



# Flash Fiscal



## Dominican Republic: Dominican Tax Authority (DGII) requires the registration of the tax responsible person for commercial companies

On October 25 of this year, the Dominican Tax Authority (hereinafter, the "DGII", for its Spanish acronym) issued Notice No. 21-24 (the "Notice"), informing that all commercial companies must identify the individual who will function as the person responsible for complying with the company's tax obligations before the DGII.

Below are the most relevant provisions of the aforementioned Notice:

Notice No. 24-21	
<b>Legal basis</b>	Firstly, the Notice is based on Article 3 of Law No. 25-24, which amended Article 11 of the Dominican Tax Code ("CTD") regarding joint liability for tax obligations. In particular, the Notice refers to subsection J of the CTD, which, following the amendment introduced by Law No. 25-24, states the following:  <i>"Article 11. Jointly liable for the tax obligation. The following are jointly liable for the taxpayer's tax obligation: [...] j) <u>The presidents, vicepresidents, directors, managers, administrators, or representatives</u> of legal entities and other collective entities with recognized personality, as well as those who direct, manage, or have the availability of collective entities that lack legal personality, including undivided estates, when they are in charge of the tax compliance with the obligations established in this Code, and tax duties in special tax laws, in the application regulations and general rules issued by the Tax Administration, <u>and</u> these individuals have</i>



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	<p><i>evaded such tax responsibility or consented to tax non-compliance, either willfully or negligently"</i> [emphasis added].</p> <p>According to the Notice, the executive responsible for complying with tax obligations must possess one or more of the qualities established in the cited article and cannot be unrelated to the administration, control, and transactions of the business.</p>	<p>Tax obligations of individuals</p> <p>Tax Return Preparation and Review</p> <p>Presentation of Administrative appeals and contentious.</p> <p>Transfer pricing</p>
<b>Procedure</b>	<p>Each company must identify the individual responsible for the company's tax compliance.</p> <p>This appointment must be supported by a shareholder's meeting minute or an equivalent act that designates this individual and expressly establishes the formal acceptance of the responsibility. This document must be duly registered with the Chamber of Commerce and Production or the corresponding regulatory body.</p>	
<b>Deadline</b>	<p>Newly incorporated commercial companies must identify the person responsible for tax compliance in the registration form in the National Taxpayers Registry (RNC).</p> <p>In contrast, commercial companies already registered in the RNC have until their next ordinary general shareholder's meeting to notify the designation through an update request to the RNC, including a copy of the shareholder's meeting minute or equivalent.</p>	
<b>Non-compliance</b>	<p>In case the already incorporated companies do not update their RNC as detailed, the DGII will designate, <i>ex-officio</i>, the responsibility for tax obligations to the individual designated as manager, administrator, or the individual with the highest participation/shareholding percentage within the entity.</p>	

Finally, KPMG confirms its interest in providing tax and legal advisory services to assist in the registration process for the individual responsible for complying with tax obligations, in accordance with the provisions of the Notice.

Sincerely,

#### Tax & Legal – Outsourcing Department

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