OFFERING MEMORANDUM **CONFIDENTIAL**

The Dominican Republic

DOP62,282,850,000 13.625% Bonds due 2033

Payable in U.S. dollars

We are offering DOP62,282,850,000 aggregate principal amount of our 13.625% bonds due 2033 (the "bonds"). The bonds are being offered as debt securities under an indenture dated as of January 27, 2015 (the "indenture").

Interest on the bonds will accrue from February 3, 2023 and will be payable semi-annually in arrears on February 3 and August 3 of each year. The first interest payment on the bonds will be made on August 3, 2023. The bonds will mature on February 3, 2033. We may redeem the bonds, in whole or in part, prior to maturity on the terms described herein. See "Description of the Bonds—Optional Redemption." Payments will be made in U.S. dollars, based on the Representative Market Rate (as defined herein). See "Description of the Bonds—General Terms of the Bonds."

The bonds will be direct, general, unconditional and unsubordinated Public External Debt of the Republic, ranking without any preference among themselves and equally with all other unsubordinated Public External Debt of the Republic, for which the full faith and credit of the Republic is pledged.

The bonds will contain "collective action clauses." Under these provisions, which differ from the terms of the Republic's Public External Debt issued prior to January 27, 2015, the Republic may amend the payment provisions of any series of debt securities issued under the indenture (including the bonds) and other reserve matters listed in the indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain "uniformly applicable" requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66-2/3% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually.

The Republic will apply to list the bonds on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market.

Investing in the bonds involves risks. See "Risk Factors" beginning on page 16.

The bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The bonds will be offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States to persons who are not U.S. persons in reliance on Regulation S of the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the sellers of the bonds may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act. For further details about eligible offerees and resale restrictions, see "Plan of Distribution" and "Transfer Restrictions."

Price for the bonds: 100.000% plus accrued interest, if any, from February 3, 2023.

Purchasers will make the payment of the issue price in U.S. dollars based on an exchange rate for the conversion of Dominican pesos into U.S. dollars of DOP56.6207 per US$1.00, which was the Representative Market Rate in effect on January 27, 2023.

The initial purchasers expect to deliver the bonds to purchasers on or about February 3, 2023, only in book-entry form through the facilities of The Depository Trust Company ("DTC"), Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream").

Joint Book-Running Managers

Citigroup **J.P. Morgan**

January 31, 2023

The Republic is responsible for the information contained in this offering memorandum. The Republic has not authorized anyone to give you any other information, and the Republic takes no responsibility for any other information that others may give you. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

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IMPORTANT NOTICE

This offering memorandum is confidential. This offering memorandum has been prepared by the Republic solely for use in connection with the proposed offering of the securities described in this offering memorandum. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the bonds. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without the Republic's prior written consent, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

After having made all reasonable inquiries, the Republic confirms that:

- the information contained in this offering memorandum is true and correct in all material respects and is not misleading as of the date of this offering memorandum;
- changes may occur in the Republic's affairs after the date of this offering memorandum;
- certain statistical, economic, financial and other information included in this offering memorandum reflects the most recent reliable data readily available to the Republic as of the date hereof;
- the Republic holds the opinions and intentions expressed in this offering memorandum;
- the Republic has not omitted other facts the omission of which would make this offering memorandum, as a whole, misleading in any material respect; and
- the Republic accepts responsibility for the information it has provided in this offering memorandum and assumes responsibility for the correct reproduction of the information contained herein.

In making an investment decision, prospective investors must rely on their own examination of the Republic and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the bonds under applicable legal investment or similar laws or regulations.

The Republic has furnished the information in this offering memorandum. You acknowledge and agree that the initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation to you by the initial purchasers. This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the initial purchasers.

The distribution of this offering memorandum and the offering and sale of the bonds in certain jurisdictions may be restricted by law. The Republic and the initial purchasers require persons into whose possession this offering memorandum comes to inform themselves about and to observe any such restrictions. See "Plan of Distribution." This offering memorandum does not constitute an offer of, or an invitation to purchase, any of the bonds in any jurisdiction in which such offer or sale would be unlawful.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of the bonds or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of an investment in the bonds for an indefinite period of time. Please refer to the sections in this offering memorandum entitled "Plan of Distribution" and "Transfer Restrictions."

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

The bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of (EU) Directive 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

The bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as "relevant persons"). The bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

ENFORCEABILITY OF CIVIL LIABILITIES

The Republic is a sovereign state. Consequently, it may be difficult for investors to obtain or realize in the United States or elsewhere upon judgments against the Republic. To the fullest extent permitted by applicable law, including the limitation mandated by the Constitution of the Dominican Republic which submits to the courts and law of the Dominican Republic all agreements executed between the Government and foreign entities or individuals domiciled in the Republic, the Republic will irrevocably submit to the jurisdiction of any New York state or U.S. federal court sitting in The City of New York, Borough of Manhattan, and any appellate court thereof, in any suit, action or proceeding arising out of or relating to the bonds or the Republic's failure or alleged failure to perform any obligations under the bonds, and the Republic will irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined in such New York state or U.S. federal court. The Republic will irrevocably waive, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any suit, action or proceeding and any objection to any proceeding whether on the grounds of venue, residence or domicile. To the extent the Republic has or hereafter may acquire any sovereign or other immunity from jurisdiction of such courts with respect to any suit, action or proceeding arising out of or relating to the bonds or the Republic's failure or alleged failure to perform any obligations under the bonds (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise), the Republic has, to the fullest extent permitted under applicable law, including the U.S. Foreign Sovereign Immunities Act of 1976, irrevocably waived such immunity in respect of any such suit, action or proceeding; *provided*, *however*, that under the U.S. Foreign Sovereign Immunities Act of 1976, it may not be possible to enforce in the Republic a judgment based on such a U.S. judgment, and that under the laws of the Republic, the property and revenues of the Republic are exempt from attachment or other form of execution before or after judgment. See "Description of the Bonds—Governing Law" and "—Submission to Jurisdiction."

Notwithstanding the preceding paragraph, the Republic has not consented to service or waived sovereign immunity with respect to actions brought against it relating to the bonds under U.S. federal securities laws or any state securities laws. In the absence of a waiver of immunity by the Republic with respect to such actions, it would not be possible to obtain a judgment in such an action brought in a U.S. court against the Republic unless such court were to determine that the Republic is not entitled under the U.S. Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such action. Further, even if a U.S. judgment could be obtained in any such action under the U.S. Foreign Sovereign Immunities Act of 1976, it may not be possible to enforce in the Republic a judgment based on such a U.S. judgment. Execution upon property of the Republic located in the United States to enforce a U.S. judgment may not be possible except under the limited circumstances specified in the U.S. Foreign Sovereign Immunities Act of 1976.

DEFINED TERMS AND CONVENTIONS

Certain Defined Terms

All references in this offering memorandum to the "Republic" are to the issuer, and all references to the "Government" or the "Budgetary Government" are all entities within the central government of the Dominican Republic, which consists of the legislative, judicial and executive branches, and its authorized representatives.

The terms set forth below have the following meanings for the purposes of this offering memorandum:

GDP

Gross domestic product ("GDP") is a measure of the total value of final products and services produced in a country in a specific year. Nominal GDP measures the total value of final production in current prices. Real GDP measures the total value of final production in terms of volume of a particular year, thus allowing historical GDP comparisons that exclude the effects of inflation. In this offering memorandum, real GDP figures are based in terms of volume referenced to their nominal level in 2007 (reference year) and compiled in accordance with the latest recommendations of the System of National Accounts 2008 that applied to the Dominican context and for which statistical information was available. GDP growth rates and growth rates included in this offering memorandum for the various sectors of the Dominican economy are based on real figures, except as otherwise indicated.

Balance of Payments

For balance of payments purposes, imports and exports are calculated based upon statistics reported to the Republic's customs agency upon entry and departure of goods into the Dominican Republic on a free-on-board or "FOB" basis, at a given point of departure.

Inflation

The inflation rate provides an aggregate measure of the rate of change in the prices of goods and services in the economy. The Republic measures the inflation rate by the percentage change in the consumer price index ("CPI"). The annual average percentage change in the CPI is calculated by comparing the average index for a twelve-month period against the average index for the immediately preceding twelve-month period. The CPI is based on a basket of goods and services identified by the Dominican Central Bank or the "Central Bank" that reflects the pattern of consumption of Dominican households. The price for each good and service that makes up the basket is weighted according to its relative importance in order to calculate the CPI. The Republic does not compile statistics to calculate a producer price index or a wholesale price index, which are other indices often used to measure the rate of inflation.

Currency of Presentation and Exchange Rate

Unless we specify otherwise, references to "U.S. dollars" and "US$" are to United States dollars and references to "pesos" and "DOP" are to Dominican pesos. Unless otherwise indicated, we have calculated the exchange rate for each period in two ways: the end of period is the exchange rate reported by the Central Bank on the last day of such period, while the average exchange rate corresponds to the daily average exchange rate reported by the Central Bank for all working days during that period. This is consistent with the methodology the International Monetary Fund or the "IMF" uses to calculate currency exchange rates. In all cases, exchange rate information derives from transactions in the spot market.

We presented herein certain currency conversions, including conversions of peso amounts to U.S. dollars, solely for the convenience of the reader and you should not interpret these conversions as a representation that the amounts in question have been, could have been or could be converted into any particular currency, at any particular rate or at all.

The DOP/U.S. dollar "reference" exchange rate on the spot market, as reported by the Central Bank, was DOP48.19 per US$1.00, DOP50.20 per US$1.00, DOP52.90 per US$1.00, DOP58.11 per US$1.00 and DOP57.14 per US$1.00 respectively, at the close of business on the last business day of 2017, 2018, 2019, 2020 and 2021. As of December 30, 2022, the nominal DOP/U.S. dollar exchange rate reached DOP55.98 per US$1.00, an appreciation of 2.0% compared to the last business day of 2021. The spot market exchange rate reported by the Central Bank is used by the accounting departments of private companies and public entities in the Dominican Republic, including the Central Bank, for revaluation of assets and liabilities denominated in U.S. dollars.

The following table sets forth the annual high, low, average and period-end "reference" exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation. There can be no assurance that the peso will not depreciate or appreciate against the U.S. dollar in the future.

	Reference exchange rates[1]			
	High	**Low**	**Average[2]**	**Period end**
Year ended December 31,				
2017	48.19	46.63	47.44	48.19
2018	50.20	48.20	49.43	50.20
2019	52.90	50.21	51.20	52.90
2020	58.43	52.91	56.47	58.11
2021	58.25	56.19	56.94	57.14
2022	57.71	52.78	54.76	55.98

(1) Central Bank "reference" exchange rates.
(2) Average of daily closing quotes as reported by the Central Bank for all working days during the year or period.
Source: Central Bank.

As of January 27, 2023, the DOP/U.S. dollar "reference" exchange rate was DOP56.47 per US$1.00, as reported by the Central Bank.

Dominican Peso Information

For the purpose of calculating payments to be made in respect of the bonds, all references to "DOP" or "pesos" are to Dominican pesos.

Payments of principal and interest on the bonds will be translated from Dominican pesos into U.S. dollars based upon the Observed Exchange Rate on the applicable Rate Calculation Date, as such terms are defined under "Description of the Bonds."

On January 27, 2023, the Representative Market Rate (as defined under "Description of the Bonds") was DOP56.6207 per US$1.00.

Presentation of Financial and Economic Information

The Republic has presented all annual information in this offering memorandum based upon January 1 to December 31 periods, unless otherwise indicated. Totals in certain tables in this offering memorandum may differ from the sum of the individual items in such tables due to rounding.

Data are generally classified as "preliminary" following the end of the relevant period until all the basic statistics and analytical procedures have been completed. The Central Bank conducts a regular review process of the Republic's official financial and economic statistics. Accordingly, certain financial and economic information presented in this offering memorandum may be subsequently adjusted or revised. The Government believes that this review process is substantially similar to the practices of industrialized nations. The Government does not expect revisions of the data contained in this offering memorandum to be material, although we cannot assure you that material changes will not be made.

The Central Bank also periodically conducts a rebasing of GDP data it publishes. The most recent rebasing was completed in 2014 to update the "reference year" to 2007, and all data in this offering memorandum are presented on this basis unless otherwise indicated. See "—Certain Defined Terms—GDP." On January 1, 2018, the Central Bank implemented the *Encuesta Nacional de Gastos e Ingresos de los Hogares ENGIH 2018* (the National Survey of Household Expenses and Income 2018) to gather statistical information throughout the country on the distribution of spending by Dominican families, as well as the amount and origin of the population's income. In March 2020, the Central Bank published the result of such survey and its methodological notes.

The National Survey of Household Expenses and Income 2018 constitutes part of the research underway prior to the next GDP data rebasing exercise to update the "reference year" from 2007 to 2018. The rebasing exercise was expected to be completed in 2021, although the COVID-19 outbreak delayed its completion, which is now expected to occur by the end of 2023.

Presentation of Fiscal Information

In 2018, as a means to improve transparency and accountability in the administration of public resources, the Ministry of Finance began publishing fiscal data through the statement of operations, integrating the publication of the Government's income, expenditures and financing transactions. The fiscal data presented in the statement of operations, and in this offering memorandum, has been developed using the International Monetary Fund's Government Finance Statistics Manual 2014 (the "GFSM 2014"), which provides the principles and guidelines to be used in compiling fiscal statistics.

Information on the performance of the Budgetary Government has been published since November 2018, on a monthly basis with a lag of up to 45 days.

The use of the GFSM 2014 has implied certain changes in the presentation and classification of government revenues, as the methodology differs from the Public Sector's Budget Classifier Manual updated in 2014 and is of mandatory use by all public sector institutions in all stages of the budget cycle (*i.e.*, formulation, execution, monitoring and evaluation). Some of the material differences are as follows:

- the definition of "income" under the Public Sector's Budget Classifier Manual specifies that income is the set of non-reimbursable entries, other than grants, which are included as total revenues;
- the GFSM 2014 simplifies the classification of government revenue in taxes (or tax revenues), social security contributions, grants and other revenues. As such, there is no clear distinction between tax and non-tax revenues;
- the revenue from property tax under the GFSM 2014 only includes real estate property (*Impuesto a la Propiedad Inmobiliaria - IPI*), tax on assets and tax on inheritance and grant, with all other taxes that had been previously included as property tax (such as taxes on checks, real estate operations, transfer of personal property and motor vehicle transactions) being registered as "taxes on financial and capital transactions" under "general taxes on goods and services";
- all fines, indemnity surcharges and interest, which are registered with their respective taxes as per the Budget Classifier Manual, under the GFSM 2014, must be recorded under "other revenues";
- all gains on placement of premium bonds or accrued interest, which were previously recorded as revenues, under the GFSM 2014, are to be registered as a reduction in interest expenses;
- the capital revenue classification no longer exists as the sales of non-financial assets are not considered revenue, while capital transfers are registered under "other revenues"; and
- debt cancellations that were previously part of financing, as a reduction of such debt, under the GSFM 2014, are reclassified as income, as they affect net worth, under "other revenues."

The principal impact of the GFSM 2014 on the Republic's fiscal accounts are the following:

- greater detail in revenue and expense accounts, specifically in transfer accounts. Previously, transfers were classified by institutional sector while under the GFSM 2014 methodology they are classified by type of expenditure, be they subsidies, social benefits, donations (to government entities) or transfers;
- detailed financing operations by type of financial instrument; and
- expansion of institutional and transactional coverage.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Forward-looking statements are statements that are not historical facts, and include statements about the Republic's beliefs and expectations. These statements are based on current plans, estimates and projections, and, accordingly, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made. The Republic undertakes no obligation to update any of these statements in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. The Republic cannot assure you that actual events or results will not differ materially from any forward-looking statements contained in this offering memorandum. In particular, a number of important factors could cause actual results to differ materially from the Republic's expectations. Such factors include, but are not limited to:

- adverse external factors, such as:
  - changes in the international prices of commodities and/or international interest rates, which could increase the Republic's current account deficit and budgetary expenditures;
  - the expected monetary tightening by major central banks could impact the Republic's interest expense, which would increase the Republic's budgetary expenditures;
  - changes in import tariffs and exchange rates, recession or low economic growth affecting the Republic's trading partners, all of which could lower the growth or the level of exports of the Dominican Republic, reduce the growth or the level of income from tourism of the Dominican Republic, reduce the growth rate or induce a contraction of the Dominican economy and, indirectly, reduce tax revenues and other public sector revenues, adversely affecting the Republic's fiscal accounts;
  - decreases in remittances from Dominicans living abroad;
  - increased costs of crude oil resulting from increased international demand or from political or social instability or armed conflict in oil-producing states, including The Bolivarian Republic of Venezuela ("Venezuela") and countries in the Middle East;
  - international financial uncertainty that reduces the Republic's ability to obtain loans to finance planned infrastructure projects;
  - a decline in foreign direct investment, which could adversely affect the Republic's balance of payments, the stability of the exchange rate and the level of the Central Bank's international reserves, and a decrease in remittances from Dominicans residing and working abroad;
  - changes in the sovereign credit rating of the Dominican Republic;
  - deterioration in relations between the Dominican Republic and its regional partners as well as main trading partners, such as the United States and the European Union;
  - impact in the economy of pandemics, such as the coronavirus ("COVID-19") pandemic; and
  - effect on international prices of commodities, international capital markets and global inflationary pressures of geopolitical developments, such as the conflict between Russia and Ukraine;
- adverse domestic factors, such as lower than expected fiscal revenues, which could result in higher domestic interest rates and an appreciation of the real exchange rate. These factors could lead to lower economic growth, a decline in exports and income from tourism and a decrease in the Central Bank's international reserves;
- the result of local and national elections and any changes to economic and social policies that may be implemented by a new administration;
- the continuing adverse economic effects of the crisis in the Dominican electricity sector; and
- other adverse factors, such as climatic, geological or political events and the factors discussed in the "Risk Factors" section beginning on page 16 of this offering memorandum.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. It is not complete and may not contain all of the information you should consider before purchasing the bonds. You should carefully read the entire offering memorandum, including "Risk Factors" before investing in the bonds.

Selected Economic Information

(in millions of US$, except as otherwise indicated)

	As of and for the year ended December 31,					As of and for the nine months ended September 30, 2022
	2017	2018[(1)]	2019[(1)]	2020[(1)]	2021[(1)]	
Domestic economy						
GDP (at current prices)	80,025	85,537	88,906	78,829	94,524	112,222[(16)]
GDP (in millions of DOP, at current prices)	3,802,656	4,235,847	4,562,235	4,456,657	5,392,714	4,530,379
Real GDP (in chained indexes referenced to 2007)[(2)]	160	171	180	168	189	194
Real GDP growth rate[(3)]	4.7%	7.0%	5.1%	(6.7)%	12.3%	5.4 %
Consumer price index (annual rate of change)	4.2%	1.2%	3.7%	5.6%	8.5%	7.7%
Open unemployment rate[(4)]	5.5%	5.7%	6.2%	5.8%	7.4%	5.5%
Exchange rate (end of period, in DOP per US$1.00)	48.19	50.20	52.90	58.11	57.14	53.35
Balance of payments[(5)]						
Total current account[(5)]	(133)	(1,322)	(1,188)	(1,337)	(2,689)	(5,321)
of which:						
Trade balance (deficit)	(7,600)	(9,559)	(9,075)	(6,803)	(11,681)	(12,627)
Income from tourism	7,184	7,548	7,472	2,675	5,687	6,349
Personal transfers (workers' remittances)	5,912	6,494	7,087	8,219	10,403	7,309
Net (borrowing)/lending	(133)	(1,322)	(1,188)	(1,337)	(2,689)	(5,321)
Financial account balance (deficit)[(5)]	(2,121)	(3,083)	(3,139)	(3,493)	(5,439)	(6,254)
of which:						
Foreign direct investment	3,571	(2,535)	(3,021)	(2,560)	(3,102)	(3,190)
Errors and omissions[(6)]	(1,260)	(928)	(826)	(861)	(450)	(92)
Overall balance of payments, excluding impact of gold valuation adjustment[(7)]	728	833	1,125	1,295	2,301	841
Change in Central Bank gross international reserves (period end)	733	847	1,154	1,970	2,282	841.6
Central Bank net international reserves (period end)	6,780	7,627	8,781	10,752	13,034	13,806
% change	12.1%	12.5%	15.1%	22.40%	21.23%	5.93%
Public sector balance[(1) (8)]						
Budgetary Government revenues[(9)]	11,173	12,133	12,793	11,173	14,692	12,816
As a % of GDP	14.0%	14.2%	14.4%	14.2%	15.5%	11.3%[(17)]
Budgetary Government expenditure[(10)]	13,882	14,119	14,865	17,708	17,547	14,101
As a % of GDP	17.3%	16.5%	16.7%	22.5%	18.6%	12.4%[(17)]
of which:						
Subsidies to CDEEE	370	344	423	484	828	880
As a % of GDP	0.5%	0.4%	0.5%	0.6%	0.9%	0.8%[(17)]
Budgetary Government balance[(11)]	(2,468)	(1,847)	(1,941)	(6,227)	(2,76)	(878)
As a % of GDP	(3.1)%	(2.2)%	(2.2)%	(7.9)%	(2.9)%	(0.8)%[(17)]
Non-financial public sector balance[(12)]	(2,225)	(1,947)	(2,052)	(5,976)	(2.573	(204)
As a % of GDP	(2.8)%	(2.3)%	(2.3)%	(7.6)%	(2.7)%	(0.2)%[(17)]
Public sector debt[(13)]						
Public sector external debt[(14)]	19,124	21,860	23,677	31,008	34,278	37,311
As a % of GDP	23.9%	25.6%	26.6%	39.3%	36.3%	32.9%
Public sector domestic debt[(15)]	18,091	19,115	21,251	23,461	24,921	30,695
As a % of GDP	22.6%	22.3%	23.9%	29.8%	26.4%	27.1%
Total public sector debt	37,215	40,975	44,928	54,469	59,200	68,006
As a % of GDP	46.5%	47.9%	50.5%	69.1%	62.6%	60.0%
Public sector external debt service						
Amortizations	1,332	984	1,304	2,363	548	1,193
Interest payments	1,000	1,093	1,307	1,396	1,731	1,588
Total external debt service	2,330	2,077	2,611	3,758	2,278	2,781
As a % of total exports	12.3%	10.4%	12.7%	26.0%	11.1%	14.7%

(1) Preliminary data.
(2) For additional information on this methodology see "Defined Terms and Conventions—Certain Defined Terms—GDP."
(3) Percentage change from previous year.
(4) Refers to population at or above the legal working age that is not employed and is actively seeking work, as a percentage of the total labor force.
(5) 2017-2019 revised data. All data conforms to IMF's 6th Edition of the Balance of Payments Manual.
(6) Represents errors and omissions in compiling balance of payment accounts based on double-entry accounting resulting from incomplete or overlapping coverage, different prices and incomplete times of recording and conversion practices.
(7) As presented, gold reserves have been valued at their corresponding market prices as of December 31 of each year.
(8) Budgetary Government corresponds to all entities within the central government of the Dominican Republic, which consists of the legislative, judicial and executive branches, and its authorized representatives.
(9) Includes social security contributions and grants.
(10) Excludes "Statistical Discrepancy" (difference between financing below the line and the overall fiscal balance registered above the line).
(11) Includes "Statistical Discrepancy."
(12) The non-financial public sector includes the Budgetary Government and non-financial public sector institutions (such as extra-budgetary, social security funds, local governments, and state-owned enterprises).
(13) Consolidated public sector debt. Excludes debt owed by *Banco de Reservas* ("BanReservas") to foreign creditors.
(14) External debt is defined as all public sector debt issued in foreign countries and under the jurisdiction of a foreign court, independent of the creditor's nationality.
(15) Net of Budgetary Government liabilities owned by the Central Bank.
(16) Estimates based on the quarterly local currency GDP figures and the average exchange rate for each quarter.
(17) Data corresponds to total amount for the nine-month period ended September 30, 2022 as a percentage of annual estimated GDP for 2022.

Sources: Central Bank, Ministry of Finance and IMF.

Recent Developments

The information contained in this section supplements the information about the Dominican Republic corresponding to the headings that are contained in this offering memorandum. This information is not necessarily indicative of the Dominican Republic's economy or fiscal results for the full fiscal year ending December 31, 2021 or any other period. You should read the following discussion of recent developments together with the more detailed information appearing elsewhere in this offering memorandum.

The Economy

2022 Economic Performance

Based on preliminary figures of the Monthly Indicator of Economic Activity ("IMAE"), the Dominican economy recorded cumulative growth of 5.4% during the nine-month period ended September 30, 2022, as compared to the same period in 2021. This growth rate corresponds to the year-on-year growth rates of 6.1%, 5.1% and 5.0% for each of the first three quarters of the year, respectively.

The robust economic growth evidenced the resilience of the Dominican economy and its solid macroeconomic fundamentals in the context of an international environment marked by geopolitical conflicts and the persistence of inflationary pressures caused by global cost shocks.

During the first nine months of 2022, remittances amounted to US$7.3 billion, a decrease of 7.0% as compared to the same period in 2021 and an increase of 25.0% and 38.1% as compared to the same period in 2020 and 2019, respectively.

The following table sets forth the distribution in the IMAE of the Dominican economy, indicating for each sector the annual growth rate both for each of the first three quarters of 2022 and for the 10-month period ended October 31, 2022, in each case, as compared to the same period in 2021.

