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Acquiring Real Property in the Dominican Republic

A Legal Guide for Individual and Corporate Purchasers, for Residence or Investment

The constitutional and statutory regime, the Torrens registry,
the jurisprudence of the Supreme Court and the Constitutional Court,
the new Penal Code provisions on real estate fraud,
and the dangers of improper title investigation and registration

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Santo Domingo | San Juan | Hamilton, Bermuda
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Preface

The Dominican Republic has become one of the most active real estate markets in the Caribbean basin. Tourism growth in the eastern provinces, an expanding professional class in Santo Domingo and Santiago, remittance-financed housing demand, and a steady inflow of foreign retirees and second-home purchasers have produced two decades of nearly uninterrupted construction. Foreign nationals may own land on the same footing as Dominican citizens, the transfer tax is modest by regional standards, and the country operates a Torrens-style registry that, when properly used, offers strong protection to the registered owner.

That last qualification carries the entire weight of this guide. The Dominican registry system protects the purchaser who investigates, contracts and registers correctly. It does not protect the purchaser who relies on a photocopy of a title, pays a deposit to a developer without a trust structure, buys a "right of possession" on unsurveyed land, or accepts a seller's representation that the property is free of encumbrances. The same institutional architecture that guarantees a registered right against the world will, with equal rigor, defeat the claim of a person who never acquired a registrable right in the first place.

This guide is written for the informed lay reader and for foreign counsel who need a working understanding of the Dominican regime. It explains the constitutional and statutory foundations of property rights, the operation of the land registry and land courts, the mechanics of a purchase from letter of intent through issuance of the new certificate of title, the tax and anti-money laundering framework, the structures available to individual and corporate purchasers, the relevant jurisprudence of the Supreme Court of Justice and the Constitutional Court, the new criminal provisions on real estate fraud that entered into force in 2026, and the recurring dangers that produce most of the litigation the author has seen over three decades of practice in the region.

The Constitutional Foundation of Property Rights

The Constitution of the Dominican Republic, proclaimed in 2010 and reformed in 2015 and 2024, guarantees the right of property in Article 51. The State recognizes and guarantees the right of property, which carries an inherent social function and may be restricted only for reasons of public utility or social interest, upon prior payment of just value fixed by agreement or by judgment of a competent court. The same article prohibits confiscation as a penalty for political offenses and provides that property acquired through illicit enrichment or criminal activity may be seized through the procedures established by law (Constitución de la República Dominicana 2010, art. 51).

Two other constitutional provisions matter to the purchaser. Article 10 designates the border region with Haiti as a zone of national priority and reserves to the legislature a special regime for that territory. Historically, Ley 344 of 1943 required foreigners to obtain prior executive authorization to acquire land, and that restriction was applied with particular force in the border provinces. Decreto 2543-98 eliminated the general authorization requirement, and foreign nationals now acquire on equal terms with Dominicans throughout the country. Counsel should nonetheless verify whether any special regime applies to parcels in the frontier zone or in areas designated for military, agrarian or environmental purposes.

Article 68 guarantees the effectiveness of fundamental rights through the mechanisms provided in the Constitution and the law, and Article 69 guarantees due process and effective judicial protection (tutela judicial efectiva). These provisions are the basis on which the Constitutional Court, exercising the power of constitutional review of judicial decisions conferred by Article 277 and by Ley 137-11, has repeatedly intervened in land disputes to vindicate the property rights of registered purchasers, a jurisprudence discussed below.

The Dominican Republic is a civil law jurisdiction. Its Civil Code is a translation and adaptation of the Napoleonic Code, and general principles of contract and property law derive from it. The Code's provisions on sale (arts. 1582 through 1701), on the general theory of obligations (arts. 1101 through 1369), on prescription (arts. 2219 through 2281) and on succession (arts. 718 through 1100) apply to real estate transactions except where the special land legislation displaces them. The most important displacement is the registry statute, to which we now turn.

The Torrens System and Ley 108-05 de Registro Inmobiliario

Historical Development

The Dominican Republic adopted the Torrens system of title registration by Orden Ejecutiva 511 of 1920 during the United States military occupation. The system was reformed and consolidated in Ley 1542 de Registro de Tierras of 1947, which governed for nearly sixty years. By the late 1990s the registry had become unreliable. Tens of thousands of parcels were held under "constancias anotadas," undivided interests in larger parcels without individualized surveys; the paper archives were incomplete and vulnerable to fraud; and the land courts carried enormous backlogs. With financing from the Inter-American Development Bank, the State undertook the Programa de Modernización de la Jurisdicción de Tierras beginning in 1998, and the legislative product of that program was Ley 108-05 de Registro Inmobiliario, promulgated on 23 March 2005 and published in Gaceta Oficial 10316 (Cabrera 2020).

Ley 108-05 was amended by Ley 51-07 and is implemented by a series of regulations issued by the Supreme Court of Justice in its administrative capacity, the most important of which are the Reglamento General de Registro de Títulos (Resolución 2669-2009), the Reglamento General de Mensuras Catastrales (Resolución 628-2009, as amended) and the Reglamento de los Tribunales Superiores de Tierras y de Jurisdicción Original (Resolución 1737-2007, as amended). The Registro de Títulos, the Dirección Nacional de Mensuras Catastrales and the land courts together constitute the Jurisdicción Inmobiliaria, an organ of the Judicial Branch rather than of the executive.

The Governing Principles

Ley 108-05 opens with a set of general principles that the courts treat as substantive law. The principles most relevant to a purchaser may be summarized as follows.

The State is the original owner of all land within the national territory, and private rights are derived from the State through the process of adjudication (saneamiento) and registration (Principio I). Registration under the Torrens system rests on the criteria of specialty, legality, publicity and authenticity: each parcel is individually identified by survey; the Registrar examines the legality of every act presented for registration; the registry is public and its content is presumed accurate; and the certificate of title issued by the State is authentic evidence of the registered right (Principio II). Registered real rights are imprescriptible and enjoy the absolute protection and guarantee of the State (Principio IV). The registry is constitutive of the right: the right is born, transferred, modified and extinguished only by registration, and the certificate of title is the instrument that accredits the existence of the right and its essential elements (arts. 27 and 90).

Article 90 deserves particular emphasis because it is the hinge on which every purchase turns. Registration is "constitutivo y convalidante" of the right. Between the parties, a sale contract creates personal obligations from the moment of consent, as it does under Civil Code art. 1583. Against third parties, however, and for purposes of the real right itself, nothing exists until the Registrar records it. A purchaser who holds a signed and notarized deed but has not registered it has a contractual claim against the seller and nothing more. If the seller sells again and the second purchaser registers first, the second purchaser prevails, subject to the rules on bad faith discussed below.

Article 91 completes the rule: the registered right is protected as an absolute right, opposable to all, and a person who acquires from the registered owner in good faith and for value is protected even against defects in the seller's own title. This is the principle of registral public faith (fe pública registral), and the Constitutional Court has elevated it to the status of a constitutional guarantee flowing from Article 51.

The Institutional Structure

The Jurisdicción Inmobiliaria has three organs.

