related to Travel <OK 10 March>

Obligations Concerned: National Treatment (Article 11.2)
Local Presence (Article 11.5)

Measures:
- Regulation No. 817-03: tourist transportation by land Article 11.
- Decree 6273 of December 23, 1939, authorizing the establishment of casinos, bingo games, and slot machines, Article 2.

Description: Cross-Border Services

To operate in the Dominican Republic, foreign travel agencies and tour operators must be duly authorized in their country of origin and represented by a local agency.

Tour guide licenses may be granted to foreign nationals only in exceptional circumstances, such as when no Dominican tour guide can satisfy the needs of a particular tour group, including the need to speak a particular language.

All casino and game employees must be Dominican nationals.

Drivers for land transport of tourists must be Dominican nationals or foreign nationals resident in the Dominican Republic.
Sector: Recreational and Cultural Services

Obligations Concerned: National Treatment (Article 11.2)

Measures:
- Law No. 6132, dated December 15, 1962, on freedom of speech and thought, Article 33.
- Reglamento 824 de 25 de marzo de 1971, Article 122.

Description: Cross-Border Services

Variety shows offered to audiences in theaters, nightclubs, and other entertainment venues that are performed by foreign artists must include the performance of one Dominican artist for each foreign artist.
Sector: Transportation \(<\text{OK 12 March}>\)
Maritime Transportation

Obligations Concerned: National Treatment (Articles 10.3 and 11.2)
Local Presence (Article 11.5)
Senior Management and Boards of Directors (Article 10.10)

Measures:
- Ley No. 3003 de fecha 17 de mayo de 1951 (G.O. No. 7314 del 4 de agosto del 1951) sobre Policía de Puertos y Costas. (Art. 56 y su párrafo).

Description: Cross-Border Services and Investment

Vessels used for towing, passenger or freight transportation, or loading or unloading in Dominican ports, as well as vessels used to navigate inland waterways in the Dominican Republic, must be national flagged vessels.

Cabotage in the Dominican Republic is exclusively reserved for national flagged vessels. When a national vessel cannot perform this service, a temporary permit may be granted to a national shipowner for a foreign flag vessel to offer this service.

All Dominican Republic flag ships of more than 50 tons, providing cabotage are exempt from the requirement to have a harbor pilot on board and to pay pilotage fees provided they do not transport cargo abroad.

When loading and unloading merchandise or passengers, Dominican Republic flag vessels pay 50% of the amount set for foreign-flag vessels. The fees for foreign flag vessels range from (US$ 1.00) per foot of beam per day in port to US$ 1.15 per foot of beam per day in port.

Tariffs applied to foreign tourist yachts\(^3\) will be US$0.50 per foot of beam per day or its equivalent in Dominican pesos (RD$). The fees for national tourist yachts range

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\(^3\) For greater certainty, this tariff does not apply to cruise vessels.
from RD$ 300.00 for 25 passengers to RD$ 800.00 for up to 99 passengers, and for 100 or more passengers, the fee increases by RD$ 10.00 for each passenger.

A “national shipowner” means a shipowner who is a Dominican national and resides in the Dominican Republic. If the ship is co-owned or is community property, 70% of its value must belong to Dominicans residing in the Dominican Republic.

Enterprises organized under Dominican law, whose main purpose is the administration of national flag vessels and maritime commercial passenger and/or freight transportation, must comply with the following requirements:

(a) 70% of the shares and participations, as well as 70% of the subscribed and paid-in capital, must belong to Dominican nationals that reside in the Dominican Republic or enterprises organized under Dominican law.

(b) 75% of the Board of Directors must be Dominican nationals residing in the Dominican Republic; and

(c) organized as a stock company (companía por acciones) under Dominican law and have its main headquarters and official domicile in the Dominican Republic.
Sector: Air Transportation <OK 11 March>

Obligations Concerned: National Treatment (Article 10.3)
                      Senior Management and Board of Directors (Article 10.9)

Measures: - Law No. 505, of November 10, 1969, on Civil
           Aeronautics (Official Gazette. No. 9165 of November 22,
           1969), Articles 128, 130 and 140.
           - Decree No. 751-02, of September 19, 2002, Articles 1 and 2.