Monthly Indicator of Economic Activity (IMAE)
(% change period-over-period, chained volume indexes referenced to 2007)

	For the three-month period ended			For the 10-month period ended
	March 31, 2022(1)	June 30, 2022(1)	September 30, 2022(1)	October 31, 2022(1)
Primary production:				
Agriculture, livestock, fishing and forestry	1.6	3.3	6.7	4.6
Mining	(18.0)	(6.7)	0.7	(8.0)
Secondary production:				
Traditional manufacturing	4.8	4.5	3.7	3.2
Free trade zones	7.5	9.8	2.6	6.3
Electricity, gas and water	7.5	5.2	4.5	4.9
Construction	4.3	(0.1)	2.3	1.6
Services:				
Wholesale and retail trade	7.7	6.0	6.3	6.2
Hotels, bars and restaurants	42.0	28.5	19.3	26.8
Transportation	9.0	7.0	5.2	7.1
Communications	6.3	4.7	4.7	5.1
Financial services	6.5	4.7	5.9	5.4
Real estate	4.2	4.3	4.5	4.3
Public administration	7.4	9.7	6.5	7.5
Education	4.8	4.6	5.5	4.8
Health	11.5	12.0	11.5	10.7
Other services	12.1	9.1	5.9	8.7
IMAE	**6.1**	**5.1**	**5.0**	**5.2**

(1) Preliminary data.
Source: Central Bank.

During the 10-month period ended October 31, 2022, based on preliminary IMAE figures, the economic activities that recorded real growth, as compared to the same period in 2021, were:

- hotels, bars and restaurants (26.8% growth), mainly due to a faster-than-expected recovery in tourism, supported by the success of several government measures aimed at boosting the sector, along with a general increase in international travel— between April and September, non-residents passenger arrivals reached historic levels for each month (for more information, see "The Economy—Services—Hotels, Bars and Restaurants");
- healthcare (10.7% growth), driven by a greater expenditure by the *Administradoras de Riesgo de Salud* (Health Risk Administrators), as well as an increase in employment in the sector resulting from the opening of new hospitals and primary healthcare centers;
- other services, which includes professional, scientific and technical activities and domestic services, among others (8.7% growth), mainly due to increases in employment in the most labor-intensive activities in the relevant services sector;
- public administration (7.5% growth), explained by the increase in public sector employment, especially in connection with the central government's activities related to agriculture and education;
- transportation (7.1% growth) and wholesale and retail trade (6.2% growth), driven by a recovery in demand for domestic and imported tradeable goods, as well as an increase in land passenger transport and cargo services;
- free trade zones (6.3% growth), responding to an increasing external demand, as evidenced by the growth of free trade zone exports (11.4% during the period); and
- financial services (5.4% growth), communications (5.1% growth), electricity, gas and water (4.9% growth), education (4.8% growth), agriculture, livestock, fishing and forestry (4.6% growth), real estate (4.3% growth), traditional manufacturing (3.2% growth) and construction (1.6% growth).

In contrast, mining recorded a contraction of 8.0% during the 10-month period ended October 31, 2022, as compared to the same period in the previous year, due to a lower production of gold, the main extractive activity in connection with metals in the Dominican economy, which was mainly driven by a decrease in production by the main extractive company in the Republic due to a reduction in gold concentration per processed material in 2022 compared to the 2021.

The Tourism Sector

Growth in the tourism sector in 2022 was driven by the positive impact of the *Plan de Recuperación Responsable del Turismo* (Responsible Recovery Plan for the Tourism Sector) implemented in response to the COVID-19 pandemic, and to the design of a targeted promotional strategy led by the Ministry of Tourism, as well as a general increase in international travel. See "The Economy—Services—Hotels, Bars and Restaurants."

In December 2022, non-resident visitors (tourists) that entered the country increased by 5.2% and 22.7% as compared to the same month in 2021 and 2019, respectively. During 2022, non-resident visitors (tourists) that entered the country amounted to approximately 7.2 million, which represented a 43.4% and 11.1% increase as compared to 2021 and 2019, respectively. This result represents a record number of non-resident visitors in a single year.

The Electricity Sector

During the nine-month period ended September 30, 2022, the energy purchased by the electricity distribution companies ("EDEs"), measured in gigawatt hours, increased by 3.2 % compared to the same period in 2021, while technical and non-technical energy losses were estimated at 31.9% of energy purchased, as compared to 34.0% for the same period in 2021. This slight decrease in energy losses was mainly a result of network maintenance and rehabilitation projects that the Republic conducted during such period, which have been funded by long-term financing in the amount of US$24.8 million from the World Bank, the Inter-American Development Bank (the "IDB"), the Organization of Petroleum Exporting Countries ("OPEC"), the Fund for International Development (the "OFID"), and the European Investment Bank (the "EIB").

During the same period, the current deficit of the electricity sector was US$997.7 million. In addition, during the third quarter of 2022, capital expenditures by public electricity companies were US$96.3 million.

Therefore, the overall deficit of the electricity sector was US$1,094.0 million, a 60.7% increase as compared to the same period in 2021. This increase is mainly due to an increase in capital expenses and operating expenses, mainly related to greater energy purchase expenses resulting from the increase in international energy prices that has taken place since the second half of 2021.

During the nine-month period ended September 30, 2022, the Budgetary Government transferred US$1,003.0 million to the electricity sector as contributions for the tariff subsidy and to finance the current deficit of the three EDEs, an increase of US$551.2 million, or 122.0%, as compared to the same period in 2021. This increase in Government transfers was due, to a material extent, to the increase in international energy prices that has taken place since the second half of 2021. In addition, during the nine-month period ended September 30, 2022, the Punta Catalina Thermal Power Plant transferred US$180.0 million to the Budgetary Government, compared to US$122.2 million transferred during the same period in 2021. Therefore, the net amount transferred by the Budgetary Government to the electricity sector during the nine-month period ended September 30, 2022, was US$823.0 million, compared to US$366.5 million during the same period in 2021, an increase of 124.6%.

On January 30, 2022, the President of the Republic announced that he requested the Senate to postpone its review and vote of the trust agreement for the public trust that will manage the Punta Catalina Thermal Power Plant pursuant to the Electricity Sector Reform Pact – executed in October 2021 – until the *Consejo Económico y Social* (Economic and Social Council) received comments from all relevant sectors with respect to the most appropriate and transparent mechanism for the management and preservation of the Punta Catalina Thermal Power Plant. In February 2022, the CDEEE Liquidation Commission (CLICDEEE) appointed a new manager for the Punta Catalina Thermal Power Plant so that all technical and managerial aspects related to the plant are carried out independently from the *Corporación Dominicana de Empresas Eléctricas Estatales* (Dominican Corporation of State-Owned Electric Entities, or the "CDEEE"). On December 7, 2022, Law No. 365-22 was enacted to create the Empresa de Generación Eléctrica Punta Catalina (Punta Catalina Electric Generation Company, or the "EGEPC") in order to transfer the ownership and administration of the electrical generation units, equipment, systems and buildings that make up the Punta Catalina Thermal Power Plant. This law also provides that the ownership of the EGEPC will be strictly made up of State capital, having legal status, its own assets, and the capacity to contract commercial and contractual obligations, according to its own management and control mechanism. For more information regarding the Electricity Sector Reform Pact, see "The Economy—The Electricity Sector."

During the nine-month period ended September 30, 2022, the Punta Catalina Thermal Power Plant generated 3,394 GWh, which amounted to 23% of the total amount generated by the National Interconnected Electric System (the "SENI").

Balance of Payments and Foreign Trade

Balance of Payments

Based on preliminary information, the current account recorded a deficit of US$5,320.7 million for the nine-month period ended September 30, 2022, compared to a deficit of US$1,672.9 million recorded in the same period in 2021. This deficit increase was mainly due to an 80.4% increase in oil imports and a 28.0% increase in non-oil imports.

For the nine-month period ended September 30, 2022, total exports amounted to US$10.5 billion, which represents a 14.1% increase compared to the same period in 2021, mainly due to a 21.0% increase in industrial exports.

For the nine-month period ended September 30, 2022, total imports amounted to US$23.2 billion, which represents a 35.7% increase as compared to the same period in 2021, mainly due to an 80.4% increase in oil imports driven by a 60.5% increase in the price per barrel and a 10.9% increase in the imported volume.

For the nine-month period ended September 30, 2022, income from tourism reached US$6.3 billion, representing a 65.9% increase as compared to the same period in 2021, mainly due to a 2.0 million increase in non-resident visitors by air. See "The Economy—The Tourism Sector."

The net borrowing balance of the financial account reached US$6.3 billion as of September 30, 2022, which represents a 54.9% increase compared to the US$4.0 billion balance as of September 30, 2021, driven by a 43.8% decrease in external assets and a 35.6% increase in external liabilities.

In the nine-month period ended September 30, 2022, foreign direct investment inflows totaled US$3.2 billion, which represents a 32.3% increase compared to the US$2.4 billion in inflows registered in the same period in 2021, mainly due to investments in the tourism sector and the reinvestment of profits and loans granted to resident companies by their respective foreign parent companies in the trade and energy sectors.

In the nine-month period ended September 30, 2022, the Republic received a net inflow of US$3.1 billion of portfolio investment, which represents a 35.9% increase compared to the net inflow of US$2.3 billion of portfolio investment recorded during the same period in 2021.

In the nine-month period ended September 30, 2022, remittances totaled US$7.3 billion, which represents a US$551.9 million, or 7.0%, decrease compared to the same period in 2021. The Republic believes that the majority of this decrease in remittances resulted from the phasing out of the pandemic-related financial assistance provided by foreign governments, especially the U.S. government, to the residents of their respective countries.

As of September 30, 2022, the Central Bank's net international reserves increased 22.5% to US$13.8 billion from US$12.9 billion as of September 30, 2021. Such increase in net international reserves is partly explained by a net purchase of foreign currency implemented by the Central Bank to maintain the relative stability of the peso, as well as by an increase in government deposits driven by the placement of bonds in the international markets.

As of September 30, 2022, the nominal DOP/U.S. exchange rate was DOP53.35 per US$1.00, an appreciation of 6.6% compared to the last business day of 2021.

The Monetary System

Monetary Policy

Following the monetary easing measures implemented in connection with the COVID-19 pandemic, the Central Bank embarked on a tightening cycle starting in November 2021 by means of a 50 basis point increase to the monetary policy rate ("MPR") followed by a 100 basis point increase in December 2021, as well as with liquidity management measures to counteract the more persistent inflationary pressures driven by exogenous factors, such as international geopolitical conflicts and the global cost shock, as well as strong domestic demand. In 2022, the Central Bank decided to increase the MPR by 50 basis points, 50 basis points, 100 basis points, 75 basis points and 50 basis points at its January, March, May, June and July meetings, respectively, and by 25 basis points at each of its August, September and October meetings. As of November 30, 2022, the MPR stood at 8.50% per annum, accumulating a 550 basis point increase since October 2021. In addition, excess liquidity in the financial system has been reduced by means of open market operations and as a result of the gradual repayment of the loans that had been granted through financial institutions in response to the COVID-19 pandemic.

In the Dominican financial system, the weighted average lending rate charged by commercial banks was 13.74% per annum as of September 30, 2022, representing an increase of 441 basis points from the rate observed as of September 30, 2021. Additionally, interest rates paid on peso deposits during the nine-month period ended September 30, 2022 were 8.27% per annum, representing an increase of 604 basis points as compared to the rate observed as of September 30, 2021.

Inflation and Credit Growth

For 2022, the Central Bank established a medium-term inflation target of 4.00%, within a range of plus or minus 1.00%. During the first four months of 2022, inflation continued to be influenced by the persistence of external and internal factors, temporarily deviating from its expected course and reaching a peak of 9.64% year-on-year in April 2022. The upward inflation dynamics were mostly explained by the supply shocks associated with higher prices of oil and other commodities, as well as the increase in freight costs related to container shortages, and other supply chain disruptions arising from the COVID-19 pandemic, coupled with the impact of the Russia-Ukraine conflict. These supply constraints resulted in significant increases in the cost of imported raw materials and finished products, as well as domestic fuel prices and basic food products. In addition, domestic inflation was affected by second-round effects from the external factors and by domestic demand pressures.

However, since April 2022, the price gauge has shown a downward trend, with inflation standing at 7.58% in November 2022. The decrease in inflation has resulted partly from the Central Bank's tightening of monetary policy, as well as the Government's fuel subsidy policies and measures to curb the impact of increases in the price of agricultural production's inputs. Additionally, starting in the second half of 2022, external inflationary pressures have moderated as international oil and food prices and freight costs began to decrease. The stability of the peso also limited the pass through of external inflationary pressures to domestic prices. For more information on inflation, see "The Monetary System—Inflation."

Credit to the private sector in pesos continued to grow during 2022, influenced by the growth momentum in the real sector. As of September 30, 2022, private lending in pesos amounted to DOP1,311.8 billion (US$24.6 billion), which represented an increase of DOP168.0 billion (US$3.1 billion), or 14.7%, as compared to the same period in 2021. In particular, this dynamic reflects the increase in credit to households and economic sectors such as manufacturing, construction, commerce and micro-, small- and medium-sized enterprises.

Financial System and Reforms

As of September 30, 2022, the financial system had total assets of US$55.2 billion, aggregate loan balances of US$28.2 billion and total deposits of US$42.5 billion, as compared to US$46.7 billion, US$22.8 billion and US$28.6 billion, respectively, as of September 30, 2021.

As of September 30, 2022, the capital adequacy ratio of the financial system as a whole was 17.4%, which is higher than the 10% minimum required pursuant to the Monetary and Financial Law, and the financial system had a capital surplus of US$2.6 billion, as compared to 19.9% and US$2.5 billion, respectively, as of September 30, 2021. The 2.4 percentage point decrease in the capital adequacy ratio of the financial system resulted from the phasing out of the flexibility regime adopted in response to the COVID-19 pandemic, which had temporarily assigned a zero weight to certain loans, resulting in an increase in the total amount of risk weighted assets. Despite this decrease, the capital adequacy ratio remained at the same level as the average for the 2014-2019 period.

As of September 30, 2022, the loan portfolio of the financial system consisted mainly of loans to individuals (26.8%), the housing sector (13.2%), wholesale & retail trade (13.2%), construction (5.3%) and manufacturing (7.6%).

In September 2022, the financial system had a non-performing loan ratio of 1.20% (as compared to the 1.85% level corresponding to the average non-peforming loan ratio for the month of September for the previous five years), and provisions that cover 4.2% of the loan portfolio outstanding, as compared to 1.5% and 4.8%, respectively, in September 2021.

The following tables set forth information regarding loans of the Republic's financial system by risk category and past-due loans by type of institution as of September 30, 2022.

The Dominican Financial System — Past-Due Loans

(as a % of total loans)

	As of September 30, 2022		
	Loans 31-90 days past due[1]	**Loans >90 days past due**[1]	**Total past-due loans**[1]
Commercial banks[2]	0.1	0.8	0.9
Savings and loans associations	0.1	1.3	1.4
Saving and credit banks	0.2	1.7	1.9
Credit corporations	0.5	1.3	1.8
Government-owned financial institutions[3]	—	0.2	0.2
Total past-due loans	**0.1**	**0.9**	**1.0**

(1) Includes outstanding principal only.
(2) Includes *Banco de Reservas*.
(3) Includes *Banco Nacional de las Exportaciones* ("BANDEX").
Source: Central Bank.

The Dominican Financial System — Loan-Loss Reserve by Type of Financial Institutions

	As of September 30, 2022	
	Loan-Loss reserve by type of financial institution	
	As a % of past-due loans[1]	As a % of total loans[1]
Commercial banks[2]	484.8	4.3
Savings and loans associations	250.4	3.4
Saving and credit banks	184.4	3.5
Credit corporations	139.4	2.6
Government-owned financial institutions[3]	788.1	2.1
Total loan-loss reserves	**431.9**	**4.2**

(1) As a percentage of loans past due 90 days or more. Includes outstanding principal only.
(2) Includes *Banco de Reservas*.
(3) Includes BANDEX.
Source: Central Bank.

Average return on equity of the financial system as a whole was 22.7% and average return on assets was 2.6% in September 2022, as compared to 21.2% and 2.4%, respectively, in September 2021. These indicators show the capacity of financial intermediation entities to generate income, maintain a competitive market position, as well as replenish and increase their portfolios of assets despite the ongoing global economic crisis.

Public Sector Finances

Revised 2022 Budget

On September 29, 2022, Congress enacted Law No. 351-22 (the "Revised 2022 Budget"), introducing modifications to Law No. 345-21 which approved the Republic's 2022 Budget Law (the "2022 Budget"). Under the Revised 2022 Budget total Budgetary Government revenues (including grants) are estimated at US$17.0 billion, or 15.1% of estimated 2022 GDP, implying an increase in revenue projections of 7.6% when compared to the 2022 Budget, and of 11.5% in relation to total Budgetary Government revenues in 2021.

The Revised 2022 Budget adjusts for improvements in projections in key macroeconomic variables that affect tax revenue, such as real GDP growth and international gold and fuel prices. Moreover, the Revised 2022 Budget incorporates the trend in revenues observed through July, as well as additional income expected from transfers, contributions and dividends from other public sector institutions, including *Banco de Reservas* and *Fondo Patrimonial de las Empresas Reformadas* (Reformed Enterprise Equity Fund).

Principal Budgetary Assumptions for 2022 used to prepare the Revised 2022 Budget

Projected real GDP growth rate	5.0%
Projected annual inflation rate (+/- 1%)	8.5%
Projected annual exchange rate	DOP56.60 per U.S. dollar
Projected annual WTI oil price	US$102.5 per barrel
Projected annual price of gold	US$1,880.0 per ounce
Projected external financing sources	US$4,037.6 million
Projected domestic financing sources	US$1,584.5 million

Sources: Revised 2022 Budget, and its respective complementary documents. These assumptions are made by the Republic for planning purposes for the Revised 2022 Budget. Actual results may be materially different.

The following table sets forth certain information regarding the Republic's fiscal accounts for the periods presented.

Fiscal Accounts(1)

(in millions of US$ and as a % of GDP, at current prices)

	2021 (1) (2)		Revised 2022 Budget(3)		For the Nine-Month Period ended September 30, 2021		2022(1)	
	US$	**%**	**US$**	**%**	**US$**	**% (4)**	**US$**	**% (5)**
Budgetary Government (6)								
Revenues:								
Taxes	13,518.1	14.3	15,190.8	13.9	9,879.1	10.5	11,776.1	10.4
Other revenues (7)	1,174.0	1.2	1,382.9	1.3	851.6	0.9	1,039.5	0.9
Total revenues	**14,692.2**	**15.5**	**16,573.7**	**15.2**	**10,730.8**	**11.4**	**12,815.6**	**11.3**
Expenses:								
Compensation of employees	4,125.6	4.4	4,603.3	4.2	2,736.2	2.9	3,369.5	3.0
Use of goods and services	1,963.8	2.1	2,400.6	2.2	1,395.0	1.5	1,240.1	1.1
Interest	2,934.5	3.1	3,290.2	3.0	2,427.0	2.6	2,629.9	2.3
To non-residents	1,604.1	1.7	1,977.7	1.8	1,359.9	1.4	1,583.5	1.4
To residents	1,330.4	1.4	1,312.4	1.2	1,067.5	1.1	1,046.4	0.9
***of which*: Central Bank recapitalization**	211.4	0.2	—	—	137.0	0.1	140.4	0.1
Subsidies	1,325.7	1.4	2,296.1	2.1	570.4	0.6	1,657.2	1.5
***of which*: CDEEE**	827.8	0.9	1,431.0	1.3	401.6	0.4	880.0	0.8
Grants	3,135.8	3.3	3,040.9	2.8	2,017.5	2.1	2,192.5	1.9
***of which*: to other general government units**	3,088.0	3.3	3,027.2	2.8	1,974.0	2.1	2,183.8	1.9
Social benefits	1,611.7	1.7	1,847.9	1.7	1,124.2	1.2	1,249.1	1.1
Other expenses	1,012.6	1.1	1,296.9	1.2	460.6	0.5	923.8	0.8
***of which*:**								
Central Bank recapitalization	—	—	—	—	—	—	360.9	0.3
Infrastructure projects	803.1	0.8	561.0	0.5	225.3	0.2	294.2	0.3
Total expenses	**16,109.7**	**17.0**	**18,775.9**	**19.4**	**10,730.8**	**11.4**	**13,262.1**	**11.7**
Gross operating balance	**(1,417.6)**	**(1.5)**	**(2,202.2)**	**(4.2)**	**(0.1)**	—	**(446.5)**	**(0.4)**
Gross investment in non-financial assets	1,437.2	1.5	1,778.7	1.6	463.9	0.5	838.4	0.7
Expenditures	**17,547.0**	**18.6**	**20,554.7**	**21.1**	**11,194.7**	**11.8**	**14,100.6**	**12.4**
of which:								
Capital expenditures	2,671.7	2.8	2,726.0	2.5	918.1	1.0	1,356.0	1.2
Primary expenditures	14,612.5	14.1	17,264.5	13.7	8,767.7	9.3	11,470.6	10.1
Primary balance	**174.2**	**1.6**	**(690.8)**	**1.5**	**2,144.5**	**2.3**	**1,752.3**	**1.5**
Statistical discrepancy(8)	94.5	0.1	—	—	181.4	0.2	407.4	0.4
Net borrowing rest of NFPS	187.0	0.2	—	—	135.7	0.1	673.6	0.6
Net borrowing NFPS(9)	**(2,573.3)**	**(2.7)**	(3,980.9)	(3.7)	**(146.8)**	**(0.2)**	**(204.0)**	**(0.2)**
Net borrowing(10)	**(2,760.3)**	**(2.9)**	**(3,980.9)**	**(3.7)**	**(282.6)**	**(0.3)**	**(877.6)**	**(0.8)**
Quasi-fiscal balance(11)	(1,235.6)	(1.3)	(981.4)	(0.9)	(917.6)	(1.0)	(744.7)	(0.7)
Consolidated public sector balance	**(3,808.9)**	**(4.0)**	**(4,962.4)**	**(4.6)**	**(1,064.4)**	**(1.1)**	**(948.7)**	**(0.8)**
GDP (at current prices)	**94,523.7**		**109,045.4**		**94,523.7(12)**		**113,259.6(13)**	

(1) Preliminary data.
(2) Figures correspond to actual 2021 information.
(3) Figures correspond to budget as amended in September 2022 pursuant to law No.351-22.
(4) Percentage relates to total amount as of September 30, 2021, in terms of annual GDP.
(5) Percentage relates to total amount as of September 30, 2022, in terms of annual estimated GDP.
(6) Budgetary Government corresponds to all entities within the central government of the Dominican Republic, which consists of the legislative, judicial and executive branches, and its authorized representatives.
(7) Includes social security contributions, grants and other revenues related to sales of goods and services, interest and other types of property income, voluntary transfers in cash or in kind other than grants, fines and penalties.
(8) Difference between financing below the line and the overall fiscal balance registered above the line.
(9) Includes electricity distribution companies (CDEEE, EGEHID, ETED, EdeNorte, EdeSur and EdeEste).
(10) Includes "Statistical Discrepancy."
(11) Includes interest payments on Central Bank recapitalization bonds and direct transfers for that purpose according to Law No. 167-07.
(12) Data corresponds to annual information for the year ended December 31, 2021, based on the Macroeconomics Framework from August, 2022.
(13) Data corresponds to estimated information for the whole year, based on the Macroeconomics Framework from November 2022.

Sources: Revised Budget for 2022 and Central Bank.

In November 2022, the Ministry of Economy, Planning and Development published a report updating the estimated GDP for 2022 (at current prices) to US$113,259.6 million.

In the nine-month period ended September 30, 2022, total Budgetary Government revenues (including grants) amounted to US$12.8 billion (equivalent to 11.3% of estimated 2022 GDP), representing 75.0% of projected total revenues and grants as set forth in the Revised 2022 Budget. This result is 19.4% higher than total Budgetary Government revenues (including grants) for the nine-month period ended September 30, 2021, mainly due to better fiscal performance related to the phasing out of the restrictions to combat the spread of COVID-19. During the nine-month period ended September 30, 2022, there was a surge in taxable transactions, an increase in the number of employees subject to personal income tax, a rise in the values and volume of imported goods and an upward adjustment of the advanced corporate income tax. Moreover, the Government received US$116.1 million of extraordinary revenues, of which 76.9% corresponded to settlement payments in connection with call options acquired in April 2021 to hedge against an increase in the international price of natural gas.

During the nine-month period ended September 30, 2022, primary expenditures amounted to US$11.5 billion (10.1% of GDP), representing 66.4% of annual primary expenditures in the Revised 2022 Budget. During the nine-month period ended September 30, 2022, total expenditures amounted to US$14.1 billion (12.4% of GDP), representing 68.6% of the total annual expenditures set forth in the Revised 2022 Budget, compared to US$11.2 billion (11.8% of GDP) for the same period in 2021. Consumption expenditures amounted US$4.6 billion (4.1% of GDP) during the period and increased by 11.8% compared to the same period in 2021. During the nine-month period ended September 30, 2022, capital expenditures increased by 47.7% and subsidies increased by 190.5%, in each case as compared to the same period in 2021. The sharp increase in subsidies resulted from the measures put in place by the Government to mitigate the impact on the Dominican population of higher commodity prices.