The Tribunales de Tierras de Jurisdicción Original are the courts of first instance. They hear original adjudication proceedings (saneamiento), litigation over registered rights (litis sobre derechos registrados), partition of registered property, determination of heirs, and the judicial review of registry decisions. Their judgments are appealable to the Tribunal Superior de Tierras of the corresponding department (there are five departments: Central, Norte, Nordeste, Este and Sur). The Tribunal Superior de Tierras also hears the recurso de revisión por causa de fraude against saneamiento judgments (art. 86). From the Tribunal Superior de Tierras, an aggrieved party may seek cassation before the Tercera Sala of the Suprema Corte de Justicia, and thereafter constitutional review before the Tribunal Constitucional under Ley 137-11.

The Dirección Nacional de Mensuras Catastrales, through its regional directorates, approves every survey (mensura), subdivision (subdivisión), boundary delimitation (deslinde), consolidation (refundición) and condominium plan before the Registrar may act. A parcel exists in the registry only if it has a survey approved by Mensuras Catastrales and identified by a designación catastral, the unique parcel number that appears on every certificate of title.

The Registro de Títulos, through registry offices in each judicial district, keeps the registry, issues certificates of title, records encumbrances, liens, provisional annotations and oppositions, and issues the certifications on which every prudent purchaser relies. The Registrar exercises the calificación registral, an examination of the formal and substantive legality of every document presented, and may reject, observe or register the act.

The Certificate of Title and Its Variants

The instrument that evidences ownership is the Certificado de Título, issued in the name of the registered owner and bearing the parcel's cadastral designation, area, boundaries and the registered owner's identity. The owner receives the Duplicado del Dueño, which must be surrendered when the property is transferred so that the registry can cancel it and issue a new certificate to the purchaser. The Registrar keeps the original in the registry's books, now maintained electronically through the Sistema de Información de Registro Inmobiliario.

Several variants require explanation because they carry different risk profiles.

A **Certificado de Título** for an individualized parcel with an approved survey is the gold standard. The parcel has a designación catastral of the modern form (for example, 402106327834, a twelve digit identifier), its boundaries are georeferenced, and the certificate describes exactly what is owned.

A **Constancia Anotada** is a certificate that evidences an undivided interest in a larger parcel that has not been subdivided by deslinde. The holder owns, for example, 500 square meters within a parcel of 50,000 square meters, but the registry does not identify which 500 square meters. The 2005 statute set as a policy objective the elimination of constancias anotadas and, through transitional provisions and the regulations on surveys, restricted the creation of new ones. Existing constancias remain valid but are far more exposed to boundary disputes, overlapping claims, and the practical impossibility of obtaining bank financing. A purchaser should treat a constancia anotada as an incomplete title and should condition the purchase on completion of the deslinde, or should price the risk accordingly.

A **Certificado de Título en Condominio** evidences ownership of a unit in a horizontal property regime under Ley 5038 of 1958 and the condominium provisions of Ley 108-05. The unit owner holds exclusive title to the unit and a proportional undivided interest in the common areas, and takes subject to the condominium regulations registered with the master title.

A **Carta Constancia** or older instruments issued under Ley 1542 may still surface in the market. These are valid if they have not been superseded, but the purchaser should require the seller to update them to a modern certificate before closing.

What the Registry Does Not Guarantee

The Torrens guarantee extends to the existence and content of the registered right. It does not guarantee the physical condition of the land, the absence of squatters, compliance with zoning and construction permits, or the accuracy of the seller's description of what is built on the parcel. Nor does the registry guarantee that the registered owner is who the person sitting across the closing table claims to be. Identity fraud and forged powers of attorney are the two most common vehicles for the sale of another's property, and they are defeated only by independent identity verification and by insisting that the seller's signature be legalized by a notary whom the purchaser's counsel has independently confirmed to be commissioned under Ley 140-15 del Notariado.

Registered and Unregistered Land

Not all Dominican land is registered. A meaningful portion of the national territory, concentrated in rural and mountainous areas but also in older urban neighborhoods and in parts of the tourist coast, has never passed through the saneamiento process and remains in the State's original ownership subject to the possessory claims of occupants.

Ley 108-05 regulates the acquisition of unregistered land through saneamiento (arts. 20 through 27). A claimant who has possessed unregistered State land publicly, peacefully, continuously and as owner for the period required by the Civil Code (twenty years under art. 2262, reduced in certain cases of good faith and just title) may petition the Tribunal de Jurisdicción Original for adjudication. The procedure requires a survey approved by Mensuras Catastrales, publication, a hearing, and a judgment that becomes the root of title. The judgment is subject to the recurso de revisión por causa de fraude for one year after the issuance of the certificate (art. 86), and, critically for purchasers, art. 86 párrafo III provides that a person who acquires the property during that one year period is not deemed a third party acquirer in good faith. The registry's absolute protection therefore does not attach to a freshly adjudicated parcel until the revision period has expired.

The market in unregistered land operates through "cesiones de derechos de posesión," assignments of possessory rights, usually documented by a notarized private act and sometimes accompanied by a municipal receipt or a certification from the Instituto Agrario Dominicano. These instruments transfer whatever possessory right the assignor had, which may be nothing. They create no registrable right, confer no protection against the State, against a competing possessor or against a person who later obtains adjudication, and are routinely sold to foreigners at prices that reflect registered land. The author's advice is categorical: a purchaser who is not prepared to fund and wait through a multi-year saneamiento, and to lose the litigation that frequently attends it, should not acquire unregistered land.

Two further categories require special mention. Lands distributed by the Instituto Agrario Dominicano under Ley 5879 of 1962 on agrarian reform are subject to restrictions on alienation and revert to the State if the conditions of the grant are violated; an IAD parcel cannot be freely sold to a third party without the Institute's authorization and, in many cases, cannot be sold at all. And the sixty meter strip measured landward from the high tide line is public domain under Ley 305 of 1968; no private title can exist over it, and a certificate of title that purports to include the beach is void as to that strip. Purchasers of coastal property should require a survey that plots the sixty meter line and should assume that any structure within it is subject to removal.

Who May Purchase, and Through What Vehicle

Individuals

Any natural person of legal capacity, Dominican or foreign, resident or nonresident, may acquire, hold, encumber and dispose of registered real property. A foreign purchaser needs a valid passport, a Dominican tax identification number obtained from the Dirección General de Impuestos Internos (DGII), and, for closing, either personal presence before a Dominican notary or a power of attorney executed abroad, apostilled under the Hague Convention of 1961 (to which the Dominican Republic acceded in 2009), and, if not in Spanish, translated by a judicial interpreter.

Marital status matters more in the Dominican Republic than in most common law jurisdictions. The default matrimonial regime is community of property (comunidad de bienes) under Civil Code arts. 1399 and following, as reformed by Ley 189-01, which gave both spouses joint administration of community assets. Property acquired during marriage by either spouse falls into the community unless the spouses have executed a prenuptial agreement adopting separation of property, and the sale of community real property requires the consent of both spouses. Civil Code art. 215, as amended by Ley 855 of 1978, further provides that neither spouse may dispose of the family residence without the consent of the other. A purchaser buying from a married seller must obtain the spouse's signature on the deed, and a purchaser who is married should expect the registry to inquire into his or her marital status and to register the acquisition accordingly. Foreign purchasers married under regimes of separate property should carry proof of that regime, since the Dominican registry will otherwise apply the community presumption.

