

## **The National Congress in the Name of the Republic**

**Whereas:** The free trade Zones have become a permanent source of employment and income for the Dominican people, due to the fact that they can be established in any part of the country, including places where jobs cannot otherwise be created in a speedy and effective manner;

**Whereas:** it is in the national interest to promote a policy of increasing employment by stimulating the creation of new enterprises, whose production is aimed primarily toward the export market;

**Whereas:** A rapid and harmonious development of the Free Trade Zones of the country requires a consolidation of the various rules of law scattered throughout the existing legislation;

### **Has Passed the Following Law:**

#### **Chapter One**

#### **Purposes, Concepts, and General Definitions**

**Article 1-** The purpose of the present law is to stimulate the establishment of new Free Zones and the growth of the existing ones by regulating their operation in such a way as to achieve goals consistent with national interest, through the concerted action of the public and private sectors.

**Article 2-** A free Zone is defined as a geographic area of the country under special customs and tax controls, as set forth in this law, in which enterprises will be licensed to devote their production of goods or services to foreign markets through the granting of incentives to stimulate their development.

**Paragraph -** A sale of goods from a Free Zone to the Dominican territory shall be considered an export from the Free Zone and an import into the Dominican territory. Conversely, a sale of goods from the Dominican territory into a Free Zone shall be considered an export from the Dominican territory and an import into the Free Zone.

**Article 3-** The Free Zones shall be clearly staked-out areas surrounded by impassable fences or wall, so that the movement of persons, vehicles, and cargo is done exclusively through gates which are supervised and controlled by personnel of the Customs Department.

**Article 4-** The benefits of this law are available to any physical or legal person who contributes to the development of the country by increasing production, generating employment, and increasing the supply of foreign currency.

## **Chapter Two**

### **The Beneficiaries**

**Article 5-** The following natural or legal persons shall be eligible to receive benefits under this law:

- a. Free Zone Operators are physical or legal persons in whose favor decrees have been issued by the Chief Executive upon the recommendation of the National Free Zones Council authorizing the to operate Free Zones. Their purposes are to purchase or lease real estate, to create infrastructure, to sell or lease buildings and other facilities to enterprises presently established or to be established in the future, and to undertake promotional activities to attract other enterprises, whether national or foreign.
- b. Free Zone Enterprises are physical or legal persons in favor of whom licenses have been issued hereunder and who are engaged in the production of goods and services for export.
- c. Free Zone Investors are physical or legal persons who invest capital in, provide financing for, or purchase securities issued by, Free Zone Operators and/or Free Zone Enterprises.

## **Chapter Three**

### **Types and Locations of Free Zones**

**Article 6-** There shall be the following types of Free Zones and restrictions on their location:

- a. Industrial or Services Free Zones may be established in any part of the national territory to engage in the manufacture of goods or the performance of services.

**Paragraph -** For the National District, the Chief Executive is empowered by regulations to limit the installation of Free Zones to such as will have plants using advanced, technological processes, whether industrial or service-oriented, Which require highly qualified personnel.

- b. Border Free Zones, which qualify for special incentives, such as those set forth in Article 29 or those, which the Chief Executive may grant within the scope of his constitutional powers. Such Free Zones shall be located in a band of not less than three (3) nor more than twenty -five (25) kilometers from the border separating the Dominican Republic from the Republic of Haiti.
- c. Special Free Zones, which, because of the nature of their productive processes, utilize resources whose transformation would be difficult if such enterprises were not established in the proximity of their natural resources, or which, because of the nature of their processes or geographical or economic considerations or the infrastructure of the country, require a special location. Existing enterprises which utilize temporarily imported raw materials in their productive processes may also be classified in this category. They may operate temporarily or permanently.

**Paragraph** - Enterprises presently operating under temporary import licenses must export at least 80% of their production and have at least 200 employees in a single location or plant in order to qualify under this law. Such industries shall have a period of only one year from the promulgation of this law to be licensed hereunder.