2023 Budget

On December 8, 2022, Congress enacted Law No. 366-22 which approved the Republic's budget for fiscal year 2023 (the "2023 Budget"). Under the 2023 Budget, Government revenues are estimated at US$18.3 billion (15.1% of GDP), a 10.9% increase as compared to revenues in 2022. Government expenditures are estimated at US$21.9 billion (18.1% of GDP), a 19.2% increase as compared to expenditures in 2022. As a result, the estimated fiscal deficit for 2023 amounts to 3.0% of GDP.

Principal Budgetary Assumptions used to prepare the 2023 Budget

Projected real GDP growth rate	4.8%
Projected annual inflation rate (+/- 1%)	4.75%
Projected annual exchange rate	DOP56.95 per U.S. dollar
Projected annual WTI oil price	US$89.1 per barrel
Projected annual price of gold	US$1,779.2 per ounce
Projected external financing sources (including estimated proceeds from this offering)	US$4,774.7 million
Projected domestic financing sources	US$1,603.9 million

Public Sector Debt

On February 22, 2022, the Republic conducted a new money and liability management transaction pursuant to which it issued (i) US$1.8 billion principal amount of its bonds due 2029, which accrue interest at a rate of 5.500% per year, payable semi-annually in arrears in U.S. dollars, and (ii) US$1.8 billion principal amount of its bonds due 2033, which accrue interest at a rate of 6.000% per year, payable semi-annually in arrears in U.S. dollars. Approximately US$1.3 billion of the net proceeds of this issuance were applied to purchase (i) certain of the Republic's U.S. dollar-denominated Dominican-law governed bonds due 2023 and (ii) certain of the Republic's U.S. dollar-denominated foreign-law governed bonds due 2024. As a result of this transaction, the cost of debt of the bond portfolio in U.S. dollars decreased 3 basis points, and the average maturity of the Republic's U.S. dollar-denominated bond portfolio increased from 16.0 to 16.3 years, with a decrease of US$1.1 billion in total public debt service for the 2022-2024 period.

As of September 30, 2022, the principal amount of consolidated public sector debt represented 60.0% of estimated GDP for 2022. As of September 30, 2022, the principal amount of financial public sector debt represented 15.7% of estimated GDP for 2022, and non-financial public sector debt outstanding represented 46.5% of estimated

GDP for 2022 (including intragovernmental debt, representing 2.2% of estimated GDP for 2022, which is netted from the principal amount of consolidated public sector debt).

As of September 30, 2022, the Republic's public sector external debt totaled US$37.3 billion, representing 32.9% of estimated GDP for 2022 compared to US$34.1 billion as of September 30, 2021. As of September 30, 2022, the Republic's public sector external debt was comprised of the following:

- outstanding bonds in an aggregate principal amount of US$27.8 billion (compared to US$24.6 billion as of September 30, 2021), which represented 74.5% of the Republic's total public external debt at that date;
- debt owed to official, multilateral and bilateral creditors in an aggregate principal amount of US$9.5 billion (compared to US$9.4 billion as of September 30, 2021), which represented 25.5% of the Republic's total public external debt at that date; and
- debt owed to other private creditors in an aggregate principal of US$5.9 million (compared to US$6.0 million as of September 30, 2021), which represented less than 0.1% of the Republic's total public external debt at that date.

As of September 30, 2022, the Republic's net domestic debt totaled the equivalent of US$30.7 billion, representing 27.1% of estimated GDP for 2022 compared to US$26.2 billion as of September 30, 2021. As of September 30, 2022, the Republic's public sector domestic debt was primarily comprised of the following:

- the equivalent of US$17.0 billion outstanding principal amount in certificates issued by the Central Bank (as compared to US$14.1 billion as of September 30, 2021) representing 55.3% of total net domestic debt outstanding at that date;
- the equivalent of US$15.8 billion outstanding principal amount of bonds issued by the Budgetary Government in the local market denominated in pesos and U.S. dollars (as compared to US$13.9 billion as of September 30, 2021), representing 51.4% of total net domestic debt outstanding at that date, of which the equivalent of US$2.5 billion were used for the recapitalization of the Central Bank (as compared to US$2.4 billion as of September 30, 2021), which is considered intra-governmental debt, and, thus, is deducted for purposes of calculating total net domestic debt outstanding;
- the equivalent of US$349.2 million outstanding principal amount of loans due to commercial banks by other public sector institutions (as compared to US$444.1 million as of September 30, 2021) representing 1.1% of total domestic debt outstanding at that date; and
- the equivalent of US$96.2 million outstanding principal amount of loans due to banks by the Budgetary Government (compared to US$198.3 million as of September 30, 2021), representing 0.3% of total net domestic debt outstanding at that date, of which the equivalent of US$15.3 million consists of a credit facility granted by the Central Bank to the Government for the financing of expenditures in connection with natural disasters, which is considered intra-governmental debt and, thus, is deducted for purposes of calculating total net domestic outstanding debt.

As of September 30, 2022, non-financial public sector external debt represented 32.2% of estimated GDP for 2022, while domestic debt represented 14.3% of estimated GDP for 2022 compared to 35.3% and 15.2% of 2021 GDP, respectively, as of December 31, 2021. As of September 30, 2022, the average time to maturity of the non-financial public sector was 10.9 years, compared to 11.5 years as of December 31, 2021. The Republic has reduced its exposure to interest rate volatility by decreasing the percentage of variable rate debt from 12.0% in 2021 to 11.6% as of September 30, 2022. The average interest rate payable on the debt increased from 6.5% to 7.0%.

Other Developments

On February 20, 2022, the Republic started to build a smart border fence system along the border with Haiti, with the aim of achieving a better oversight over legal and illicit trade and other activities that take place in the area.

On March 22, 2022 and January 5, 2023, the Internal Revenue Agency published General Standards No. 05-22 and 01-23, respectively, extending the agricultural sector's exemption from income tax advance payments, tax on assets, and income tax withholding for 2022 and 2023, respectively, with the aim of mitigating the economic effects of the COVID-19 pandemic and creating favorable conditions for development for the sector.

On April 27, 2022, in response to the increased prices of raw materials and inputs driven by higher freight costs and international commodity prices, Congress enacted Law No. 06-22, which eliminated, during a six-month period, tariffs for certain goods that affect the cost of food and are part of the basic food basket with the aim of stabilizing or reducing local food prices and ensuring food security for Dominican families.

On August 30, 2022, the Internal Revenue Agency published General Standard No. 10-22, establishing the guidelines for the implementation of the mutual agreement procedure provisions of international agreements to avoid double taxation and prevent tax evasion.

On October 3, 2022, the Internal Revenue Agency published General Standard No. 11-22, on the granting of benefits contained in International Agreements to Avoid Double Taxation, establishing the guidelines for the application of the provisions on current international agreements signed by the Dominican Republic to avoid double taxation and prevent tax evasion, including the granting of benefits contemplated therein.

THE OFFERING

The following summary contains basic information about the bonds and is not intended to be complete. It does not contain all the information that is important to you. For a more complete description of the bonds, see "Description of the Bonds."

Issuer	The Dominican Republic.
Securities Offered	DOP62,282,850,000 aggregate principal amount of 13.625% Bonds due 2033.
Issue Price for the Bonds	100.000%, plus accrued interest, if any, from February 3, 2023. The Issue Price will be payable in U.S. dollars based on an exchange rate for the conversion of pesos into U.S. dollars of DOP56.6207 per US$1.00, which was the Representative Market Rate in effect on January 27, 2023.
Final Maturity Date	February 3, 2033, unless earlier redeemed in accordance with the terms of the bonds.
Principal	The Republic will make payment of principal on the bonds on the relevant final maturity date.
Interest Rate	Interest on the bonds will accrue from February 3, 2023, on the outstanding principal amount of the bonds, at a rate of 13.625% per year, payable in U.S. dollars calculated as described below.
Interest Payment Dates	Each February 3 and August 3, commencing on August 3, 2023.
Conversion of Payment Amounts	All amounts due in respect of principal and interest on the bonds will be paid in U.S. dollars, as calculated by the calculation agent by converting the peso amounts into U.S. dollars at the Observed Exchange Rate on the applicable Rate Calculation Date. See "Description of the Bonds—General Terms of the Bonds."
Form and Denominations	The Republic will issue the bonds in the form of global bonds, without coupons, registered in the name of a nominee of DTC, as depositary, for the accounts of its participants (including Euroclear and Clearstream). Bonds in definitive certificated form will not be issued in exchange for the global bonds except under limited circumstances. See "Book-Entry Settlement and Clearance." Any bonds sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act will be issued in fully registered form, without interest coupons attached, in minimum denominations of DOP8,000,000 and in integral multiples of DOP50,000 in excess thereof. Any bonds sold pursuant to Rule 144A under the Securities Act will be issued in fully registered form, without interest coupons attached, in minimum denominations of DOP8,000,000 and integral multiples of DOP50,000 in excess thereof.
Sinking Fund	The bonds will not have the benefit of any sinking fund.
Optional Redemption	The bonds will be subject to redemption at the option of the Republic before maturity. For more information, see "Description of the Bonds—Optional Redemption."
Status	The bonds will be direct, general, unconditional and unsubordinated Public External Debt of the Republic for which the full faith and credit of the Republic is pledged. The bonds rank and will rank without any preference among themselves and equally with all other

	unsubordinated Public External Debt of the Republic. It is understood that this provision shall not be construed so as to require the Republic to make payments under the bonds ratably with payments being made under any Public External Debt of the Republic. See "Description of the Bonds—Status."
USD Offering	Concurrently with this offering, the Republic is also offering US$700,000,000 principal amount of 7.050% bonds due 2031 (the "dollar-denominated bonds") as debt securities under the indenture. The Republic will apply to list the dollar-denominated bonds on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market.
Covenants	The Republic will not allow any Lien (other than Permitted Liens) on its assets or revenues as security for any of its Public External Debt, unless the Republic's obligations under the bonds are secured equally and ratably with that Public External Debt. See "Description of the Bonds—Negative Pledge Covenant" and "—Defined Terms." The Republic has agreed to comply with several other covenants as described under "Description of the Bonds."
Listing...	Application will be made to list the bonds on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market.
Transfer Restrictions; Absence of a Public Market for the Bonds	The bonds have not been and will not be registered under the Securities Act and will be subject to restrictions on transferability and resale. The bonds will be new securities and there is currently no established market for the bonds. The Republic and the initial purchasers cannot assure you that a liquid market for the bonds will develop or be maintained. The initial purchasers have advised the Republic that they currently intend to make a market in the bonds. However, the initial purchasers are not obligated to do so, and any market making with respect to the bonds may be discontinued without notice.
Tender Offer	On January 24, 2023, the Republic launched an offer to purchase (the "Tender Offer") a portion of its outstanding 8.900% Bonds due 2023 (the "Existing Bonds"). The initial purchasers are acting as dealer managers for the Tender Offer. In addition, the initial purchasers may tender Existing Bonds they hold in the Tender Offer and receive the proceeds from this offering in payment thereof.
Use of Proceeds...	The Republic intends to use a portion of the net proceeds from the sale of the bonds offered pursuant to this offering memorandum to pay the consideration for the Existing Bonds that are validly tendered and accepted in the Tender Offer, and the remainder for general purposes of the Government of the Republic, including the partial financing of the 2023 Budget.
Risk Factors..	An investment in the bonds involves a high degree of risk. Before deciding to purchase the bonds, you should read carefully all the information contained in this offering memorandum, including, in particular, the "Risk Factors" section beginning on page 16 of this offering memorandum.

Taxation	The Republic will make all interest payments on the bonds without withholding or deducting any Dominican taxes, unless required by law. If Dominican law requires the Republic to withhold or deduct taxes, the Republic will pay bondholders, subject to certain exceptions, additional amounts to provide the equivalent of full payment of interest due on the bonds to bondholders. See "Description of the Bonds—Additional Amounts" and "Taxation" for important information regarding possible tax consequences to holders of the bonds.
Trustee, Principal Paying Agent, Transfer Agent, Registrar and Calculation Agent	The Bank of New York Mellon
Luxembourg Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Governing Law	State of New York

RISK FACTORS

An investment in the bonds involves a high degree of risk. Before deciding to purchase the bonds, you should read carefully all of the information contained in this offering memorandum, including in particular, the following risk factors. We believe the following risks and uncertainties may adversely affect the market value of the bonds or our ability to fulfill our obligations under the bonds. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently do not believe are material may also adversely affect us.

Risks Relating to the Republic

The continuation of the pandemic caused by the coronavirus could continue to have an adverse effect on our economy.

In December 2019, a novel form of pneumonia first noticed in Wuhan, Hubei province (COVID-19, caused by a novel coronavirus) was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China. On March 11, 2020, the World Health Organization characterized the COVID-19 as a pandemic. Governments have undertaken several measures across the world to control the coronavirus, including mandatory quarantines and travel restrictions.

The measures implemented in 2020, together with lower external demand and tighter international financial conditions, resulted in a slowdown in economic activity (real GDP contracted by 6.7% in 2020). Since the outbreak of the COVID-19 pandemic, the Government has deployed various initiatives to address public health as well as various aspects of the economy specifically affected by the pandemic. In the medium to long term, the spread of COVID-19, if prolonged, could have further adverse effects on the Dominican economy.

For further information, see "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic."

The Dominican economy may further contract in the future, which could have a material adverse effect on public finances and on the market price of the bonds.

Economic growth depends on a variety of factors, including, among others, international demand for Dominican exports and services (mainly tourism), the stability and competitiveness of the peso against foreign currencies, confidence among Dominican consumers and foreign and domestic investors and their rates of investment in the Republic, the amount of remittances, the willingness and ability of businesses to engage in new capital spending and the rate of inflation. Some of these factors are outside the Republic's control. An economic contraction could result in a material decrease in the Republic's revenues, which in turn would materially and adversely affect the ability of the Republic to service its public debt, including the bonds.

From 2017 to 2021, the Dominican economy experienced an annual average GDP growth rate of approximately 4.5%. In particular, while the Dominican economy experienced an economic contraction of 6.7% in 2020 due to the COVID-19 outbreak, real GDP expanded by 12.3% in 2021. The Republic cannot offer any assurance that the Dominican economy will continue to grow in the future.

The Republic may be unable to obtain financing on satisfactory terms in the future, which could adversely affect its ability to service its public debt, including the bonds.

The Republic's future fiscal results (i.e., tax receipts excluding interest payments on the Republic's public debt) may be insufficient to meet its debt service obligations and the Republic may have to rely in part on additional financing from domestic and international capital markets in order to meet future debt service obligations. In the future, the Republic may not be able or willing to access international or domestic capital markets, and the Republic's ability to service the Republic's public debt, including the bonds, may be adversely affected.

The Republic relies on multilateral lenders for financing certain projects and to finance budget shortfalls, including the IDB and the World Bank. The IDB was the Republic's largest single lender as of December 31, 2021. In certain cases, disbursements under these financing arrangements are subject to compliance by the Republic with specific fiscal, performance and other targets. Failure to comply with these undertakings may result in the suspension of disbursements under such financing arrangements with bilateral and multilateral lenders, which may materially affect the Republic's economic condition and access to sources of financing. See "Public Sector Debt—External Debt—Debt Owed to Official Institutions."

A significant decrease in remittances from Dominicans living abroad may adversely affect the ability of the Republic to service its external debt.

Remittances from Dominicans living abroad are a significant source of foreign exchange to the Republic, providing a portion of the foreign currency required to purchase imports and service external debt, and are a significant source of net transfers to the Republic's current account. Remittances totaled US$5.9 billion in 2017, US$6.5 billion in 2018, US$7.1 billion in 2019, US$8.2 billion in 2020, US$10.4 billion in 2021 and US$7.3 billion in the nine months ended September 30, 2022. There can be no assurance that the level of remittances to the Republic will not decrease significantly in the future as a result of a reduction in the number of Dominicans abroad, contraction in the source markets, or for any other reason. A significant decrease in remittances may lead to depreciation of the peso, and negatively affect the ability of the Republic to meet its external debt obligations, which in turn could affect the market for the bonds.

Volatility in the exchange rate between pesos and the U.S. dollar may adversely affect the Dominican Republic's economy and its inflation levels, which could adversely affect the country's ability to service its public debt.

Exchange rate volatility is a matter of concern for economic agents, mainly because of its pass-through effects on domestic prices. The peso has depreciated in the past and may depreciate significantly in the future. As a result, exchange rate depreciation may increase the Republic's cost of servicing its debt obligations denominated in foreign currency. Exchange rate appreciation may increase the cost of Dominican exports, which could reduce the country's ability to receive foreign currency, thus adversely affecting the ability of the Dominican Republic to service its public debt.

In order to mitigate the unfavorable effects of exchange rate volatility, the Central Bank intervenes from time to time in the foreign exchange market to achieve the Government's monetary policy and to avoid excessive volatility in the prevailing exchange rate. The Central Bank has an exchange market intervention framework that aims to keep the exchange rate level around its long-term equilibrium value, consistent with the fundamentals of the Republic's economy and its inflation targeting scheme. There can be no assurance, however, that these measures will be sufficient to prevent or manage exchange rate volatility.

The Dominican economy is vulnerable to external shocks, which could have a material adverse effect on economic growth and the Republic's ability to make payments on its debt, including the bonds.

A decline in the economic growth of any of the Republic's major trading partners, especially the United States, could have a material adverse effect on the Republic's balance of trade and adversely affect the Republic's economic growth. As of the date of this offering memorandum, the United States is the Republic's largest export market. The decline in demand for Dominican imports in the United States may have a material adverse effect on exports and the Republic's economic growth. In addition, because international investors' reactions to the events occurring in one emerging market economy sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavored by international investors, the Republic could be adversely affected by negative economic or financial developments in other emerging market countries. Economic conditions in the Republic may also be affected by political developments in the United States. The Republic cannot assure you that events affecting other countries or markets will not have a material adverse effect on the Republic's growth and its ability to service its public debt, including the bonds.

The performance of the Dominican economy and, consequently, the Republic's ability to make payments on its debt, including the bonds, may be adversely affected by geopolitical developments, such as the conflict between Russia and Ukraine.

The Russia-Ukraine conflict contributed to the upward pressure on global prices for certain commodities, including oil and gas, and adversely affected conditions in the international capital markets. The effects of the conflict could materially affect the performance of the Republic, a commodity-importing economy, and, as a result, negatively affect the Republic's ability to service its public debt, including the bonds.

The Republic relies heavily on foreign oil and oil products supplies, which may be disrupted or experience an increase in cost in the future.

The Republic is dependent on oil imports to satisfy domestic energy consumption. The September 2022 amendment to the Budget for 2022 was prepared assuming an average price per barrel of US$102.50 in the international market. The average price for import per barrel of oil into the Dominican Republic was US$55.22 during 2017, US$69.16 during 2018, US$61.81 during 2019, US$43.12 during 2020, US$70.62 during 2021 and US$107.15 during the nine-month period ended September 30, 2022. Any disruption in oil supply or increases in the cost of crude oil resulting, for example, from political or social instability or armed conflict in oil-producing states, such as Venezuela and countries in the Middle East, may have a material adverse effect on the Dominican economy and the achievability of the 2022 Budget and could adversely affect the Republic's ability to service its public debt generally, including the bonds.

A significant rise in interest rates in developed economies such as the United States could have a material adverse effect on the economies of the Dominican Republic's trading partners and adversely affect Dominican economic growth and the ability of the Republic to service its public debt, including the bonds.

In the face of persistent inflationary pressures, the U.S. Federal Reserve increased its benchmark interest rate by 25 basis points and 50 basis points at its March 2022 and May 2022 meetings, respectively, by 75 basis points at each of its June 2022, July 2022, September 2022 and November 2022 meetings and by 50 basis points at its December 2022 meeting, reaching 4.5% as of December 31, 2022. If the U.S. Federal Reserve and/or other major central banks continue to increase interest rates, the Republic's trading partners could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. Decreased growth on the part of the Republic's trading partners could have a material adverse effect on the markets for Dominican exports and, in turn, adversely affect the Dominican economy. An increase in interest rates in developed economies would also increase the Republic's debt service requirements with respect to its debt obligations that accrue interest at floating rates and would increase the rate that the Republic pays on its new borrowings in foreign currencies, including the U.S. dollar, which could adversely affect the ability of the Republic to service its public debt generally, including the bonds.

The financial deficit in the electricity sector could have a material adverse impact on the Republic's economic growth and, ultimately, on the Republic's ability to service its public debt, including the bonds.

In the past, electricity generators and distributors in the Republic have been beset by financial problems that have resulted in frequent blackouts, widespread public protests and several temporary and permanent shutdowns of generating facilities. Distributors, which have experienced financial difficulties because of late payments and collection problems, have been unable to meet all of their payment obligations to generators, which have consequently incurred significant debt to finance operations.

The Government has provided annual subsidies to cover operating deficits resulting from increases in fuel costs and inefficiencies in collections and operations. During 2021, the current deficit for the electricity sector was US$470.1 million, representing an increase of 195.6% as compared to the deficit recorded during 2020. For more information, see "The Economy—Principal Sectors of the Economy—Secondary Production—Electricity, Gas and Water—Electricity" and "The Economy—The Electricity Sector—Punta Catalina Thermal Power Plant."

Continued deficits in the electricity sector could have a material adverse impact on the Republic's economic growth and, ultimately, on the Republic's ability to service its public debt, including the bonds.

Volatility in the market price for commodities could have a material adverse effect on the Dominican Republic's economy and adversely affect the ability of the Republic to service its public debt, including the bonds.

The Republic's economy is exposed to commodity price volatility, especially with regards to gold and silver, which accounted for 15.2%, 13.6%, 14.3%, 16.8% and 13.4% of total exports in 2017, 2018, 2019, 2020 and 2021, respectively. Significant drops in the price of those commodities exported by the Republic, such as gold and silver, and increases in prices of other commodities, such as food products and oil, that result in upward inflationary pressures at a global scale and, potentially, in increased subsidies domestically, could have a material adverse effect on the Republic's economy and adversely affect the ability of the Republic to service its public debt, including the bonds.

Stability and growth in the Dominican Republic may be adversely affected if the level of unemployment does not decline.

According to the *Encuesta Nacional Continua de Fuerza de Trabajo* (National Work Force Survey), open unemployment rate stood at 5.5%, 5.7%, 6.2%, 5.8% and 7.4% in 2017, 2018, 2019, 2020 and 2021, respectively. Increases in the rate of unemployment or any failure to reduce unemployment may have negative effects on the

Republic's economy and, as a result, a material adverse effect on the Republic's ability to service its public debt, including the bonds.

Any revision to the Republic's official financial or economic data resulting from any subsequent review of such data by the Central Bank or other government entities could have a material adverse effect on the Republic's ability to service its public debt, including the bonds.

Certain financial and other information presented in this offering memorandum may subsequently be materially adjusted or revised to reflect new or more accurate data as a result of the periodic review of the Republic's official financial and economic statistics. Such revisions could reveal that the Republic's economic and financial conditions as of any particular date are materially different from those described in this offering memorandum. The Republic can offer no assurance that such adjustments or revisions will not have a material adverse effect on the interests of the Republic's creditors, including any purchasers of the bonds pursuant to this offer.

Future political support for the Government's economic reform program, including servicing of the external debt, is not assured.

The Abinader administration's party, the *Partido Revolucionario Moderno*, currently controls a majority in both houses of Congress. However, future changes in the political environment, including due to any changes enacted by the Abinader administration or as a result of the general election that is scheduled to take place in 2024, and commodities prices may lead to a shift in economic policy and a reduction in the proportion of the Government's budget devoted to debt service or have other adverse effects on the Republic's ability to meet its debt obligations in the future, including the bonds.

Corruption activity may hinder the growth of the Dominican economy, and ongoing high-profile corruption investigations in the Republic may affect the perception of the Republic and its ability to access financing in the international markets.

The Republic, like other countries in Latin America, has experienced allegations and/or cases of corruption involving members of the Government and other public officials which may have a negative effect on the Republic's reputation and ability to attract foreign investment and international financing, which, in turn, could affect the Republic's economic growth.

As of the date of this offering memorandum, the Dominican judicial system has several high-profile corruption cases relating to the activities of certain Brazilian companies in the energy, infrastructure and transportation sectors, which follow similar investigations conducted by Brazilian and U.S. authorities responsible for corruption and related investigations. Among other matters, there are ongoing proceedings in the Dominican judicial system against (i) six individuals in connection with corruption allegations made with respect to Novonor S.A. – *Em Recuperação Judicial* (Under Judicial Reorganization) (formerly known as Odebrecht S.A.) ("Novonor"), a prominent Brazilian construction company that was awarded a significant number of public works contracts in the Republic (including as a member of the consortium that was awarded the contract to construct the Punta Catalina Thermal Power Plant), (ii) Embraer S.A. ("Embraer"), a Brazilian aerospace conglomerate that produces commercial, military, executive and agricultural aircraft that was awarded a military supply contract in the Republic, along with other individuals and legal entities, and (iii) several former government officials, government contractors and related individuals connected to President Danilo Medina's administration, due to alleged administrative corruption. For further details on, and the current status of, these investigations, see "The Dominican Republic—History, Government and Political Parties—Government."