Dominican Companies

A purchaser may acquire through a Dominican commercial company organized under Ley 479-08 de Sociedades Comerciales, as amended by Ley 31-11. The sociedad de responsabilidad limitada (SRL) is the vehicle of choice for holding a single property or a small portfolio: it requires at least two partners (who may be individuals or entities, foreign or domestic), has a modest minimum capital, and imposes lighter governance obligations than the sociedad anónima. The empresa individual de responsabilidad limitada (EIRL) permits a single owner but is less familiar to lenders and buyers.

Corporate ownership offers advantages: the property can be transferred by sale of the company's interests rather than by a registered transfer (with the tax consequences discussed below), the structure facilitates co-investment, and it separates the asset from the individual's other affairs. It also carries costs. The company must maintain a registered office, file annual tax returns, pay the corporate asset tax (impuesto a los activos) where applicable, renew its mercantile registration, and comply with beneficial ownership disclosure obligations under Ley 155-17 and the DGII norms that implement it. A dormant company that fails to file returns accumulates penalties that surface, unpleasantly, at the moment of sale.

Foreign Companies

A foreign company may acquire Dominican real property directly. To do so it must register at the Cámara de Comercio y Producción of the district where it will operate and obtain a Registro Nacional de Contribuyentes from the DGII, submitting apostilled and translated copies of its constitutive documents, a certificate of good standing, and a resolution authorizing the acquisition and designating the signatory. Ley 479-08, art. 11, subjects foreign companies operating in the country to the same obligations as domestic ones. Where the foreign company is a mere holding entity, many practitioners recommend interposing a Dominican SRL owned by the foreign parent, both to simplify future dealings with the registry and to avoid characterization of the foreign entity as carrying on business in the Dominican Republic.

Trusts

Ley 189-11 para el Desarrollo del Mercado Hipotecario y el Fideicomiso introduced the fideicomiso, a trust under which a settlor (fideicomitente) transfers property to a licensed trustee (fiduciario) to be administered for the benefit of one or more beneficiaries (fideicomisarios). Trusts serve three purposes in real estate.

The fideicomiso de desarrollo inmobiliario, in which a developer transfers the land and the purchasers' deposits to a trustee who releases funds to the contractor against construction milestones and delivers title to the purchasers on completion, is the single most important protection available to a pre-construction purchaser, and its absence should be treated as a serious warning sign.

The fideicomiso de administración or de planificación sucesoral allows an owner to hold property through a trustee for estate planning purposes, avoiding probate and, in some structures, mitigating forced heirship constraints.

The fideicomiso de garantía substitutes for a mortgage in some financing transactions.

The trust holds registered title in the trustee's name for the account of the trust, and the registry annotates the trust's existence. Trustees must be licensed and supervised, and the fee structure is not trivial. For tax purposes, trusts pay the property tax (IPI) at one percent on the full value of their real property without the personal exemption threshold available to individuals (DGII 2026).

Which Vehicle to Choose

The choice depends on the purchaser's objectives. A single residence intended for personal use is usually best held individually, or by spouses, because the individual IPI exemption threshold, the exemptions available to pensioners and to persons over sixty five, and the simplicity of the estate transfer all favor personal ownership. A rental portfolio, a development parcel, or a property held by multiple unrelated investors is usually better held through an SRL. A purchaser with complex succession concerns, or one buying in a jurisdiction of origin whose own tax law penalizes foreign corporate holdings, should model the alternatives with both Dominican and home country counsel before signing anything. The structure should be settled before the purchase agreement is signed, because transferring the property from an individual to a company afterward is itself a taxable transfer.

The Purchase Process

Engaging Counsel

The Dominican Republic has no system of licensed conveyancers, escrow agents or title companies as those institutions exist in the United States, Canada or the United Kingdom. The purchaser's lawyer performs the title investigation, drafts or reviews the contracts, coordinates the notary, computes and pays the transfer tax, files the transfer at the registry and collects the new certificate. Real estate agents are not, as of this writing, subject to a licensing statute, although legislation to regulate them has been under consideration for several years. The purchaser should engage independent counsel before signing any document or paying any deposit, and should not use the seller's lawyer, the developer's lawyer, or a lawyer recommended by the agent whose commission depends on the sale closing.

Counsel should be a member of the Colegio de Abogados de la República Dominicana and, for the notarial acts, should work with a notary commissioned under Ley 140-15. Dominican notaries are lawyers admitted to a notarial commission; unlike Latin notaries in Spain or Mexico, they do not customarily conduct the title examination and are not liable for defects in title that they did not undertake to investigate. The notary's function is to authenticate signatures and to give the deed the character of an authentic act. The title investigation is counsel's job.

The Preliminary Agreement

Most transactions begin with a letter of intent, an option (contrato de opción) or a promise of sale (promesa de compraventa or contrato de promesa). Under Civil Code art. 1589 a reciprocal promise of sale is equivalent to a sale, so the drafting must make clear whether the parties intend to be bound. The prudent form is a promise conditioned on satisfactory due diligence, with a modest deposit held by the purchaser's counsel or in a bank escrow rather than paid to the seller, a defined diligence period, and express conditions precedent: delivery of the original certificate of title, clean certifications from the registry, proof of payment of taxes, and, for a condominium unit, a certification from the administrator that assessments are current.

A deposit paid directly to the seller or to the agent is, in practice, unrecoverable if the transaction fails, whatever the contract says. Litigation to recover a deposit takes years and the defendant is frequently judgment-proof. The single most valuable sentence in a preliminary agreement is the one that places the deposit in the hands of someone other than the seller.

Title Investigation

The title investigation has documentary, registral, physical and personal dimensions.

The documentary examination begins with the original Duplicado del Dueño, which counsel should inspect physically or through the registry's verification system, never from a photocopy or a photograph on a mobile telephone. Counsel compares the cadastral designation, area, boundaries and owner's name on the certificate with the registry's records, and examines the chain of title for at least the two prior transfers to identify any pattern of rapid successive transfers, a classic indicator of title laundering.

The registral examination consists of obtaining, in the purchaser's counsel's own name and not from the seller, the Certificación de Estado Jurídico del Inmueble issued by the Registro de Títulos. This certification, which has replaced the older certificación de cargas y gravámenes, discloses the registered owner, the parcel's identification and area, and every registered encumbrance, lien, mortgage, privilege, opposition, provisional annotation, litigation notice and condominium regulation affecting the parcel. It should be obtained at the start of diligence and again immediately before closing, because a lien or opposition can be recorded at any time. Where a mortgage appears, counsel obtains the Certificación de Registro de Acreedores identifying the creditor and the amount, and arranges for the creditor to deliver a release (acto de cancelación de hipoteca) at closing against payment.

The cadastral examination consists of obtaining from Mensuras Catastrales the approved survey plan and verifying that the parcel as surveyed corresponds to the parcel as occupied. Discrepancies between the registered survey and the fence lines are common, particularly in older subdivisions, and a surveyor engaged by the purchaser should stake the boundaries before closing. For coastal property the surveyor plots the sixty meter public domain line. For rural property the surveyor confirms that no portion of the parcel falls within a protected area under Ley 202-04 or within a watershed protection zone under Ley 64-00.

The physical examination consists of visiting the property, confirming that it is vacant or occupied only by the seller or by tenants under written leases that the purchaser is prepared to assume, and interviewing neighbors. Squatters and holdover occupants are a serious problem. A person in possession of another's registered land cannot acquire it by prescription (Principio IV), but removing that person requires a judicial proceeding that may take years, and the criminal remedy for unlawful entry, formerly Ley 5869 of 1962 and now absorbed into the new Penal Code, is unevenly enforced.

