

Law on the Promotion of Free Zones

January 15, 1990.

CHAPTER ONE PURPOSE OF THIS LAW, GENERAL CONCEPTS AND DEFINITIONS

Article 1.— The object of this law is to promote the establishment of new free zones and the growth of existing ones, regulating their operation and development, defining the bases to identify all such goals and objectives as may be in the nation's best interests, in order for the public and private sectors to concert their efforts to achieve the ends proposed.

Article 2.— A free zone is defined as a geographical area of this country subject to special fiscal and customs controls established in this law, where the installation of companies whose products or services are intended for the foreign market is permitted, granting them the necessary incentives to foment their development.

Paragraph: The sale in the territory of the Dominican Republic of articles produced by free-zone companies shall be considered as exports made by the free zone and imported into the Dominican Republic. The sale of goods produced in other companies in the Dominican Republic to a free-zone company shall be considered as exports from the Dominican territory imported by such free-zone company.

Article 3.— The free-zone areas shall be duly demarcated by insurmountable fences or walls, in such a manner that persons, vehicles and loads have to enter and exit exclusively through doors watched and controlled by Customs personnel.

Article 4.— This law applies to any natural person or body corporate that may contribute to this country's development by increasing production and generating sources of employment and foreign currency.

CHAPTER TWO BENEFICIARIES OF THIS LAW

Article 5.— The following natural persons or bodies corporate may benefit from this law:

- a) FREE-ZONE OPERATORS—natural persons or bodies corporate having free-zone operating permits granted under a Decree of the Executive Power upon recommendation of the National Council on Free Zones, and whose main activities are purchasing and/or leasing land, developing infrastructures thereon, selling or buying buildings and facilities to companies already established or to be established, and conducting promotion and marketing activities in order to attract national or foreign companies.
- b) FREE-ZONE COMPANIES—natural persons or bodies corporate having an installation permit under this law, and whose products and/or services are intended for export.
- c) FREE-ZONE INVESTORS— natural persons or bodies corporate investing in the

capital, financing or titles and securities of free-zone operators and/or companies.

CHAPTER THREE TYPES OF LOCATIONS FOR FREE ZONES

Article 6.- The following restrictions have been established for the location of free zones.

a) INDUSTRIAL OR SERVICE-PROVIDING FREE ZONES. These may be installed throughout the national territory, to engage in the manufacture of goods and for providing services.

Paragraph: In the National District, the Executive Power may restrict the installation of free zones to advanced technological processes, industrial or service free-zones requiring highly qualified labor.

b) BORDER FREE-ZONES, which will be granted special incentives such as those stipulated in Article 29 of this Law, and such other incentives as may be granted by the Executive Power within its constitutional functions. These free zones should be located at a distance of not less than three (3) nor more than twenty-five (25) kilometers from the border between the Dominican Republic and Haiti.

c) SPECIAL FREE ZONES are those which, by the nature of their production process, require the use of immovable resources whose transformation would be rendered difficult if such companies were not established near the natural sources, or when the nature of the process or the geographical, financial or infrastructure conditions of the country so require. Existing companies using raw material requiring temporary confinement shall also qualify as such. They may operate temporarily or permanently.

Paragraph: If a company already established and operating under the category of temporary confinement desires to operate under this Law, it should export 80% of its production and have a minimum of 200 employees in one location or facility.

To be approved, established companies will only have one year from the enactment of this law.

CHAPTER FOUR FREE-ZONE OPERATORS

Article 7.- The promoters, organizers and creators of projects for the installation, development and administration of free zones need to obtain a permit issued by the National Council on Free Zones and ratified by the President of the Dominican Republic, prior to beginning the operations and activities described in this Law.

Paragraph 1.- Free-zone operation permits may be granted to public, mixed, national or foreign entities.

