

Mercantile Registry Law

CHAPTER I SCOPE OF APPLICATION, INSTITUTION AND FUNCTIONS

Article 1.- The Mercantile Registry is the system that consists of the registration, renovation and recordation of the books, deeds and documents pertaining to industrial, commercial and service activities carried out by those individuals or corporations that usually engage in business, of which the Chambers of Commerce and Production authorized by this law are the depositories, also having authority to certify their existence.

Article 2.- The Mercantile Registry is public and compulsory. It has authentic character, with probative value, and is opposable to third parties.

Article 3.- The Chambers of Commerce and Production are in charge of the Mercantile Registry, under the supervision of the Ministry of Industry and Commerce. Such supervision shall consist of sending to the Executive Power the request for recognition of chambers of commerce and production being formed; establishing norms tending to facilitate the application of this law; enforcing the legal provisions regarding Mercantile Registry matters, and applying the sanctions provided in Article 23 hereof.

Article 4.- The Mercantile Registry shall perform the following functions:

a) Registration and Recordation of:

- 1) Individuals who do business professionally; i. e., for their own account, professionally, or habitually, and for the purpose of making a profit, undertaking activities to produce and circulate goods and/or to provide services;
- 2) Corporations having legal status that conduct activities for a profit;
- 3) Marriage contracts between spouses and the liquidation of conjugal societies, when the husband and/or the wife is/are businessperson(s);
- 4) Judicial interdictions pronounced against businesspersons; the holding of public office when incompatible with the conduction of business activities, and in general, such incapacities or disabilities for conducting business as provided by law;
- 5) Documents, authenticated or with privately witnessed signatures, relating to the formation of a corporation, the extraordinary shareholders' meetings held to modify the bylaws or dissolve a corporation, as well as the regular shareholders' meetings or assemblies of business corporations, both annual and occasional, and any acts regarding the decision to suspend or cancel operations;
- 6) Agreements between creditors and debtors in bankruptcy proceedings;
- 7) Changes of name, domicile, activity, alteration of capital, opening of business establishments, branches or agencies and such other things as may be of interest to third parties.

b) Publicity and Filing:

In connection with the documents registered, in the process of being

registered, or constituting information or background thereof and appearing in the register. In addition, the Chambers of Commerce will submit periodically to the State Department of Industry and Commerce a summary of the information contained in the Register.

c) Certifications:

Certification of Business Operation Record Books, pursuant to Article 14(f) of Law No. 50-87 on Chambers of Commerce and Production.

CHAPTER II PROCEEDINGS OF THE MERCANTILE REGISTRY

Article 5.- A request for Mercantile Registration shall be submitted within a month after commencing business activities or opening a business establishment, in the case of individuals or de facto corporations.

In the case of business companies, applications for Mercantile Registration shall be made within a month after the date of the incorporative shareholders' meeting or assembly, and an original and copies of the documents regarding the company's formation shall be attached thereto.

Article 6.- The recordation of all the documents pertaining to the Mercantile Registry shall be made in separate books, according to the matter, in the form of an abstract making reference to the essence of the document, including the document registered, book, page, and date.

Article 7.- Mercantile Registration shall be made at the Chamber of Commerce and Production having jurisdiction at the domicile of the individual or corporation concerned.

Article 8.- The fees to be charged to business establishments for their registration shall be determined by the Chambers of Commerce and Production. All proceeds therefrom shall be considered income for the corresponding Chamber of Commerce, which may use them to cover the expenses created by such Registration and other services, within the framework of the purposes established for their activities in Law No. 50-87 on Chambers of Commerce and Production.

Article 9.- All registrations in the Mercantile Registry shall be evidenced by the Certificate of Registration issued by the respective Chamber of Commerce and Production.

Article 10.- A request for Mercantile Registration shall include:

a) In the case of an individual, the applicant's full name, a copy of his/her identification card, nationality, activity or business in which he/she is engaged, domicile and address, place or places where his/her activities are conducted on a permanent basis, his/her liquid assets, real estate owned, amount of investments in said business activity, name of the person who manages such business and his/her powers, credit institutions with which he/she has made or intends to make operations, and reference from two (2) registered businesspersons; and

b) In the case of a corporation, its corporate name, address and activities pursued, particulars of the majority shareholder(s) and its directors; amount

of the investments made in the business activity, credit institutions with which it has made or intends to make operations, and reference from two (2) registered establishments.

Any application submitted by a minor should contain such authorizations as shall have given him/her the capacity to conduct business, according to law. Article 11.— The Chambers of Commerce and Production shall provide a form to help users supply the necessary information. They may also require applicants for Mercantile Registration to substantiate the information given in the application by presenting certifications regarding their marital status, business activities, banking operations or any other instruments evidentiary of the information provided in the application.

CHAPTER III MERCANTILE REGISTRATION UPDATE

Article 12.— Every two (2) years, counting from the date of the initial registration, all individuals or corporations subject to Mercantile Registration should renew their registration at the appropriate Chamber of Commerce and Production.

No communication or notice will be considered in relation to unregistered persons, or if signed by persons other than the directors and/or representatives of registered businesses.

Article 13.— The registration of minutes of extraordinary shareholders' assemblies or meetings of corporations registered with the Mercantile Registry containing additions and amendments to the bylaws or regarding the dissolution of the company should be requested within a month after such general assembly is held.