The personal examination consists of confirming the seller's identity through the Junta Central Electoral's identification records (for Dominicans) or through passport verification (for foreigners), confirming the seller's marital status, and, where the seller is a company, obtaining a certification from the Cámara de Comercio of the company's good standing, its current officers and the authority of the signatory. Where the seller acts through an attorney in fact, counsel obtains the original power of attorney, verifies it with the notary who authenticated it, and, if the power was executed abroad, verifies the apostille. A power of attorney of general terms that does not specifically identify the property should be rejected.

The tax and assessment examination consists of obtaining from the DGII a certification that the property tax (IPI) is current, from the condominium administrator a certification that assessments are current, and from the municipality a certification that no municipal taxes or arbitrios are owed. Unpaid IPI follows the property and becomes the purchaser's problem at the next transfer.

The permitting examination, for improved property, consists of obtaining copies of the construction permit issued by the Ministerio de Obras Públicas y Comunicaciones and the municipal land use license, and, for condominiums, the declaration of condominium and the plans approved by Mensuras Catastrales. A building constructed without permits can be ordered demolished and cannot be lawfully insured or financed.

The Contract of Sale

The definitive contract is a contrato de compraventa executed as a private act with signatures legalized by a notary, or, less commonly, as an authentic act drawn up by the notary. It must identify the parties with full legal names, identity or passport numbers, marital status and domicile; identify the property by cadastral designation, area, boundaries and certificate of title number; state the price and the manner of payment; contain the seller's warranties of title and against eviction (garantía de evicción, Civil Code arts. 1626 and following); allocate the transfer tax and closing costs; and provide for delivery of possession. The contract should be in Spanish, since the registry will not accept a document in another language, and the purchaser should have a certified translation if he or she does not read Spanish.

Practitioners frequently encounter pressure to state a price lower than the real price in order to reduce the transfer tax. The purchaser should refuse. The transfer tax is assessed on the greater of the stated price or the DGII's appraised value, so under-declaration rarely saves much; it exposes both parties to tax penalties; it reduces the purchaser's tax basis for capital gains on resale; it may constitute money laundering under Ley 155-17; and, under the new Penal Code, the collaboration in a false declaration to the tax authority carries criminal exposure of its own.

Payment

Ley 155-17 contra el Lavado de Activos y el Financiamiento del Terrorismo, art. 64, prohibits cash payments above statutory thresholds in real estate transactions and requires that payments be made through the regulated financial system. Payments should be made by wire transfer or certified check drawn on a Dominican bank, against simultaneous delivery of the executed deed, the original certificate of title, releases of any mortgages, and the identity documents needed for registration. Where the purchaser is financing part of the price, the lender's counsel will require registration of the mortgage simultaneously with the transfer.

The Dominican Republic has no institutional escrow practice comparable to North American title company escrow. Some banks offer escrow services for a fee, some law firms hold funds in client trust accounts, and some transactions close through a trustee under Ley 189-11. The purchaser should insist on one of these mechanisms and should never wire the full price to the seller before the deed is signed and the original title surrendered.

Payment of Transfer Tax and Registration

After execution, counsel presents the deed to the DGII, which appraises the property (usually within a few weeks, using its own valuation tables) and issues the tax assessment. The transfer tax, discussed below, must be paid within six months of the deed's date to avoid surcharges and interest. With the DGII receipt, counsel files at the Registro de Títulos the deed, the original certificate of title, the DGII receipt, the parties' identity documents, the seller's spouse's consent where applicable, and the corporate authorizations where a company is involved. The Registrar examines the file, and if it is in order, cancels the seller's certificate and issues a new Certificado de Título in the purchaser's name. The interval between filing and issuance varies from a few weeks in efficient districts to several months in congested ones.

Between execution and registration the purchaser is exposed. The registry's regulations permit a purchaser to obtain a certification with reserve of priority (certificación con reserva de prioridad), which blocks registration of other acts affecting the parcel for a limited period while the transfer is processed. Counsel should obtain it as a matter of course.

After Closing

The new owner should obtain and safeguard the Duplicado del Dueño, register with the DGII as the taxpayer for IPI purposes, obtain property insurance (the Dominican Republic sits on active seismic faults and in the hurricane belt), and, for a condominium, register with the administrator. A foreign owner who will not reside in the country should consider a limited power of attorney to local counsel for tax filings and emergencies, and should be aware that the DGII's electronic filing system requires periodic attention.

Taxation of the Acquisition, Holding and Disposition of Real Property

Transfer Tax

The purchaser pays a transfer tax (impuesto sobre transferencias inmobiliarias) of three percent of the greater of the contract price or the value determined by the DGII, under Ley 831 of 1945 as amended by Ley 288-04 and Ley 253-12. The DGII's appraisal is derived from valuation tables by zone, type and characteristics of the property, and in many cases is below market value. The tax is due within six months of the deed; late payment attracts surcharges and monthly interest. Certain purchasers are exempt: acquisitions of low cost housing financed by mortgage loans up to a threshold adjusted annually (RD$5,450,851.12 for 2026 under Resolución DDG-AR1-2026-00001), acquisitions within tourism projects approved under Ley 158-01 during the exemption period, and the first acquisition by qualifying pensioners and rentistas under Ley 171-07 (DGII 2026; Listín Diario 2026).

Property Tax

The annual property tax (impuesto al patrimonio inmobiliario, IPI) under Ley 18-88 as amended by Ley 253-12 is levied at one percent of the DGII-determined value of all real property owned by an individual, on the amount by which that aggregate value exceeds an exemption threshold adjusted annually for inflation. For 2026 the threshold is RD$10,695,494, up 4.95 percent from RD$10,190,833 in 2025 (DGII 2026). The tax is payable in two installments due 11 March and 11 September. Exemptions apply to the sole residence of a person over sixty five, to agricultural land in production, and to properties within approved tourism projects during the Ley 158-01 exemption period; qualifying foreign pensioners and rentistas under Ley 171-07 receive a fifty percent reduction. Trusts pay one percent on the full value with no threshold. Companies do not pay IPI on their real property; instead their real property forms part of the base for the corporate asset tax under the Código Tributario, which functions as a minimum income tax.

Income Tax on Rental Income

Rental income is subject to income tax (impuesto sobre la renta) under Ley 11-92, the Código Tributario. Individual residents pay at progressive rates up to twenty five percent after deduction of expenses; companies pay at twenty seven percent. Nonresident owners are subject to withholding at the corporate rate on gross Dominican source rents, and the tenant or the property manager who pays the rent is the withholding agent. Short term rental platforms have been progressively brought within the DGII's reporting regime, and owners who let through them should expect information reporting. Rental income is also subject to ITBIS (value added tax) at eighteen percent where the letting is commercial or furnished short term in nature, although the rules for residential leases contain exemptions that counsel should confirm for the specific use.

Capital Gains on Disposition

A seller pays income tax on the capital gain, computed as the sale price less the acquisition cost adjusted for inflation by the DGII's published multipliers, at the seller's marginal rate (individuals) or twenty seven percent (companies), under Código Tributario art. 289. For nonresident individual sellers the DGII applies withholding at the time of the transfer. Under-declaration of the purchase price at acquisition therefore inflates the taxable gain at disposition. Where the property is held through a company and the investor sells the company's shares rather than the property, the transfer of shares is itself taxable as a capital gain on the shares, and the DGII treats the indirect transfer of Dominican real property through the sale of a holding company as a taxable event; the technique does not avoid tax, though it avoids the three percent transfer tax at the registry.