#### **Chapter Four** **Free Zone Operators**

**Article 7-** Promoters, organizers or founders of projects for the establishment or development and administration of Free Zones must obtain a license issued by the National Free Zones Council and ratified by means of a decree issued by the President of the Republic before initiating their operations and activities hereunder.

**Paragraph I-** Licenses to operate Free Zones may be issued to entities which are either public or mixed, national or foreign.

**Paragraph II-** Free Zone Operators shall be represented by investor or boards of directors, as the case may be natural or legal persons. They may issue bonds or debentures to finance the construction of buildings and/or the purchase and development of land, with the approval of the Superintendent of Banks in cases where such approval is required under existing laws.

**Article 8-** Free Zone Operators may construct office building, warehouses or industrial or service building, Which may be used individually or collectively, through sale or lease to Free Zone Enterprises.

**Article 9-** Free Zone Operators are required to satisfy the following basic requirements before initiating operations:

- a. The existence of adequate working areas for industrial labor, with indispensable basic services, in structures which conform to modern practices and generally accepted architectural standards.
- b. Lawns and other open areas, which assure pleasant surroundings, well ventilated spaces and adequate general working conditions.

- c. Installation of drainage and sewer systems as well as supply of drinking water and water for industrial use, in accordance with generally accepted practices.
- d. Facilities for incineration or disposal of refuse, which assure proper hygiene and an adequate physical appearance for the buildings and common areas.
- e. Adequate physical facilities and equipment for food preparation, emergency medical services, etc., for workers as well as office personnel.
- f. Spaces for customs and administrative offices, etc.

**Article 10-** Free Zone Operators may freely stipulate the prices for leasing or selling space to be occupied by the enterprises established therein. They may also set the prices for services offered by them such as garbage removal, customs processing, security, medical assistance, and others. Lease agreements and service contracts must be registered with the Secretary of the National Free Zones Council.

**Article 11-** Each Free Zone Operator shall be required to pay an annual fee set by the National Free Zones Council to cover its budget.

**Article 12-** Each Free Zone Operator must file a monthly report with the Central Bank of the Dominican Republic covering its income and expenses to facilitate foreign exchange controls.

#### **Chapter Five** **Free Zone Enterprises**

**Article 13-** Free Zone Enterprises are physical or legal persons whom the National Free Zones Council has licensed to operate under this law and which devote their production of goods or services to export.

**Paragraph -** The sale or transfer of goods, equipment or services from one Free Zone to another or among enterprises located in a same Free Zone or between a Free Zone Enterprise and one which operates under law No.69 of November 16, 1979, shall be permitted, subject to the approval of the National Free Zones Council and upon compliance with the legal requirements applicable in such cases.

**Article 14-** An Enterprise interested in establishing itself in a Free Zone shall submit an application form to the National Free Zones Council, containing the following information:

- a. Name, address, and nationality of the person, enterprise and/or its shareholders;
- b. Authorized capital and paid-in capital;
- c. Composition and origin of the capital;
- d. Type of goods to be made or service to be performed;
- e. Numbers and types of jobs to be created for nationals and foreigners;

- f. Local value-added to be produced;
- g. Description of raw materials, semi-finished products, packaging materials, machinery, labels, and equipment to be imported, as well the estimated value thereof;
- h. Any other information which the National Free Zones Council may request for its evaluation, in view of the type of project involved.

**Paragraph** - A summary of the application shall be published in the local press for two (2) consecutive days, so as to give an opportunity to oppose the granting of the application.

**Article 15-** At the time of filing the application, the applicant shall pay a fee to the National Free Zones Council to cover the cost of processing the application.

**Article 16-** Any physical or legal personal wishing to go into business in a Free Zone must obtain a license issued by the National Free Zones Council.

