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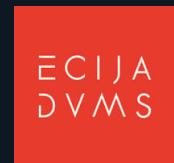
Country Comparative Guides 2026

Dominican Republic

Mergers & Acquisitions

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This country-specific Q&A provides an overview of mergers & acquisitions laws and regulations applicable in Dominican Republic.

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Dominican Republic: Mergers & Acquisitions

1. What are the key rules/laws relevant to M&A and who are the key regulatory authorities?

The primary legal framework governing mergers and acquisitions in the Dominican Republic is set forth in the Commercial Code and Law No. 479-08 on Business Companies and Limited Liability Individual Enterprises, as amended by Law No. 31-11. Law 479-08 defines mergers as transactions whereby one or more companies transfer their assets and liabilities to another existing or newly incorporated entity. The shareholders of the company transferring its assets shall receive shares in the beneficiary company or companies. They may also receive a cash balance, provided that it does not exceed one tenth (1/10) of the nominal value of the shares received.

Regulatory oversight is exercised by the Chambers of Commerce and Production relevant to the company's registered office, pursuant to the provisions of Law 479-08. Additionally, sector-specific regulators—such as the Superintendence of Banks, the Superintendence of Electricity, and the Superintendence of the Securities—may be involved depending on the industry.

It should be noted that although Law No. 42-08 on the Defense of Competition governs anti-competitive practices, including the abuse of a dominant position, the National Commission for the Defense of Competition does not currently have a merger control regime or authority to review or approve M&A transactions.

2. What is the current state of the market?

Over the past 25 years, the Dominican Republic has experienced a period of economic growth, making it one of the fastest-growing economies in Latin America and the Caribbean. Pursuant to the United Nations Department of Economic and Social Affairs (UN DESA), the forecasted GDP growth for the Dominican Republic for 2026 is 3.6% and in 2027 for 4.1% which adds reveals the continued growth the country has experienced. The past years have seen important M&A activity in the country, which has been led by both local and foreign investors. Together with the relevant M&A activity, significant foreign investments have also taken place, particularly in the tourism and energy sectors.

3. Which market sectors have been particularly active recently?

Recent M&A activity in the Dominican Republic has been particularly concentrated in the tourism and hospitality, energy, real estate, and retail sectors, reflecting both foreign investment trends and local market consolidation.

The tourism and hospitality sector continues to be a key area for investment and transactional activity, driven by sustained post-pandemic recovery and ongoing development of hotel and mixed-use projects, particularly in key destinations such as Punta Cana and the northern coast. Transactions in this sector are often structured as asset deals, joint ventures, or project financings involving international operators and developers. In addition, cross-border transactions continue to impact the local market, such as the acquisition by Hyatt Hotels Corporation of Playa Hotels & Resorts for approximately US\$2.6 billion, including around US\$900 million in debt, as part of its strategy to expand its all-inclusive resort portfolio, which includes assets located in the Dominican Republic.

The energy sector has remained highly active, particularly in renewable energy. Recent transactions have included the sale and acquisition of operational solar assets and projects under development, such as the acquisition of a portfolio of six solar parks from DOMINION by investment funds managed by Pioneer Funds and JMMB Funds.

In the retail and consumer goods sector, capital markets and corporate transactions have gained relevance. Notably, Cesar Iglesias, S.A. carried out the first initial public offering (IPO) in the Dominican Republic, marking a milestone in the development of the local securities market. Similarly, Pasteurizadora Rica has explored capital-raising structures through public offering vehicles. In parallel, consolidation trends are evident in the entertainment segment, including the acquisition of key assets of Palacio del Cine by Caribbean Cinemas.

Finally, the real estate and construction sector remains closely linked to both tourism and urban development, with continued activity in large-scale residential, commercial, and mixed-use projects, often involving foreign investors and private equity structures.

4. What do you believe will be the three most significant factors influencing M&A activity over the next 2 years?

M&A activity will be primarily driven by macroeconomic conditions, regulatory developments in key sectors, and ongoing technological transformation.

Macroeconomic stability will remain a fundamental driver of deal flow. The Dominican Republic has consolidated its position as a leading destination for foreign direct investment in the region, reaching record inflows of over US\$5 billion in 2025 and nearly doubling FDI over the past five years. This sustained growth reflects strong investor confidence, supported by a stable macroeconomic and political environment.