Description: Investment

Air transportation of passengers, cargo or correspondence between destinations within the Dominican Republic (cabotage) is reserved for aircraft owned by Dominican natural persons or enterprises.

For purposes of the preceding paragraph, enterprises shall be deemed to be Dominican enterprises when at least 51% of their capital is owned by Dominican nationals and at least 51% of their administrators are Dominican nationals as well.

All enterprises performing the functions of operator, agent or non-regular (charter) flight consignee, must be organized under Dominican law, must be at least 51% owned by Dominican nationals, and must employ Dominican nationals in senior management.
Sector: Air Transportation <OK 11 March>
Specialty Air Services and Maintenance and Repair of Aircraft

Obligations Concerned: National Treatment (Article 11.2)
Most-Favored-Nation Treatment (Article 11.3)


Description: Cross-Border Services

Aerial advertising and publicity, agricultural works, fumigation, fishing prospects, air taxis, filming, photography, and surveyance shall be reserved for Dominican natural or corporate persons.

The Dirección General de Aeronáutica Civil may issue temporary permits to foreign pilots that come to the country to perform air transport services on a temporary basis, provided that it is demonstrated that there is no available Dominican personnel to provide the service.

Foreign nationals may engage in remunerated aeronautical activities only if they hold licenses or certificates either issued in the Dominican Republic, or issued in a foreign country in which Dominican nationals holding licenses or certificates issued in the Dominican Republic are able to engage in such remunerated aeronautical activities.
Sector: Free Zones <OK 12 March>

Obligations Concerned: Performance Requirement (Article 10.9)

Measures:
- Law 8-90, of January 15, 1990, on the Development of Free Zones, Article 17
- Law 84-99 of 08/ 6/ 1999

Description: Investment

An enterprise established in the Free Zone of the Dominican Republic may not introduce more than 20% of its total sales in goods or services into the Dominican Republic’s customs territory.

This non-comforming measure shall cease to exist no later than December 31, 2009 in accordance Article 3.4 paragraphs 3 and 4 (Chapter on Goods).
Sector: Oil Exploitation and Exploration Services

Obligations Concerned: National Treatment (Article 10.3)

Measures: Law No. 4532 of August 30, 1956 (Official Gazette 8026 of September 15, 1956) on the exploration, exploitation and benefits by private individuals of oil fields and their derivates, hydrocarbons, and other similar fuels, Article 4.

Description: Investment

Sovereign foreign governments may not be granted the right to explore, exploit or benefit from oil and other hydrocarbon substances, nor shall any natural person or enterprise enjoying these rights allow a sovereign foreign government as a partner, associate or shareholder.
Sector: Fishing <OK 12 March>

Obligations Concerned: National Treatment (Art. 10.3)

Measures:
- Law No. 5914, of May 22, 1962, Articles 15 (numeral 1), and 19 (literals a and b).
- Proyecto de Ley que crea el Consejo Dominicano de Pesca y Acuicultura, Articles 41.

Description: Investment

Only natural persons residing in the Dominican Republic or an enterprise under Dominican law may obtain fishing permits or fishing licenses.

To engage in maritime and fluvial fishing and hunting an enterprise must be organized under Dominican law and 50% of its capital must be owned by Dominican nationals.

In order to obtain fishing permits, foreign-flag vessels must be previously authorized by the Navy Department (Marina de Guerra) and the Dirección Nacional de Drogas.