Succession and Gift Tax

Dominican real property passes on death under Dominican law regardless of the decedent's nationality or domicile, because the Civil Code applies the law of the situs to immovables. Succession tax under Ley 2569 of 1950, as amended by Ley 288-04, is levied at three percent of the net estate located in the Dominican Republic; historically a surcharge applied to heirs domiciled abroad, and counsel should confirm the current position. Gifts of real property are taxed at the corporate income tax rate of twenty seven percent under Ley 253-12, which makes lifetime gifting of Dominican property an expensive estate planning technique and pushes planners toward trusts and corporate structures.

Forced Heirship

Purchasers who intend to hold property personally should understand that the Dominican Civil Code, in arts. 913 and following, reserves a portion of the estate (the reserva hereditaria) to the decedent's descendants: one half where there is one child, two thirds where there are two, three quarters where there are three or more. A will that disposes of the reserved portion is reduced. This rule applies to Dominican real property owned by a foreigner even if the foreigner's home law permits complete testamentary freedom. Planning through a fideicomiso or a holding company, whose shares are movable property governed by the law of the decedent's domicile, is the customary response.

Tourism Incentives

Ley 158-01 de Fomento al Desarrollo Turístico, as amended by Ley 184-02 and Ley 195-13, exempts approved tourism projects and, importantly, the first purchasers of units within them, from the transfer tax and from IPI for a period of fifteen years from the project's approval by the Consejo de Fomento Turístico (CONFOTUR). The exemption is a valuable component of the economics of a purchase in the eastern and northern tourist corridors, but it runs from the project's approval date, not the purchase date, and a purchaser buying in year ten of a fifteen year exemption receives only five years. The purchaser should obtain and review the CONFOTUR resolution itself, not the developer's summary of it, and should confirm with the DGII that the specific unit is covered.

Pensioners and Rentistas

Ley 171-07 sobre Incentivos Especiales a los Pensionados y Rentistas de Fuente Extranjera grants qualifying foreign retirees (with a pension of at least US$1,500 per month) and rentistas (with passive foreign income of at least US$2,000 per month) an expedited residency track and a package of tax benefits: exemption from transfer tax on the first acquisition of real property, a fifty percent reduction of IPI, exemption from tax on foreign source income, partial exemption from succession tax, and exemption from import duties on household goods and one vehicle. The benefits require formal qualification through the Dirección General de Migración and the DGII before the acquisition, not after.

Anti-Money Laundering Compliance

Ley 155-17 and its regulation, Decreto 408-17, designate lawyers, notaries, real estate agents, construction companies and trustees as non-financial obligated subjects (sujetos obligados no financieros) with respect to real estate transactions. These persons must identify their clients and the beneficial owners of corporate clients, verify the source of funds, keep records, and report suspicious transactions to the Unidad de Análisis Financiero. The practical consequence for the purchaser is that counsel and the bank will request documentation of identity, of the corporate chain of ownership down to the natural persons who ultimately control the purchaser, and of the origin of the purchase funds. A purchaser who cannot or will not document the source of funds will not be able to close through any reputable professional, and a purchaser whose funds are found to be of illicit origin faces forfeiture of the property under the Constitution's art. 51 and the asset forfeiture provisions of Ley 155-17 and the new Penal Code.

Foreign purchasers should also be aware of their home country obligations. United States persons, for example, must report foreign financial accounts used in the transaction and, if the property is held through a foreign entity, may have information reporting obligations with respect to that entity; Canadian residents report foreign property holdings above the statutory threshold; and European purchasers face their own regimes. None of these are Dominican law, but a purchase that is invisible to the home tax authority creates problems at the moment of sale or death that dwarf the Dominican tax.

Purchasing in Pre-Construction Projects

A substantial share of foreign purchases in the Dominican Republic are made "en planos," that is, from a developer before or during construction, at a discount to the completed price and on a payment schedule tied to construction progress. These purchases have produced a disproportionate share of investor losses, and they deserve separate treatment.

The Legal Character of the Purchase

A pre-construction purchase is not a purchase of real property. It is a contract under which the developer promises to build a unit and to transfer it on completion, and the purchaser promises to pay in installments. Until the building is finished, the condominium is declared, the units are individualized by Mensuras Catastrales and the transfer is registered, the purchaser owns a contractual claim against the developer and nothing else. If the developer fails, the purchaser is an unsecured creditor of a company whose principal asset, the land, is usually mortgaged to the construction lender.

The Protections That Matter

Three features distinguish a well structured project from a dangerous one.

A fideicomiso de desarrollo inmobiliario under Ley 189-11. In a trust structured project, the developer transfers the land to a licensed trustee, the purchasers pay their installments to the trustee rather than to the developer, and the trustee disburses to the contractor only against certified construction progress. If the developer fails, the trustee holds the land and the funds for the purchasers' benefit. The existence of a trust does not guarantee completion, but it prevents the two catastrophic outcomes: diversion of purchaser funds to other projects, and loss of the land to the developer's creditors. The purchaser should obtain and read the trust agreement, confirm that the trustee is licensed, and confirm that payments are made to the trustee's account.

Registered title to the land in the name of the developer or the trustee. Before paying a deposit, counsel obtains the Certificación de Estado Jurídico for the project parcel and confirms that the seller of the units actually owns the land, that any mortgage is a construction loan from a regulated bank and not a private loan from an unidentified lender, and that no oppositions or litigation notices appear.

Approved plans and permits. The purchaser confirms that the project has a construction permit from the Ministerio de Obras Públicas, a municipal land use license, and, in coastal and rural areas, an environmental license from the Ministerio de Medio Ambiente under Ley 64-00. Projects that begin construction "while the permits are being processed" frequently stop construction when they are not.

The Contract

The pre-construction contract should specify the unit by reference to the approved plans, the completion date with a defined grace period and a penalty for delay, the specifications of finishes, the mechanism for handling changes in cost, the conditions under which the purchaser may cancel and recover payments, and the developer's obligation to deliver registered title within a defined period after completion. Contracts that permit the developer to extend the delivery date indefinitely for "causes beyond its control," that provide for refund only after resale of the unit, or that impose forfeiture of all payments on a single missed installment should be renegotiated or rejected.

Ley 358-05 de Protección de los Derechos del Consumidor applies to sales of housing by developers to consumers, and Pro Consumidor, the consumer protection agency, has authority over abusive clauses. The agency's enforcement is uneven, but the statute's provisions on abusive terms provide a basis for challenging one-sided contracts.

Delivery and Registration

Completion of a condominium project requires the developer to obtain the certificate of completion, to have Mensuras Catastrales approve the condominium plans, to record the declaration of condominium and the condominium regulations, and to obtain individual certificates of title for each unit. Only then can the unit be transferred to the purchaser. Developers routinely deliver physical possession of units months or years before the titles are individualized, and purchasers routinely accept, because they want to occupy or rent the unit. The purchaser who accepts possession without title should insist on a contractual deadline for title delivery with a penalty, and should verify progress with the registry directly rather than relying on the developer's assurances.