At the same time, regulatory developments in strategic sectors will continue to shape M&A dynamics. Investment has been concentrated in tourism, energy, and real estate, which together account for a significant share of recent FDI inflows. In these sectors, transaction execution remains closely linked to permitting processes, concession frameworks, and regulatory coordination.

Technological transformation, including automation and artificial intelligence, is also expected to influence M&A activity, particularly in sectors linked to free trade zones, manufacturing, and export-oriented industries. As the country continues to integrate into global value chains and strengthen its position as a nearshoring destination, these trends are likely to drive consolidation, operational upgrades, and increased interest from strategic investors seeking scalable platforms.

5. What are the key means of effecting the acquisition of a publicly traded company?

Under Law No. 249-17 on the Securities Market, the acquisition of a publicly traded company is carried out through a takeover bid that must be authorized and registered with the Superintendence of Securities.

In connection with this process, the prospective acquirers are required to submit various supporting documents, including public notices, affidavits and sworn statements issued by their authorized representatives, confirming, among other matters, that the transaction has been conducted in accordance with applicable legal and regulatory requirements.

6. What information relating to a target company

is publicly available and to what extent is a target company obliged to disclose diligence related information to a potential acquirer?

Certain corporate, financial, and asset-related information on a target company is publicly available through various official registries, with increasing accessibility driven by regulatory developments and digitalization.

Corporate information is available through the digital Mercantile Registry portal, which allows users to request corporate records from the relevant Chamber of Commerce and Production, including incorporation documents, bylaws, registered shareholder information, corporate resolutions, and details of directors and legal representatives.

From an asset perspective, real estate ownership and encumbrances may be verified through the Registrar of Deeds under the Real Estate Registry system. However, such information is based on the description of the property rather than the identity of its owner. As a result, while detailed information on a specific asset may be obtained once identified, it is not possible to generate a comprehensive list of real estate assets owned by a particular company or individual. In addition, the Electronic System for Movable Guarantees (SEGM), introduced under Law No. 45-20, has enhanced transparency regarding security interests in movable assets, enabling creditors and potential acquirers to verify liens and collateral positions more efficiently.

With respect to financial information, publicly traded companies are required to disclose financial statements and additional corporate information before the Superintendence of Securities, while entities operating in other regulated industries, such as financial institutions, are subject to similar disclosure requirements before their respective regulators, resulting in the availability of financial information.

Further, information on litigation proceedings involving a target company is publicly available in the Dominican Republic, except for arbitration.

From a legal standpoint, there is no general statutory obligation for a target company to disclose due diligence information to a potential acquirer. Any such disclosure is therefore governed by contractual arrangements, typically through non-disclosure agreements (NDAs) and the negotiated terms of the transaction. In practice, however, evolving regulatory standards, increased compliance requirements, and market expectations have led to more robust and structured disclosure processes, particularly

in transactions involving regulated entities or foreign investors.

7. To what level of detail is due diligence customarily undertaken?

Due diligence in the Dominican Republic is a practical and transaction-driven process, the scope and level of detail of which depend primarily on factors such as the nature of the target's business, regulatory exposure, transaction size, deal structure, the involvement of foreign investors, and financing requirements. Transactions involving regulated industries or complex corporate structures typically require more extensive reviews.

In practice, due diligence generally encompasses corporate, contractual, financial, tax, labor, regulatory, environmental, real estate, and litigation matters, with a particular focus on identifying contingent liabilities, compliance risks, and the enforceability of key agreements. In the case of regulated entities (e.g., financial institutions, energy, telecommunications), the review also extends to licensing status, regulatory compliance history, and interaction with supervisory authorities.

8. What are the key decision-making bodies within a target company and what approval rights do shareholders have?

Under Law No. 479-08, decision-making within a target company is vested on its Board of Directors or manager(s), depending on the applicable corporate form, which is responsible for the day-to-day management of the business. However, corporate actions, including mergers, acquisitions and other structural modifications, fall within the authority of the shareholders.