Paragraph 2.- Free zone operators will be represented by investors and boards of directors, if any, and these may be either natural persons or bodies corporate. They may issue titles, securities, or bonds to finance the construction of buildings and/or the development and acquisition of land, with the approval of the Superintendence of Banks, when required under the laws

governing this matter.

Article 8. – Free-zone operators may construct office buildings, warehouses, industrial plants or services, which may be used individually or collectively through the sale or lease thereof by the companies to be established.

Article 9. – Before beginning operations, free-zone operators should fulfill the following basic requirements:

a) The existence of inhabitable areas for adequate industrial work, with the basic and essential services, according to generally accepted modern architectural practices.

b) Green and relaxation areas that would ensure an adequate surrounding environment, aerated shelters and proper general working conditions.

c) Sewage installations, as well as potable and industrial-use water, according to generally accepted practices.

d) Incineration or waste-removal facilities that would allow for maintaining adequate hygiene and physical appearance in the companies and common areas. Adequate physical facilities and equipment for food, emergency medical services, etc., both for the workers and for the employees engaged in continual office work.

f) Facilities to house customs, administrative, and other offices.

Article 10. – Free-zone operators may freely determine the rental, lease or sale price of the premises used by the corporations established. Likewise, they may set their price for services rendered, such as waste collection, customs matters, security, medical assistance, and others. The lease agreements for buildings and services should be recorded at the Secretary's office of the National Council on Export Free-Zones.

Article 11. – All free-zone operators have to pay an annual fee determined by the National Council on Export Free-Zones, to enable such council to fulfill its own financial obligations.

Article 12. – Free-zone operators are required to submit a monthly report to the Central Bank of the Dominican Republic in connection with their income and expenses under this law, so that appropriate currency exchange control may be maintained.

CHAPTER FIVE ON EXPORT FREE-ZONES

Article 13. – A free zone corporation is a natural person or a body corporate having received an installation permit from the National Council on Free Zones to adhere to the provisions of this Law, and whose production and/or services are intended for export.

Paragraph. – The sale or transfer of goods, equipment or services from one free-zone company to another, as well as among companies established within the same free zone, and even among any of these and those which operate under Law N69 of November 16, 1979, will be permitted upon approval by the National Council on Free Zones and provided that all such legal formalities as are prescribed in these cases are fulfilled.

Article 14. – A free zone wishing to establish itself under the free zone

regime should submit a formal request to the National Council on Free Zones, stating:

- a) The name, address and nationality of the individual or of the company and/or its shareholders;
- b) The authorized, subscribed and paid capital;
- c) The capital composition and origin;
- d) The type of product or service to be produced;
- e) The number and kinds of national and foreign employments to be created;
- f) The national added value to be generated;
- g) A description of the raw material, semi-manufactured products, containers, machinery, labels, equipment to be imported, as well as an estimation of the value thereof.
- h) Any other information that, on account of the project's category, is required for evaluation by the National Council on Free Zones.

Paragraph: A summary of such request will be published in the written media during two (2) consecutive days, so that any individual or body corporate may have the opportunity to oppose it.

Article 15.- The requesting company should pay, upon receiving the appropriate documentation, an amount that will be determined by the National Council on Free Zones, for paying the expenses of proceedings and information processing.

Article 16.- In order to be able to establish themselves in an export free-zone and to submit to this Law, individuals and bodies corporate should obtain an installation permit from the National Council on Free Zones.

Article 17.- A company authorized to operate in an export free-zone may:

- a) Introduce, store, pack, recycle, display, unpack, manufacture, install, assemble, refine, process, operate and handle all kinds of products, goods and equipment.
- b) Provide design, diagramming, telemarketing, telecommunications, printing, digitizing, translation, computer services, and any other similar or related services.
- c) Introduce into the export free-zones all such machinery, equipment, parts and tools as are necessary for its operation.
- d) Transfer raw materials, equipment, machinery, etc., as well as labor and services among various companies within the same free zone, or among companies from different free-zones, provided that the regulations of transit from one company to another are complied with, as stipulated in Chapter Eight (8) of this Law, which deals with CUSTOMS REGULATIONS.
- e) Export up to 20% of its production to the local market and/or the Dominican territory, in the case of products made in this country if the import thereof is permitted by law, under the control and vigilance of the Direction General of Customs and the National Council on Free Zones, upon payment of 100% of all appropriate taxes.
- f) Export its goods and/or services to the Dominican territory, upon payment of 100% of the tariffs and taxes established for similar imports, provided

that one of the following conditions is met:

