

V R O C I Y G P A S D Y Q J L A D V J I M F N P S G O T G U S I D G A Z L T G  
P N V S U D R V K S P S Q A O R E L F W I I C J G H J O T Z X O  
I L E L N V X P R E F C O H G E X W B P M S V O G D M Y N N  
Y A G P X P K C O M G B X P Q K O E B X T S I D S O A A S A A X J R  
L C R L V Q L T R D L N S T R A T E G I C U U M J O A M W A X  
V I E F H N S I E K A N S K I L L S H I T N N L P T M A I E S N D L P  
B N O R O V O V Z P W X L T S O M A M N G O F D A S G J O N S V L Y A



# Law for the Development of Film Activity in the Dominican Republic

## Tax Incentives for Film Technical Service Providers

OMG Summary | July 2012

## Tax Incentives for Film Technical Service Providers

The Dominican Republic provides for certain incentives to attract local and foreign investors so as to develop the local film industry. Given these new incentives, in order to satisfy the projected demand of technical services for the film industry, the Film Law 108-10 and its Application Regulation, creates an incentive for such particular providers.

### What is the incentive?

Pursuant to article 40 of the Film Law, a Technical Service Provider is either a person or an entity, domiciled in the Dominican Republic and offering technical services to cinematographic productions shot in the Dominican territory may benefit from a 100% Income Tax exemption.

### For how long is the incentive?

The incentive shall be in force for a period of 10 years after the promulgation of the law (i.e. November 18, 2010).

### What are the requirements?

In order to benefit from this incentive, the person or entity shall previously qualify as an exempt Technical Service Provider. Such qualification is granted by the Intersectorial Committee for the Promotion of the Cinematographic Activity in the Dominican Republic (CIPAC). The application is filed at the Film Commission (DGCINE), which then submits it for CIPAC's approval.

### Requirements pertaining to the provider

- Dominican person or entity.
- Exclusively serve the Dominican film industry and all its income should be obtained from servicing entities that have as an exclusive purpose, the production of cinematographic works.
- The films for which the Technical Service Provider works for must bear the corresponding Shooting Permits.

- Be provided with fixed assets, technology and the necessary equipment, pursuant to the parameters and requirements of the film industry.
- Provide at least one or several services established in the list below (see Types of Services).
- May not serve other audiovisual productions, including television productions, artistic, advertising and/or events.

The CIPAC is yet to establish the technical and structural requirements applicable for the registration at the Cinematographic National Registry in the corresponding category.

**A Technical Service Provider domiciled in the Dominican Republic and offering technical services to cinematographic productions shot in the Dominican territory may benefit from a 100% Income Tax exemption.**

### Types of Services

The Technical Service Providers must offer one or several of the following categories of "Technical Services":

- Filming Services;
- Conversion, edition and digital design Services;
- Wardrobe design, utility and set design services;
- Digital animation services;
- Special effects postproduction services; and
- Music, dubbing, voice recording, mix and sound editing services.

### What is the application process?

Technical Service Providers, as well as any other agent, should first obtain a **Certificate of Registration at the National Registry of Cinematographic Agents.** Application is filed at the DGCINE by completing the corresponding form and providing the information requested therein. Once documents are correctly filed, the issuance may take approximately 10 days. This certificate will be valid for four (4) years.

Thereafter, the provider applies for the **Certificate of Registration at the Fiscal Registry of Cinematographic Agents and Providers**, which is also issued by DGCINE. Application is also filed at DGCINE by completing the corresponding form and providing the information requested therein. The application documents must include a copy of the corporate documents listed in numerals 1, 2 and 3 below as well as copy of the Certificate of Registration at the National Registry of Cinematographic Agents.

Moreover, DGCINE submits the request to the Tax Authorities for approval, prior to issuing the Certificate of Registration at the Fiscal Registry of Cinematographic Agents and Providers. This certificate is valid for 1 year.

Once provided with the Certificate of Registration at the Fiscal Registry of Cinematographic Agents and Providers, providers may apply for the qualification as exempt technical service providers. Applications are filed at the CIPAC, through DGCINE.

The application should include the following:

- Application letter or the corresponding form provided by DGCINE.
- Copy of the applicants' ID, in case it is a person.
- Copy of the latest Shareholders Meeting Minutes, designating the administrators of the company and copy of the representatives' ID.

- Certificate of Registrations at the Fiscal Registry of Cinematographic Agents and Providers, issued by DGCINE.
- Certification issued by the Dominican Tax Authorities indicating that the company is in compliance with its fiscal obligations.
- Audited Financial Statements corresponding to the last fiscal year, reflecting the fixed assets of the provider.
- Description of the technical services (see *Type of Services*).
- Sworn Declaration of the provider legalized by a Public Notary whereby applicant declares that it is not affected by the incompatibility provided in article 180 of the Regulation, which indicates that the Technical Service Provider may not serve other audiovisual productions, including television productions, artistic, advertising and/or events.

After the application is duly filed, DGCINE will proceed with the evaluation, followed by an inspection of the applicant's facilities and will then issue its recommendations to the CIPAC. The latter will issue a resolution approving or rejecting the qualification within a period of 30 days (the Qualification Resolution). The Qualification Resolution will be notified to the Dominican Tax Authorities within 15 days of its issuance.



## About OMG

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