These matters must be approved at a duly convened extraordinary shareholders' meeting, in accordance with the quorum and voting thresholds established by law and the company's bylaws, which may vary depending on the type of entity. In general terms, and as minimum requirements under Law No. 479-08, a valid meeting requires the presence of shareholders representing at least 50% plus one of the share capital on first call, and 33.33% plus one on second call. Resolutions relating to such matters typically require the approval of at least two-thirds (66.67%) of the votes cast at the meeting. However, these thresholds may vary depending on the provisions set forth in the target company's bylaws or shareholders agreement.

9. What are the duties of the directors and controlling shareholders of a target company?

Directors of a target company are subject to fiduciary duties to the company's shareholders, including duties of care, loyalty, and confidentiality, and must act in the best interests of both the company and its shareholders.

In the context of mergers and acquisitions, directors are required to prepare and submit to the shareholders a report describing the proposed transaction, as well as its terms and supporting documentation. Failure to prepare and circulate such report within the applicable timeframe may result in fines. In the case of publicly traded companies, directors may also face penalties for failing to submit the documentation required by law to the Superintendence of Securities.

Directors must also avoid conflicts of interest and disclose any personal interest in a transaction. In such cases, they must abstain from deliberation and voting in accordance with applicable corporate governance rules.

As regards controlling shareholders, Law No. 479-08 does not establish specific fiduciary duties.

10. Do employees/other stakeholders have any specific approval, consultation or other rights?

Employees and other stakeholders are not granted statutory approval or consultation rights in connection with mergers, acquisitions, or similar corporate transactions.

11. To what degree is conditionality an accepted market feature on acquisitions?

Conditionality is a common and well-established feature in merger and acquisition transactions in the Dominican Republic. It is particularly prevalent in transactions involving regulated entities, where regulatory clearances, third-party consents, financing conditions, and satisfactory completion of due diligence are typically required. In contrast, while also present in transactions involving non-regulated companies, conditionality tends to be less common.

In practice, the scope and complexity of such conditions vary depending on the nature of the target's business, the level of regulatory oversight, and the size and structure of the transaction.

12. What steps can an acquirer of a target company take to secure deal exclusivity?

Exclusivity is secured through a Letter of Intent (LOI) or a Memorandum of Understanding (MOU) duly executed between the parties, which must expressly include binding exclusivity provisions. In fact, for such exclusivity arrangements to be enforceable, the binding nature of the relevant provisions must be clearly stated in the LOI or MOU.

Following the execution of such preliminary agreements, the parties generally proceed to negotiate and execute the definitive transaction documents setting out the terms and conditions of the transaction.

13. What other deal protection and costs coverage mechanisms are most frequently used by acquirers?

Acquirers rely on a combination of deal protection and cost coverage mechanisms to mitigate transaction risk and preserve economic value, depending on the transaction profile, identified exposures, and the parties' relative bargaining power.

From a deal protection perspective, escrow and trust services remain among the most widely used tools, typically involving the retention of a portion of the purchase price for a defined period to secure the seller's indemnification obligations, particularly in respect of tax, financial, or regulatory risks identified during due diligence. Additional protection may be obtained through credit support mechanisms, such as corporate or personal guarantees, particularly where the seller's post-closing asset base is limited.

Transactions may also incorporate enforceability-enhancing instruments, such as notarized promissory notes granting executive title, which allow for expedited enforcement in the event of non-payment of deferred consideration or other outstanding amounts.

In larger or cross-border transactions, representation and warranty insurance (RWI) may also be used to transfer part of the transactional risk to insurers and reduce reliance on seller-backed indemnities, although its use remains limited in the local market.

From a cost coverage standpoint, deferred consideration structures are commonly used, allowing acquirers to retain leverage through payment deferral and set-off rights against indemnification claims or post-closing adjustments. Break-up fees and expense reimbursement

provisions are less common but may be implemented in competitive or cross-border processes to compensate the acquirer for transaction costs incurred if the transaction is terminated under agreed circumstances, particularly where exclusivity has been granted.

14. Which forms of consideration are most commonly used?

The most common forms of consideration are cash, typically in Dominican pesos or U.S. dollars, and shares. Depending on the nature of the transaction, other assets, such as real estate, may also be used as consideration.