**Article 17-** Enterprises licensed to operate in the Free Zones may:

- a. Introduce, store, unpack and re-pack, recycle, exhibit, manufacture, mount, assemble, refine, process and deal in any type of product, good or equipment.
- b. Provide services, such as design layout, marketing, telecommunications, printing, data processing, translation, software development, and any other similar or related service.
- c. Introduce into the Free Zone any and all machinery, equipment parts, and tools which may be needed in their operations.
- d. Transfer materials, equipment, machinery, etc., as well as labor and services from one Free Zone enterprise to another or between enterprises of different Free Zones, provided the transit regulations from one Free Zone to another are complied with, as set forth in Chapter 8 on Customs procedures.
- e. Export up to 20% of their production into the local market, provided the products are manufactured in the country and their importation is permitted by law, under the control and supervision of the Customs Department and subject to the payment of 100% of the import duties.
- f. Export into the local market goods and/or services produced by them, subject to the payment of 100% of the import duties applicable thereto, provided the following conditions are met:
  - 1<sup>st</sup>) That the product to be exported is not manufactured in the Dominican Republic except in a Free Zone or
  - 2<sup>nd</sup>) That the product to be exported contains local components or local raw materials to be extent of at least 25% of its total value.

**Paragraph** - The Directorate of Industrial Development, upon the recommendation of the National Free Zones Council, shall issue a certificate specifying the percentage of import duties to be paid under this article.

- g. Purchase in the local market, free from export duties, for their industrial or service needs, raw materials, packaging materials, labels, services, etc., with the exception of sugar, coffee, cocoa, gold, and other products subject to export duties in excess of 20% of net value, or those whose importation is subsidized for popular consumption.

**Paragraph I** - The Free Zone processing of sugar, coffee, cocoa, gold and other products subject to export duties in excess of 20% of net value may be authorized by the National Free Zones Council, provided it can be demonstrated that the value added will be equal to or higher than 50% of the value of the raw material.

**Paragraph II** - Enterprises established in the Dominican territory shall be fully exempt from the payment of import duties and related taxes on the importation of raw materials destined for transformation into finished or semi-finished products which are exported into the Free Zones, subject to the prior approval of the National Free Zones Council and of the Directorate of Industrial Development.

- h. Change production lines and production processes as often as necessary, subject only to prior notification to the National Free Zones Council.

**Article 18** - All Free Zone Enterprises shall render a monthly report to the Central Bank of the Dominican Republic, with a copy to the Operator of their Zone and to the National Free Zones Council, covering their operations hereunder. Said report must be handed in before the 15<sup>th</sup> day of each month and must specify the expenses incurred in the country, so as to facilitate foreign exchange controls.

## **Chapter Six**

### **The National Free Zones Council**

**Article 19-** The application of this law shall be undertaken by the National Free Zones Council, which will have the following functions:

- a. To review and formulate recommendations to the Chief Executive with respect to applications of Free Zones, as set forth in Chapter 3 hereof.
- b. To review and approve or reject applications for licenses to establish Free Zone Enterprises and the renewal of such licenses upon their expiration.

**Paragraph** - Applications for licenses to establish Free Zone Enterprises shall be filed with the Executive Director of the National Free Zones Council or his deputy and shall be reviewed in a period not exceeding thirty (30) Working days from the date of filing.

- c. To formulate comprehensive policies for the promotion and expansion of the Free Zone sector.
- d. To participate in the negotiation of local and international agreements and treaties relative to the operations and activities of the Free Zones; and to

generate the statistics, procedures, and controls necessary to carry out signed agreements and treaties.

- e. To regulate and define the relations between the Operators and the Free Zone Enterprises, as well as those between the latter and the National Free Zones Council and any other entity whose activities are closely related to the operation of the Free Zones.
- f. To enforce the present law and related legal provisions and institute the necessary measures in cases of violation.

**Article 20-** The National Free Zones Council is composed of representatives of the public and private sectors. Its members are:

- a. The Secretary of industry and Commerce, who will preside;
- b. The Secretary of Finance;
- c. The General Director of the Industrial Development Corporation ("CFI");
- d. The Executive Director of the Dominican Export Promotion Center ("CEDOPEX");
- e. The Chairman of the Foreign Investment Promotion Council;
- f. The Executive Director of the National Free Zones Council, who shall act as its Secretary, and have a voice, but no vote;
- g. Two representatives of the Free Zone Operators, freely elected by all Operators of the country with the exception of CFI. The designation of each member shall be for a period of two years and shall be rotated.
- h. Two representatives from the associations of Free Zone Enterprises, freely elected among them for two years and subject to rotation;
- i. The Governor of the Central Bank of the Dominican Republic;
- j. A member of the Dominican Exporters' Association ("ADOEXPO") selected by said Association;
- k. Persons invited for special occasions to participate with voice but without vote:

- ~ The Secretary of Labor;
- ~ The General Director of Customs;
- ~ The General Director of the income Tax Department;
- ~ The General Director of the Dominican Institute of Social Security;
- ~ The Executive Director of the National Institute of Technical and Professional Training ("INFOTEP").