- 1) That the product to be exported is not manufactured in the Dominican Republic outside the free zone, or,
- 2) That at least twenty-five percent of the total components or raw materials of the product to be exported is manufactured locally, i.e. in the Dominican Republic.

Paragraph.- The Industrial Development Directorate, upon recommendation by the National Council on Free Zones, will issue a certification specifying the percentage of customs fees to be paid under this article.

g) Acquire, for industrial processing or service, exempted from all export taxes, the raw materials, containers, labels, services, etc. required by the production sectors that are not subject to the free zone regime, excepting sugar, coffee, cacao, gold, and products subject to an export fee higher than 20% of their net value, or those imported under a subvention for popular consumption.

Paragraph I.- The National Council on Free Zones may authorize the processing in free zones of sugar, coffee, cacao, gold and products submitted to an export tax regime exceeding 20% of their net worth, provided that their added value is proved to be equal to or higher than 50% of their gross value.

Paragraph II.- The raw materials imported by companies established in Dominican territory are exempted from the payment of all import taxes, tariffs, customs duties and other related fees, when intended for the production of finished or semi-finished goods to be exported to free zones, upon authorization of the National Council on Free Zones and the Industrial Development Directorate.

h) To change, whenever deemed necessary, simply by previously informing the National Council on Free Zones, the lines and production processes used.

Article 18.- All companies established in free zones should submit a monthly report to the Central Bank of the Dominican Republic, with copy to the appropriate operator and the National Council on Free Zones, regarding the operations conducted under this law. Such report should be submitted within the first 15 days of every month, stating also the total expenses incurred in this country, so that appropriate currency controls are maintained.

CHAPTER SIX. THE NATIONAL COUNCIL ON FREE ZONES

Article 19.- For the purposes of its regulation and application, this law shall be under the responsibility of the National Council on Free Zones, which shall have the following functions:

- a) To identify, evaluate, and recommend to the Executive Power the installation of export free-zones, as established in Chapter Three hereof.
- b) To identify, evaluate, approve or reject applications to install free-zone corporations, as well as any appropriate renovation upon the expiration of the periods of authorization or operation of the ones already installed.

Paragraph.- All applications for installation shall be filed with the Executive Director of the National Council on Free Zones or his/her

representative, and they shall be processed in a period not exceeding thirty (30) business days from the date when such application was filed with receipt acknowledged.

- c) To outline an integral promotion and development policy for the free zones sector.
- d) To take part in national and foreign negotiations, agreements, treaties, etc. in connection with the operations and activities of export free-zones, as well as to take care of the statistics, procedures and controls necessary for the full performance of all agreements, negotiations etc. executed.
- e) To regulate and define the relations between the operators and the free zones, as well as between the latter and the National Council on Export Free-Zones or any other entity whose activities are closely related to the operation of export free-zones.
- f) To see to the strict compliance with this Law and all such legal provisions as may be established concerning this matter, and to take appropriate action in the event of any violation of same.