The Jurisprudence of the Supreme Court and the Constitutional Court

The doctrine that most directly determines the outcome of Dominican title litigation is the doctrine of the tercer adquiriente de buena fe y a título oneroso, the third party acquirer for value in good faith. Because the registry is constitutive and enjoys public faith, the purchaser who acquires from the registered owner and registers is protected even if the seller's own title was defective, unless the purchaser participated in or had notice of the defect. The Constitutional Court, in a line of decisions beginning with TC/0093/15, has treated this protection as an element of the constitutional right of property and has annulled Supreme Court judgments that failed to apply it (Tribunal Constitucional 2015; 2019a).

The Elements of Protection

The Constitutional Court has distilled the doctrine into four conditions, each of which the purchaser must satisfy. The acquirer must have registered the right; registration is indispensable, and an unregistered purchaser cannot invoke the protection (TC/0594/17, Tribunal Constitucional 2017a; TC/0185/19, Tribunal Constitucional 2019a). The acquisition must have been for value; a donee or an heir takes subject to the defects of the donor's or decedent's title. The acquirer must not have participated in fraud or acted with knowledge of it. And the acquirer must have acted in legitimate reliance on the state of the registry as published (Acento 2026).

The fourth element is where most litigation is decided, because the registry's publicity cuts both ways. Just as the purchaser is entitled to rely on what the registry shows, the purchaser is charged with knowledge of everything the registry shows. In TC/1123/23 the Court held that purchasers who acquired a parcel over which an opposition had been duly recorded could not claim to be acquirers in good faith, because the opposition was a public warning of pending litigation and its purpose is precisely to alert third parties that the registered right may be affected (Tribunal Constitucional 2023b). In TC/0614/19 the Court explained that the informational character of the registry means that any person who acquires or participates in a transaction over a parcel with a recorded annotation cannot afterward claim third party good faith (Tribunal Constitucional 2019b). The lesson for the purchaser is that a Certificación de Estado Jurídico obtained the morning of closing is not merely prudent; it is the evidentiary foundation of the only defense the purchaser will have if the seller's title is later attacked.

The State's Duty to Protect Registered Rights

In TC/0585/17 the Court held that the State has a duty to guarantee and protect acquired rights, particularly rights over registered land, unless it is shown that the holder is not an acquirer in good faith (Tribunal Constitucional 2017b). In TC/0028/23 the Court annulled a Supreme Court judgment that had failed to recognize a construction company's status as a good faith acquirer for value, finding that the Supreme Court had violated the company's right of property and the requirement of adequate reasoning by failing to address the issue; the Court reiterated that under the Torrens system the validity of the right of property depends on the registry and that the publicity principle of art. 90 governs (Tribunal Constitucional 2023a). The Court has continued to develop the doctrine in decisions through 2025 and 2026, including TC/1528/25, which again turned on whether the acquirer had purchased in reliance on a certificate of title, and TC/0507/26 (Tribunal Constitucional 2025; 2026).

The Supreme Court's Approach

The Tercera Sala of the Supreme Court, which hears cassation appeals from the land courts, applies the same framework but has been attentive to its limits. In decisions from 2025 the Sala has held that a party who acquires after a litigation notice has been published cannot claim the status of third party acquirer, and has scrutinized whether lower courts adequately reasoned their findings on good faith (Suprema Corte de Justicia 2025a; 2025b). The Sala has also emphasized, in decisions collected in the Escuela Nacional de la Judicatura's annual survey of cassation jurisprudence, that the land jurisdiction has exclusive competence over claims for transfer of registered rights arising from contract, and that the Torrens system's effectiveness lies in guaranteeing to the third party acquirer for value in good faith the enjoyment of the right, the content of the registry enjoying public faith (Escuela Nacional de la Judicatura 2022; Cuello Shanlatte 2022).

The Revision for Fraud

The recurso de revisión por causa de fraude under art. 86 of Ley 108-05 permits any person whose rights were prejudiced by fraud in a saneamiento proceeding to seek revision of the adjudication judgment within one year of the issuance of the certificate. During that year, as noted above, a purchaser of the newly adjudicated parcel cannot claim to be an acquirer in good faith. After the year has run, the adjudication is unassailable, and even a person defrauded in the saneamiento is remitted to a claim for damages against the wrongdoer. Purchasers of recently adjudicated parcels should examine the saneamiento file, confirm that the revision period has expired, and, if it has not, either wait or negotiate a price that reflects the risk.

Litis sobre Derechos Registrados

Once land is registered, disputes over it proceed as litis sobre derechos registrados before the Tribunal de Jurisdicción Original, with the plaintiff ordinarily obtaining a recorded litigation notice (anotación de litis) that warns third parties. The land courts have jurisdiction over claims for nullity of transfer, for specific performance of a promise of sale, for partition, and for determination of heirs, and may award damages as an accessory to those claims. The ordinary civil courts retain jurisdiction over purely personal claims between the parties to a contract, such as a claim for return of a deposit. The choice of forum is a frequent preliminary battleground, and the purchaser's counsel should be prepared for a jurisdictional objection whichever forum is chosen.

The New Penal Code: Ley 74-25 and Real Estate Fraud

Background

The Dominican Republic operated for one hundred forty one years under a Penal Code derived from the French Code of 1810, promulgated by Decreto-Ley 2274 of 1884. After decades of failed reform efforts, the Congress adopted and the President promulgated Ley 74-25, Orgánica que instituye el Código Penal de la República Dominicana, on 3 August 2025, published in Gaceta Oficial 11208 (Presidencia de la República 2025). The statute provided a twelve month vacatio legis, and, after a debate over whether to extend that period in light of constitutional objections to certain provisions, the Code entered into force in August 2026, having been amended in the interim by Ley 44-26 (Diario Libre 2026; Gaceta Judicial 2025). The new Code applies to conduct occurring after its entry into force; conduct before that date remains governed by the 1884 Code, except where the new Code is more favorable to the accused, in which case the accused may invoke it retroactively under the constitutional principle of favorability (Diario Libre 2026).

Fraud, Aggravated Fraud and Real Estate

The old Code's art. 405 punished estafa (fraud) with six months to two years of imprisonment, without differentiation by object or by means, and required proof of specific fraudulent maneuvers of the kinds listed in the article. Real estate fraud was prosecuted, when it was prosecuted at all, under this general provision, frequently in combination with the forgery provisions of arts. 147 through 151 and the criminal association provisions of arts. 265 and 266 (Diario Libre 2026).

The new Code restructures the offense. Under art. 237, fraud consists of deceiving a person through fraudulent maneuvers or the use of a false identity in order to obtain the delivery of a thing of value to the victim's prejudice or that of a third party, and is punished with three to five years of imprisonment. The reform eliminates the old requirement that the deception involve representing false enterprises, credits or powers; any fraudulent maneuver that induces the delivery suffices (Asociación de Bancos Múltiples 2025).

Art. 238 creates the offense of aggravated fraud, punished with five to ten years of imprisonment and a fine of ten to twenty public sector minimum wages, and includes among the aggravating circumstances fraud whose object is real property. Commentators have identified within this category the double sale of the same property, the sale of property belonging to another, the sale of units with concealed construction defects or with qualities different from those contracted, and fraudulent pre-construction schemes (El Inmobiliario 2025; Servicios Legales RD 2025). Art. 239 addresses collective fraud, the public solicitation of funds through a real or supposed enterprise with intent to deceive, also punished with five to ten years, and is the provision under which Ponzi-type real estate investment schemes will be prosecuted (El Inmobiliario 2025). The Code separately criminalizes pyramid fraud and unregulated financial intermediation, both of which have appeared in the Dominican real estate market in the form of "guaranteed return" investment programs.

