

FREQUENTLY ASKED QUESTIONS

What happens if a project doesn't meet the minimum spend? Applicant is allowed to accumulate multiple projects to reach the level of executed expenses required by law. Law 108-10 Art. 39 Paragraph II. Projects MUST be produced by the same entity during the same fiscal period.

What can be considered as a qualifying expense? Applicable expenses are those incurred by an applicant producer in a project's pre-production, production and post-production process after receiving a Shooting Permit (SP). Dec. No. 370-11 Art. 167

What about expenses incurred prior to receiving a Shooting Permit (SP)? Expenses pertaining to the development & pre-production incurred prior to receiving a SP will be admitted if the exact amounts are included in the budget that was submitted in the application for the SP. Dec. No. 370-11 Art. 163 Paragraph I. Expenses must be Executed According to Approved Budget.

Are cost over-runs admitted? Changes to any creative or financial details in a production must be previously approved by the Film Commission. Cost over-runs will be admitted as long as the proper authorization has been granted. Dec. No. 370-11 Art. 167 Paragraph I

Are there any excluded expenses? Expenses pertaining to distribution & marketing of the film are excluded, as well as financial costs and costs relating to completion bond and insurance policies unless these are acquired from a company in the Dominican Republic. Dec. No. 370-11 Art. 168

Are there any excluded goods & services from the VAT Exemption? Goods & services that are not directly related to pre-production, production and post-production are excluded. Dec. No. 370-11 Art. 191

Do payments to loan out companies qualify? Payments to loan out companies do qualify as applicable expenses given that it is the channel used to contract services from an actor. However, the loan out company will be subject to a 27% government-withholding requirement since the payment is made for services provided by an individual working in the Dominican Republic. Treasury Regulations Art. 297. Production Company will get 25% Tax Credit on gross amount paid to Loan Out Company.

Can producers bring their own equipment? The SP grants producers the temporary import of goods & equipment for a period of 6 month, which may be extended as long as the items are

exported by the end of the production. The Film Commission will process the temporary import permit with the customs authorities. Law 108-10 Art. 43

How long does it take to get a Shooting Permit? The Film Commission will reply to the applicant producer's request within 10 days of receiving the SP application and the required documentation has been submitted. Dec. No. 370-11 Art. 95

How long is a Shooting Permit Valid for? The SP will be issued for the time period of completing production or 2 years maximum, upon the producer's request. Dec. No. 370-11 Art. 97

Do I need any other type of permits? In order to be able to film on a public land, public buildings, roads and parking facilities you will need permission from the local authorities. The Film Commission will process the approval with the appropriate local authorities. Dec. No. 370-11 Art. 98

When can I request the tax credit? The credit may be requested in respect to partially or completely executed budgets, as long as the expenditures at the moment of the request are equal or exceeding USD500, 000.00. Law 108-10 Art. 39 Paragraph II. Expenses incurred in the Dominican Republic must be audited by a Certified Public Accountant (CPA).

What is a CPA audit? It is an official financial inspection performed by a Certified Public Accountant (CPA) as an external authority that validates financial information against generally accepted accounting principles, ensuring all applicable accounting standards are followed.

What is the Transferable Tax Credit Certificate (TTCC) application process? The applicant producer must submit all supporting documents and CPA audited receipts. After an application is submitted, the Film Commission will evaluate the request and verify its compliance with the requirements established by Law 108-10. The relevant financial and production documentation will then be audited by the appropriate department. A recommendation will be passed on to the Film Commission's approval committee for their approval. The committee will issue a resolution to decide on the request and validation of expenditures within 30 days of the application. The Film Commission will then notify the applicant producer and the Dominican Internal Revenue Bureau within the next 3 days. The producer may then, within the next 15 days. Request before the Dominican Internal Revenue Bureau the TTCC. Dec. No. 370-11 Art. 170, 172 & 173

How long does it take to get the Tax Credit Certificate? The whole validation process and issuing of the TTCC cannot exceed 60 calendar days. Law 108-10 Art. 39 Paragraph V

Can my Transferable Tax Credit Certificate Application be refused? The Film Commission will notify the applicant producer if objections regarding compliance with the established requirements arise. If the producer doesn't reply to these objections and re-submit the relevant documentation within the next 30 days the TTCC application will be refused by the Film Commission's approval committee. Dec. No. 370-11 Art. 170 Paragraph I

Does the Shooting Permit guarantee the tax credit? A SP will enable an applicant producer to apply for the incentives but does not automatically guarantee that you will obtain the transferable tax credit. Changes to any financial details of the project may affect the applicant producer's compliance with the application requirements and may result in refusal, unless the modification has been previously approved by the Film Commission. Dec. No. 370-11 Art. 170 Paragraphs I

What happens if my Transferable Tax Credit Certificate application is refused? The applicant producer may appeal by requesting the Film Commission's approval committee to reconsider this decision. In order to do so, a new audit must be performed in which the committee's specific objections will be exclusively revised. Dec. No. 370-11 Art. 140

How long is the Transferable Tax Credit Certificate valid for? The certificate is valid for 4 fiscal periods. The certificate may be transferred at any time during the valid periods. Dec. No. 370-11 Art. 174