Article 20.- The National Council on Free Zones consists of representatives from the public and private sectors. Its members are:

- a) The State Secretary of Industry and Commerce, who shall preside it;
- b) The State Secretary of Finances;
- c) The Director General of the Corporación de Fomento Industrial (Industrial Advancement Corporation).
- d) The Executive Director of the Centro Dominicano de Promoción de Exportaciones (Dominican Center for Export Promotion);
- e) The President of the Foreign Investment Promotion Council (Consejo Promotor de Inversiones Extranjeras);
- f) The Executive Director of the National Council on Free Zones, who shall be its secretary. He/she shall have voice but not vote;
- g) Two representatives from the free zone operators, freely chosen by all the operators in this country, with the exception of the free zones controlled and operated by the Corporación de Fomento Industrial. Such designation shall be made for a period of two years, in a rotating fashion.
- h) Two representatives from the associations of free-zone corporations, chosen freely by all of them and appointed for two-year rotations.
- i) The Governor of the Central Bank of the Dominican Republic.
- j) One member of the Dominican Exporters' Association (Asociación Dominicana de Exportadores [ADOEXPO]) chosen by such association.
- k) For special occasions, having voice but not entitled to vote, the following officers shall be invited:
 - The State Secretary of Labor.
 - The Director General of Customs.
 - The Director General of the Internal Revenue Service.
 - The Director General of the Instituto Dominicano de Seguros Sociales (Dominican Social Insurance Institute).

- The Executive Director of the National Institute for Technical and Professional Training. (Instituto Nacional de Formación Técnico Profesional).

Article 21.- The National Council on Free Zones shall meet regularly according to its needs. However, regular sessions shall be held at least every thirty (30) days. The decisions made at such meetings shall be valid if fifty percent plus one of the council members are present, and final decisions shall be made with the favorable vote of fifty percent plus one of those present. In the event of a tie, the Council's President shall be entitled to a second and casting vote.

Article 22.- The National Council on Export Free-Zones shall have an Executive Director, who shall be chosen by the Executive Power from a list of three (3) candidates proposed by the National Council on Free Zones.

Article 23.- The members ex officio of the National Council on Free Zones may be represented in their deliberations by employees of their respective dependencies appointed expressly for that session. In the case of absence of the President of the National Council on Free Zones or his/her representatives, the session shall be presided by the senior member of such council. The representatives of the operators and of the associations of free-zone corporations may be represented by deputies designated before the National Council on Free Zones.

CHAPTER SEVEN INCENTIVES AND EXEMPTIONS IN FREE ZONES

Article 24.- Free zone operators and the companies established in free zones shall be protected under the customs and fiscal regime defined in Article 2 hereof, and shall therefore be 100% exempted from the following:

- a) Payment of the income tax established by Law No. 5911 of May 22, 1962, and the amendments thereof, regarding stock companies.
- b) Payment of construction taxes, and taxes on loan contracts and on the registration and transfer of real property, from the moment of the constitution of the appropriate free zone operator.
- c) Payment of taxes on the formation of business companies or on the increase of the capital thereof.
- d) Payment of municipal taxes likely to affect such activities.
- e) All import taxes, tariffs, customs fees and other related duties affecting raw materials, equipment, construction materials, parts of buildings, office equipment, etc. intended to build, furnish or operate in a free zone.
- f) All existing export or re-export taxes, excepting those established under letters f) and g) of Article 17 of this Law.
- g) Taxes on patents, assets or net worth, as well as the tax on the transfer of industrialized goods ("ITBIS").
- h) Consular fees regarding all imports intended for free zone operators or companies.
- i) Payment of import taxes regarding equipment and tools necessary for installing and operating budget diners, health services, medical care, child

care, entertainment or amenities, and any other equipment for the well-being of the working class.

j) Payment of import taxes on transportation equipment other than cargo vehicles, waste collection vehicles, minibuses, minibuses for transporting employees and workers to and from work, upon approval, in each case, of the National Council on Export Free-Zones. These vehicles shall be non-transferable for at least five (5) years.

Article 25.- Free-zone companies and operators wishing to build housing for employees and workers along the border and/or in any province specified herein, shall be exempted 100% from taxes on imported construction materials and on the equipment needed for any such construction, if in the opinion of the National Council on Free Zones they qualify for such preferential treatment under the law.