Breach of Trust and Diversion of Funds

The new Code's provisions on abuso de confianza punish the diversion of funds, property or securities delivered for a specific purpose, and extend liability to administrators, partners, managers and employees who hold a fiduciary charge. Practitioners note that even temporary diversion constitutes the offense, and that penalties reach seven years with an obligation of restitution (Servicios Legales RD 2025). The provision is directly applicable to developers who divert purchaser deposits to other projects, to agents who retain deposits, and to attorneys in fact who misuse the funds of an absent principal.

Forgery of Titles and Public Documents

The Code retains and modernizes the offenses of forgery of public documents and use of forged documents, which under the old Code were the principal charges in title fraud prosecutions. The forgery of a certificate of title, of a deed, of a power of attorney, or of a registry certification, and the presentation of such a document to the Registrar or to a purchaser, are punished as forgery of a public or authentic document. Because the certificate of title is an instrument issued by the State, its forgery is treated with the gravity reserved for public documents. Readers should consult the Code's title on falsedades for the current article numbers and penalties, which were among the provisions adjusted by Ley 44-26.

Unlawful Occupation of Real Property

Ley 5869 of 1962 punished with correctional imprisonment and a fine the entry without the owner's permission onto urban or rural real property, and was the criminal remedy against squatters and invaders. The new Code's list of statutes reviewed includes Ley 5869, and the offense of unlawful occupation is now regulated within the Code (Congreso Nacional 2025). Purchasers should understand that the criminal process, even where it results in conviction, does not itself restore possession; eviction requires a separate civil or land court proceeding.

Corporate Criminal Liability

The most structurally significant innovation for real estate is the Code's introduction of criminal liability for legal persons. A developer company, a real estate agency or a trustee may be prosecuted for fraud, breach of trust or money laundering committed by its officers or employees in its interest, and the penalties include fines, disqualification from commerce, dissolution and forfeiture of assets (Servicios Legales RD 2025; PH Law 2025). This removes a longstanding gap in which the individuals behind a failed project could be prosecuted only if personal participation was proven, while the company that received the funds was beyond the reach of the criminal law. Purchasers who suffer losses in fraudulent projects now have a criminal complaint against the entity as well as the individuals, and a criminal conviction of the entity supports a civil claim for damages against its assets.

Practical Significance

The new Code raises the stakes for fraudulent sellers, agents and developers, and its higher penalties should over time deter the most egregious conduct. It does not, however, restore a defrauded purchaser's money. A criminal complaint (querella) is a useful adjunct to civil recovery, particularly because the prosecutor may seek precautionary seizure of the defendant's assets, but the purchaser who relies on the criminal law as a substitute for due diligence has misunderstood its function. The Code punishes fraud after it has occurred. Only the procedures described in this guide prevent it.

Specific Dangers: A Catalogue of Recurring Losses

The following catalogue is drawn from the disputes the author has seen most often. Each entry identifies the mechanism of loss, the reason the registry does not protect against it, and the precaution that would have prevented it.

The Photocopied Title

The seller produces a photocopy or a photograph of a certificate of title and explains that the original is with a bank, with a lawyer, or in another city. The purchaser pays a deposit. The original does not exist, or exists in the name of a different person, or has been surrendered in a prior sale. The registry protects only the person who registers, and the purchaser who paid against a photocopy never reaches the registry. Precaution: no payment of any kind before counsel has inspected the original Duplicado del Dueño and obtained the Certificación de Estado Jurídico in the purchaser's name.

The Forged Power of Attorney

The seller is abroad, and a Dominican relative or friend holds a power of attorney to sell. The power is forged, or genuine but revoked, or genuine but limited to administration rather than disposition. The purchaser pays, the transfer is registered, and the true owner sues for nullity. Whether the purchaser is protected as a third party acquirer depends on whether the purchaser's reliance was legitimate, and courts have found that a purchaser who did not verify the power with the authenticating notary and did not confirm the principal's intent by independent means was not diligent. Precaution: verify every power of attorney with the notary who legalized it, confirm the apostille with the issuing authority where the power was executed abroad, communicate directly with the principal, and reject powers of general terms.

The Impersonated Owner

A person presents a Dominican identity card (cédula) or passport in the name of the registered owner and sells. The document is forged or the owner deceased. This fraud is defeated by verification of the cédula against the Junta Central Electoral's records, by comparison of the signature on the identity document with the signature on the deed, and, for high value transactions, by requiring the seller to appear in person before counsel's chosen notary rather than a notary of the seller's choosing.

The Double Sale

The owner sells to A under a private contract, A does not register, and the owner sells to B, who registers. B prevails under art. 90 unless A proves that B knew of the first sale. A's only remedy is against the seller, who has left the country. Precaution: register promptly, obtain a reserve of priority immediately after execution, and never allow a long interval between payment and filing.

The Undisclosed Mortgage

The seller's certificate is clean but the Certificación de Estado Jurídico, obtained by the purchaser at the start of diligence, was not renewed at closing. Between the two dates the seller mortgaged the property to a private lender. The purchaser takes subject to the mortgage. Precaution: obtain the certification again on the day of closing and condition the release of funds on its content.

The Constancia Anotada

The purchaser buys a constancia anotada evidencing 1,000 square meters within a parcel of 200,000 square meters, takes possession of a house on a plot the seller points out, and years later discovers that the aggregate of constancias issued against the parcel exceeds its area, that a deslinde by a neighbor has absorbed the house, or that the plot the seller pointed out belongs to someone else. Precaution: do not close on a constancia anotada without an approved deslinde, or, if the deslinde is impossible, obtain a survey and an opinion from counsel on the specific exposure and adjust the price.

The Right of Possession

The purchaser buys a "cesión de derechos" over unregistered land from a person who has occupied it for years. The land turns out to be State land, IAD land, protected area, or land subject to a pending saneamiento by someone else. The purchaser owns nothing. Precaution: do not buy unregistered land.

The Beach

The purchaser buys an oceanfront lot whose certificate shows an area that includes the beach. The sixty meter strip is public domain, the certificate is void as to it, and the Ministerio de Medio Ambiente orders removal of the pool and terrace built within it. Precaution: survey the sixty meter line before purchase and build outside it.

The Developer Without a Trust

The purchaser pays sixty percent of the price of a pre-construction unit in installments to the developer's account. Construction stops at the fourth floor. The land is mortgaged to a bank for more than it is worth. The developer's principals are prosecuted, eventually, but the company has no assets. Precaution: buy only in projects with a fideicomiso de desarrollo inmobiliario, pay only to the trustee, and verify the trust's existence with the trustee rather than with the developer.

The Inherited Property

The seller is one of several heirs of the registered owner, who died intestate. The other heirs have not consented, or have not been determined. The purchaser takes at best an undivided interest and at worst nothing. Precaution: require a determination of heirs (determinación de herederos) registered at the registry and a partition or the signature of every heir, and confirm that the succession tax has been paid, since the registry will not transfer property of an estate on which the tax is unpaid.

The Married Seller

The seller is married under community of property and the spouse has not signed. The sale is voidable at the spouse's instance. Precaution: obtain the spouse's signature or a certification of the seller's unmarried status from the Oficialía del Estado Civil.