All registered annual regular shareholders' assemblies shall contain information regarding the report submitted by the Commissioner, his/her election, the directors' election, if applicable, as well as the obtainment or not of profits from the appropriate commercial closing, the application thereof, and proof of payment of taxes. In the event of a suspension of business activities without proceeding to hold shareholders' meetings, the registered individual or corporation should inform the Chamber of Commerce and Production in his/her/its jurisdiction, in writing, the decision taken and the term during which operations are to be suspended.

Article 14.— The registration of all other documents mentioned in this law may be requested at any time, although they shall not be effective in relation to third parties until the date of their registration.

Article 15.— The Chambers of Commerce and Production should record in the appropriate business registers any objection, cancellation or annulment proceedings in connection with the commercial names used by the business establishments registered, according to the publication made thereof.

Article 16.— In the event of loss or destruction of a registered document by the registered business, the Chamber of Commerce and Production where such registration was made may issue a certificate containing the text kept by said

Chamber. Such document shall have the same evidentiary value as its original.

Article 17.— Any inaccuracy in the registry entries due to errors or omissions in the recorded document shall be rectified, provided that a document of the same nature is provided, or upon submission of a court order containing the necessary elements for such purpose.

In the case of a material error or omission in the registration in connection with the document recorded, the correction shall be made having in sight the document that caused such error or omission.

Article 18.— The Chamber of Commerce and Production having jurisdiction to make a registration should keep a copy of the complete text of all the documents subject to such recordation by any technical means allowing for the exact conservation and reproduction thereof.

CHAPTER IV PUBLICITY

Article 19.— A registration shall be evidenced by the certificate issued for that purpose by the Chamber of Commerce and Production, or by a copy thereof.

Article 20.— The recordation of documents under this law shall entail delivery forthwith, with no other proceeding, of the original and copies delivered for this purpose, with the annotations regarding such registration.

Article 21.— The registration of documents under this law shall make the information contained therein opposable to third parties.

Article 22.— The Mercantile Registry shall be a matter of public record. Anyone may examine the books and files where such registrations are kept, take notes of the entries or documents therein, and obtain copies thereof. The information contained in the Mercantile Registry may be accessed upon request.

CHAPTER V FAULTS AND PENALTIES

Article 23.— After a period of one (1) month, any individual or corporation engaging professionally in business and not registered at the Mercantile Registry shall be liable to a penalty of up to three (3) minimum wages. In the event that such person or corporation should voluntarily submit information concerning such delay and the registration application, such penalty shall not apply. Penalties shall be imposed by resolution of the State Department of Industry and Commerce, stating the reasons justifying them..

Article 24.— Any falsehood in the information submitted to the Mercantile Registry shall entail a penalty under Article 150 of the Dominican Criminal Code.

Article 25.— Failure to fulfill the obligation of supplying information in connection with any changes in the business shall result in a penalty of fifty percent (50%) of the amount of the minimum wage in effect to such date.

CHAPTER VI GENERAL PROVISIONS

Article 26. - All individuals or corporations required to apply for registration at the Mercantile Registry under this law have a non-extendable period of one (1) year from the date of enactment, to adapt and submit their application to the Chamber of Commerce and Production of their jurisdiction.

Article 27. - Stock companies shall be exempted from the requirements prescribed by Article 42 of the Commercial Code.

Article 28. - Paragraph I of Article One (1) of Law No. 53, of November 13, 1970, is hereby modified, so that, from this day forward, it reads as follows:

“Paragraph I. - The individuals or corporations and the financial units referred to in this law are obliged to register at the National Taxpayers' Registry, for which it is obligatory to supply all such information as may be required by the office in charge of such registry, as well as a copy of the certificate issued by the appropriate Mercantile Registry.

Such office may proceed to register, without request of the party concerned, any taxpayer who is not duly registered, and shall send a copy of any such registration to the Chambers of Commerce and Production of the appropriate jurisdiction.

Article 29. - Article 18 of Law No. 2324, of May 20, 1885, is hereby modified, so that, from this day forward, it reads as follows:

“Article 18. - The following are exempted from registration:

1. All acts and resolutions of the Legislative and the Executive Power;
2. All acts of the National Comptroller's Office;
3. Manifests, forms, and receipts issued by customs for collection of custom fees.
4. Certificates of birth, marriage and death received by Civil Status Officers, and the copies thereof issued by them, unless such copies have to be submitted to a court of law;
5. Legalizations of the signatures of public officials;
6. Passports to travel from one point to another in the national territory and abroad;
7. Bills of exchange or promissory notes, endorsements and payments thereof, unless they are contested and have to be subsequently presented at a court of law;
8. Lawyers' briefs and pleas submitted to courts of law and to the Supreme Court of Justice;
9. Documents subject to registration as established in the Mercantile Registration Law.

Paragraph. - Certifications issued by the appropriate clerks or employees of any acts of the Legislative or the Executive Power shall be subject to registration fees if they are to be submitted to a court of law by private persons. "

Article 30. - This law repeals and replaces the following provisions:

- Law No. 5260, on the Establishment of Industrial and Commercial Companies, Mercantile Registry and Industrial Registration, dated November 30, 1959; and
- Article 36, Paragraph IV, of Law No. 2569, of December 4, 1950.

It likewise repeals any other law, decree or regulation contrary to the provisions made in this law.