Article 26.- All profits and/or reinvestments declared as taxable net income by natural persons or bodies corporate shall be exempted from paying the income tax established by Law N 5911 of May 22, 1962, and the amendments thereof, if invested in the establishment and development of free zones according to the following percentages and rates:

Paragraph.- In no event may an annual deduction for exemptions and exonerations exceed fifty per cent (50%) of the annual income, as established in Law No. 71-86-30 of December 22, 1986, published in Official Gazette No. 9701.

a) One hundred percent (100%); i.e. the total deductible income, in the case of operators of free zones established along this country's border zones, etc., according to section c) of Article 6 hereof.

b) Eighty per cent (80%) of the total deductible income, for the National District and a geographic area within a radius of 50 kms.

c) Ninety per cent (80%) of the total deductible income, for operators whose geographic location does not correspond to the descriptions set forth under sections a) and b).

Article 27. Any investment in shares, titles or securities should remain as such for a period of not less than three (3) years, and the exempted amount invested may not be returned either directly or indirectly to the investors by any agency, before such period. These investments should be concentrated in: constructing buildings, purchasing and developing land, building materials, and/or working capital.

Paragraph: The National Council on Free Zones shall require an annual investment report, audited by a firm of authorized public accountants, showing the amount of exempted investments and the use given to such resources. In the event of violation of this provision, the National Council on Free Zones shall inform the Internal Revenue Service, which could leave without effect the exemptions established in the preceding article.

Article 28.- Free-zone companies and operators shall enjoy the exemptions granted by this Law, after their first complete year of operation for the

following periods:

- a) Free zones situated along the border, for twenty (20) years.
- b) Free zones situated in the rest of the country, for fifteen (15) years.

Paragraph: The National Council on Free Zones may extend their operation permits when deemed necessary based on the spirit of this Law.

Article 29.- In order to make viable the establishment and development of free zones in the border region made up by the provinces of Montecristi, Elias Pia, Dajabon, Independencia, Pedernales, Bahoruco and Santiago Rodriguez, the following special benefits are hereby granted:

- a) The Corporación de Fomento Industrial, as a State institution in charge of promoting and developing industrial parks and free zones, may lease physical space to the companies installed in such region, at a subsidized price.
- b) The National Council on Free Zones may assign preferential export quotas, if this country is subject to such a restriction.
- c) The National Council on Free Zones may grant the classification of special free zones to companies wishing to establish themselves in the border region, even if they do not meet the requirements stipulated in Section c) of Article 6 of this Law.
- d) Free-zone companies and operators established in this country's border region are eligible to benefit from such preferential interest rates as are granted by the Central Bank, with its FIDE resources, on loans for the border region.
- e) In addition to the above-mentioned advantages, the National Council on Free Zones may suggest to the Executive Power other advantages for the benefit of the border region.

CHAPTER EIGHT THE CUSTOMS REGIME

Article 30.- Free-zone companies and operators, according to the definitions given in this Law, may introduce to or withdraw from their facilities any machinery, equipment, furniture, raw material and all kinds of merchandise pertaining to the industrial activity conducted by them, subject to the customs regulations and exemptions herein provided.

Article 31.- The Direction General of Customs shall establish in every export free-zone a collections agency or office which shall be in charge of exercising the necessary mechanisms and controls so that all articles are verified upon entry or exit.

Paragraph.- Free-zone operators should provide all such facilities as are necessary for complying with this article, as provided by the National Council on Free Zones.

Article 32.- Given the specialized work of customs agencies in export free-zones, as well as the large volume of incoming and outgoing merchandise, a Sub-Direction of Customs is hereby established, intended exclusively for service in the free zones existing in this country or those that may be installed under this Law. This Sub-direction shall report to the Director General of Customs.

Paragraph.— A Customs Inspectors Special Corps is hereby established, rotational as to its membership and work location, intended exclusively to give service to the export free-zones. These officers shall report to the sub-direction mentioned in Article 32 hereinabove.