**Article 21-** The National Free Zones Council shall meet regularly as needed. However, regular sessions shall take place at least every thirty (30) days. The Council shall be able to pass resolutions when one half plus one of its members are present, and final decisions shall be taken by the favorable vote of one half plus one of those in

attendance. In case of a tie, the decision of the Chairman of the Council shall be controlling.

**Article 22-** The National Free Zones Council shall have an Executive Director appointed by the Chief Executive from a list of three candidates submitted by the National Free Zones Council.

**Article 23-** The ex officio members of the Council may be represented at meetings by subordinates of their respective agencies appointed for each session. In case of absence of the Chairman of the Council or his delegate, meetings shall be presided by the member with the most seniority. The members elected by the operators and by the associations of Free Zone Enterprises may be represented by proxies appointed before the National Free Zones Council.

## **Chapter Seven**

### **Incentives and Exemptions for Free Zones**

**Article 24-** Free Zone Operators and Enterprises established therein shall be protected by the tax and customs regime set forth in Article 2 above, and consequently shall be entitled to 100% exemptions from:

- a. The payment of corporate income taxes, as set forth in law No. 5911 of May 22, 1962, as amended;
- b. The payment of construction taxes, taxes on loan agreements, and on the recording and transfer of real property from the date of formation of the Free Zone Operator;
- c. The payment of the tax on the formation of corporations and on the increase in their capital;
- d. The payment of any municipal taxes which may affect their activities;
- e. The payment of import duties and related taxes on raw materials, equipment, construction materials, parts for buildings, office equipment, etc., destined for construction, preparation or operation within the Free Zones;
- f. All taxes on exports or re-exports, except such as are set forth in sections f) and g) of Article 17 hereof,
- g. The business tax ("**patente**") on inventory or assets and of the Tax on the Transfer of Industrialized Goods ("ITBIS");
- h. Consular charges on importations consigned to Free Zone Operators or Enterprises;
- i. Import duties on equipment and utensils for the installation and operation of cafeterias; health services, medical assistance, child care centers, entertainment or amenities or other equipment for the well-being of the working class;

The payment of duties on the importation of transportation equipment, such as trucks, garbage trucks, minibuses, minibuses for the transportation of employees to and from work, subject to the prior approval, in each case, of the National Free Zones

Council. Such vehicles shall be nontransferable for a period of a period of at least five (5) years.

**Article 25-** Free Zone Operators and Enterprises wishing to construct housing for employees in the Border Area and/or any other province mentioned herein which, in the opinion of the National Zones Council, deserves preferential treatment, shall enjoy a 100% duty exemption on the importation of construction materials and of the equipment necessary for the construction of such housing.

**Article 26-** Profits invested or reinvested in the establishment or growth of Free Zones shall be exempt from income taxes under law No. 5911 of May 22, 1962, as amended, by physical or legal persons in the following percentages:

**Paragraph -** The annual deduction shall in no case exceed 50% of the annual taxable income, as provided in law No. 71-86-30 of December 22, 1986, published in Official Gazette No. 9701.

- a. One hundred percent (100%), i.e. the full amount of the taxable income, in the case of Free Zone Operators established in the Border Area pursuant to section c) of Article 6:
- b. Eighty percent (80) of the taxable income for the National District and a radius of 50 Kilometers therefrom;
- c. Ninety percent (90%) of the taxable income for Operators located in geographical areas other than those described in sections a) and b) above.