The outcome of such judicial proceedings, or any other potential high-profile corruption proceeding, and the potential adverse impact on the ability of the relevant companies involved to comply with their obligations to the Government is uncertain. The Republic cannot predict for how long these or other corruption investigations may continue, whether these investigations will have negative effects or whether new allegations against Government officials or other companies with operations in the Republic will arise in the future.

Allegations of or concerns about corruption activity, or actual or alleged violations of applicable anti-corruption, anti-bribery or similar laws and policies by governmental authorities, could materially and adversely impact the Republic's reputation, ability to attract foreign investment and access international financing, any or all of which could have a material and adverse effect on the Republic's economic growth and its ability to make payments on its debt, including the bonds.

Extreme weather conditions, natural disasters and climate change could adversely affect the Republic and its financial condition.

The Republic is located on an island in the Caribbean region, which may be affected by meteorological events and extreme weather conditions from time to time. The location of the Republic often puts it in the path of hurricanes and tropical storms that sweep the region typically between the months of June and November, which have the potential to cause extensive physical and economic damage. The Republic is also located in a geographical area that has experienced earthquakes, such as the January 2020 earthquakes that affected Puerto Rico. A meteorological catastrophe, other extreme weather event or other natural disaster could, among other things, limit access to, damage or destroy one or more of the Republic's properties or parts of its infrastructure, including roads and bridges. A catastrophe or other extreme weather event may also result in disruption to the local economy, and may cause labor, fuel and other resource shortages. In addition, climate change is a threat to the Republic's economy and its future growth prospects. A global increase in the mean temperature is likely to lead to changed precipitation patterns, sea level rises and more frequent extreme weather events, such as prolonged droughts and flooding. The Republic's economy is dependent on climate sensitive sectors, including, for example, agriculture, tourism and energy. Droughts may negatively affect the supply of agricultural commodities, the food supply in general and the generation of hydroelectric power. A change in climate may have several consequences on the Republic, including lower agriculture productivity and damage to coastal infrastructure.

Risks Relating to the Bonds

The Republic is a sovereign state and it may be difficult to obtain or enforce judgments against it.

The Republic is a sovereign state. Consequently, while the Republic has irrevocably submitted to the jurisdiction of U.S. state or federal courts sitting in the Borough of Manhattan, The City of New York, with respect to the bonds, which are governed by New York law, it may be difficult for holders of the bonds or the trustee to obtain or enforce judgments with respect to the bonds from courts in the United States or elsewhere against the Republic. No treaty currently exists between the United States and the Dominican Republic providing for reciprocal enforcement of foreign judgments.

Additionally, while the Republic has, to the fullest extent permitted under applicable law, including the U.S. Foreign Sovereign Immunities Act of 1976 and including the limitation mandated by the Constitution of the Dominican Republic which submits to Dominican law and Dominican courts all agreements executed between the Dominican Government and foreign entities or individuals domiciled in the Dominican Republic, irrevocably waived sovereign or other immunity from jurisdiction with respect to any suit, action or proceeding arising from or relating to the bonds or the Republic's failure or alleged failure to perform any obligations under the bonds (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise), there are important exceptions to this waiver. It may not be possible to enforce in the Republic a judgment based on such a U.S. judgment. In addition, under the laws of the Republic, the property and revenues of the Republic are exempt from attachment or other form of execution before or after judgment. See "Description of the Bonds—Governing Law" and "Description of the Bonds—Submission to Jurisdiction."

Moreover, the Republic has not consented to service or waived sovereign immunity with respect to actions brought against it under the U.S. federal securities laws or any state securities laws. In the absence of a waiver of immunity by the Republic with respect to such actions, it would not be possible to obtain a judgment in such an action brought in a U.S. court against the Republic unless such court were to determine that the Republic is not entitled under the U.S. Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such action. Further, even if a U.S. judgment could be obtained in any such action under the U.S. Foreign Sovereign Immunities Act of 1976, it may not be possible to enforce in the Republic a judgment based on such a U.S. judgment. Execution upon property of the Republic located in the United States to enforce a U.S. judgment may not be possible except under the limited circumstances specified in the U.S. Foreign Sovereign Immunities Act of 1976. See "Enforceability of Civil Liabilities."

There is no assurance that a trading market for the bonds will be established or developed or be maintained, and the price at which the bonds will trade in the secondary market is uncertain.

The bonds will be a new issue of securities with no established trading market. The Republic does not know the extent to which investor interest will support an active trading market for the bonds or how liquid that market may become. If the bonds are traded after their initial issuance, they may trade at a price lower than their principal amount, depending upon prevailing interest rates, the market for similar securities and general economic conditions in the United States, the Dominican Republic and elsewhere.

The Republic will submit an application to list the bonds on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. The bonds cannot be traded on the Euro MTF Market until such time as the application is approved. The Republic cannot assure you that a trading market for the bonds will develop or be maintained or that the price at which the bonds will trade in the secondary market will be sustainable. If an active market for the bonds fails to develop or continue, this failure could harm the trading price of the bonds.

The ability of holders to transfer bonds in the United States and certain other jurisdictions will be limited.

The bonds have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and, therefore, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. These exemptions include offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A. For a discussion of restrictions on resale and transfer, see "Transfer Restrictions" and "Plan of Distribution."

Sovereign credit ratings may not reflect all risks of investment in the bonds.

Sovereign credit ratings are an assessment by rating agencies of the Republic's ability to pay its debts when due. Consequently, real or anticipated changes in the Republic's sovereign credit ratings will generally affect the market value of the bonds. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the bonds. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each credit rating agency's rating should be evaluated independently of any other agency's rating.

Any investment in securities of a sovereign issuer in an emerging market involves significant risks.

The Republic is an emerging market economy and investing in securities of emerging market issuers generally involves risks, including, among others, political, social and economic instability that may affect economic and fiscal results. Instability in the Republic and in other Latin American and emerging market countries has been caused by many different factors, including, among others, the following:

- high interest rates in the United States and financial markets of the Republic;
- devaluation or depreciation of the currency;
- inflation;
- changes in governmental economic, tax or other policies;
- the imposition of trade barriers;
- fluctuations in international fuel prices;
- the impact of hostilities or political unrest in other countries that may affect international trade, commodity prices and the global economy;
- the impact of pandemics, such as the COVID-19 pandemic;
- internal security issues relating to crime; and
- dependence on remittances and tourism.

Any of these factors, as well as volatility in the markets for securities similar to the bonds, may adversely affect the liquidity of, and trading market for, the bonds.

There can be no assurance that any crises such as those described above or similar events will not negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Republic. In addition, there can be no assurance that these events will not adversely affect the

Dominican economy, its ability to raise capital in the external debt markets in the future or its ability to service its public debt.

The bonds will contain provisions that permit the Republic to amend the payment terms of the bonds without the consent of all holders.

The bonds will contain provisions regarding voting on amendments, modifications and waivers which are commonly referred to as "collective action clauses." Under these provisions, certain key terms of the bonds may be amended, including the maturity date, interest rate and other payment terms, without your consent. See "Description of the Bonds—Meetings, Amendments and Waivers."

Risk Relating to Foreign Currency Securities

If the peso depreciates against the U.S. dollar, the effective yield on the bonds will decrease, and the amount payable at maturity may be less than your investment, resulting in a loss to you.

Rates of exchange between the U.S. dollar and the peso have varied over time. Historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends. Currency exchange rates can be volatile and unpredictable. If the peso depreciates against the U.S. dollar, the effective yield on the bonds will decrease and the amount payable at maturity may be less than your investment, resulting in a loss to you. Depreciation of the peso against the U.S. dollar may also adversely affect the market value of the bonds.

Government policy or actions could adversely affect the exchange rate between the peso and the U.S. dollar and an investment in the bonds.

The Republic has a floating exchange rate. However, in order to mitigate the unfavorable effects of exchange rate volatility, the Central Bank intervenes from time to time in the foreign exchange market. Such interventions or other governmental actions could adversely affect the value of the bonds, as well as the yield on the bonds and the amount payable to you at maturity.

Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the Republic or elsewhere could lead to significant and sudden changes in the exchange rate between the peso and the U.S. dollar.

Exchange controls could affect the peso/U.S. dollar exchange rate and the amount payable on the bonds.

The peso/U.S. dollar exchange rate is set by the market, based upon the supply of, and demand for, U.S. dollars. Currently, the Central Bank does not impose any limit on the fluctuation of the free market exchange rate; however, we cannot assure you that any exchange control regulations will not be instituted in the future. In such event, exchange control regulations could cause the value of the peso to depreciate against the U.S. dollar, resulting in a reduced yield to you, a possible loss on the bonds and a possible adverse impact on the market value of the bonds.

USE OF PROCEEDS

The Republic estimates that, after deducting fees, commissions and estimated expenses payable by the Republic, the net proceeds from the sale of the bonds will be approximately DOP62,150.9 million.

The Republic intends to use a portion of the net proceeds from the sale of the bonds to pay the consideration for the Existing Bonds that are validly tendered and accepted in the Tender Offer, and the remainder for general purposes of the Government of the Republic, including the partial financing of the 2023 Budget.

THE DOMINICAN REPUBLIC

Territory and Population

The Dominican Republic is located on the eastern two-thirds of the Caribbean island of Hispaniola, which lies between the islands of Cuba to the west and Puerto Rico to the east, and is situated approximately 670 miles southeast of Florida. Its territory covers an area of approximately 48,442 square kilometers, including a 1,288-kilometer coastline and a 360-kilometer land frontier that it shares with Haiti, which occupies the western portion of the island. The Dominican Republic's major cities are Santo Domingo de Guzmán (the nation's capital), Santiago de los Caballeros, La Vega, San Pedro de Macorís, La Romana and Puerto Plata.

The Dominican Republic has a tropical maritime climate, with average annual temperatures of about 78 degrees Fahrenheit (equivalent to approximately 26 degrees Celsius) and only slight seasonal temperature variations throughout the year. The location of the Dominican Republic often puts it in the path of hurricanes that sweep the Caribbean region between the months of June and November. The occurrence of a major hurricane, and the threat of future hurricanes in the region, could adversely affect the Dominican economy.

The Dominican Republic's population of approximately 11.1 million is multi-racial and multi-cultural, with a predominant Spanish cultural influence. Around 16.8% of the population resides in rural areas. According to the national estimates and projections of total population 2000-2030, based on the national census conducted in 2010, the population grew at an estimated average annual rate of 1.2% in the period from 2000 to 2010, and 1.1% in the period from 2010 to 2021. The Dominican Republic's adult literacy rate is approximately 93.7%. The education system consists of public and private schools that offer pre-school (ages 3-5), primary (ages 6-13), and secondary (ages 14-17) education. There is one public university in the country – the Autonomous University of Santo Domingo, founded in 1538 and the oldest university in the Western Hemisphere – and 31 private universities, which offer undergraduate programs lasting three to five years. The Autonomous University of Santo Domingo and several private universities also offer graduate programs that typically last one to two years. In addition, various private and public institutions offer vocational programs for students who have not completed their secondary education.

The World Bank classifies the Dominican Republic as an upper middle-income developing country. The following table sets forth comparative GDP figures and selected other comparative statistics of the countries listed.

	Dominican Republic	Jamaica	Guatemala	El Salvador	Panama	Colombia	Costa Rica	Mexico	United States
Per capita GDP (PPP)(1)......................	US$20,463	US$10,543	US$9,807	US$9,982	US$31,901	US$16,819	US$23,320	US$20,277	US$69,288
United Nations index of human development (world ranking)(2).........	82	110	133	124	67	88	57	88	21
Life expectancy at birth (in years)(3).......	73	72	72	71	77	75	79	70	77
Literacy rate, adult total (% of people ages 15 and above)(4)......................	95.1%	88.1%	83.4%	90.0%	95.7%	95.6%	98.0%	95.2%	N/A
% of population below the poverty line(5)..	23.8 %	49.5%	55.4%	28.8%	12.1%	44.2%	19.8%	32.5%	1.7%

(1) Data refer to 2021, expressed in current international dollars converted by purchasing power parity (PPP) conversion factor.
(2) Data refer to 2021.
(3) Data refer to 2020.
(4) Data refer to 2020, except for Jamaica (2014), Guatemala and Costa Rica (2021), Panama (2019) and Dominican Republic (2021), in the case of the latter, the data used is from the System of Social Indicators of the Dominican Republic ("SISDOM") prepared by the Ministry of Economy, Planning and Development.
(5) Data refer to 2020, except for El Salvador, Panama and the United States (2019), Jamaica (2004) and Guatemala (2014). Poverty is defined as an income of US$6.85 per day per capita per household, adjusted by differences in the 2017 fixed purchasing power.

N/A = not available.

Sources: World Bank Development Indicators (updated as of December 22, 2022), 2021/2022 United Nations Human Development Report, and SISDOM. Includes data as of the most recent year available for each country.

History, Government and Political Parties

History

Founded as a colony of Spain in 1492, the Dominican Republic was under Spanish rule until 1821, when it declared its independence from Spain. Following a month-long period of independence, the Dominican Republic was invaded by Haiti, which occupied the country until 1844. After successfully waging a battle for independence against Haiti, political factions within the Dominican Republic battled for control, and the country underwent various changes of government, including voluntary annexation to Spain in the 1860s. Factional infighting continued until the United States occupied the country from 1916 to 1924. A democratic government established in 1924 was followed by the military dictatorship of Rafael Leonidas Trujillo, who ruled the Dominican Republic from 1930 until he was assassinated in 1961. A brief period of political instability followed during which the Dominican Republic was governed by a series of different factions and was subject to foreign military intervention under the auspices of the Organization of American States.

Juan Bosch, then leader of the *Partido Revolucionario Dominicano* (the Dominican Revolutionary Party, or the "PRD"), and a reformist social-democratic politician, was elected President in 1962. In September 1963, the military, backed by the business elite and factions of the Dominican Catholic Church unhappy with Bosch's reform agenda, deposed Bosch's government in favor of a civilian junta led by Donald Reid Cabral, a member of the country's business elite. The ruling junta soon became unpopular, and in April 1965, a civil-military coup attempted to return Bosch to power. The United States, propelled by fears of the spread of communism in the region, invaded the Dominican Republic four days after the attempted coup. Shortly thereafter, conservatives and PRD members signed an agreement that established a provisional government and called for new elections.

Conservative Joaquín Balaguer of the center-right *Partido Reformista*, later transformed into the *Partido Reformista Social Cristiano* (the Christian Social Reform Party, or the "PRSC"), was elected President in 1966. Balaguer governed for 12 years (1966-78) and went on to become a dominant political figure in the Dominican Republic for the following two decades. Balaguer's administration was based on a compromise among the traditional agrarian and industrial elites, the rising urban middle class and the military. The United States supported Balaguer's administration, guaranteeing its stability. In 1978, Antonio Guzmán of the PRD was elected President. Guzmán was followed in 1982 by Salvador Jorge Blanco, also of the PRD.

In 1986, Balaguer regained the presidency and was reelected in 1990 and again in 1994 after defeating José Francisco Peña Gómez, of the PRD. Controversy surrounding the legitimacy of the reelection of Balaguer in 1994 and charges of election fraud led to a political compromise by which Balaguer agreed to shorten the term for which he was elected from four to two years. This compromise also led to major constitutional reforms that, among other things, instituted pivotal changes in the electoral and judicial systems. These changes secured the autonomy of the judiciary and enhanced the Dominican electoral process. For a description of the 1994 amendments to the Constitution, see "—Government."

In the 1996 presidential election, Leonel Fernández of the PLD, a party founded by Juan Bosch following his split from the PRD, defeated Peña Gomez as the result of an alliance with Balaguer and the PRSC. Fernández was succeeded as President in 2000 by Hipólito Mejía, of the PRD. In 2004, Fernández was again elected President after obtaining 57% of the votes cast (followed by Mejía with 33.6% and the PRSC candidate, Eduardo Estrella, with 8.7%). On August 16, 2004, Leonel Fernández was inaugurated as President for his second non-consecutive four-year term. President Fernández was re-elected in 2008 after obtaining 53.8% of the votes cast.

In August 2012, Danilo Medina, also a member of the PLD, was inaugurated as President of the Republic for a single four-year term, without the possibility of running for reelection in 2016 pursuant to the Constitution then in effect. Mr. Medina was elected after obtaining 51.21% of the votes cast during the first ballot, against former President Hipólito Mejía's 46.95% of the PRD. In June 2015, Congress approved an amendment to the Constitution allowing presidents to serve for two consecutive terms of office. In the presidential election held on May 15, 2016, Mr. Medina was elected for a second four-year term, after obtaining 61.74% of the votes cast during the first ballot, against Luis Abinader of the *Partido Revolucionario Moderno* ("PRM"), who obtained 34.98% of the votes cast. Until August 2020, the PLD had been the majority party in Congress since 2006.

In August 2020, Luis Abinader of the PRM was inaugurated as President of the Republic for a four-year term. Mr. Abinader was elected after obtaining 52.5% of the votes cast during the first ballot. In addition, the PRM became the majority party in Congress as a result of the 2020 general elections. See "The Dominican Republic—Political Parties." The next general election is scheduled to take place in 2024.

Government

The Dominican Republic is politically organized as a representative democratic government, and is geographically and administratively divided into 31 provinces and one national district, each with its own civil government. The 1966 Constitution, amended on January 26, 2010, provides for a presidential system of government in which national powers are divided among independent executive, legislative and judicial branches.

Executive power is exercised by the President, who appoints the cabinet, enacts laws passed by the legislative branch, and is the commander-in-chief of the armed forces. The President and Vice President run for office on the same ticket and are elected by direct majority vote to one four-year term. The 1994 constitutional amendments require that a second electoral round be held if the first round does not result in a majority vote for any one presidential candidate (a majority in the first round constitutes at least 50% plus one vote of the total votes cast).

Pursuant to the 2010 amendments to the Constitution, a President was elected for a period of four years and may not be reelected for a consecutive term. However, on June 12, 2015, Congress approved additional amendments to the Constitution, whereby a President is allowed to run for reelection for a consecutive four-year term after which he cannot run again in the future. Since the aforementioned constitutional amendments, presidential elections will be held during the same year as legislative and municipal elections.

The legislative branch is composed of a 32-member Senate and a 190-member Chamber of Deputies, which together constitute Congress. Each province and the *Distrito Nacional* (the National District of the capital city, Santo Domingo) is represented by one senator and two or more deputies depending on the size of its population. Members of Congress are elected by popular vote to four-year terms allowing for the next congressional elections to be carried out during the same year as the presidential election as determined by the 2010 amendment.

Many Dominican nationals living abroad maintain personal and business ties with the Republic, including by sending remittances into the Republic, which is a significant source of the Republic's foreign exchange. The 2010 constitutional reform allows these Dominicans to maintain active political involvement as well. In accordance with the 2010 constitutional reform and for the first time in Dominican history, in the elections held on May 20, 2012, seven overseas deputies (lower chamber of the Legislative Branch) were elected in representation of the Dominican diaspora. The PRD won four out of these seven newly-created legislative seats and the PLD won the three remaining seats.

Most legislative initiatives originate with the executive branch. In matters of monetary policy and banking law, legislative initiatives that do not originate in the Central Bank must be approved by a qualified majority of senators and deputies.

As a result of the 2010 constitutional reforms, the 16 members of the Supreme Court are appointed for life, with a mandatory retirement age of 75 years, by the *Consejo Nacional de la Magistratura* (the National Council of the Judiciary), a body that was created solely for this purpose in the 1994 constitutional reforms. Pursuant to the 2010 constitutional reforms, the National Council of the Judiciary has the authority to appoint the President of the Supreme Court and the two substitute justices, all of whom hold office for a seven-year term and may be re-elected for one consecutive seven-year term. The National Council of the Judiciary is composed of the President of the Republic, the president of the Senate, a senator from a political party different from that of the president of the Senate, the president of the Chamber of Deputies, a deputy from a party different from that of the president of the Chamber of Deputies, the president of the Supreme Court, another Supreme Court judge appointed by the Supreme Court and the Attorney General (*Procurador General de la República*). The Supreme Court has exclusive jurisdiction over actions against the President, designated members of the cabinet and members of Congress as well as over cassation remedies (*recursos de casación*). The Supreme Court may also hear appeals from lower courts in certain cases.

The Dominican judicial system is also composed of the following courts:

- Courts of First Instance, which have jurisdiction over all cases that do not have jurisdiction expressly granted to other courts;
- Courts of Appeals, which review judgments rendered by the Courts of First Instance; and
- Peace Courts, which handle a broad variety of minor cases.

In addition, specialized courts handle administrative, labor, traffic and land registration disputes. Under the 1994 constitutional amendments, lower court judges are appointed by the Supreme Court. Under the 2010 constitutional amendments, the *Tribunal Constitucional* (Constitutional Court) was created. It is composed of 13 judges elected by the National Council of the Judiciary who serve for a nine-year term. All decisions of this Court are final.

Like many countries in Latin America, Dominican authorities are currently conducting several high-profile corruption investigations relating to the activities of certain Brazilian companies in the energy, infrastructure and transportation sectors, which follow similar investigations conducted by Brazilian and U.S. authorities responsible for corruption and related investigations. For example, Novonor, a Brazilian conglomerate consisting of diversified businesses in the fields of engineering, construction, chemicals and petrochemicals, has admitted as part of its plea agreement in December 2016 with the U.S. Department of Justice that it made and caused to be made, through intermediaries working on its behalf, more than US$92.0 million in corrupt payments to Government officials between 2001 and 2014. Through these corrupt payments, Novonor admitted it was able to influence the Government's budget for certain works and its financing approvals for several infrastructure projects in the Republic. The *Ministerio Público's* (Public Prosecutor's Office) specialized branch of Special Corruption (*Procuraduría Especializada de Corrupción Administrativa,* or "PEPCA"), sent several requests for information and cooperation to the U.S. Department of Justice and the Brazilian Secretary of Justice, among other public officers in Brazil and in the United States.

On March 16, 2017, PEPCA and Novonor entered into a leniency agreement in connection with these allegations (the "PEPCA-Novonor Leniency Agreement"). Under this agreement, Novonor agreed to provide all necessary information to identify the Government officials who received corrupt payments between 2001 and 2014 and the relevant infrastructure works that were adjudicated as a result of the corrupt payments, among other collaborative measures to provide information related to the corruption scheme. Novonor also agreed to pay US$184 million in damages to the Republic in a multi-year payment plan ending in 2025. In return, the *Ministerio Público* agreed to not prosecute Novonor, its subsidiaries, affiliates, employees or directors in connection with these violations of anti-corruption laws. Novonor also agreed to adopt measures and take specific initiatives relating to ethics, transparency and corporate governance of its Dominican affiliate, including a duly certified compliance program as well as a training schedule for its Dominican branch's compliance department, among others. On April 19, 2017, the judge in charge of the Third Court of Instruction of the National District (*Tercer Juzgado de la Instrucción del Distrito Nacional*) ratified the PEPCA-Novonor Leniency Agreement.

As a result, the criminal investigation has entered into a new phase in which the Dominican authorities began investigating and brought criminal proceedings against the Government officials who were the alleged recipients of the improper payments from Novonor. On June 7, 2018, the Attorney General formalized accusations against seven individuals, including senators, deputies and former government ministers, among others. On June 21, 2019, the Special Court of Instruction of the Supreme Court issued a resolution allowing the case to proceed to trial regarding accusations of bribery, money laundering, illicit enrichment, and falsehood against six of the seven individuals accused. On remand, the first-instance court found two individuals guily of bribery and money laundering, and sentenced one of them to eight years of imprisonment and the other to five. PEPCA and one of the individuals appealed the sentence, and appellate proceedings remained ongoing as of the date of this offering memorandum.

In June 2019, Novonor applied for bankruptcy in Brazil and has since then failed to make payments scheduled under the PEPCA-Novonor Leniency Agreement. The Public Prosecutor's Office has initiated judicial proceedings to be included as a creditor in the company's liquidation proceedings. On October 5, 2020, the Brazilian bankruptcy court recognized the Republic as a creditor. Novonor contested the ruling. As of the date of this offering memorandum, the appellate court had not made a decision.

In addition, Embraer, a Brazilian aerospace conglomerate that produces commercial, military, executive and agricultural aircraft, has admitted as part of its deferred prosecution agreement with the U.S. Department of Justice that in 2009 and 2010 it made US$3.5 million in corrupt payments to Dominican authorities to secure the approval by the Dominican Senate of the purchase and financing of eight military aircraft. PEPCA reached a leniency agreement with Embraer in August 2018, pursuant to which Embraer paid the Republic a US$7.04 million settlement and provided government authorities with detailed information about the alleged improper payments. In December 2018, PEPCA formally charged six individuals, including government ministers, among others, and several companies for their alleged involvement. In 2019, PEPCA held preliminary hearings to determine whether these individuals would face trial. On May 31, 2022, the first-instance court found three of these individuals not guilty in connection with the bribery allegations related to the aircraft purchase contracts. As of the date of this offering memorandum, the appellate proceedings were ongoing.

The Republic has implemented legislative and administrative measures to combat corruption, including the ratification of the Inter-American Convention Against Corruption (*Convención Interamericana contra la*

Corrupción) and the creation of PEPCA. PEPCA is currently investigating the Novonor and Embraer corruption cases, among other corruption cases.