The Company Without Authority

The seller is a company, and the person who signs is not its authorized representative, or the sale was not approved by the required organ, or the company's mercantile registration has lapsed. Precaution: obtain a current certification from the Cámara de Comercio, the company's bylaws, and the resolution authorizing the sale and designating the signatory.

The Unpaid Taxes and Assessments

The purchaser registers and then discovers years of unpaid IPI, condominium assessments and municipal charges, all of which attach to the property and must be paid before the next sale. Precaution: obtain the DGII, condominium and municipal certifications before closing and escrow an amount for any uncertainty.

The Under-Declared Price

The parties declare half the price in the deed. The purchaser later sells and pays capital gains tax on the difference between the sale price and the declared acquisition cost, losing far more than the transfer tax saved. Or the DGII, which now cross-references bank transfers and real estate transactions under Ley 155-17, assesses the difference with penalties and refers the parties for prosecution. Precaution: declare the real price.

The Agent as Escrow

The purchaser pays the deposit to the real estate agent, who holds it "in escrow." The transaction fails, and the agent has spent the money or asserts a commission claim against it. Real estate agents are unregulated, are not bonded, and are not fiduciaries in any enforceable sense. Precaution: deposits are held by counsel in a client trust account, by a bank under an escrow agreement, or by a licensed trustee.

The Squatter

The purchaser closes on vacant land and returns six months later to find a house under construction. Eviction requires litigation. Precaution: fence, mark, and visit the property, retain a caretaker, and act immediately on any intrusion, since the passage of time strengthens the occupant's political if not legal position.

Financing

Dominican banks lend to foreign purchasers of registered property, generally at loan to value ratios of fifty to seventy percent, at rates substantially higher than those prevailing in North America and Europe, and in either pesos or dollars. The mortgage (hipoteca) is a registered encumbrance under Ley 108-05 and Civil Code arts. 2114 and following, and foreclosure proceeds either through the ordinary judicial sale procedure of the Código de Procedimiento Civil or, for loans structured under Ley 189-11, through the expedited procedure that statute created. Lenders require the same title investigation the purchaser should have performed, which occasionally gives an under-advised purchaser a second chance to discover a problem. Seller financing is common in the resale market and is documented by a registered mortgage in the seller's favor; the purchaser should ensure that the mortgage is cancelled at the registry upon the final payment, since a satisfied but uncancelled mortgage will block the next sale.

Residency and the Property Purchase

Ownership of real property does not by itself confer any immigration status. Ley 285-04 sobre Migración and its regulation, Decreto 631-11, govern residency, and the categories relevant to purchasers are temporary residency, ordinary permanent residency, and the expedited residency for investors and for pensioners and rentistas under Ley 171-07. Investor residency requires a qualifying investment of at least US$200,000 registered with ProDominicana (the former CEI-RD) under Ley 16-95 de Inversión Extranjera; real estate acquired for personal use has not generally been treated as a qualifying investment, though real estate held for productive purposes may be. A purchaser who intends to reside should engage immigration counsel in parallel with real estate counsel and should not assume that the one follows from the other. Residency also affects taxation: an individual who spends more than one hundred eighty two days in the country in a year becomes a Dominican tax resident subject to tax on worldwide income after a three year grace period.

Dispute Resolution

Disputes over registered real property are heard by the Jurisdicción Inmobiliaria as described above. Proceedings are conducted in Spanish, are written and oral in phases, and take from two to five years through the two land court instances, with a further one to three years if cassation is sought and more if constitutional review follows. Provisional remedies are available: the land court may order an anotación de litis, and the presiding judge of the Tribunal Superior de Tierras exercises the summary jurisdiction of the référé under arts. 50 through 53 of Ley 108-05 to order urgent measures.

Contractual disputes not involving registered rights, such as a claim for return of a deposit or for damages for breach of a promise of sale, are heard by the ordinary civil courts. Arbitration is available under Ley 489-08 sobre Arbitraje Comercial and is increasingly written into developer contracts, sometimes to the purchaser's detriment where the forum chosen is inconvenient; the purchaser should review any arbitration clause with counsel before signing. Foreign judgments require exequatur before a Dominican court and will not be enforced against Dominican real property without it.

Title insurance in the North American sense is not customary and is not offered by Dominican insurers, though a small number of foreign underwriters will write policies on Dominican property in high value transactions after their own examination. The premium is significant and the coverage is limited by exclusions for matters of survey and possession. For most purchasers the rigorous title investigation described in this guide is both the substitute for and the precondition of insurance.

A Closing Checklist

The following list is not a substitute for counsel. It is a summary of the documents and confirmations that counsel should have in hand before the purchaser's funds are released.

- Original Duplicado del Dueño inspected and matched to the registry.

- Certificación de Estado Jurídico del Inmueble obtained in the purchaser's name at the outset and again on the day of closing, showing no encumbrance, opposition, litigation notice or annotation not accounted for in the contract.
- Certificación de Registro de Acreedores and mortgage releases for every registered lien.
- Approved survey plan from Mensuras Catastrales, boundaries staked by the purchaser's surveyor, sixty meter line plotted for coastal property.
- Physical inspection confirming possession by the seller only.
- Seller's identity verified against official records; marital status confirmed; spouse's signature obtained.
- For a corporate seller, current mercantile certification, bylaws and resolution of sale.
- For a seller acting by attorney in fact, original power of attorney verified with the notary, apostille verified, principal contacted.
- For an estate, registered determination of heirs, signature of every heir, succession tax paid.
- DGII certification of IPI paid; condominium certification of assessments paid; municipal certification.
- Construction permit, land use license and, where applicable, environmental license, for improved property.
- For a pre-construction unit, trust agreement, trustee's confirmation, project title certification, permits, CONFOTUR resolution if incentives are claimed.
- Contract in Spanish, signatures legalized by a notary of the purchaser's choosing, real price declared.
- Funds paid through the banking system to an escrow, trust or client account, released only against delivery of the signed deed and the original title.
- Reserve of priority obtained at the registry immediately after execution.
- Transfer tax paid within six months; transfer filed; new certificate of title collected and safeguarded.

Conclusion

The Dominican Republic offers the foreign and domestic purchaser a registry system that, properly used, provides a degree of security that compares favorably with any in the hemisphere. The Constitution guarantees the right of property; Ley 108-05 makes registration constitutive and confers public faith on the registry; the Constitutional Court has elevated the protection of the good faith acquirer to a constitutional guarantee; and the new Penal Code, in force since August 2026, punishes real estate fraud with penalties that the old Code never contemplated. The purchaser who investigates the title through the registry, contracts in the proper form, pays through the banking system into a protected account, and registers promptly will own what he or she paid for and will hold it against the world.

The same system offers nothing to the purchaser who skips those steps. It does not protect the holder of a photocopy, the payer of a deposit to a developer's account, the buyer of a possessory right, or the purchaser who did not read the registry certification that would have disclosed the opposition. Dominican land law is not forgiving of informality, and the market contains a sufficient number of persons prepared to exploit it that a purchaser should assume, until counsel has verified otherwise, that every representation made in the course of a sale is untested.

VSP Law, PLLC and its Dominican affiliate VSP Consultores Legales, S.A. advise individual and corporate purchasers on the acquisition, structuring, financing and disposition of real property in the Dominican Republic from offices in Santo Domingo, San Juan and Bermuda, and welcome inquiries from prospective purchasers and from foreign counsel.

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