



Doing Business in Dominican Republic

Purchasing Real Estate in Dominican Republic

The purchase of Real Estate in the Dominican Republic is governed by Dominican Real Estate Property Registration Law 108-05 of 2005 and its regulations, the Dominican Civil Code and other special Dominican laws which may apply depending on the type of transaction.

General Requirements of Form and Substance

Among the requirements of form to make a valid property transfer is the need of a written definite purchase - sale contract, made by a private agreement and legalized by a notary public, who is prohibited under notary law to participate as attorney or legal advisor of the parties to the property purchase transaction.

As to the requirements of substance, it is essential that contract parties be fully identified, and that the purchase price, payments and the real estate property's description be included in the agreement and stated clearly.

Powers Of Attorney

The issuing of powers of attorney in the Dominican Republic from the buyer or the seller in favor of a legal representative or authorized person requires a private document legalized by notary public to be registered under law before the corresponding institutions, for purposes of complying with title registry regulations.

The Power of Attorney shall include name, identification document and general information of the empowering party, the full description of the Dominican real estate property over which any transfers or conveyances will be made and the full scope of authorizations, granted to the empowered party.

Powers of attorney issued outside of the Dominican Republic may be executed before an official Dominican Republic Consulate abroad and then legalized before Dominican Ministry of Foreign Affairs (Chancellery).

If the foreign country is member of the Apostille (Hague Convention of 1961), then the power of attorney may be legalized by a foreign notary public, county clerk and then Apostilled, thereby reducing legalization costs.

Powers of attorney executed in a language different than Spanish must be translated into Spanish by a Dominican Judicial Interpreter before filing the property transfer request of registration or any other processes. Our firm can also offer Dominican Judicial Interpreter and translation services to satisfy legal language requirements.

Rights and Obligations of the Sellers

The general obligations of Seller upon the closing of a real estate transaction include delivery of the real estate property itself and delivery of the original certificate of title of the purchased property, including cancellations of any liens and encumbrances or other guarantees which may have been recorded on the property.

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It is very important that upon payment of the purchase price, purchaser receives an executed and notarized original of the purchase sale agreement, as well as a receipt of payment of purchase price in the form paid.

Purchasers General Obligations

The only vital obligation Dominican Law places on purchasers of property is that the purchaser pays the seller the purchase price of the acquired real estate property, the transfer taxes, and complies with any other requirements, terms or conditions for payment existing in the purchase sale agreement.

In this regard, DR Anti Money Laundering Law 155-17 of June 1st, 2017 should be complied by the purchaser using qualified local counsel to make sure that payments of the purchase price to the Seller and the mode of payment satisfy Law 155-17 requirements, for a legally compliant closing and to enable proper title transfer to Buyer.

Brokers Obligations

Dominican real estate broker obligations are almost non- existing and there is lax regulation in this regard.

For instance, brokers are not required a license to represent, offer or sell real Dominican estate property and the lack of regulation suggest difficulty in assessing fiduciary duty obligations or avoiding conflict of interests, as brokers duties are presumed similar to sales agents working for a commission of the real estate business.

The above means that buyers or sellers should retain qualified and experienced real estate attorney, as brokers' interests or capacities simply focus on their fees and not handling the legal aspects of a real estate transaction and averting possible complexities; the same reason why notaries are prohibited from providing legal advice.

The Real Estate Closing Process

On the day the purchaser and seller have decided to close on any Dominican real estate property transaction, the seller may be asked to furnish the buyer, in addition to the original certificate of title, a series of legal documents which are most commonly gathered, requested and obtained by the seller's attorney.

Among these documents is the certification of legal status of the real estate property, which reveals title validity, property survey and if any liens and encumbrances affect the property, as well as the certification of good tax status of the property which states whether real estate property taxes have been paid or is tax exempted.

If the seller of the property is a legal entity, the same shall deliver to the buyer a copy of its corporate and tax documents revealing legal entity identity and business registered resolution authorizing the sale and designating the company officer authorized to execute purchase sale agreement on behalf of the company.

Finally, other relevant documents for a real estate property closing may include, a certification of no debts issued by the condominium or project manager, evidence of payment of all utilities or services, copy of condominium or project blueprints, bylaws and regulations and proof of receipt of payment by the seller.

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Filing Of the Request of Transfer before the Title Registry

The completion of any Dominican real estate acquisition will require the payment of property transfer taxes and the filing of a request of transfer before the title registry of the jurisdiction where the property is located or from the Central Title Registry offices located in the Santo Domingo, Capital of the Dominican Republic. Such request of transfer shall include most of the documents requested to Seller at the time of closing.

Dominican Title Registry Regulations and internal procedure memorandums explain the documentation and legal formalities to be met for Dominican real estate property transfers. Regulations are subject to amendment from time to time and must be observed on a case by case basis by legal representatives to avoid rejection and delays if title registry requests new or missing documents, noting that short lapses of time are provided to cure any deficiencies or the transfer request may fail and some legal and tax certifications may expire in the process.

In conclusion, a qualified and experienced real estate attorney should be retained to request property transfer.

Processing Of Property Transfers before Title Registry

Once a complete and accepted application for transfer of property is filed before the title registry, the title registry official will provide petitioner or its representative with an estimate of time, promise or projected deadline for delivery of title.

The amount of time will depend on work load at the local title registry and will usually take about two months' time provided no additional documents are requested by the title registry.

Obtainment of Certificate of Title or Deed to the Property

On the day of the promise of delivery of the new certificate of title before the title registry office and provided there are no delays and complications in the process, the new owner or its duly appointed representative will receive the new original certificate of title from the title registry.

Delivery of clear and marketable certificate of title to the new owner or its representative will conclude the process for purchasing real estate property in the Dominican Republic.

After delivery of the new property title, real estate property owner should stay informed of applicable property laws and regulations and legal alternatives, allowing for its full use, enjoyment and possible disposition of its Dominican real estate property moving forward.

Questions about this information can be directed to Our Team at 809.472.2222 (info@aclaw.com) or to our lead contact Felipe Isa Castillo (fcastillo@aclaw.com).

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