On September 10, 2020, the Director General of Public Procurement and Contracting ("*DGCP*") and the Director of Ethics and Government Integrity ("*DIGEIG*") filed with PEPCA documents related to an investigation into the irregular purchase of DOP11.5 billion in asphalt concrete by the Ministry of Public Works during the administration of Gonzalo Castillo, former Minister of Public Works during the Medina administration. As of the date of this offering memorandum, the Attorney General's Office has not initiated a formal investigation or filed any charges in connection with these allegations.

On November 29, 2020, the Attorney General's Office, PEPCA and Department of Prosecution (*Dirección de Persecusión*), conducted a series of arrests in connection with alleged administrative corruption of past government officials, government contractors and related individuals, including two siblings of former President Danilo Medina. The Public Prosecutor's Office presented formal charges on December 17, 2021. Various defendants have pled guilty to the charges brought by PEPCA. The ruling on this case is scheduled to be delivered on February 7, 2023.

On December 7, 2020, the Youth Minister, Kimberly Taveras, resigned her position in office due to allegations of misuse of government funds in 2017. PEPCA is investigating these allegations, and no formal charges had been brought as of the date of this offering memorandum.

On February 22, 2021, the Attorney General's Office, through PEPCA, conducted a raid at the Audit Chamber (*Cámara de Cuentas*) in connection with alleged administrative corruption related to past governmental officials. PEPCA is currently in the process of investigation before bringing formal charges. As of the date of this memorandum, no arrests have been made.

On February 24, 2021, President Abinader announced that he was removing Public Health Minister, Plutarco Arias, by way of presidential decree. This action was taken after information was made public that the Republic had undertaken a public selection process to purchase needles required for the National Vaccination Plan (*Plan Nacional de Vacunación*) related to COVID-19 vaccines at above-market prices. The process was since canceled and a new needle purchase arrangement was executed.

On April 24, 2021, the Attorney General's Office, through PEPCA, conducted a series of arrests in connection with alleged administrative corruption, involving high level military and police officials connected to the previous government, including former President Danilo Medina's head of security. On November 18, 2021, PEPCA conducted additional arrests of military and police officials connected to the case. The Public Prosecutor's Office presented formal charges after the conclusion of the investigatory phase. As of the date of this offering memorandum, some of those individuals arrested remained in custody or house arrest.

On May 13, 2021, Senator Antonio Marte presented a complaint with the Attorney General's Office against former finance minister Donald Guerrero and former ministers Gustavo Montalvo and José Ramón Peralta alleging misuse of DOP17 billion collected from an asphalt tax that was intended for refurbishment of the Republic's public road infrastructure. In August 2022, the Attorney General's Office indicated that it was conducting investigations related to this complaint. As of the date of this offering memorandum, no formal charges had been brought.

On May 18, 2021, Congress member Miguel Andrés Gutierrez Diaz was arrested on arrival into Miami and criminally charged by U.S. drug enforcement authorities with forming part of a transnational drug ring that operated in the Dominican Republic, Colombia and the United States and conspiring to import and distribute cocaine into the United States. The Office of the Presidency of the Dominican Republic and the *Dirección Nacional de Control de Drogas* (DNCD) cooperated in this operation with U.S. federal and local enforcement agencies.

On June 12, 2021, the Attorney General's Office, through PEPCA, conducted a series of arrests, including of Luis Maisichell Dicen, director of the National Lottery, in connection with alleged fraud committed in the drawing of National Lottery award numbers. Mr. Dicen was removed from his position by President Luis Abinader following the announcement. On December 20, 2022, formal proceedings in connection with the allegations commenced. Multiple defendants have pled guilty to the charges brought by PEPCA. As of the date of this offering memorandum, some of those individuals arrested remained in custody or under house arrest and the proceedings were ongoing.

On June 29, 2021, the Attorney General's Office, through PEPCA, conducted a series of arrests, including of former Attorney General Jean Alain Rodriguez, in connection with alleged corruption and misuse of government funds. On July 3, 2022, the Public Prosecutor's Office presented formal charges against former Attorney General Jean Alain Rodriguez, along with other persons from the public and private sectors. In January 2023, the first-instance court found Mr. Rodriguez to be a flight risk, and imposed bail and required Mr. Rodriguez to wear and ankle monitor. As of the date of this offering memorandum certain of the individuals arrested remained in custody or under house arrest and the proceedings were ongoing.

On December 6, 2021, the Youth Minister, Luz del Alba Jimenez Ramirez, was removed by President Luis Abinader due to allegations of misuse of government funds and corruption. PEPCA is investigating these allegations.

Political Parties

The principal political parties in the Dominican Republic are the *Partido Revolucionario Moderno* or PRM (social democratic), the *Partido de la Liberación Dominicana* or PLD (democratic center left), the *Partido Revolucionario Dominicano* or PRD (social democratic) and the *Partido Reformista Social Cristiano* or PRSC (conservative democratic). The following is a brief explanation of the history and orientation of each principal party.

Partido Revolucionario Moderno. The PRM is a recently-created social democratic party, formerly known as *Alianza Social Dominicana*, that supports socially-oriented market policies. Its principal leaders are President Luis Abinader and former President Hipólito Mejía Domínguez, and its original members were mostly persons who left the PRD to form a new party in 2014. In August 2020, Mr. Abinader was inaugurated as President of the Republic.

La Fuerza del Pueblo. In 2019, former President Leonel Fernández, among others, left the PLD to form the political movement *La Fuerza del Pueblo*, which, after merging with the *Partido de los Trabajadores Dominicanos*, became a formal political party. Its principal leader is former President Leonel Fernández.

Partido de la Liberación Dominicana. The PLD is a democratic center-left party. The PLD was founded by late former President Juan Bosch, after his split with the PRD. Its principal leader is former President Danilo Medina.

Partido Reformista Social Cristiano. The PRSC is a conservative Christian democratic party. Its principal leader, the late former President Joaquín Balaguer, died in July 2002. Its current leader and president is Federico Antún Batlle. During the rule of President Balaguer, the PRSC established close ties with certain business sectors, particularly in the fields of industry and construction. Since President Balaguer's death, the PRSC has undergone a process of reorganization, and has entered into a series of political alliances in connection with recent presidential elections, including, most recently, a political alliance with *La Fuerza del Pueblo* in connection with the 2020 presidential elections (supporting Mr. Fernandez's candidacy). The PRSC has not presented a separate candidate for presidency in general elections since the 2008 general elections.

Partido Revolucionario Dominicano (PRD). The PRD is a social democratic party. The party's current leader is Mr. Miguel Vargas, who ran for office in the 2008 presidential elections. On September 7, 2015, the PLD and PRD signed a political alliance agreement for the general elections held in May 2016, in which they agreed to propose common candidates for such elections, including for the presidency (Danilo Medina, who won the May 2016 presidential election, ran as the candidate for both parties). The political alliance was renewed for the general elections held in June 2020, in which the PRD supported the PLD's candidate for the presidency, Mr. Gonzalo Castillo.

Since 1996, successive presidential administrations have emphasized macroeconomic stability, modernization of the Dominican economy and of governmental institutions, economic and political integration with the Caribbean region and the global economy, strengthening of the judiciary, and various policies intended to create employment and address social and economic inequities, such as modernization of the public education system, rural and urban infrastructure development, modernization of the healthcare system, and development of affordable housing and other housing solutions.

In August 2020, Mr. Luis Abinader, of the PRM, was inaugurated as President of the Republic for a four-year term ending in August 2024. Mr. Abinader was elected after obtaining 52.5% of the votes cast in the first round of the general elections held on July 5, 2020 (originally scheduled for May 17, 2020, but postponed due to concerns regarding the COVID-19 pandemic). The PRM and allied parties also won a majority of the seats in the Senate and approximately 48% of the seats in the Chamber of Deputies.

Since assuming office in August 2020, the Abinader administration has implemented several initiatives and policy objectives, including:

- *reactivation of the economy and other measures to address the impact of the COVID-19 pandemic*: Through April 2021, the Abinader administration extended social and employment support programs adopted by the previous administration to address the impact of the COVID-19 pandemic, such as *Quedate en Casa,* the Employee Solidarity Assistance Fund (*Fondo de Asistencia Solidaria al Empleado*, or "FASE") and *Pa'ti*. The increase in fiscal expenditures for COVID-19-related social programs was funded via a reorganization of internal uses of funds. See "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy." In addition, the Abidaner administration implemented measures to provide support to various sectors of the economy, including tourism, health, construction and agriculture, among others. These measures included various forms of tax relief, investments and incentives in housing and other construction, and the creation of a state guarantee fund to facilitate credit to small and mid-sized businesses. See "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy" and "The Monetary System—Financial System and Reforms."
- *further diversification of the economy and measures to support economic growth post-COVID-19*: The Abinader administration began implementing a plan for construction and upgrade of infrastructure in several key sectors, including dams, waterworks, and ports and roads, among others. This plan contemplates the use of public-private partnerships to combine the managerial experience and financing capabilities of the public and private sectors in large-scale infrastructure projects. In addition, the administration has introduced measures to promote significant growth in exports in several productive sectors of the economy, as well as a plan to modernize the regulatory framework and increase the number and productivity of industrial free zones in the country.
- *fiscal responsibility and public sector reform*: The administration introduced measures to streamline the public sector to better control costs, reduce corruption and improve public services, which include the elimination or combination of a number of public sector institutions considered redundant or superfluous. In the electricity sector in particular, the Abinader administration has and is taking steps to dissolve the CDEEE and concentrate regulatory oversight of the energy sector in the Ministry of Energy and Mines, and to reorganize management of state-owned electricity distribution companies and state-owned generation companies under a single council for each activity. See "Recent Developments—The Economy—The Electricity Sector." The administration also announced measures to open state-owned electricity assets to private sector investment and/or operation, as well as to promote investment in renewable energy.
- *reinforce state institutions*: The Abinader administration is also carrying out a comprehensive reform of state institutions with the goal of enhancing transparency and reduce corruption. This includes reforms to further strengthen the independence of the judiciary, as well as other autonomous institutions, and enhance controls in public bidding and contracting procedures.
- *fiscal stability*: The Abinader administration is carrying out a comprehensive plan to achieve greater fiscal stability and fiscal responsibility, with a goal to eventually eliminate fiscal deficits. This plan includes an overall review of fiscal policy to improve the control and quality of public expenditures, the active management of public sector debt to achieve a sustainable debt structure, and the reform and simplification of the Dominican tax system to increase efficiency and tax collections. The plan also contemplates the recapitalization of the Central Bank.

Congressional representation of each of the political parties since the most recent elections in July 2020 is as follows:

	Senate		Chamber of Deputies[(1)]	
	Seats	%	Seats	%
Partido Revolucionario Moderno (PRM) and allied parties.........	18	56.3	92	48.4
Partido de la Liberación Dominicana (PLD) and allied parties.....	6	18.8	73	38.4
Partido Reformista Social Cristiano (PRSC)and allied parties	5	15.6	6	3.2
Bloque Institucional Social Demócrata (BIS) and allied parties ...	1	3.1	1	0.5
Partido Fuerza del Pueblo (FP)	1	3.1	4	2.1
Partido Dominicanos por el Cambio (DXC)............................	1	3.1	—	—
Alianza País (ALPAIS)	—	—	1	0.5
Alianza por la Democracia (APD)	—	—	2	1.1
Partido Cívico Renovador (PCR)	—	—	1	0.5
Partido Humanista Dominicano (PHD)..................................	—	—	1	0.5
Partido Popular Cristiano (PPC)...	—	—	1	0.5
Partido Revolucionario Social Demócrata (PRSD)	—	—	1	0.5
Partido Revolucionario Dominicano (PRD)	—	—	3	1.6
Partido Liberal Reformista (PLR)	—	—	1	0.5
Frente Amplio	—	—	3	1.6
Total..	32	100	190	100

(1) Includes seven Deputies elected as representatives of the Diaspora (Dominicans living abroad) elected in July 2020.
Source: *Junta Central Electoral*.

Significant Litigation

On January 16, 2018, Dominicana Renovables S.L. ("Dominicana Renovables") filed a request for arbitration with the Secretary of the International Court of Arbitration of the International Chamber of Commerce alleging a breach of a contract entered into between the National Energy Commission (*Comisión Nacional de la Energía* or the "CNE") and Dominicana Renovables. According to the claimant, the contract required the CDEEE to enter into a purchase agreement with Dominicana Renovables for the purchase of energy and CDEEE allegedly failed to do so. In addition, Dominicana Renovables alleges that the CNE violated Law No. 57-07 regarding the Incentive to the Development of Renewable Energy Sources (*Incentivo al Desarrollo de Fuentes Renovables de Energía*). On January 20, 2021, the International Court of Arbitration of the International Chamber of Commerce issued its final award instructing the Republic to pay US$2.3 million in damages to Dominicana Renovables (compared to the US$287.6 million sought by the plaintiff).

On April 6, 2018, Mr. Michael Lee-Chin and Lajun Corporation, S.R.L. filed a notice of arbitration with the International Centre for Settlement of Investment Disputes under Article III of the Dominican Republic-Caribbean Community (CARICOM) Free Trade Agreement. Plaintiffs allege that the Republic breached its obligations under Annex III, and in particular, its obligations relating to transparency, most favored nation treatment, protection and full security and expropriation and compensation, and seek an award of US$601.0 million for damages. As of the date of this offering memorandum, the proceeding is still pending.

On July 17, 2020, Webuild, S.p.A. (f/k/a Salini Impregilo, S.p.A.) filed a notice of arbitration with the Arbitration Institute of the Stockholm Chamber of Commerce under the Agreement on Reciprocal Promotion and Protection of Investments ("APPRI Italy"), entered into by the Republic and Italy, alleging a violation of the Republic's obligations under the APPRI Italy. The plaintiff has infomally notified the Republic that it is seeking an award of up to US$25.8 million and DOP179.6 million. As of the date of this offering memorandum, this proceeding is still pending.

On September 14, 2020, Entreprise Générale de Tous Travaux S.A.R.L. Empresa (EGTT Guadeloupe) and Mr. Yves Martine Garnier filed a notice for arbitration with the Permanent Court of Arbitration under the Agreement on the Reciprocal Protection and Promotion of Investments (the "APPRI France"), entered into by the Republic and France, alleging a violation of the Republic's obligations under the APPRI France. Plaintiffs are seeking an award of US$224 million for damages. As of the date of this offering memorandum, this proceeding is still pending.

In May 2021, Sargeant Petroleum, LTD sent the Republic a notice for arbitration under the Central America Free Trade Agreement with the United States and several Central American countries (Costa Rica, El

Salvador, Guatemala, Honduras and Nicaragua) (the "DR-CAFTA"), alleging reputational damages and lost profits as a violation of the Republic's obligations under the DR-CAFTA. Sargeant Petroleum, LTD is seeking an award of US$88.3 million for damages. The proceedings were initiated on December 20, 2022 and are still ongoing.

Foreign Policy and Membership in International and Regional Organizations

On April 30, 2018, the Republic announced the establishment of diplomatic relations with China, one of its largest trading partners. As of the date of this offering memorandum, the Dominican Republic maintains diplomatic relations with 129 countries and is a member of several regional and international organizations, including:

- the United Nations (founding member), including many of its specialized agencies;
- the Caribbean Forum of African, Caribbean and Pacific States;
- the Economic Commission for Latin America and the Caribbean;
- the IDB;
- the Inter-American Investment Corporation;
- the Caribbean Development Bank;
- the IMF;
- the World Bank;
- the International Centre for Settlement of Investment Disputes;
- the International Finance Corporation;
- the International Labour Organization;
- the Multilateral Investment Guaranty Agency;
- the Organization of American States;
- the World Trade Organization (the "WTO");
- the Central American Integration System (the "SICA");
- the Central American Monetary Council (the "CMCA"); and
- the Central American Bank for Economic Integration (the "CABEI").

On June 8, 2018, the United Nations General Assembly elected the Dominican Republic among five non-permanent members of the United Nations Security Council, each of which served a two-year term that expired on December 31, 2020.

In addition, the Dominican Republic participates in several regional initiatives designed to promote trade and foreign investment. The most significant of these initiatives are the following:

- The Dominican Republic – Central America Free Trade Agreement, or "DR-CAFTA," with the United States and several Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua). DR-CAFTA, which replaced the prior U.S.-Caribbean Textile Parity Agreement, increases the percentage of Dominican exports to the United States that will be free of tariffs. DR-CAFTA became effective in 2007.
- Free trade agreements with the members of the Central American Common Market, Panama and the Caribbean Community ("Caricom"), each of which lowered tariffs and established trade rules in areas such as foreign investment, public procurement, rules of origin, customs procedures, safeguard measures, sanitary requirements, technical barriers to trade, unfair trade practices, promotion of competition, intellectual property and dispute resolution.
- The LOME IV Convention, which in 2000 became the Cotonou Agreement, pursuant to which the European Union offers economic cooperation and assistance to former colonies in Africa, the

Caribbean and the Pacific. Under this agreement, the Republic benefits from donations, development loans and technical cooperation provided by the European Union.

- The Economic Partnership Agreement (the "EPA"), in effect since 2007, among the Caricom Countries and the European Union, pursuant to which all goods exported to the European Union (except for firearms) from Caricom Countries enter European markets free from import duties. In addition, the EPA provides a framework for liberalization in the services trade between the Dominican Republic and members of the European Union, liberalizes investment regulations, and strengthens protection of intellectual property rights.
- The Free Trade Agreement of the Americas, which seeks to create a free trade zone in the Western Hemisphere. Negotiations continue as to the implementation of this agreement, and the Republic has continued to participate in the periodic Summits of the Americas since 1998.
- The Association of Caribbean States, whose purpose is to promote regional economic integration and cooperation. Through its involvement in this association, the Republic has been able to establish dialogues and working relationships with its neighbors on a series of important issues, such as trade liberalization, tourism, disaster relief, transportation and foreign investment.
- In June 2016, the Republic signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters developed by the Organization for Economic Co-operation and Development ("OECD") and the Council of Europe. This Convention provides assistance in tax matters, such as the exchange of information, simultaneous and coordinated tax audits and tax recovery, with a view to combating tax evasion. The Convention was approved by the Constitutional Court of the Republic on December 12, 2017 and was ratified by Congress on October 17, 2018.

The Republic has also worked closely with the World Bank and the IDB to promote economic development and financial stability. Currently, these multilateral organizations are financing several projects in the Republic in areas such as electricity, public education, agriculture, public sector reform, transportation, telecommunications, disaster relief, public health and safety, environmental reform and financial sector reform. See "Public Sector Debt—Consolidated Public Sector External Debt—Debt Owed to Official Institutions."

Relations with Haiti

The Dominican Republic generally maintains friendly relations and close ties with Haiti. The two countries have entered into several bilateral agreements in areas of mutual interest such as immigration, reforestation of the border region, agriculture and livestock and education. In addition, Haiti and the Dominican Republic inaugurated a bi-national free trade zone on the Dominican Republic-Haiti border on April 8, 2002.

According to the Second National Immigrant Survey (*Segunda Encuesta Nacional de Inmigrantes*) conducted in 2017, an estimated 497,825 Haitians live in the Dominican Republic, accounting for 87.2% of total immigration. This represents an 8.6% increase in the estimated number of Haitians living in the Dominican Republic when compared to the results of the First National Immigrant Survey (*Primera Encuesta Nacional de Inmigrantes*) conducted in 2012. This population is generally comprised of three distinct subgroups: seasonal agricultural workers, undocumented immigrants and political refugees. Almost half of Haitians living in the Dominican Republic are undocumented, and illegal immigration occasionally becomes a source of tension between the two countries.

In 2015 and 2016, the Government implemented the National Regularization Plan for Foreigners, establishing the terms for the regularization of foreigners in irregular immigration status who are residing in the Dominican Republic. The plan establishes the conditions under which immigrants with irregular immigration status, including Haitians, may have access to health services, education and social security. Additionally, the Government seeks to improve living conditions in the *bateyes*, which are communities within the sugar cane areas that are inhabited principally by Haitian immigrants. Haitians in the Dominican Republic work mainly in the construction and agricultural sectors. The Haitian labor force is generally comprised of unskilled workers earning low wages. The increased availability of low-wage Haitian workers may have an adverse effect on the living conditions of low-wage Dominican workers with whom they compete.

Haiti is the second most important destination for Dominican exports. For the year ended December 31, 2017, exports to Haiti were US$1,238.6 million, representing an increase of 1.4% as compared to 2016, due to a

2.0% increase in exports from outside the free-trade zones. For the year ended December 31, 2018, exports to Haiti were US$1,272.7 million, representing an increase of 2.8% as compared to 2017 due to a 4.3% increase in exports from outside the free-trade zones. For the year ended December 31, 2019, exports from the Republic to Haiti amounted to US$1,213.6 million, representing a decrease of 4.6% as compared to 2018. For the year ended December 31, 2020, exports from the Republic to Haiti amounted to US$1,078.5 million, representing a decrease of 11.1% as compared to 2019, mainly due to a 9.2% decrease in exports from outside the free-trade zones. For the year ended December 31, 2021, exports from the Republic to Haiti amounted to US$1,333.1 million, representing an increase of 23.6% as compared to 2020, mainly due to a 21.6% increase in exports from outside the free-trade zones.

THE ECONOMY

History and Background

In the 1930s and after the end of World War II, many countries in Latin America pursued policies of industrialization through import substitution. These policies were based on the following tenets:

- state intervention in the economy through the creation of barriers to trade in order to protect domestic production from foreign competition and through the expansion of state-owned enterprises that provided large numbers of jobs;
- protection of certain local industries; and
- an expansion of domestic markets.

The policies of import substitution took place in the Dominican Republic approximately between 1945 and 1985. During this period, the Government promoted industrialization primarily through fiscal incentives and investments in infrastructure. The Dominican economy expanded due to growth in several industry sectors, improvements in education and increased government spending. This economic expansion, in turn, led to opportunities for upward social mobility and the rise of an urban middle class. At the same time, the urban working class expanded due to rural-urban migration.

In the late 1970s and 1980s, import substitution policies based on fiscal incentives to local industries generated significant structural economic weaknesses. These policies limited fiscal revenues and reduced productivity growth. The results were the following:

- fiscal deficits;
- current account deficits; and
- low economic growth as a result of limited domestic markets and lower productivity.

The oil crisis in 1979 exacerbated these fiscal and current account imbalances. The situation deteriorated further with the decline in prices of Dominican export commodities and a worldwide recession. The Dominican Republic, along with most other Latin American economies, plunged into a debt crisis that led to a shift in development policies.

In the mid-1980s, the Government adopted policies to increase exports and improve the fiscal balance. Liberalization of the exchange rate, combined with the imposition of new taxes, contributed to the improvement of the external accounts and the fiscal balance. The dynamism in tourism and export manufacturing in industrial parks called *zonas francas*, or "free trade zones," stimulated economic growth, employment and income. For a description of the free trade zones, see "—Secondary Production—Free Trade Zones." Workers' remittances also increased dramatically during the 1980s, becoming one of the Republic's main sources of foreign currency. By the late 1980s, however, high public spending on infrastructure projects (principally roads, highways, dams and tourism facilities) resulted in a public sector deficit that was domestically financed, and, in turn, resulted in an increase in inflation.

In the 1990s, the Government successfully implemented stabilization and economic reforms that resulted in a fiscal balance, and created the internal conditions for rapid and sustainable economic growth and price stability. The central elements of the Government's economic policy consisted of a series of structural reforms, including tariff, tax, financial and labor reforms, gradual adjustments in the price of oil and oil derivatives, interest rate liberalization, improved banking supervision and introduced measures to stimulate foreign direct investments. On the basis of these policies, the IMF and the Republic agreed on two stand-by loan arrangements.

The various reforms that the Government adopted during the 1990s succeeded in curbing inflation and restoring growth, in part by controlling the expansion of public sector expenditures, reducing state intervention in the economy, increasing the competitiveness of the Dominican economy and rationalizing the Government's fiscal and monetary policies. Additionally, economic growth, higher employment, stable prices and rising real wages led to modest improvements in income distribution and a decline in poverty. Between 1992 and 1999, the Republic's real GDP grew at an annual rate of 6.8%, which placed it among the fastest growing economies in Latin America.

The Republic continued to experience robust economic growth through 2000. However, from 2001 economic growth began to decline as a result of several external shocks, including the aftermath of the terrorist attacks of September 11, 2001 and the economic slowdown in the United States and the European Union. These shocks led to weakened demand for the export of Dominican goods and services, the depreciation of the Euro and a further steady increase in oil prices which had started in the last quarter of 2000.

In 2003, the Dominican economy experienced severe setbacks that led to an acute crisis. The economic crisis was precipitated by the collapse of Banco Intercontinental, S.A. ("Baninter"), the country's second largest commercial bank in terms of deposits, in May 2003. The *Superintendencia de Bancos* (the "Superintendency of Banks") intervened in Baninter in response to accusations of fraud and losses of approximately US$2.3 billion. Public confidence in the banking system severely eroded, leading many depositors to withdraw their deposits from banks, causing two other private domestic banks, Bancrédito and Banco Mercantil, to experience liquidity crises and near collapse. The Central Bank provided liquidity assistance to Bancrédito and Banco Mercantil of approximately DOP11.7 billion (US$333.7 million at the DOP/US$ exchange rate of DOP35.06 per US$1.00 as of December 31, 2003) and the Government financed the costs of the banking crisis, guaranteeing deposits and honoring interbank liabilities domestically and abroad. In order to cover the costs of this bailout, the Central Bank relaxed its monetary policy, increasing the money supply as it financed lost deposits. This led to an increase in inflation, a depreciation of the peso and an increase in domestic real interest rates.