Article 33.— The following articles may not be imported by free zones under this law:

- a) Firearms, gunpowder, ammunition, or war supplies in general. The regulation weapons to be carried by the security personnel of the operators and the companies shall be tax-exempted, but they should comply with all such import and use proceedings as are established by the State Department of the Armed Forces, Interior and Police. This provision does not apply to warfare instruments manufactured in export free-zones.
- b) False currency, whether paper or metal, of any country, as well as quoins, facsimiles, negatives, or plates to manufacture or print the same.
- c) Sewage residue or waste likely to contaminate or threaten the physical integrity of the Dominican territory or the health of its inhabitants.
- d) Foodstuff, drinks, candy or other types of food for consumption by free-zones employees.

Article 34.— All imports to a free zone shall be duly sealed upon arriving in this country, and shall be transported from ports and airports to their destination under the surveillance and responsibility of the Customs Inspectors Special Corps, who shall deliver such goods to the customs collection agency operating in every free zone, and the latter shall only be responsible for verifying and checking the declarations and contents of the imported merchandise.

Paragraph: Any discrepancy found by customs collectors in the shipping documents regarding the contents of the products imported should be informed to the Director General of Customs and to the National Council on Export Free-Zones, but the addressee shall not be deprived of their use, except in the case of expressly forbidden goods. The Direction General of Customs shall subsequently take action as appropriate, within the time provided by the regulations herein contained.

Article 35.— Exports made from the free zones shall be verified by customs inspectors at the appropriate collection agency, and after having been sealed shall be transported under the supervision of the Customs Inspectors Special Corps until their port of shipping, where they shall be placed in the hands of the appropriate collector, who shall in turn send such exports to the carrier that will transport them to their next destination.

Article 36.— The same transportation requirements established in Article 13 hereof shall apply to the exchange of goods or equipment between two or more free zones or with a company operating under law No. 69 of November 16, 1979.

CHAPTER NINE CURRENCY EXCHANGE

Article 37.— Companies established in export free-zones shall be subject to the special provisions of this Law as to the exchange of currency from the

Central Bank of the Dominican Republic, in connection with the export of goods and services, and the import of raw material, equipment, machinery, tools, etc.

Article 38.- Free zone companies shall exchange at the Central Bank of the Dominican Republic, at the average rate of exchange quoted by such bank on the day in question, the currency necessary to cover local fees and services in general, such as:

- a) Installation expenses;
- b) Salaries, wages, and daily payments;
- c) Raw material, containers, labels and intermediate products acquired in the territory of the Dominican Republic.
- d) Insurance, in general;
- e) Taxes withheld on income or shareholders' dividends of all national or foreign employees working in their facilities;
- f) Communications and local transportation.
- g) Leasing or purchasing land or buildings.
- h) Any other locally created cost or expense.

Paragraph.- Transactions or operations conducted under the paragraph of Article 13 shall not be subject to currency exchanges at the Central Bank, excepting the local expenses mentioned above.

Article 39.- Any merchandise exported from the free zones to the territory of the Dominican Republic under other customs regulations shall be deemed to be imports and shall be subject to the provisions of Law No. 251 of March 1964, as amended, which governs the international transfer of funds.

Article 40.- Free-zone operators and free-zone export companies may obtain loans or warrants in national or foreign currency, from private, public, national, international, or mixed institutions, in accordance with the regulations established by the Monetary Board to that effect. In addition, they may obtain from domestic, international, private, and state-owned financing organizations--for the account of their own funds or those provided by the National Budget, funds from loans given to the Dominican Government or its institutions by international organizations or foreign governments, or guaranteed by the Dominican State--short-term, medium-term and long-term warrants or funding, subject to the regulations established in the respective agreements.

