



Dominican Republic



Tax Updates April 2026

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01.

The General Agency for Internal Taxes reports on inflation adjustment multipliers and exchange rates for the treatment of foreign exchange differences for the March 2026 fiscal year-end

On April 15, the General Agency for Internal Taxes (DGII) issued Resolution No. DDG-AR1-2026-00003, informing taxpayers of the updated inflation adjustment multipliers and exchange rates applicable to the treatment of foreign exchange differences for the March 2026 fiscal year-end.

With respect to the inflation adjustment multiplier, it was set at 1.0463, while the exchange rates for the treatment of foreign exchange differences were established at DOP/USD 60.2552 and DOP/EUR 69.2814.

For more information: [Resolution No. DDG-AR1-2026-00003](#)



02.

The General Agency for Internal Taxes reiterates the obligation to identify and report Ultimate Beneficiary Owners

Through Notice No. 04 26, dated April 17, the General Agency for Internal Taxes (DGII) reiterated that legal entities and entities without legal personality, whether resident or non resident, are required to identify and maintain updated information regarding their Ultimate Beneficiary Owners (UBOs), in accordance with Section 104 of Law No. 155 17, on Money Laundering and Financing of Terrorism.

Such identification must be carried out both upon registration or updating corporate information in the National Taxpayer Registry (RNC) and upon the filing of the Corporate Income Tax Return.

In this regard, the obligation encompasses the identification and reporting of individuals who meet any of the following criteria:

- **Ultimate Beneficiary Owner by Shareholding Control:** A natural person who holds a direct or indirect ownership interest of 20% or more in the reporting legal entity.
- **Ultimate Beneficiary Owner by Effective Control:** A natural person who, even if holding a direct or indirect ownership interest of less than 20%, effectively exercises control over the reporting legal entity, either directly or through a control chain.

Additionally, the DGII clarified that Individual Limited Liability Companies (EIRL) and natural persons are not subject to this reporting obligation.

Finally, taxpayers are reminded that failure to comply with this obligation constitutes a breach of formal tax duties, subject to the sanctions regime provided under the Dominican Tax Code.

For more information:

[Notice No. 04 26](#)





Case Law

01.

Judgment No. TC/0182/26 issued by the Constitutional Court

Constitutional Court Judgment No. TC/0182/26	
Background	<p>On April 13, 2026, the Constitutional Court ruled on a constitutional review of a judicial decision filed by a commercial entity against Judgment No. 033-2021-SSEN-00211, issued by the Third Chamber of the Supreme Court of Justice.</p> <p>The dispute originated from an administrative resolution issued by the General Agency for Internal Taxes (DGII) requiring payment of taxes associated with the tax treatment of foreign exchange differences derived from transactions carried out in foreign currency. The tax adjustment assessed by the DGII was upheld by the Superior Administrative Court and subsequently by the Supreme Court of Justice, which led to the filing of the constitutional review.</p>
Arguments	<p>The taxpayer argued that the judicial decisions upheld the application of a tax not established by law, in violation of the constitutional principle of tax legality. In this regard, it explained that the entity carries out transactions in foreign currency, which are invoiced and subsequently collected at a later date, giving rise to foreign exchange differences as a result of fluctuations in the exchange rate between those dates. According to the taxpayer, such differences constitute financial income arising from an event subsequent and independent from the underlying transaction, and therefore fall outside the scope of Value-Added Tax (VAT), as they do not form part of the taxable event. Consequently, it argued that requiring VAT on such amounts amounted to the creation of a non-existent tax obligation, thereby infringing Articles 40.15 and 93.1 of the Dominican Constitution, which provide that no person may be compelled to do what the law does not require and that the authority to establish taxes exclusively lies with the Congress.</p> <p>For its part, the tax authority argued that the case did not involve the creation of a new tax, but rather an incorrect classification of taxable transactions as exempt. In particular, it maintained that foreign exchange differences must be analyzed within the context of the underlying transactions subject to VAT, whose taxable base was affected by the manner in which the taxpayer reported such transactions. Additionally, the tax authority held that the VAT exemption invoked by the taxpayer applies exclusively to financial services rendered by regulated financial intermediation entities, a criterion that was confirmed by the Supreme Court of Justice, which determined that the taxpayer does not belong to that sector.</p>
Decision of the Constitutional Court	<p>The Constitutional Court rejected the constitutional review of the judicial decision and upheld the ruling under review, concluding that no violation of the principle of tax legality nor of the fundamental rights invoked by the claimant was established.</p> <p>The Court determined that the Supreme Court of Justice, in confirming the tax adjustments assessed by the DGII, did not create a new tax nor impose a non-existent obligation, but rather limited its analysis to the interpretation and application of the existing tax framework. Accordingly, the Constitutional Court confirmed the constitutional validity of the challenged judicial decision.</p>

For more information:

[Judgment No. TC/0182/26](#)