**Article 27-** Investments in shares, bonds or debentures must remain in place during a period of at least three (3) years, and amount of the investment for which an exemption was obtained may not be refunded to the investors directly or indirectly during this period. Such investments shall be concentrated in: construction of buildings, land purchase and development, purchase of construction equipment and materials and/or working capital.

**Paragraph -** The National Free Zones Council shall require an annual investment report audited by a firm of Certified Public Accountants, showing the amount of the exempt investments and the use made of such funds. In case of a violation of this provision, the National Free Zones Council shall so inform the income Tax Department, which shall be empowered to cancel the exemptions granted under the preceding article.

**Article 28-** Free Zone Operators and Enterprises shall enjoy the exemptions established herein from their first complete year of operations for the following periods:

- a. Free Zones located in the Border Area, for twenty (20) years;
- b. Free Zones located in the rest of the country, fifteen (15) years.

**Paragraph** - The National Free Zones Council may extend the duration of licenses if it considers it appropriate within the spirit of this law.

**Article 29-** In order to facilitate the establishment of Free Zones in the Border Area, consisting of the provinces of: Monte Cristi, Dajabon, Elias Piñas, Independencia, pedernales, Bahoruco, and Santiago Rodriguez, the following special benefits are conferred:

- a. The Industrial Development Corporation ("CFI") as a State institution Charge with the promotion and development of industrial parks, may lease space to enterprises established there at subsidized rents.
- b. The National Free Zones Council may assign preferential export quotas, in cases where the country is subject to such a system.
- c. The National Free Zones Council may grant the status of Special Free Zone to enterprises wishing to establish themselves in that Area, even when they do not comply with the requirements of section c) of Article 6.
- d. Free Zone Operators and Enterprises established in the Border Area are eligible for preferential interest rates on loans granted by the Central Bank with FIDE funds for the Border Area.
- e. In addition to the above- mentioned incentives, the National Free Zones Council may propose to the Chief Executive other incentives for the Border Area.

## **Chapter Eight**

### **Customs Procedures**

**Article 30-** Free Zone Enterprises, as herein defined, may introduce into or withdraw from their installations such equipment, furnishings, raw materials and any type of good appropriate to the industrial activity in which they are engaged, subject to Customs regulations and exemptions as herein provided.

**Article 31-** The Customs Department shall establish an office in each Free Zone in charge of enforcing the controls necessary to ensure that shipments are verified at the times of entry and departure.

**Paragraph** - Free Zone Operators must provide all the necessary facilities to carry out the purposes of this Article, as instructed by the National Free Zones Council.

**Article 32-** In view of the specialized nature of Customs work in the Free Zones and of the large volume of goods entering and leaving the same, a Subdivision is hereby created within the Customs Department devote exclusively to servicing the Free Zones existing or to be established in the country. This Subdivision will be under the control of the General Director of Customs.

**Paragraph** - A Special Corps of Customs Inspectors is hereby created to serve the Free Zones, whose personnel and work locations shall be rotated. This personnel shall be employed by the Subdivision mentioned in this Article 32.

**Article 33-** The following articles may not be imported into the Free Zones:

- a) Firearms, gunpowder, ammunitions and war material in general. Authorized weapons which may be carried for the security of the Operators and Enterprises shall be exempt from the payment of taxes but shall comply with the procedures for importation and use prescribed by the Armed Forces and the Secretariat of Interior and Police. Military equipment Which may be manufactured in the Free Zones is excepted from this provision.
- b) Counterfeit money, in paper or coin, of any country, as well as the prints, facsimiles, negatives or boards for the manufacture or impression thereof.
- c)Waste which may contaminate or put in danger the physical integrity of the Dominican territory or the health of its inhabitants.
- d)Food, drink, snacks or other types of food to be consumed by persons working in the Free Zone.

**Article 34-** All imports destined to the Free Zones shall be sealed upon arrival in the country, and shall be shipped from the ports or airports to their destinations under the supervision and responsibility of the Special Corps of Customs Inspectors, which shall deliver such goods to the Customs office of the respective Zone which, upon receipt thereof, shall be responsible to verify and check the declarations and contents of the shipments being imported.