Only Dominican nationals may engage in artisanal fishing within 54 nautical miles of the coast.
Sector: Educational Services <OK 10 March>

Obligations Concerned: Market Access (Article 11.4)
Local Presence (Article 11.5)

Measures:
- Law No. 139-01 on Higher Education, Science and Technology, Article 44
- Organic Regulation for Educational Institutions, of May 28, 1999, Article 19.2

Description: Cross-Border Services

Foreign nationals wishing to teach at any Education Center in the kindergarten, pre-school, elementary, intermediate, high school, technical or university level must reside in the Dominican Republic.

The Ministry of Higher Education, Science and Technology (SESCYT) may deny a request to create a new institution of higher learning or professional or technical institute if there is no economic need of such institution or institute.

For greater certainty, this reservation does not apply to the supply of foreign language training, corporate, business and industrial training programs, skill development programs, or educational consulting services, including technical support and development of curriculums and programs. It also does not apply to foreign educational institutions wishing to offer their programs through institutions already established in the Dominican Republic.
Sector: Cooperative Associations <OK 11 March>

Obligations Concerned: National Treatment (Article 10.3)

Measures: - Law No. 127-64 of January 27, 1974 on cooperative associations, Articles 1, 50, and 51.

Description: Investment

Cooperatives are non-profit associations constituted by natural persons or enterprises residing in the Dominican Republic.

They may accept foreign nationals residing in the Dominican Republic as associates in a proportion not larger than 50% of the total membership and shares.
Sector: Lotteries <OK 12 March>

Obligations Concerned: Market Access (Article 11.4)

Measures: - Law No. 5158, of June 25, 1959, establishing a public income under the denomination of the National Lottery, Articles 1, 2, and 3.

Description: Cross-Border Services

The National Lottery is the State enterprise that operates and manages the lottery of the Dominican Republic. A private enterprise currently holds an exclusive concession to provide electronic lottery services in the Dominican Republic.

A lottery is any system used in the Dominican Republic with the purpose of distributing prices in money through raffles among people buying tickets with that finality.
Sector: Retail Distribution of Pharmaceutical Products

Obligations Concerned: Market Access (Article 11.4)

Measures: 
- Ley General de Salud, Ley No. 42-00, Article 103.

Description: Cross-Border Services

Pharmaceutical establishments shall be at a distance of at least 500 meters from each other. For purposes of this entry, pharmaceutical establishment means pharmacy, drug store, or industrial pharmaceutical laboratories.
Sector: Services Incidental to Mining, Hydro-Electric Plant Construction and Management; Electricity Transmission, Marketing and Distribution Services; Public Irrigation Services; Management and Operation of Water Distribution and Waste Management Services; Airport and Port Construction, Operation and Management Services; and Operation of Lotteries <OK 12 March>

Obligations Concerned: Market Access (Article 11.4)

Existing Measures:
- Ley 146 de fecha 16 de junio de 1971, Article 3
- Ley General de Electricidad No. 125-01 de fecha 27 de junio de 2001, Article 41
- Ley 5852 de fecha 29 de marzo de 1962 sobre el dominio de aguas terrestre y distribución de aguas publicas, Article 17.
- Ley No. 6 de fecha 8 de septiembre de 1964 que crea el Instituto nacional de recursos Hidráulico (INDRHI), Article 4.
- Ley 5158 de fecha 25 de junio de 1959 que estable una renta publica bajo la denominación de Lotería Nacional, Articles 1 and 3.

Description: Cross-Border Services

In granting concessions to supply the following services:

- construction or temporary management of a hydro-electric power plant;
- construction or temporary management of an electric transmission project;
- distribution or marketing of electricity;
- irrigation services or construction, management, operation, or maintenance of water distribution or waste management services;
- construction, operation, or management of a port or airport;
- services incidental to mining; or
- operation of lotteries;
the Dominican Republic reserves the right to impose limitations on the number of service suppliers in the form of numerical quotas, monopolies, or exclusive service suppliers; or require supply of these services through a joint venture.

For greater certainty, any other conditions on the grant of such concession shall be otherwise consistent with the Agreement and services suppliers of the other Parties will be permitted to obtain such concessions.