It should be noted, however, that in the case of mergers, Law No. 479-08 requires that shareholders receive shares or equity interests in the surviving or beneficiary entity, with any cash component limited to no more than 10% of the nominal value of the shares or equity interests received.

15. At what ownership levels by an acquirer is public disclosure required (whether acquiring a target company as a whole or a minority stake)?

There is no threshold-based public disclosure regime for privately held companies. However, for publicly traded companies, disclosure obligations are triggered upon reaching certain shareholding thresholds under securities regulations.

In all cases, mergers or acquisitions, whether involving majority or minority stakes or business assets, are subject to corporate and registration formalities that result in public disclosure.

In this regard, the shareholder resolutions approving such transactions must be registered with the relevant Chambers of Commerce and Production, upon which they become publicly accessible. In addition, the corresponding updates must be reported to the General Directorate of Internal Taxes (DGII) for tax compliance purposes, including the identification of the ultimate beneficial owner.

Further, transactions involving mergers or spin-offs are subject to additional publicity requirements, including the publication of extracts of the relevant agreements in a national newspaper following their approval and registration.

As mentioned before, for publicly traded companies, additional disclosure obligations apply under Law No.

249-17, including reporting requirements triggered by relevant shareholding thresholds and the obligation to disclose material events to the Superintendence of Securities. Regulated entities –such as financial institutions– may also be subject to sector specific disclosure or approval requirements.

16. At what stage of negotiation is public disclosure required or customary?

The stage at which public disclosure is required, or customary, depends on the nature of the transaction and the regulatory framework applicable to the target.

As analyzed in the previous question, in private M&A transactions, public disclosure is not typically required at the negotiation stage. Disclosure generally occurs following signing and/or closing, once the transaction has been approved by the relevant corporate bodies and registered with the Chambers of Commerce and Production, at which point it becomes publicly accessible. In addition, transactions involving mergers or spin-offs are subject to additional publicity requirements, including the filing and publication of extracts of the relevant agreements within the statutory period.

In contrast, for publicly traded companies or entities operating in regulated sectors, disclosure obligations may arise at earlier stages, including upon reaching relevant shareholding thresholds, in connection with public takeover bids, or in the context of regulatory approvals or notification requirements prior to closing.

In practice, disclosure is generally deferred until the transaction is formalized, although earlier disclosure may be required in public or regulated transactions.

17. Is there any maximum time period for negotiations or due diligence?

No, there is no maximum time period for negotiations or due diligence. Such terms and conditions are determined by the parties.

18. Is there any maximum time period between announcement of a transaction and completion of a transaction?

No, there is no maximum time period between announcement and completion of a transaction. Such terms and conditions are determined by the parties.

19. Are there any circumstances where a minimum price may be set for the shares in a target company?

No minimum price applies to the transfer of outstanding shares. However, newly issued shares may not be issued below their nominal value.

20. Is it possible for target companies to provide financial assistance?

Dominican law does not expressly regulate financial assistance in the context of mergers and acquisitions. However, certain provisions operate as practical limitations on its use. For instance, companies may not issue shares that have not been fully paid and may not acquire their own shares except out of distributable profits or specific reserves.

Subject to these limitations, there is no general prohibition on a target company providing financial assistance to an acquiror for the purchase of its shares. Notwithstanding the foregoing, it is necessary to consider any applicable special regimes, particularly where the target operates in regulated sectors such as financial services, securities, or energy.

In practice, the ability of a target company to provide financial assistance will depend on the nature of the assistance, as well as the company's liquidity and solvency. As a result, acquisition financing is typically obtained from financial institutions or third-party lenders willing to assume such risks. In certain cases, the target company may facilitate or structure such financing arrangements in order to support the transaction.

21. Which governing law is customarily used on acquisitions?

Dominican law governs mergers and acquisitions involving Dominican entities. The primary legal framework is set forth in Law No. 479-08, as amended, together with any applicable sector-specific regulations where the target operates in a regulated industry (i.e., free trade zones, financial institutions, securities, energy, telecommunications, among others).

22. What public-facing documentation must a buyer produce in connection with the acquisition of a listed company?

In the context of the acquisition of a listed company,

buyers are required to produce certain public-facing documentation as part of the applicable takeover and disclosure process, which typically includes: (i) evidence of the incorporation of a takeover guarantee; (ii) an offering memorandum; (iii) a valuation report; (iv) resolutions of the relevant decision-making body approving the transaction; and (v) a public notice setting out the terms of the offer.