**Paragraph -** Any discrepancies which may be detected by the Inspectors between the shipping documents and the contents of the importations shall be reported to the General Director of Customs and to the National Free Zones Council, but shall not prevent the utilization of the goods by the consignee, unless the articles are expressly prohibited. The Customs Department may later take whatever action is appropriate within the period prescribed by the Regulations established hereunder.

**Article 35-** Exports from the Free Zones shall be inspected by the Customs Inspector of the respective office and, being sealed, shall be shipped under the supervision of the Special Corps of Customs Inspectors to the port of embarkation, where they shall be placed under the control of the Customs Officer in charge of said port, who shall ensure that they are loaded on board the ship or aircraft which will carry them to their destination.

**Article 36-** The transit requirements described in the Paragraph of article 13 shall be complied with when goods or equipment are exchanged from one Free Zone to another or with an enterprise operating under Law No. 69 of November 16, 1979.

## **Chapter Nine**

### **Exchange of Currency**

**Article 37-** Free Zone Enterprises shall be subject to the special provisions of this law with respect to the export of goods and services or the imports of materials, equipment, machinery, tools, etc., in connection with the exchange of foreign currency with the Central Bank of the Dominican Republic.

**Article 38-** Free Zone Enterprises must exchange with the Central Bank of the Dominican Republic, at the average rate for the day quoted by the said Bank, the

amount of foreign currency necessary to cover their local costs and services in general, such as:

- a. Installation costs;
- b. Salaries and wages;
- c. Raw materials, packaging materials, labels and intermediate products acquired in Dominican territory
- d. Insurance in general;
- e. Income tax with holdings on salaries of all employees, whether national or foreign, who work in the business, and on dividends paid to shareholders;
- f. Local transportation and communications;
- g. Rent or purchase of land or buildings;
- h. Any other local cost or expense.

**Paragraph** - Transactions or operations carried out pursuant to the Paragraph of Article 13 shall not be subject to the exchange of currency with the Central Bank, except for the local expenses mentioned above.

**Article 39-** Goods exported from the Free Zones into the Dominican territory under special Customs regulations shall be considered imports and shall be subject to provisions of law No. 251 of March 11, 1964, as amended, on International Transfer of Funds.

**Article 40-** Free Zone Operators and Enterprises may obtain loans or guarantees in local or foreign currency, granted by private, public, national, international or mixed financial institutions, in accordance with regulations issued by the Monetary Board. They may also receive from national, international, private or governmental financial institutions, out of their own funds or out of a national budget, sums arising from loans to the Dominican Government or its institutions, granted by international organizations or foreign governments or guaranteed by the Dominican Government, in the form of loans or guarantees at short, medium or long term, subject to the provisions set forth in the respective agreements.

## **Chapter Ten**

### **Labor Procedures**

**Article 41-** Free Zone Operators and Enterprises must comply with all laws and regulations governing labor matters. They must also comply with the Social Security Act, the law governing the Workers' Bank, Law No. 116 which creates the National Institute of Technical and Professional Training (INFOTEP), the international treaties signed and ratified by the Dominican Government and the public health laws relative to industrial facilities.

**Article 42-** The special minimum wage for the training period of apprentices prescribed by the Labor Code shall be applicable to the Free Zones as Follows:

- a. For Free Zones in general, three (3) months;
- b. For Free Zones located in the Border Area, six (6) months.

**Article 43-** If a worker is dismissed after completing his apprenticeship and is later rehired by the same enterprise, he cannot again be treated like an apprentice. If he has undertaken a part of his apprenticeship, he may be treated as an apprentice only for the balance of his period of apprenticeship.

**Article 44-** Free Zone Operators and Enterprises which decide to terminate their operations in the country must notify the National Free Zones Council three (3) months in advance, and the latter shall transmit such notice to the Central Bank of the Dominican Republic, the Secretariats of Finance, Industry and Commerce, and Labor, the Dominican Institute of Social Security, the Worker's Bank, the Department of Customs and the Income Tax Department.