The banking crisis provoked a broader deterioration of the economy, which included a decrease in real GDP (which declined 1.3% in 2003 compared to 2002), a substantial increase in the non-financial public sector deficit, a sharp depreciation of the peso, a substantial reduction in the levels of the Central Bank's net international reserves (from US$376 million at December 31, 2002 to US$123.6 million at December 31, 2003), an increase in domestic real interest rates as a result of the Central Bank's open-market operations to curb inflation, and an increase in unemployment. The economic crisis gave rise to social unrest as economic conditions deteriorated and labor strikes and street demonstrations became prevalent.

As a result of significant pressure on the peso and concerns over further economic deterioration, the Republic requested the assistance of the IMF and agreed to a US$603 million financing program in August 2003. As part of the program, the Government agreed to a package of economic reforms and political measures designed to strengthen the country's financial system, public finances and the Central Bank's monetary policy. The IMF suspended the facility in September 2003, after the Government deviated from the agreed economic program set forth in the IMF stand-by arrangement in effect at the time by re-purchasing two electrical distribution companies from Spanish company Unión Fenosa, which had previously been privatized by the Mejía administration. See "Public Sector Debt—External Debt—Debt Owed to Official Institutions—IMF."

The economic crisis negatively affected the Government's fiscal receipts and liquidity, resulting in arrears and the eventual restructuring of public sector external debt owed to multilateral institutions, bilateral lenders (both Paris Club and non-Paris Club members), private banks and suppliers.

In the second half of 2004, the Dominican economy started to show signs of improvement, particularly during the fourth quarter. In 2004 and 2005, real GDP increased by 2.6% and 9.4%, respectively, as compared to the prior year, the Central Bank's net international reserves increased to US$602.2 million at December 31, 2004 and US$917.5 million at December 31, 2005, compared to US$123.6 million at December 31, 2003 and the rate of inflation decreased to 28.7% in 2014 and 7.4% in 2015, as compared to 42.7% in 2003.

On January 31, 2005, the IMF approved a Stand-by Arrangement for special drawing rights ("SDR") 437.8 million (approximately US$665.2 million) (the "2005 Stand-by Arrangement"). This facility was designed to support the Republic's economic program with the IMF through May 2007, but was extended in February 2007 for an additional eight months, and concluded in January 2008. The Republic drew SDR 437.8 million (US$661.1 million) under this facility.

In 2005, the Government successfully implemented its comprehensive strategy for the restructuring of its outstanding debt, including the exchange of approximately US$1.07 billion, or 97% of the aggregate outstanding principal amount of its 9.50% bonds due 2006 and 9.04% bonds due 2013, for new 9.50% amortizing bonds due 2011 and new 9.04% amortizing bonds due 2018; the rescheduling of past due supplier financing and debt service payments due in 2005 and 2006 to several international commercial banks and to members of the Paris Club; and the refinancing of the Republic's payment obligations in connection with the repurchase from Unión Fenosa of two electricity distribution companies in 2003.

On November 9, 2009, the IMF approved a 28-month Stand-by Arrangement for the Republic in the amount of SDR 1,094.5 million (approximately US$1,754.1 million at the exchange rate as of such date), to support economic measures designed to address the adverse effects of the global economic crisis (the "2009 Stand-by Arrangement"). During the term of the 2009 Stand-by Arrangement, the Republic drew a total of US$1,206.4 million. As of December 31, 2016, the 2009 Stand-by Arrangement had been fully paid.

2017-2019 Developments

In 2017, based on preliminary figures, the Republic's real GDP grew 4.7%, mainly due to a 6.6% GDP growth registered in the last quarter of the year. During the first half of the year, the economy experienced a cyclical deceleration of domestic demand, particularly in public and private investment due to changes in expectations as a result of uncertainty generated by external and internal factors, combined with a greater than expected adjustment in fiscal policy. Further, during the third quarter, the country was impacted by two hurricanes, Irma and Maria, which had significant effects on production and commercial activity, causing damage to road infrastructure and leading to a temporary suspension of labor activities for several days. Notwithstanding the foregoing, the economy expanded during the second half of the year, largely due to the application of monetary easing measures aimed at boosting availability of credit and more active fiscal policies, which resulted in an increase in consumption and private investment. In addition, during 2017 the Central Bank's net international reserves increased 12.1% from US$6,046.7 million as of December 31, 2016 to US$6,780.4 million as of December 31, 2017. The nominal depreciation of the DOP against the U.S. dollar increased gradually during 2017, reaching DOP48.19 per US$1.00 on the last business day of December, which represented an annualized peso depreciation of 3.3% from the beginning of 2017. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2017 was DOP47.44 per US$1.00 compared to DOP45.99 per US$1.00 for 2016, which represents a 3.1% nominal average depreciation.

In 2018, based on preliminary figures, real GDP grew by 7.0%, a significant improvement compared to real GDP growth of 4.7% in 2017, primarily driven by investment and consumption, which benefited from the continuing effects of the monetary easing measures implemented in August 2017 that have stimulated financial credit to the private sector. For 2018, the Central Bank had established an inflation target of 4.0%, plus or minus 1%. However, the inflation rate stood at 1.17% on December 31, 2018, below the Central Bank's target range, primarily due to the rapid decline registered in the fourth quarter of 2018 in international oil prices and consequently in local prices of refined oil products and energy production. In addition, during 2018, the Central Bank's net international reserves increased by 12.5% from US$6,780.4 million as of December 29, 2017 to US$7,627.1 million as of December 31, 2018. The nominal depreciation of the DOP/US$ exchange rate increased gradually during 2018, reaching DOP50.20 per U.S. dollar on the last business day of 2018, which represented an annualized peso depreciation rate of 4.0% since the beginning of 2018, as compared to 3.3% during the same period in 2017. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2018 was DOP49.43 per US$1.00 compared to DOP47.44 per US$1.00 for 2017, which represents a 4.0% nominal average depreciation in 2018 compared to 2017.

In 2019, based on preliminary figures, real GDP grew by 5.1%, primarily driven by investment and consumption in the second half of the year, which benefited from the effects of the monetary easing measures implemented by mid-year that stimulated financial credit to the private sector. For 2019, the Central Bank established an inflation target of 4.0%, plus or minus 1%. On December 31, 2019, the inflation rate stood at 3.66%.

During the 2016-2019 period the economy benefited from positive supply-side conditions, due to low international prices of several commodities, such as oil and other imported inputs, as well as an increase in the price of gold that boosted export revenues. Furthermore, the economic recovery in the United States, the Republic's major trading partner, contributed to increased export and tourism revenues, thus fostering certain economic sectors with high external demand.

2020 and 2021: the Outbreak of the COVID-19 Pandemic

Overview

In 2020, based on preliminary figures, real GDP contracted by 6.7%, primarily driven by the impact of the preventative public safety measures taken to contain the spread of the COVID-19 pandemic in the country. Such measures included, among others, mandatory quarantines and curfews, closure of the country's borders by air, land and sea, suspension of non-essential economic activities and limited public transportation. Annualized GDP growth rate for the months of January and February 2020 was 4.7% and 5.3%, respectively, while GDP contracted by 9.4%, 29.8%, 13.6%, 7.1%, 8.8%, 7.2%, 5.6%, 4.3%, 3.4% and 1.0% in March, April, May, June, July, August, September, October, November and December 2020, respectively. The results of the first two months of 2020 demonstrate that the Dominican economy started the year growing at a favorable rate, consistent with the spillover effects of the expansionary measures implemented during the second half of 2019.

Nevertheless, after registering the steepest monthly decline in April 2020, economic performance improved in the following months, mainly due to the gradual reopening of non-essential economic activity, easing monetary policy measures to provide liquidity to the economy, the adoption of certain tax incentives and benefits and targeted government spending on social programs. The 1.0% contraction observed in December 2020 compared to December 2019 represented a 28.8 percentage point improvement compared to the 29.8% contraction observed in April 2020 compared to April 2019. Excluding hotels, bars and restaurants, the economic activity most affected by the COVID-19 pandemic, the rest of the economic activities in the Dominican Republic showed on average a recovery in recent months, from a 12.5% average contraction in the second quarter of 2020 to a 3.0% average contraction in the third quarter of 2020 and a 0.6% average growth in the last quarter of the year, which included growth rates of 0.2% and 2.3% in November and December 2020, respectively.

For 2020, the Central Bank established an inflation target of 4.0%, plus or minus 1%. However, in December 31, 2020, the inflation rate stood at 5.55%, due to the recovery in international oil and domestic food prices in the second half of the year.

The Central Bank's net international reserves increased by 22.4% from US$8,781.4 million as of December 31, 2019 to US$10,751.6 million as of December 31, 2020. The nominal depreciation of the DOP/US$ exchange rate increased rapidly between April and early July, due to the adverse effects of the pandemic, then stabilized from mid-July to the end of the year, mainly due to the efforts of the monetary authorities and the greater accumulation of international reserves, reaching DOP58.11 per U.S. dollar on the last business day of 2020, which represented an annualized peso depreciation rate of 9.0% since the beginning of 2020, as compared to depreciation of 5.1% in 2019. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2020 was DOP56.47 per US$1.00 compared to DOP51.20 per US$1.00 for 2019, which represented a 9.3% nominal average depreciation in 2020 compared to 2019.

In 2021, based on preliminary figures, real GDP grew by 12.3%, primarily driven by consumption and investment fueled by the measures implemented to counteract the effects of the COVID-19 pandemic. For 2021, the Central Bank established an inflation target of 4.0%, plus or minus 1%. However, on December 31, 2021, the inflation rate stood at 8.50%. The inflation dynamics were mainly explained by a general global supply shocks, particularly due to higher oil and other commodity prices and the increase in freight costs related to container shortages, as well as other supply chain disruptions arising from the COVID-19 pandemic. These supply constraints, which resulted in significant increases in the cost of main imported raw materials and finished products, affected mainly domestic fuel prices and basic food products.

During 2021, the Central Bank's net international reserves increased by 21.2% from US$10,751.6 million as of December 31, 2020 to US$13,033.9 million as of December 31, 2021. The nominal appreciation of the DOP against the U.S. dollar increased gradually during 2021, reaching DOP57.14 per US$1.00 on the last business day of December, which represented an annualized peso appreciation of 1.7% from the beginning of 2021. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2021 was DOP56.94 per US$1.00 compared to DOP56.47 per US$1.00 for 2020, which represents a 0.8% nominal average depreciation in 2021 compared to 2020.

Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy

Education Measures

In order to safeguard the health and safety of students and staff, the Ministry of Education suspended classes in all schools and universities on March 17, 2020 due to the spread of COVID-19. On April 16, 2020, the Ministry of Education enabled an online education portal that included resources and pedagogical guides for the initial, basic, and intermediate levels of education, and on November 2, 2020, it indicated online classes would be available on YouTube in order to guarantee that students can continue their education.

In order to guarantee the effectiveness of distance learning, the Government implemented the following measures:

- provision of tablets and notebooks to approximately 2.7 million students;

- provision of technological equipment to approximately half of the Dominican Republic's teachers;
- assumption of student's cost of internet connectivity by the Government;
- the use of radio, television and cable channels for the transmission of educational material in places where internet connectivity is not available;
- establishment of institutional mechanisms to integrate civil entities linked to education and educational management; and
- simplification of the curriculum.

Investment in educational equipment and internet access for students and teachers amounted to DOP31.4 billion. Further, the cost of updating schools and other institutions for in person learning amounted to DOP5.7 billion. In-person classes were resumed in January 2022.

Social Measures

School meal program. In order to safeguard the food security of vulnerable households, the Government decided to maintain the *Programa de Alimentación Escolar* (School Meal Program), despite the suspension of in-person classes. Pursuant to this measure, families are provided access to food rations based on the number of students of each family enrolled in schools.

Protection of vulnerable households and informal workers. Through the Stay at Home program implemented in April 2020, the Government committed to subsidizing 1.5 million households identified as poor or vulnerable, which are expected to be mostly supported by the preventive measures taken to contain the spread of COVID-19 in the Dominican Republic.

In particular, the Stay at Home program paid DOP5,000 per month to over 1.5 million families who also benefit from the Eating Comes First program. The Stay at Home program was extended until April 2021 and it is estimated to have benefited 46.9% of all households in the Republic and involve resources of approximately DOP17.0 billion.

Support for Formal Employees Suspended by their Employers. In April 2020, the Government launched the FASE program to support those formal employees of certain companies who have been suspended from their employment. Through the FASE program, in April and May 2020, the Government transferred to these employees a portion of their salaries in an amount not to exceed DOP8,500 per month. The FASE program, which was extended until July 2021, is estimated to have benefited more than 942,359 families, representing an injection of liquidity into the economy of approximately DOP51 billion.

*Pa' Ti (*For You*) Program.* In May 2020, the Government launched the *Pa' Ti* (For You) program to provide temporary support to certain independent workers through a DOP8,500 unconditional monthly cash distribution paid by the Government, which was intended to assist workers in counteracting the economic effects of the public health measures taken to prevent the spread of COVID-19. The program was discontinued in April 2021.

Monetary and Financial Measures to Support the Economy

With the outbreak of the COVID-19 pandemic, the Central Bank and the Monetary Board adopted a set of expansive monetary and financial measures to mitigate the effects of the COVID-19 pandemic by easing reserve requirements and increased financing for households and small and medium enterprises at lower interest rates. Between March and August 2020, the Central Bank decreased the MPR by 150 basis points to 3.00% per annum. The Central Bank also narrowed the interest rate corridor, from MPR plus or minus 150 basis points to MPR plus or minus 50 basis points. See "—The Monetary System—Monetary Policy."

In addition, to increase liquidity in the financial system, beginning April 2020, the Government implemented the following measures:

- Provision of liquidity in pesos in an aggregate amount of approximately DOP215.0 billion, to be provided through financial institutions by:
  - the release of approximately DOP30.1 billion from the legal reserve held by financial institutions, equivalent to 2.7 percentage points of the legal reserve coefficient, to be used as loans to households and productive sectors, at annual interest rates not to exceed 8.0%;

- in the case of savings and loan institutions and credit corporations, the legal reserve was reduced by 0.5%, equivalent to approximately DOP136.4 million, which was required to be made available as credit to micro and small businesses and households;
- the provision of liquidity through repos of up to 360 days to channel DOP60.0 billion, using securities issued by the Central Bank and guaranteed by the Ministry of Finance. This facility was available with interest rates of 4.50% for repos up to 90 days, 5.00% for repos between 91 and 180 days, and 5.50% for repos between 181 and 360 days. In October 2020, as most of these repos had matured, the Central Bank set at DOP20.0 billion this facility's available funds, adding the remaining DOP40.0 billion to the Rapid Liquidity Facility (as described below);
- the provision of up to DOP20.7 billion in liquidity for micro-, small- and medium-sized enterprises and households through repos and the release of legal reserve requirements held by financial institutions;
- the provision of up to DOP20.0 billion in liquidity for productive sectors such as tourism, exports, construction, and manufacturing; and
- the provision of funds through a Rapid Liquidity Facility aimed at households, productive sectors and micro- and small-enterprises for DOP60.0 billion, which was increased to (i) DOP100.0 billion in October 2020 following the DOP40.0 billion reduction in available funds through short-term repos, as described above, and (ii) DOP125.0 billion in February 2021.

- Provision of liquidity in foreign currency in an aggregate amount exceeding US$600 million, contributing to the proper functioning of the exchange market and the channelling of foreign currency to the productive sectors, through the following measures:
  - the injection of approximately US$400 million, through 90-day repo operations, using securities issued by the Ministry of Finance as guarantees with an interest rate reduction from 1.80% to 0.90% per annum;
  - the release of approximately US$222 million from the legal reserve of financial institutions in foreign currency; and
  - the remuneration, at an interest rate of 0.45% per annum, for reserves in foreign currency held by financial institutions exceeding the required minimum reserve level.
- Special regulations aimed at mitigating the potential impact of the COVID-19 pandemic on companies' cash flows and the deterioration of their credit portfolios, such as:
  - freezing credit ratings and provisions;
  - keeping the risk rating of creditors that were granted credit restructurings unchanged, without generating additional provisions;
  - providing that loans disbursed against credit lines will not be considered past due for a period of sixty days; and
  - providing a ninety-day extension on the term granted to debtors for them to update guarantees corresponding to credit ratings.

In April 2021, the Government commenced the normalization process to gradually lift the regulatory forbearance measures adopted during the earlier stages of the pandemic.

For more information, see "—The Monetary System—Supervision of the Financial System—Reforms of the Financial System."

Tax Measures

Given the COVID-19 pandemic, and as a means to support the economy, the Internal Revenue Agency (*Dirección General de Impuestos Internos)* and the Customs Agency *(Dirección General de Aduanas*) implemented certain measures to improve companies' cash flows and tax compliance, including, among others:

- A temporary suspension of the application of the Advanced Price Agreements ("APAs") with the tourism sector, which are used to determine payments due for VAT and income tax.
- An exemption, until December 2020, of the payment of the advance income tax available to legal entities or sole proprietorship businesses, including those large taxpayers facing difficulties to operate during the COVID-19 state of emergency. Large taxpayers that, due to particular circumstances cannot comply with advance income tax payments, may request a total or partial exemption.
- An exemption of the first and second advanced income tax payment for individuals and undivided estates due on July 15 and August 15, 2020, respectively; provided that the taxpayer's total income does not exceed DOP8.7 million.
- An exemption of the third payment of the advanced income tax generated during the 2019 fiscal year for individuals and undivided successions with non-commercial and industrial activities that are required to present a sworn income tax statement and whose total income is less than DOP8.7 million.
- A temporary suspension of the advanced payment of 50.0% of VAT for companies under the *Pro-industria* regime.
- An exemption, until December 2020, of taxes on the acquisition, either locally or internationally, of denatured ethyl alcohol to be used in the formulation of antibacterial gel and on personal protective equipment used in hospitals, among other health related products.
- A postponement of several taxes otherwise payable from March through July 2020.
- The payment of certain tax obligations in installments will not be subject to the monthly compensatory interest.
- A deferral, from April to July 2020, of payments under existing agreements in force before the current pandemic, with 50% reduction in the value of installments.
- Facilities for the regularization of taxpayers who have overdue obligations due to the COVID-19 pandemic, without penalty.
- An expedited customs clearance for high-priority goods.
- A simplification of procedures to obtain a low-cost housing bonus and the dispatch of imported vehicles.

Additionally, in compliance with the measures to prevent the spread of COVID-19 and to facilitate an efficient operation for key economic sectors, each of the Ministry of Finance, the Internal Revenue Agency and the Customs Agency digitized many of its services, as well as extended the validity of license plates and VAT exemption cards for free trade zones. In addition, the Customs Agency eliminated charges for late declaration and extended the time period for merchandise kept at deposits to be considered abandoned.

In 2021, as a means to support the most affected sectors of the economy, the Internal Revenue Agency decided to maintain certain measures that had been implemented during 2020, including:

- An exemption of the advanced income tax payment from January to June 2021 for taxpayers of the tourism sector that have their corresponding operating license from the Ministry of Tourism and for legal entities or businesses with one owner that are considered micro- or small-enterprises.
- An exemption of the first advanced income tax payment generated during the 2020 fiscal year for individuals and undivided successions with non-commercial and industrial activities that are required to present a sworn income tax statement and whose total income does not exceed DOP9.2 million.
- An exemption of the first payment of the asset tax for micro- and small-enterprises that carry out commercial operations, except for such enterprises whose fiscal year ends on December 31, 2020.
- Legal entities whose fiscal year ends on September 30, 2020 and are required to pay income tax and asset tax by January 28, 2021 were allowed to pay such tax in two equal, consecutive installments.

Vaccination Plan

On February 15, 2021, the Government announced the National Vaccination Plan and created a special committee (*Comité de Emergencia y Gestión Sanitaria para el Combatir del COVID-19*) to regulate and implement its application. The National Vaccination Plan initially targeted adults over 18 years of age and assigned priority based on comorbidity, risk of contagion (i.e., frontline personnel) and age. Since February 7, 2022, any person 5 years of age or older has been eligible to receive a COVID-19 vaccine.

Gross Domestic Product and Structure of the Economy

The Dominican economy is driven primarily by private consumption, investment and exports. The GDP by expenditure approach shows that as of December 31, 2021, private consumption accounted for 66.4% of GDP, government consumption for 11.5% of GDP and gross investment for 31.4% of GDP.

The following tables set forth the Republic's GDP by expenditure for the periods indicated.

Gross Domestic Product by Expenditure

(in millions of US$ and as a % of total GDP, at current prices)(1)

	As of December 31,									
	2017(2)		2018(2)		2019(2)		2020(2)		2021(2)	
	US$	%	US$	%	US$	%	US$	%	US$	%
Government consumption	8,753.6	10.9	9,289.2	10.9	9,840.8	11.1	9,953.4	12.6	10,837.2	11.5
Private consumption	55,577.2	69.5	58,419.6	68.3	60,278.6	67.8	54,939.1	69.7	62,775.3	66.4
Total consumption	64,330.8	80.4	67,708.8	79.2	70,119.4	78.9	64,892.5	82.3	73,612.6	77.9
Total gross investment	17,983.0	22.5	22,064.8	25.8	23,118.7	26.0	20,008.1	25.4	29,635.2	31.4
Exports of goods and services	18,951.5	23.7	20,145.2	23.6	20,510.0	23.1	14,422.3	18.3	20,561.5	21.8
Imports of goods and services	(21,240.9)	(26.5)	(24,381.9)	(28.5)	(24,842.0)	(27.9)	(20,493.9)	(26.0)	(29,285.5)	(31.0)
Net exports (imports)	(2,289.3)	(2.9)	(4,236.7)	(5.0)	(4,332.0)	(4.9)	(6,071.6)	(7.7)	(8,724.0)	(9.2)
GDP	**80,024.5**	**100.0**	**85,536.9**	**100.0**	**88,906.1**	**100.0**	**78,829.0**	**100.0**	**94,523.7**	**100.0**

(1) Based on the weighted average exchange rate for each year.
(2) Preliminary data.
Source: Central Bank.

Gross Domestic Product by Expenditure

(in millions of DOP and as % change from prior year, at current prices)

	As of December 31,									
	2017(1)		2018(1)		2019(1)		2020(1)		2021(1)	
	DOP	%	DOP	%	DOP	%	DOP	%	DOP	%
Government consumption	415,959.0	15.8	460,006.9	10.6	504,984.6	9.8	562,725.0	11.4	618,280.7	9.9
Private consumption	2,640,954.6	7.4	2,892,980.7	9.5	3,093,208.9	6.9	3,106,022.1	0.4	3,581,423.2	15.3
Total consumption	3,056,913.5	8.5	3,352,987.6	9.7	3,598,193.5	7.3	3,668,747.1	2.0	4,199,703.9	14.5
Total gross investment	854,528.4	6.7	1,092,665.1	27.9	1,186,340.2	8.6	1,131,173.7	(4.7)	1,690,728.7	49.5
Exports of goods and services	900,550.5	8.0	997,602.5	10.8	1,052,474.9	5.5	815,376.5	(22.5)	1,173,061.0	43.9
Imports of goods and services	(1,009,336.6)	4.6	(1,207,408.4)	19.6	(1,274,773.5)	5.6	(1,158,640.0)	(9.1)	(1,670,779.6)	44.2
Net exports (imports)	(108,786.2)	(17.2)	(209,805.9)	92.9	(222,298.6)	6.0	(343,263.4)	54.4	(497,718.5)	45.0
GDP	**3,802,655.8**	**9.0**	**4,235,846.8**	**11.4**	**4,562,235.1**	**7.7**	**4,456,657.4**	**(2.3)**	**5,392,714.1**	**21.0**

(1) Preliminary data.
Source: Central Bank.

Gross Domestic Product by Expenditure

(in chained volume indexes (or "Index") referenced to 2007 and as % change from prior year)[1]

	As of December 31,									
	2017[2]		2018[2]		2019[2]		2020[2]		2021[2]	
	Index	**%**	**Index**	**%**	**Index**	**%**	**Index**	**%**	**Index**	**%**
Government consumption..........	142.7	0.8	146.7	2.8	156.0	6.3	163.7	4.9	163.8	0.1
Private consumption................	160.4	4.4	169.5	5.7	177.3	4.6	171.3	(3.4)	182.7	6.6
Total consumption..................	158.1	3.9	166.4	5.2	174.4	4.8	170.2	(2.4)	179.7	5.6
Gross fixed investment[3]...........	147.2	(0.3)	166.8	13.3	180.4	8.1	158.6	(12.1)	193.6	22.1
Exports of goods and services.....	158.1	4.9	167.6	6.1	170.2	1.5	118.6	(30.3)	161.5	36.2
Imports of goods and services	135.9	(3.0)	147.5	8.5	156.1	5.8	133.3	(14.6)	166.1	24.7
Real GDP..............................	**160.2**	**4.7**	**171.4**	**7.0**	**180.1**	**5.1**	**168.0**	**(6.7)**	**188.6**	**12.3**

(1) For additional information on this methodology please see "Defined Terms and Conventions—Certain Defined Terms—GDP."