23. What formalities are required in order to document a transfer of shares, including any local transfer taxes or duties?

The formalities required to document a transfer of shares depend on the corporate vehicle (e.g., S.R.L., S.A., S.A.S.), but involve contractual documentation, corporate approvals, registration in the company's records, and compliance with registry and tax requirements.

The transfer must be formalised through a share purchase agreement or similar agreement between the relevant parties. Transfers may be subject to approval requirements or restrictions set out in Law No. 479-08 or the bylaws (e.g., rights of first refusal). In this regard, the corresponding corporate approvals must be documented through shareholder or quotaholder resolutions, either acknowledging or approving the transfer, as required by Law No. 479-08 or the bylaws. It is important to note that, depending on the value of the transaction, the documentation must also have evidence of the means of payment used.

Once executed, the transfer must be recorded in the company's internal registry (share registry or quota registry), as well as filed with the relevant Chambers of Commerce and Production, thereby becoming publicly accessible and enforceable against third parties.

From a tax perspective, share transfers are subject to capital gains tax at a rate of 27%, calculated on the difference between the transfer value and the acquisition cost, in accordance with applicable tax regulations. The transaction must also be reported to the General Directorate of Internal Taxes (DGII).

Additional requirements may apply in regulated sectors or in transactions involving foreign investors.

24. Are hostile acquisitions a common feature?

Hostile acquisitions, understood as transactions where the acquirer approaches shareholders directly without engaging the board, are not uncommon in practice in the

Dominican Republic, particularly given that most transactions are structured as private share purchases rather than board-driven mergers.

25. What protections do directors of a target company have against a hostile approach?

Dominican law does not provide specific defensive mechanisms for boards against hostile approaches. In practice, shareholders are free to sell their shares, and board approval is typically not required for share transfers, unless otherwise restricted by the bylaws.

That said, certain defensive measures may be implemented at the corporate level through the company's bylaws, employment contracts or shareholders' agreements. These may include, among others, enhanced approval thresholds, veto rights over specific transactions, and contractual arrangements such as vesting rights or severance compensation that may be triggered in the event of a hostile takeover (e.g. golden parachutes).

26. Are there circumstances where a buyer may have to make a mandatory or compulsory offer for a target company?

In private companies, there is no legal requirement to launch a mandatory offer.

However, in the case of publicly listed companies, securities regulations establish that a person or group acquiring, directly or indirectly, 30% or more of the voting shares of a listed company, or securities granting the right to acquire such shares, whether through a single transaction or a series of transactions, must conduct the acquisition through a mandatory tender offer. In addition, where a shareholder or group of shareholders reaches an ownership level of 90% or more of the voting rights in a listed company, securities regulations require the launch of a subsequent takeover bid to acquire the remaining shares.

27. If an acquirer does not obtain full control of a target company, what rights do minority shareholders enjoy?

When an acquirer does not obtain full control of a target company, minority shareholders retain statutory rights under Law No. 479-08 and, where applicable, securities regulations, as well as any additional rights set out in the bylaws.

These rights include access to financial and corporate information, participation and voting in shareholders' meetings, the ability to request the convening of meetings or the inclusion of items on the agenda, and the right to challenge corporate decisions or bring liability actions against directors and officers. In the case of publicly traded companies, minority shareholders may also request regulatory oversight or audits by the securities regulator.

28. Is a mechanism available to compulsorily acquire minority stakes?

Yes. Mechanisms exist that may result in the compulsory

acquisition of minority stakes, depending on whether the target is a listed or privately held company.

In the case of listed companies, where a shareholder or group of shareholders reaches an ownership level of 90% or more of the voting rights, securities regulations require the offer of a subsequent takeover bid to acquire the remaining shares, allowing minority shareholders to exit on similar terms.

In privately held companies, compulsory acquisition is achieved through contractual arrangements, such as call options or drag-along provisions included in shareholders' agreements or the bylaws, which allow majority shareholders to require minority shareholders to sell their shares on the same terms as the majority.

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