CHAPTER TEN LABOR REGIME

Article 41.- Operators and companies installed in export free-zones under this Law should comply with all such laws, regulations and provisions in force as are contained in the Labor Code and labor laws. Furthermore, they should fulfill all such obligations as are imposed by the Social Security Law, the Law that created the Workers' Bank, Law No. 116 which created the National Technical and Professional Training Institute [Instituto Nacional de Formación Técnico Profesional (INFOTEP)], all international agreements entered into and ratified by the Dominican Government in connection with

sanitation regulations for industrial facilities.

Article 42.- The minimum wage for apprentices established in the Labor Code shall apply to export free-zones in such manner as set forth hereon:

- a) During three (3) months in free zones in general;
- b) During six (6) months in free zones situated in the border zone in this country.

Article 43.- If a worker is laid-off at the end of his/her apprenticeship period and is later hired by the same company, said worker may not be qualified again as an apprentice, and, if he/she has only partially completed his/her apprenticeship, he/she may only be hired as such for the time established above, in each case.

Article 44.- Operators and free-zone companies wishing to terminate their operations in this country should give three(3) months notice to the National Council on Free Zones, which in turn shall inform the Central Bank of the Dominican Republic, the State Departments of Finances, of Industry and Commerce, and the State Department of Labor, the Dominican Institute of Social Security, the Workers' Bank, the Direction General of Customs, and the Internal Revenue Service, for all appropriate purposes.

Paragraph.- If a company does not fulfill the foregoing provision, it may not remove its assets, and if such assets are not removed without prior justification, they shall be sold at a public auction to pay such company's outstanding debts, if any, and the remainder shall inure to the Dominican State. The Direction General of Customs shall be in charge of any such procedure, and it should ask the party concerned to remove such assets, with the warning that failure to do so shall result in such assets being sold at a public auction.

Article 45. A free-zone company that violates the provisions of this Law and its regulations may have its installation and/or export permits cancelled by the National Council on Free Zones.

Article 46. Any free-zone operator that violates the provisions of this Law and its regulations may be denied permits for the installation of new companies or industries or the renewal of existing ones by the National Council on Free Zones, or the decree that gave it effect may be derogated by such Council.

Article 47. Any free zone company that violates the provision of this law and its regulations in relation to the introduction of merchandise and other articles indicated in the same shall be condemned to pay a fine equal to twice the amount of outstanding fees and taxes, and such merchandise and other articles shall be confiscated. Any person found guilty of complicity of any infraction penalized in this article shall be jointly liable for the financial penalties established in the same paragraph.

Article 48. Articles 45 and 46 of this Law may also apply when operators or companies prevent the competent authorities from inspecting their facilities, the records allowing for verification of tax-exempted machinery, equipment and

raw-materials, or the payments made and services rendered in this country.
CHAPTER TWELVE. GENERAL PROVISIONS.

Article 49.- This law shall apply to any natural or conventional person operating a free zone on the date hereof under another law, under a decree from the Executive Power, and/or under a contract entered into with the Dominican State, without lessening the rights heretofore acquired.

Article 50. This law shall apply to all companies classified as Category "A" under Law N 299 on Industrial Incentive and Protection of April 23, 1968, as amended, established in free zones before the enactment of this law, without lessening the rights heretofore acquired.

Article 51.- The Executive Power shall dictate the regulation(s) it shall deem appropriate for the best application of this Law, taking into consideration any recommendation made by the National Council on Export Free-Zones. Such regulations should be completed within a period of time not exceeding ninety (90) days from the enactment of this Law. The lack of such regulations, however, shall not hinder the application of this Law.

Article 52.- This Law repeals and replaces Law No.4315 of October 22, 1955, as amended, which created the Free Zone institutions, except as regards commercial free zones and seaport and airport free zones; Law No.299, of April 23, 1968, as regards Classification "A"; Decree No.895 of March 19, 1983, which integrated the National Council on Free Zones; Decree No. 310-88, dated June 30, 1988, which modifies Article 1 of Decree No.895. It also repeals and replaces any law, provision or regulation contrary to it, except as regards seaport and airport free zones, which are not the subject of this legislation.