(2) Preliminary data.

(3) Changes in inventories are a volatile component of total gross investment; therefore their chained indexes and year-over-year changes may lack economic consistency. Thus, total gross investment indexes and changes are not estimated. A gross fixed investment index is estimated, which accounts for most of the gross investment component of GDP.

Source: Central Bank.

In 2017, the Republic's real GDP grew by 4.7% as compared to 2016, mainly due to the implementation of a fiscal and monetary stimulus program aimed at enhancing economic activity, which reflected positive results in the last quarter of the year. This increase was also a result of a higher total consumption and exports, which registered a 3.9% and 4.9% growth rate, respectively. Gross fixed investment decreased by 0.3% in 2017.

In 2018, the Republic's real GDP grew by 7.0% as compared to 2017, mainly as a result of higher domestic demand, which resulted mainly from the expansion in gross fixed investment (13.3%) and total consumption (5.2%). This growth in GDP was due to the continuing effects of the monetary easing measures implemented in 2017, which stimulated an increase in financial credit to the private sector, in a context of low inflationary pressures and low effective annual interest rates, which in turn allowed the expansion of investment and consumption. Total exports grew by 6.1% compared to 2017, due to the increase in tourism revenues driven by an increase in the number of non-resident visitor arrivals.

In 2019, the Republic's real GDP grew by 5.1% as compared to 2018, mainly as a result of higher domestic demand, which resulted mainly from the expansion in gross fixed investment (8.1%) and total consumption (4.8%). This growth in GDP was due to the continuing effects of the monetary easing measures implemented in mid-2019, which stimulated an increase in financial credit to the private sector, in a context of low inflationary pressures and low effective annual interest rates, which in turn allowed for the expansion of investment and consumption.

In 2020, the Republic's real GDP contracted by 6.7% as compared to 2019, due to the weakening of the components of external and domestic demand, as a result of the preventative public safety measures taken to contain the spread of COVID-19 in the country. Specifically, total consumption and gross fixed investment, declined 2.4% and 12.1%, respectively. In addition, total exports and imports decreased by 30.3% and 14.6%, respectively.

In 2021, the Republic's real GDP grew by 12.3% as compared to 2020, as a result of the adoption of several measures to alleviate the negative effects of the COVID-19 pandemic and stimulate a rapid economic recovery process, which boosted consumption and investment. Specifically, total consumption and gross fixed investment increased 5.6% and 22.1%, respectively. In addition, total exports and imports increased by 36.2% and 24.7%, respectively.

The following table sets forth investment and savings in U.S. dollars and as a percentage of total GDP at current prices for the periods indicated.

Investment and Savings
(in millions of US$ and as a % of total GDP, at current prices)

	As of December 31,									
	2017[1]		2018[1]		2019[1]		2020[1]		2021[1]	
	US$	%	US$	%	US$	%	US$	%	US$	%
Domestic investment	17,983.0	22.5	22,064.8	25.8	23,118.7	26.0	20,008.1	25.4	29,635.2	31.4
Domestic savings:										
Public savings.............	817.0	1.0	724.7	0.8	N/A	N/A	N/A	N/A	N/A	N/A
Private savings............	17,032.9	21.3	20,018.7.	23.4	N/A	N/A	N/A	N/A	N/A	N/A
Total domestic savings.....	17,849.9	22.3	20,743.3	24.3	21,930.8	24.7	18,670.8	23.7	26,946.5	28.5
External savings [2]	133.1	0.2	1,321.5	1.5	1,187.9	1.3	1,337.3	1.7	2,688.7	2.8
Total savings.................	**17,983.0**	**22.5**	**22,064.8**	**25.8**	**23,118.7**	**26.0**	**20,008.1**	**25.4**	**29,635.2**	**31.4**

(1) Preliminary data.
(2) Calculated as the inverse negative of the current account balance.
N/A = not available.
Source: Central Bank.

During the period from 2017 through 2019, there was an improvement in terms of reducing the need for external savings (equivalent to the reduction of current account deficit) to finance total domestic investment, with domestic savings representing 22.3%, 24.3% and 24.7% of GDP, respectively, and external savings representing only 0.2%, 1.5% and 1.3% of GDP, respectively. In 2020, due to the effects of the COVID-19 pandemic, total domestic savings decreased by 14.9% when compared to 2019, while external savings increased by 12.6% during the same period. In 2020, domestic savings and external savings represented 23.7% and 1.7% of GDP, respectively. In 2021, due to the economic recovery, domestic savings and external savings represented 28.5% and 2.8% of GDP, respectively.

The following table sets forth annual per capita GDP and per capita income in U.S. dollars for the periods indicated.

Per Capita GDP[1] and Per Capita Income[2]
(in US$ and as a % change from prior year, at current prices)[3]

	As of December 31,									
	2017[4]		2018[4]		2019[4]		2020[4]		2021[4]	
	US$	%	US$	%	US$	%	US$	%	US$	%
Per capita GDP.......	7,869.3	4.7	8,331.9	5.9	8,583.1	3.0	7,544.5	(12.1)	8,971.9	18.9
Per capita income ...	8,057.8	4.4	8,598.9	6.7	8,856.2	3.0	7,934.6	(10.4)	9,479.1	19.5

(1) Without adjustment to reflect changes in purchasing power.
(2) Per capita national disposable income, which is equal to GDP plus net investment and financial income from abroad plus foreign remittances, divided by the country's population for each year.
(3) Based on the weighted average exchange rate for each year.
(4) Preliminary data.
Source: Central Bank.

During the period from 2017 through 2019, economic growth and improved employment levels resulted in an expansion of per capita GDP and per capita income. However, in 2020 per capita GDP and per capita income decreased by 12.1% and 10.4%, respectively, due to the impact of the COVID-19 pandemic. In 2021, per capita GDP and per capita income increased by 18.9% and 19.5%, respectively, due to the subsequent economic recovery.

Principal Sectors of the Economy

The main economic activities in the Dominican Republic are:

- agriculture and livestock;
- manufacturing;
- construction;

- wholesale and retail trade;
- tourism (which has secondary effects on various sectors of the economy); and
- transportation.

The contribution of these sectors to GDP, coupled with the value they added to other sectors of the economy, contributed to the overall growth of the Dominican economy during the period from 2017 to 2019. The annual average GDP growth rate for 2017 to 2019 was 5.6%. Real GDP contracted by 6.7% in 2020, primarily as a result of the preventative public safety measures taken to contain the spread of COVID-19 in the country. In 2021, the Dominican economy recovered, with real GDP growing by 12.3%.

The following table sets forth the principal sectors of the economy in 2021.

Sectors of the Dominican Economy
(as a % of GDP for 2021, at current prices)

	2021(1)
Primary production(2)	7.5
Manufacturing(3)	15.2
Other Secondary Production(4)	15.7
Services(5)	54.6
Taxes (less subsidies)	7.0

(1) Preliminary data.
(2) Includes agriculture, livestock, fishing and forestry and mining.
(3) Includes traditional manufacturing and free trade zones.
(4) Includes electricity, gas and water, and construction.
(5) Includes wholesale and retail trade; communications; hotels, bars and restaurants; and other service industries.
Source: Central Bank.

The following tables set forth the distribution of GDP in the Dominican economy, indicating for each sector its percentage contribution to GDP and its annual growth rate for the periods indicated, in each case, as compared to the prior year.

Gross Domestic Product by Sector
(in millions of DOP and as a % of GDP, at current prices)

	As of December 31,									
	2017[1]		2018[1]		2019[1]		2020[1]		2021[1]	
	DOP	%	DOP	%	DOP	%	DOP	%	DOP	%
Primary production:										
Agriculture, livestock, fishing and forestry..........	203,163.2	5.3	218,052.2	5.1	238,481.2	5.2	269,248.0	6.0	305,539.4	5.7
Mining...........................	70,388.1	1.9	73,574.2	1.7	82,459.0	1.8	89,231.2	2.0	97,093.7	1.8
Total primary production ...	273,551.3	7.2	291,626.4	6.9	320,940.2	7.0	358,479.1	8.0	402,633.1	7.5
Secondary production:										
Manufacturing:										
Traditional	410,978.1	10.8	456,900.9	10.8	482,045.4	10.6	486,551.9	10.9	621,851.3	11.5
Free trade zones	125,039.1	3.3	141,858.7	3.3	145,663.6	3.2	157,215.0	3.5	195,678.2	3.6
Total manufacturing..........	536,017.2	14.1	598,759.6	14.1	627,708.9	13.8	643,766.8	14.4	817,529.5	15.2
Electricity, gas and water...	62,187.6	1.6	65,909.5	1.6	71,206.6	1.6	71,140.7	1.6	75,985.8	1.4
Construction	398,765.9	10.5	482,158.6	11.4	545,201.9	12.0	545,447.3	12.2	770,765.8	14.3
Total secondary production	996,970.7	26.2	1,146,827.7	27.1	1,244,117.5	27.3	1,260,354.8	28.3	1,664,281.1	30.9
Services:										
Wholesale and retail trade ..	395,718.2	10.4	437,201.0	10.3	459,655.6	10.1	472,288.7	10.6	585,156.3	10.9
Hotels, bars and restaurants	297,203.9	7.8	323,927.0	7.6	336,131.2	7.4	183,998.1	4.1	287,229.9	5.3
Transportation	315,149.8	8.3	347,875.9	8.2	378,099.2	8.3	370,344.6	8.3	456,687.9	8.5
Communications..............	36,470.6	1.0	40,595.4	1.0	38,366.3	0.8	40,301.7	0.9	43,389.0	0.8
Financial services	157,911.6	4.2	171,595.7	4.1	190,699.2	4.2	209,188.9	4.7	207,653.0	3.9
Real estate	300,902.8	7.9	321,221.5	7.6	341,778.8	7.5	360,311.9	8.1	378,760.6	7.0
Public administration........	154,464.7	4.1	174,791.1	4.1	185,857.5	4.1	188,249.7	4.2	212,170.0	3.9
Private education.............	80,967.6	2.1	86,378.0	2.0	92,231.3	2.0	90,591.9	2.0	82,232.5	1.5
Public education..............	122,601.9	3.2	139,831.6	3.3	157,352.4	3.4	153,731.7	3.4	175,262.4	3.2
Private health..................	77,536.1	2.0	89,604.1	2.1	94,190.1	2.1	107,215.6	2.4	106,610.1	2.0
Public health....................	39,151.6	1.0	45,614.1	1.1	51,459.3	1.1	68,592.7	1.5	77,284.4	1.4
Other services..................	281,687.6	7.4	304,717.0	7.2	333,726.0	7.3	304,581.6	6.8	333,586.1	6.2
Total services	2,259,766.3	59.4	2,483,352.5	58.6	2,659,546.8	58.3	2,549,397.2	57.2	2,946,022.2	54.6
Taxes to production net of subsidies.........................	272,367.4	7.2	314,040.2	7.4	337,630.7	7.4	288,426.2	6.5	379,777.7	7.0
Total GDP..........................	**3,802,655.8**	**100.0**	**4,235,846.8**	**100.0**	**4,562,235.1**	**100.0**	**4,456,657.4**	**100.0**	**5,392,714.1**	**100.0**

(1) Preliminary data.
Source: Central Bank.

Gross Domestic Product by Sector
(in millions of US$ and as a % of GDP, at current prices)

	As of December 31,									
	2017[(1)]		2018[(1)]		2019[(1)]		2020[(1)]		2021[(1)]	
	US$	%	US$	%	US$	%	US$	%	US$	%
Primary production:										
Agriculture, livestock, fishing and forestry	4,275.4	5.3	4,403.3	5.1	4,647.4	5.2	4,762.4	6.0	5,355.5	5.7
Mining	1,481.3	1.9	1,485.7	1.7	1,606.9	1.8	1,578.3	2.0	1,701.9	1.8
Total primary production	5,756.7	7.2	5,889.0	6.9	6,254.3	7.0	6,340.7	8.0	7,057.4	7.5
Secondary production:										
Manufacturing:										
Traditional	8,648.8	10.8	9,226.5	10.8	9,393.8	10.6	8,606.1	10.9	10,899.8	11.5
Free trade zones	2,631.4	3.3	2,864.6	3.3	2,838.6	3.2	2,780.8	3.5	3,429.9	3.6
Total manufacturing	11,280.1	14.1	12,091.1	14.1	12,232.4	13.8	11,386.9	14.4	14,329.7	15.2
Electricity, gas and water	1,308.7	1.6	1,330.9	1.6	1,387.6	1.6	1,258.3	1.6	1,331.9	1.4
Construction	8,391.8	10.5	9,736.5	11.4	10,624.6	12.0	9,647.8	12.2	13,510.0	14.3
Total secondary production	20,980.6	26.2	23,158.6	27.1	24,244.6	27.3	22,293.1	28.3	29,171.6	30.9
Services:										
Wholesale and retail trade	8,327.6	10.4	8,828.7	10.3	8,957.5	10.1	8,353.8	10.6	10,256.6	10.9
Hotels, bars and restaurant	6,254.5	7.8	6,541.2	7.6	6,550.3	7.4	3,254.5	4.1	5,034.6	5.3
Transportation	6,632.1	8.3	7,024.9	8.2	7,368.2	8.3	6,550.6	8.3	8,004.8	8.5
Communications	767.5	1.0	819.8	1.0	747.7	0.8	712.9	0.9	760.5	0.8
Financial services	3,323.2	4.2	3,465.1	4.1	3,716.2	4.2	3,700.1	4.7	3,639.7	3.9
Real estate	6,332.3	7.9	6,486.6	7.6	6,660.4	7.5	6,373.2	8.1	6,638.9	7.0
Public administration	3,250.6	4.1	3,529.7	4.1	3,621.9	4.1	3,329.7	4.2	3,718.9	3.9
Private education	1,703.9	2.1	1,744.3	2.0	1,797.3	2.0	1,602.4	2.0	1,441.4	1.5
Public education	2,580.1	3.2	2,823.7	3.3	3,066.4	3.4	2,719.2	3.4	3,072.0	3.2
Private health	1,631.7	2.0	1,809.4	2.1	1,835.5	2.1	1,896.4	2.4	1,868.7	2.0
Public health	823.9	1.0	921.1	1.1	1,002.8	1.1	1,213.3	1.5	1,354.6	1.4
Other services	5,927.9	7.4	6,153.3	7.2	6,503.5	7.3	5,387.4	6.8	5,847.1	6.2
Total services	47,555.4	59.4	50,147.8	58.6	51,827.7	58.3	45,093.5	57.2	51,638.0	54.6
Taxes to production net of subsidies	5,731.8	7.2	6,341.6	7.4	6,579.5	7.4	5,101.7	6.5	6,656.8	7.0
Total GDP	**80,024.5**	**100.0**	**85,536.9**	**100.0**	**88,906.1**	**100.0**	**78,829.0**	**100.0**	**94,523.7**	**100.0**

(1) Preliminary data.
Source: Central Bank.

Gross Domestic Product by Sector
(chained volume indexes referenced to 2007)[2]

	As of December 31,				
	2017[1]	2018[1]	2019[1]	2020[1]	2021[1]
Primary production:					
Agriculture, livestock, fishing and forestry	153.7	162.2	168.8	173.6	178.2
Mining	397.8	392.7	405.9	355.1	352.6
Total primary production	218.2	221.5	228.6	220.2	221.6
Secondary production:					
Manufacturing:					
Traditional	138.2	146.0	149.9	146.6	162.1
Free trade zones	128.0	138.4	141.3	137.5	165.4
Total manufacturing	135.8	144.2	147.8	144.5	162.9
Electricity, gas and water	123.8	130.8	140.6	141.2	149.6
Construction	163.5	182.8	201.9	180.2	222.3
Total secondary production	145.2	158.8	170.1	159.9	187.9
Services:					
Wholesale and retail trade	147.6	159.2	165.2	157.2	177.4
Hotels, bars and restaurants	155.9	164.8	165.1	86.7	120.9
Transportation	174.9	185.4	195.3	180.5	203.8
Communications	167.7	188.8	175.2	180.0	188.3
Financial services	202.0	216.6	236.2	253.0	246.5
Real estate	147.0	153.2	160.9	167.1	172.0
Public administration	137.2	141.1	146.2	147.4	145.0
Private education	127.1	129.3	132.6	130.7	113.3
Public education	187.7	193.7	198.4	188.3	196.4
Private health	207.7	231.9	236.0	255.5	240.5
Public health	148.1	150.7	164.9	198.7	213.7
Other services	169.0	177.1	189.6	168.7	179.4
Total services	161.9	171.4	178.9	166.0	182.6
Total GDP	**160.2**	**171.4**	**180.1**	**168.0**	**188.6**

(1) Preliminary data.
(2) For additional information on this methodology please see "Defined Terms and Conventions—Certain Defined Terms—GDP."
Source: Central Bank.

Real Gross Domestic Product by Sector
(% change from prior year, chained volume indexes referenced to 2007)(3)

	As of December 31,				
	2017(1)	2018(1)	2019(1)	2020(1)	2021(1)
Primary production:					
Agriculture, livestock, fishing and forestry	5.8	5.5	4.1	2.8	2.6
Mining	(2.9)	(1.3)	3.4	(12.5)	(0.7)
Total primary production	7.1	1.5	3.2	(3.7)	0.6
Secondary production:					
Manufacturing:					
Traditional	2.4	5.6	2.7	(2.2)	10.6
Free trade zones	3.6	8.1	2.1	(2.7)	20.3
Total manufacturing	2.6	6.2	2.5	(2.2)	12.7
Electricity, gas and water	3.7	5.7	7.5	0.4	6.0
Construction	5.0	11.8	10.4	(10.7)	23.4
Total secondary production	3.5	9.3	7.1	(6.0)	17.5
Services:					
Wholesale and retail trade	2.6	7.9	3.8	(4.8)	12.9
Hotels, bars and restaurants	6.8	5.7	0.2	(47.5)	39.5
Transportation	4.8	6.0	5.3	(7.6)	12.9
Communications	3.9	12.5	(7.2)	2.7	4.6
Financial services	4.0	7.2	9.0	7.1	(2.6)
Real estate	4.4	4.2	5.0	3.8	3.0
Public administration	0.4	2.8	3.7	0.8	(1.7)
Private education	1.2	1.7	2.5	(1.4)	(13.3)
Public education	3.4	3.2	2.5	(5.1)	4.3
Private health	5.7	11.7	1.8	8.3	(5.9)
Public health	(6.0)	1.8	9.4	20.5	7.5
Other services	3.6	4.8	7.1	(11.1)	6.4
Total services	4.0	5.9	4.3	(7.2)	10.0
Real GDP growth(2)	**4.7**	**7.0**	**5.1**	**(6.7)**	**12.3**

(1) Preliminary data.
(2) Includes taxes less subsidies.
(3) For additional information on this methodology please see "Defined Terms and Conventions—Certain Defined Terms—GDP."
Source: Central Bank.

Primary Production

Agriculture, Livestock, Fishing and Forestry

The Dominican agriculture, livestock, fishing and forestry sector is dominated by small-scale producers of sugarcane, grains (such as rice and beans), coffee, cocoa, fruits, vegetables, root crops, milk, beef, eggs, pork and poultry. The sector exhibited a 5.1% average annual growth between 2017 and 2019. In 2020 and 2021, this sector showed a moderate growth rate of 2.8% and 2.6%, respectively.

In 2017, this sector grew at a rate of 5.8%, despite the impact of two hurricanes, Irma and Maria, and various floods in agricultural regions at the end of 2016 and the beginning of 2017, which had significant effects on production and commercial activity, causing damage to road infrastructure and leading to a temporary suspension of labor activities for several days. Notwithstanding the foregoing, the sector expanded during the second half of 2017, largely due to the positive effects of monetary easing measures that boosted availability of credit and fiscal policies, which resulted in increased consumption and private investment. In addition, the Monetary Board contributed DOP6.6 billion in December 2016 to agricultural producers in some provinces affected by the abovementioned floods.

In 2018, this sector grew at a rate of 5.5% compared to 2017, driven primarily by the implementation of public policies such as technical assistance, financial support, land repair and infrastructure maintenance, distribution of seeds and fertilizers to agricultural producers, the supply of foodstuff to breeders, genetic diversification of seeds and the reprogramming of crop cycles to achieve greater efficiency and productivity.

In 2019, this sector grew at a rate of 4.1% compared to 2018, driven primarily by the implementation of public policies, such as technical assistance and financial support by the Budgetary Government and the Ministry of

Agriculture, which supported sustained production and partially offset the effects of a drought that impacted different areas of the country throughout most of the year.

In 2020, this sector continued its positive outcome, albeit at a slower pace, growing at a rate of 2.8%. This result was mainly due to the impact of the COVID-19 pandemic and due to the lagged impact of environmental factors, such as the drought that affected harvest during the first half of 2020 and two tropical storms, which generated a decrease in the supply of various food products. The Budgetary Government implemented policies in favor of small and medium producers, developing technical assistance to the sector, offering purchase agreements, assuming refrigeration costs and supplying liquidity to agricultural producers through *Banco Agrícola* (Agricultural Bank), which was a decisive boost for the sector.

In 2021, this sector grew at a rate of 2.6%. This result was mainly due to the measures implemented by the Budgetary Government to counteract the effect of the rise of production and transportation costs derived from the increase in oil prices and other commodity prices, including zero-rate loans granted by *Banco Agrícola* and debt renegotiations, as well as public policies such as works to expand the availability of arable land, infrastructure maintenance and the delivery of inputs to agricultural producers.

The following table sets forth the production of selected primary goods for the years indicated.

Selected Primary Goods Production (1)
(in millions of US$, at current prices)

	As of December 31,				
	2017	**2018(2)**	**2019(2)**	**2020(2)**	**2021(2)**
Crops:					
Fruits	944.4	945.0	983.3	966.0	1,051.8
Rice	333.5	357.7	344.2	333.1	385.5
Root crops	226.9	240.9	251.5	240.5	208.4
Vegetables	203.7	226.4	219.7	209.0	224.8
Sugarcane	224.8	217.8	161.9	172.2	177.5
Coffee	43.9	44.1	37.7	41.3	48.7
Legumes	64.2	63.9	70.5	63.8	66.2
Corn	17.3	18.1	21.8	18.6	22.2
Tobacco	17.6	17.2	20.2	6.0	5.4
Oleaginous crops	5.6	7.0	9.1	6.4	6.2
Other agricultural (plantains)	328.0	329.2	412.7	436.0	419.7
Total crops	2,410.1	2,467.4	2,532.7	2,493.0	2,616.3
Livestock:					
Poultry	433.6	453.2	438.0	389.7	408.7
Milk	299.3	308.0	304.9	283.9	258.8
Beef	573.7	585.7	590.4	567.0	561.7
Eggs	167.2	179.3	201.2	214.5	198.5
Pork	156.4	151.2	151.9	143.3	123.5
Lamb	—	—	—	—	—
Total livestock	1,630.2	1,677.3	1,686.3	1,598.3	1,551.2
Honey and bees' wax	—	—	—	—	—
Fishing and forestry	53.7	55.2	56.3	55.9	54.4

(1) Value of total production based on producer prices. Conversion to U.S. dollars based on the weighted average exchange rate for each year.
(2) Preliminary data.
Sources: *Ministerio de Agricultura* (Ministry of Agriculture) and Central Bank.

The following table sets forth the annual percentage change in production of selected primary goods for the periods indicated:

Selected Primary Goods Production

(% change in volume for the period indicated)

	As of December 31,				
	2017	**2018(1)**	**2019(1)**	**2020(1)**	**2021(1)**
Crops:					
Fruits	3.2	6.2	7.1	(3.4)	1.2
Rice	5.6	6.7	(4.7)	1.7	7.7
Root crops	2.2	(1.1)	8.1	0.7	1.6
Vegetables	15.3	15.7	6.2	(2.5)	(2.5)
Sugar cane	23.6	1.0	(23.0)	17.3	4.0
Coffee	16.4	4.8	(8.1)	8.3	11.2
Legumes	6.1	6.9	7.5	(12.4)	2.4
Corn	5.6	1.5	11.5	2.6	7.0
Tobacco	0.8	(5.3)	12.2	21.7	(15.7)
Oleaginous crops	8.1	1.9	14.6	(16.3)	1.8
Other agricultural (plantains)	5.3	(1.3)	0.9	2.3	2.3
Total crops	5.9	5.2	4.4	3.7	2.9
Livestock:					
Poultry	3.9	3.2	(2.6)	(8.0)	10.9
Milk	9.4	5.6	1.5	(1.8)	(3.4)
Beef	0.9	1.0	0.9	0.9	0.8
Eggs	8.8	11.0	20.5	10.4	2.3
Pork	1.6	(1.2)	4.8	1.6	(5.8)
Lamb	—	—	—	—	—
Total livestock	4.8	6.1	3.5	-0.2	1.1
Honey and bees' wax	—	—	—	—	—
Fishing and forestry	4.0	3.9	4.0	4.0	4.1

(1) Preliminary data.

Sources: Ministerio de Agricultura (Ministry of Agriculture) and Central Bank.

Mining

The mining sector had been historically concentrated in the production of nickel-iron, marble and quarry products, such as sand, coarse sand and lime sulfate, but since the fourth quarter of 2012, gold and silver became the most important mining products. Even though the mining sector represents a relatively small component of the Dominican economy, it has increased its importance over time, from a share of only 0.9% of GDP in 2012, to 1.8% of GDP in 2021.