**Paragraph -** Enterprises which do not comply with the above requirement shall not be permitted to withdraw their assets. If within six (6) months after concluding operations, an enterprise has without justification failed to remove its equipment, the same shall be sold at public auction to cover the debts of the enterprise, if any, and the balance shall be transferred to the state. These proceedings shall be conducted by the Customs Department which shall request the interested party to remove its assets and warn such party that, if it fails to comply, its assets will be sold at public auction.

**Article 45-** Free Zone Enterprises which violate the provisions of this law and its regulations are subject to cancellation by the National Free Zone Council of their licenses to operate in the Free Zone and/or to export therefrom.

**Article 46-** Free Zone Operators which violate the provisions of this law and its regulations may be refused by the National Free Zones council permission for the installation of new enterprises in their Zones or for the renewal of licenses by their existing enterprises and may be subject to repeal of the decrees under which they operate.

**Article 47-** Free Zone Enterprises which violate the present law and its regulations through the illegal introduction of merchandise or other goods be subject to the payment of a fine of twice the amount of the unpaid duties and confiscation of the goods involved. Persons sentenced as accomplices of the commission of such violations shall be jointly and severally liable for the payment of the fine herein established.

**Article 48-** Article 45 and 46 may also be applied when Operators or Enterprises prevent the competent authorities from inspecting their facilities or their records evidencing their exempted equipment, machinery and materials or the payments made and services obtained in the country.

## **Chapter Eleven**

### **General Provisions**

**Article 49-** All physical or legal persons operating a Free Zone at the time of promulgation hereof under any law, decree of the Executive or contract with the

Dominican Government, shall be subject to the present law without prejudice to their existing rights.

**Article 50-** All enterprises classified in Category "A" under Law No. 299 on Industrial Incentive and Protection of April 23, 1968, as amended, and established in the Free Zones prior to the promulgation of this law, shall be subject to the provisions thereof without prejudice to their existing rights.

**Article 51-** The Chief Executive shall issue the regulations considered necessary for the proper application of this law, taking into account the recommendations of the National Free Zones Council. Such regulations shall be concluded within ninety (90) days from the promulgation of this law. Nevertheless, failure to issue regulations shall not preclude the application of this Law.

**Article 52-** The present law repeals and replaces Law. No. 4315 of October 22, 1955, which creates the institution of the Free Zones, except insofar as it relates to the duty-free areas at harbors and airports; Law No. 299 of April 13, 1968, in relation to the "A" Classification; Decree No. 895 of March 19, 1983, which creates the National Free Zones Council; Decree No. 310-88 of June 30, 1988, which amends Article 1 of Decree No. 865; as well as any other law or regulation contrary hereto except such as apply to the duty-free areas at harbors and airports, which are not governed by this legislation.

**PASSED** in the Hall of Sessions of the chamber of Deputies in the Palace of the National Congress in Santo Domingo de Guzman, National District, capital of the Dominican Republic, on the eight of November of the year nineteen eighty nine, 146<sup>th</sup> year of Independence and 127<sup>th</sup> year of Restoration.

**Luis José Sánchez**

**President**

**Aminta Velásquez de Pérez Roberto A. Acosta Angeles**

**Secretary Secretary**

**PASSED** in the Hall of sessions of the Senate in the Palace the National Congress in Santo Domingo de Guzman, National District, capital of the Dominican Republic, on the tenth day of January of the year nineteen ninety, 146<sup>th</sup> year of Independence and 127<sup>th</sup> year of Restoration.

**Francisco Ortega Canela**

**President**

**Juan José Mesa Medina Salvador A. Gómez Gil**

**Secretary Secretary**

**Joaquín Balaguer**

**President of the Dominican Republic**

In the exercise of the powers conferred upon me by Article 55 of the Constitution of the Republic,

**PROMULGATE** the present law and order that it be published in the Official Gazette to be known and obeyed.

**SIGNED** in Santo Domingo de Guzman, National District, capital of the Dominican Republic, on the fifteenth day of January of the year nineteen ninety, 146<sup>th</sup> year of the Independence and 127<sup>th</sup> year of Restoration.

**Joaquín Balaguer.**