The mining sector decreased by 2.9% during 2017, explained by the 8.7% fall in the production of gold, attributed to the temporary stoppage in such year of mining activities by the main company in the country due to machinery and equipment maintenance. This downward trend continued in 2018, albeit to a lesser extent, with a 1.3% decrease in the mining sector that resulted from a 7.3% decrease in the production of gold, attributed to the aforementioned temporary stoppage of mining activities in 2017. The mining sector recovered in 2019, growing by 3.4%, as compared to 2018, mainly due to the increase of nickel-iron, sand and gravel production. In 2020, the mining sector decreased by 12.5%, mainly due to a 11.3% contraction in the production of gold, which was the result of a 15.1% decrease in external demand of gold due to the global impact of the COVID-19 pandemic. In 2021, the mining sector decreased by 0.7%, mainly due to a 10.9% reduction in the production of gold, which was partially offset by an expansion in the production of copper (117.7%) and nickel-iron (28.2%).

Pueblo Viejo Gold Mine Operating Lease Amendment

On September 5, 2013, representatives of the Republic signed an amendment to the operating lease agreement (Special Lease Contract of Mining Rights or *Contrato Especial de Arrendamiento de Derechos Mineros*) with Pueblo Viejo Dominicana Corporation ("PVDC"), a subsidiary of Barrick Gold Corporation, for the development and operation of the Pueblo Viejo gold mine, which was approved by Congress on October 1, 2013.

Among the key terms renegotiated by the Republic and PVDC were:

- the elimination of an internal rate of return requirement for PVDC's investment as a pre-requisite for its obligation to begin paying income taxes (the *Impuesto de Participación de las Utilidades Netas* or "PUN");
- a reduction in the applicable rate of depreciation;
- a reduction in the committed amount to be invested by PVDC;
- a reduction in the maximum allowable interest rates for loans granted by affiliates of Barrick Gold Corporation to PVDC; and
- the establishment of an annual minimum tax (the *Impuesto Mínimo Anual* or "IMA") on the gross income of any exports of metals made by PVDC from the mine, which will be in addition to the payment of royalties on net income from exports of gold and silver.

Based on these amendments and assuming an average international market price for gold of US$1,600 per troy ounce during the period from 2013 to 2016, the Republic estimated it would receive payments from PVDC equal to approximately US$2.2 billion and of approximately US$11.6 billion during the useful life of the mine. However, as gold prices during the period from 2013 to 2016 were below US$1,400 per troy ounce, the Republic received US$1.1 billion in revenue during such period. As of December 31, 2021, the Republic had received payments from PVDC in an aggregate amount equal to US$2.7 billion. In 2021, PVDC paid US$491.9 million in taxes, mainly due to the high international price of gold which led to an increase in profitability, as well as a US$95.0 million extraordinary royalties payment, as part of an advance tax agreement entered into in the last quarter of 2020.

Secondary Production

Manufacturing

The manufacturing sector includes traditional manufacturing and free trade zones, where the latter are regulated under a scheme of tax exemption to promote exports. Each category comprises the following activities:

- Traditional manufacturing industries: food industry, beverage and tobacco, petroleum refining and chemicals and other manufacturing products.
- Free trade zones: textiles manufacturing and other activities such as electronics, tobacco and its derivatives, footwear and other manufacturing.

The manufacturing sector accounted, on average, for 14.3% of GDP during the 2017-2021 period, at current prices. During such years, the manufacturing sector performed as follows:

- In 2017, the traditional manufacturing industries grew 2.4% compared to 2016, driven primarily by a growth of 5.6% in petroleum refining and chemicals, 5.3% in the food industry and 2.4% in the production of beverages and tobacco. Manufacturing in free trade zones grew by 3.6%, driven by the positive performance of exports in U.S. dollars of pharmaceutical products, electrical products, tobacco, jewelry and related articles and other industries.
- In 2018, the traditional manufacturing industries grew 5.6% compared to 2017, driven primarily by a growth of 9.6% in petroleum refining and chemicals production, 6.0% in the production of beverages and tobacco, 6.0% in other manufacturing industries and 4.0% in the food industries. Manufacturing in free trade zones grew by 8.1%, driven by the positive performance observed in exports in U.S. dollars, including a growth of 16.2% of jewelry and related articles, 15.3% of electrical products, 5.7% of medical and surgical equipment and 3.1% of tobacco.
- In 2019, the traditional manufacturing industries grew 2.7% compared to 2018, driven primarily by a growth of 8.2% in the production of beverages and tobacco, 2.9% in the food industries and 2.1% in other manufacturing industries. Manufacturing in free trade zones grew by 2.1%, driven by the positive performance observed in exports in U.S. dollars of medical and surgical equipment, jewelry and related articles and tobacco products.
- In 2020, the traditional manufacturing industries decreased by 2.2% compared to 2019, driven primarily by the effects of the COVID-19 pandemic. With the exception of the food industries, which

grew by 4.4%, all the other components contracted in 2020: other manufactures, beverages and tobacco, and petroleum and chemical refining decreased by 9.5%, 5.1% and 4.7%, respectively. The traditional manufacturing industries showed a recovery during the second half of 2020, with an average growth rate of 0.5% during such period, due to the boost received by the government in the form of easing monetary policy measures to provide liquidity to the economy and by the adoption of certain tax incentives and benefits. Manufacturing in free trade zones decreased by 2.7% in 2020, driven by a 5.7% contraction in exports when measured in U.S. dollars, which was mainly the result of the temporary reduction of the operations of a large part of the industry due to the impact of the preventative public safety measures taken to contain the spread of COVID-19. However, exports when measured in U.S. dollars improved in the second half of 2020, with growth rates in the third (0.7%) and fourth (4.7%) quarters, mainly driven by the gradual reopening of operations since July 2020. In 2020, the Republic saw an increase in exports of pharmaceutical products and medical devices when measured in U.S. dollars, of 141.4% and 6.4%, respectively, mainly due to a higher external demand for these products driven by the health crisis caused by the COVID-19 pandemic. Similarly, the electrical products and tobacco manufactures registered growth rates of 3.6% and 1.3%, respectively, in 2020.

- In 2021, the traditional manufacturing industries grew 10.6% compared to 2020, driven primarily by a growth of 23.3% in other manufacturing industries, 21.3% in petroleum refining and chemicals production, 10.0% in the production of beverages and tobacco and 0.1% in the food industries. Manufacturing in free trade zones grew by 20.3%, driven by a 21.8% increase in exports in U.S. dollars, including growth of 77.7% in jewelry and related articles, 33.6% in tobacco, 8.4% in medical and surgical equipment and 4.3% in electrical products.

The following tables set forth information regarding traditional manufacturing production for the periods indicated:

Production of Selected Manufacturing Goods
(in volumes as specified)

	As of December 31,				
	2017(1)	2018(1)	2019(1)	2020(1)	2021(1)
Raw sugar (in metric tons)	561,496	625,035	506,407	604,467	614,269
Refined sugar (in metric tons)	171,136	157,494	124,687	124,880	154,824
Beer (in thousands of liters) (2)	491,488	520,084	575,181	536,413	567,476
Cigarettes (in thousands of packs of 20 units)	88,736	95,831	88,931	67,566	64,690
Rum (in thousands of liters)	48,708	47,380	48,977	56,661	70,830
Milk (in thousands of liters)	150,549	159,769	168,149	176,207	165,431
Flour (3)	2,823,251	2,897,087	1,619,435	2,338,702	3,325,514
Cement (in metric tons)	5,253,660	5,429,629	5,644,176	5,168,969	6,562,377
Paint (in metric tons)	74,002	77,150	72,248	57,847	71,552

(1) Preliminary data.
(2) Includes light and dark beer.
(3) In *quintales* (unit of mass, equivalent to 45 kg.).
Sources: Survey of Manufacturing Enterprises and Central Bank.

Production of Selected Manufacturing Goods
(% change from prior year, in volume)

	As of December 31,				
	2017(1)	2018(1)	2019(1)	2020(1)	2021(1)
Raw sugar (in metric tons)...........................	37.8	11.3	(19.0)	19.4	1.6
Refined sugar (in metric tons).......................	32.5	(8.0)	(20.8)	0.2	24.0
Beer (in thousands of liters) (2)......................	3.1	5.8	10.6	(6.7)	5.8
Cigarettes (in thousands of packs of 20 units)...	23.1	8.0	(7.2)	(24.0)	(4.3)
Rum (in thousands of liters)..........................	5.2	(2.7)	3.4	15.7	25.0
Milk (in thousands of liters)..........................	9.0	6.1	5.2	4.8	(6.1)
Flour (3)...	0.3	2.6	(44.1)	44.4	42.2
Cement (in metric tons)...............................	1.6	3.3	4.0	(8.4)	27.0
Paint (in metric tons)..................................	8.6	4.3	(6.4)	(19.9)	23.7

(1) Preliminary data.
(2) Includes light and dark beer.
(3) In *quintales* (unit of mass, equivalent to 45 kg.).
Sources: Survey of Manufacturing Enterprises and Central Bank.

During the period from 2017 to 2021, the performance observed in manufactured goods was supported by the behavior in the domestic and international demand for such products, showing an average growth rate as follows: raw sugar (10.2%), rum (9.3%), flour (9.1%), refined sugar (5.6%), cement (5.5%), milk (3.8%), beer (3.7%) and paint (2.1%). In contrast, during such period, the production of cigarettes decreased by 0.9%.

Milk production grew at an average annual rate of 3.8% in the period from 2017 to 2021. In 2017, 2018, 2019 and 2020, milk production registered an increase of 9.0%, 6.1%, 5.2% and 4.8%, respectively, due to increased demand sustained by extended day school program (see “The Economy—Poverty and Income Distribution”). In 2021, milk production registered a decrease of 6.1%.

Similarly, cement production grew at an average annual rate of 5.5% in the period from 2017 to 2021. In 2017 cement production increased by 1.6%, compared to 2016. The production of cement kept its positive trend in 2018 and 2019, experiencing an increase of 3.3% and 4.0%, respectively, due to the sustained increase in public and private investment in construction projects of infrastructure for ground transportation, schools and residential projects. In 2020, cement production decreased by 8.4%, compared to 2019, mainly due to the impact of the preventative public safety measures taken to contain the spread of COVID-19. However, during the second half of 2020, the production of cement grew by 6.6%, partially offsetting the 23.5% reduction registered in the first half of the year. In 2021, the production of cement increased by 27.0%, mainly due to the reactivation of the construction sector.

During 2017, the production of raw sugar and refined sugar increased by 37.8% and 32.5%, respectively, due to increased rainfall throughout the year that improved crop quality, allowing for adequate levels of production to satisfy domestic demand. In 2018, the production of raw sugar grew 11.3%. In 2019, the production of refined sugar and raw sugar decreased by 20.8% and 19.0%, respectively, due to the high temperatures that affected the production of sugar cane. This trend reversed in 2020 as the production of raw sugar and refined sugar increased by 19.4% and 0.2%, respectively. Similarly, in 2021, the production of refined sugar and raw sugar increased by 24.0% and 1.6%, respectively.

Free Trade Zones

Free trade zones are industrial parks that are set aside for manufacturing of a variety of products almost exclusively for export. These industrial parks operate in a nearly free trade environment. Some of the manufacturing in the free trade zones consists of *maquiladoras* (assembly manufacturing), with the raw materials imported into the Republic free of import duties and then assembled to produce finished goods. Intermediate and capital goods entering the free trade zones are likewise not subject to import tariffs, and goods manufactured in the free trade zones enter the United States free of import duties or with preferential duties under the Caribbean Basin Initiative. As of December 31, 2016, there were 68 free trade zone parks located throughout the Republic, compared to 65 at December 31, 2015, and total employment in the free trade zones increased to 163,147 employees as of December 31, 2016, compared to 161,257 as of December 31, 2015. As of December 31, 2017, there were 71 free trade zone parks located throughout the Republic, compared to 68 at December 31, 2016, and total employment in the free trade zones increased to 165,724 employees as of December 31, 2017, compared to 163,147 as of December 31,

2016. As of December 31, 2018, there were 74 free trade zone parks operating throughout the Republic, compared to 71 at December 31, 2017, and total employment in the free trade zones increased to 171,726 employees as of December 31, 2018, compared to 165,724 as of December 31, 2017. As of December 31, 2019, there were 76 free trade zone parks located throughout the Republic, compared to 74 at December 31, 2018, and total employment in the free trade zones increased to 176,555 employees as of December 31, 2019, compared to 171,726 as of December 31, 2018. As of December 31, 2020, there were 75 free trade zone parks and total employment in the free trade zones decreased to 168,200 employees. As of December 31, 2021, there were 79 free trade zone parks and total employment in the free trade zones increased to 183,232 employees.

Textile manufacturing in the free trade zones decreased at an average rate of 2.4% during the period from 2017 to 2021, attributable primarily to an industrial diversification of the production of goods, the effects of the expiration of the WTO Agreement on Textiles and Clothing in 2005, elimination of export quotas and an international environment in which Asian countries have comparative advantages with respect to textile manufacturing. Exports from free trade zones represented, on average, 7.3% of GDP during the period from 2017 to 2021.

During the period from 2017 to 2021, free trade zone exports increased at an average rate of 6.3%. The increase during recent years is mainly a result of greater export diversification, which now includes medical and surgical equipment, jewelry and related products, footwear and tobacco products, and the expansion of call centers, which was partially offset by a reduction in the production of textiles.

The following table sets forth the principal economic indicators for the free trade zones for the periods indicated.

Principal Economic Indicators of the Free Trade Zones

	As of December 31,				
	2017(1)	**2018(1)**	**2019(1)**	**2020(1)**	**2021(1)**
Existing parks	71	74	75	75	79
Employees	165,724	171,726	176,555	168,200	183,232
Exports (in millions of US$)	5,709.6	6,035.2	6,249.5	5,894.5	7,179.6
of which:					
Textile exports (in millions of US$)	1,095.9	1,094.6	1,037.7	689.4	892.7
Exports as a percentage of GDP	7.1	7.1	7.0	7.5	7.6
Net foreign exchange earnings (in millions of US$)	1,962.9	2,197.6	2,297.9	2,274.3	2,568.7
Average monthly salary (in US$)(2):					
Technicians	485.7	520.5	517.0	477.1	487.5
Workers	256.3	264.0	274.4	253.8	278.3

(1) 2016-2018 revised data; 2019-2020 preliminary data.
(2) Calculated based on the weighted average exchange rate for each year.
N/A = not available.
Sources: *Consejo Nacional de Zonas Francas de Exportación* (National Council of Free Trade Zones) and Central Bank.

Electricity, Gas and Water

From 2017 to 2019, the electricity, gas and water sectors collectively grew at an average annual rate of 5.6%, and contributed, in the average, 1.6% to GDP at current prices from 2017 to 2019. In 2020, the electricity, gas and water sectors collectively moderated its growth rate to 0.4%, contributing, in the average, 1.6% to GDP at current prices, mainly due to lesser energy consumption in the economy as a result of the COVID-19 pandemic. In 2021, energy consumption increased as the economy recovered from the COVID-19 pandemic, which resulted in an expansion of 6.0% in the electricity, gas and water sectors.

Electricity. In 2017, 2018, 2019, 2020 and 2021, electricity production increased by 2.6%, 2.7%, 10.9%, 1.4% and 10.0%, respectively, and electricity consumption increased by 1.5%, 4.0%, 5.9%, 3.5% and 5.9%, respectively.

At December 31, 2017, total installed generation capacity was 3,667 megawatts, approximately 100 megawatts less than in 2016 due to the dismantling of operations of some plants that were becoming inefficient. Electricity generated during 2017, prior to the effects of technical and commercial losses and electricity consumed by generators, was 16,944 gigawatt hours. Net electricity generation during 2017, which accounts for technical losses in transmission lines and electricity consumed by generators, was 15,612 gigawatt hours.

At December 31, 2018, total installed generation capacity was 3,807 megawatts, approximately 140 megawatts more than in 2017 due to the entry of new sources of renewable energy. Electricity generated during 2018, prior to the effects of technical and commercial losses and electricity consumed by generators, was 16,129 gigawatt hours. Net electricity generated during 2018, which accounts for losses in transmission lines and electricity consumed by generators, was 15,210 gigawatt hours.

At December 31, 2019, total installed generation capacity was 4,848.2 megawatts, approximately 1,015 megawatts more than in 2018 due to the entry of new sources of renewable energy, including: a coal-fired power plant, wind farms and solar farms, with 758.2, 182.3 and 75.0 megawatts, respectively. Electricity generated during 2019, prior to the effects of technical and commercial losses and electricity consumed by generators, was 17,411.5 gigawatt hours. Net electricity generated during 2019, which accounts for losses in transmission lines and electricity consumed by generators, was 17,073 gigawatt hours.

At December 31, 2020, the total installed generation capacity was 4,848.2 megawatts, reflecting no variation when compared to 2019. The diversity of our generation sources changed in 2020, due to the conversion of plants that operated with fuels derived from petroleum to natural gas, accounting for approximately 750 megawatts. Electricity generated during 2020, prior to the effects of technical and commercial losses and the electricity consumed by generators, was 17,663.3 gigawatt hours. Net electricity generated during 2020, which accounts for losses in the transmission lines and the electricity consumed by the generators, was 17,354 gigawatt hours.

At December 31, 2021, the total installed generation capacity was 4,999.1 megawatts, approximately 551 megawatts more than in 2020 due to the entry of new sources of renewable energy, including the Bayahonda solar power plant, the Girasol photovoltaic solar project and the ongoing connection of the Estrella del Mar III natural gas combined cycle plant, which was partially offset by the dismantling of operations of a plant. Electricity generated during 2021, prior to the effects of technical and commercial losses and the electricity consumed by generators, was 19,431.10 gigawatt hours. Net electricity generated during 2021, which accounts for losses in the transmission lines and the electricity consumed by the generators, was 19,078.17 gigawatt hours.

For additional information on the electricity sector, see "—The Electricity Sector."

Gas. Propane gas is a widely used energy source in the Republic. Propane gas is imported primarily through three terminals: *Refinería Dominicana de Petróleo*, *Operadora Puerto Viejo, S.A.* and *Coastal Petroleum Dominicana*. A large number of private companies distribute propane gas.

Water. According to SISDOM, 87.4% of all Dominican households had access to potable water in their homes in 2021. The Government has considered privatizing water distribution and has privatized the fee collection business for the water sector. However, the fact that the Government supplies water at subsidized prices poses a challenge to private sector participation, as customers are likely to object to the increase in rates that would necessarily accompany privatization of this sector.

Construction

In 2017, the construction sector registered a moderate growth rate of 5.0%. During the first half of the year, the construction sector contracted 3.8%, mainly due to a reduction in private investment, which was affected by the influence that external and internal factors had on the expectations of the private sector and moderate public spending, particularly with regard to capital expenditure. However, this initial contraction in the construction sector was mitigated by increased activity that generated growth rates of 7.1% and 20.6% during the third and fourth quarters of 2017, respectively, mainly due to the combined result of the positive effect of the Central Bank's expansive monetary policy measures and a more dynamic fiscal execution during this period, which resulted in a reactivation of public and private investment.

In 2018, the construction sector continued to expand, recording growth of 11.8% compared to 2017. This performance was driven by an increase in private investment in medium- and low-cost real estate projects, non-residential buildings, the expansion of hotel units as measured by the increase in the stock of available rooms, as well as by public investment in infrastructure, particularly roads and highways, collective transportation alternatives and schools, and in the diversification of the power generation matrix.

In 2019, the construction sector grew by 10.4% compared to 2018, continuing to be the highest contributor to economic growth. The growth of the construction sector is mainly due to the continued increase of private investment in medium- and low-cost real estate projects, non-residential buildings, hotel units and renewable energy generation plants, as well as public investment in infrastructure, particularly roads and highways and transportation alternatives.

In 2020, the construction sector contracted by 10.7% compared to 2019, primarily due to the effects of the total stoppage of private and public investment since the end of March 2020 as a preventive measure to address the spread of COVID-19. However, in the last quarter of the year, the sector grew by 3.2%, which provided some recovery for the year.

In 2021, the construction sector grew by 23.4%, becoming the highest contributor to economic growth. This growth was driven by private investment in the form of medium- and low-cost real estate projects, non-residential buildings and in the expansion of the total capacity of hotel rooms, as well as public investment in infrastructure, particularly roads.

Services

Wholesale and Retail Trade

The composition of the Dominican retail market has changed in recent years, with the entrance of a number of multinational corporations, some through the use of franchises, and with a focus primarily on mega-store supermarkets and the fast food and clothing businesses, which has in turn spurred domestic investment in retail trade.

Between 2017 and 2021, wholesale and retail trade grew at an average annual rate of 4.5% due to an increase in per capita income, among other factors. In the same period, wholesale and retail trade accounted for an average of 10.5% of GDP at current prices, making it one of the largest components of the economy. In 2020, even though the sector remained one of the largest sectors of the economy (10.6% of GDP at current prices), it contracted by 4.8%, mainly due to a decrease in trade activity due to the impact of the preventative public safety measures taken to contain the spread of COVID-19, such as the closure of non-essential economic activities. In 2021, the sector grew by 12.9%, mainly due to the gradual reopening of economic activity and the easing and subsequent removal of mobility restrictions.

Hotels, Bars and Restaurants

Since 1985, tourism has been the primary source of foreign currency for the Dominican economy. In October 2001, the Government enacted the *Ley de Fomento al Desarrollo Turístico* (Tourism Development Incentive Law). The law grants tax exemptions to entities that develop tourism-oriented projects in the less-developed regions of the country with the objective of promoting investment and economic growth in the tourism sector.

Driven primarily by tourism, the hotel, bar and restaurant sector was an important contributor to the Dominican economy between 2017 and 2019, accounting on average for 7.6% of GDP at current prices, while the sector grew at an average annual rate of 4.2% during the period. This performance was due to an increase in the number of tourists as well as in the number of hotel rooms in the country. As of December 31, 2019, the number of tourists increased by 4.2% when compared to 2017 and the number of hotel rooms in the country were approximately 83,041, an increase of 7.5% as compared to the total number of rooms as of December 31, 2017.

During the second half of 2019, the tourism sector experienced the negative effects of a media campaign focused on a series of unfortunate events involving certain United States residents while visiting the Dominican Republic, which generated a high volume of trip cancellations, including inbound flights and hotel bookings. As a result, the figures of non-resident arrivals to the country totaled 6,446,036 travelers in 2019, 122,852 fewer than in the previous year. Non-resident Dominican arrivals grew by 14.5%, partially offsetting the 4.6% decrease recorded for non-resident foreigner arrivals compared to 2018. In the final months of 2019, the effects of such media campaign started to dissipate, reflecting a slower decline in non-resident arrivals than in the months closer to the events that generated the aforementioned campaign.

In 2020, the tourism sector experienced the negative effects of the COVID-19 pandemic and the measures taken to contain the spread of COVID-19, with the hotels, bars and restaurants sector suffering the steepest decline among other economic activities, with a contraction of 47.5%. This result is mainly due to the closure of the country's borders by air, land and sea, that severely affected the non-resident arrivals to the country and, consequently, the number of occupied hotel rooms and tourism revenues.

Following the closure of its borders in March 2020, on July 1, 2020, the Republic reopened its borders and incoming international passenger flights resumed, in line with the easing of limitations on international air traffic. During the months of July, August, September, October, November and December 2020, the Republic received 135,163, 110,284, 103,942, 138,276, 175,095 and 348,464 visitors, respectively, recovering from the 1,632 visitors registered during the second quarter of 2020. During the second half of 2020, the Dominican Republic received 1,011,224 non-resident passengers. During 2020, the Dominican Republic received more than 2.4 million visitors by air, a cumulative decrease of 62.7% compared to 2019.

The tourism sector recovered faster than expected during 2021, especially during the second half of the year, mainly due to the effectiveness of the *Plan de Recuperación Responsable del Turismo* (Responsible Recovery Plan for the Tourism Sector) which included fiscal incentives given to the sector, and to the design of a targeted promotional strategy led by the Ministry of Tourism, highlighting the country as a safe vacation destination. Specifically, the plan included the application of internationally certified health security protocols by the entire industry and for travelers entering the Republic, basic health insurance in the event an individual contract COVID-19 during their stay. Growth in the sector was also due to the successful roll-out of COVID-19 vaccines within the Dominican Republic and the countries from which tourists arrive and a decrease in travel restrictions and a general increase in international travel.

Although non-resident passengers that entered the country increased by 107.6% in 2021 compared to 2020, they decreased by 22.5% compared to 2019. However, the sector showed a faster recovery during the second half of the year. In December 2021, the amount of non-resident visitors (tourists) that entered the country exceeded 700,000, increasing by 16.7% as compared to the same month in 2019. See "Balance of Payments and Foreign Trade—Foreign Trade—Services Trade" for additional information regarding the tourism sector.

Transportation

The transportation sector, which consists of passenger and merchandise transportation by air, land and sea, grew at an average of 4.3% per year in the period from 2017 to 2019. In 2020, activity in the transportation sector decreased by 7.6% due to the impact of the preventative public safety measures taken to contain the spread of COVID-19. Such measures included, among others, mandatory quarantines and curfews, suspension of non-essential economic activities and limited public transportation. In 2021, the transportation sector grew by 12.9%, as the foregoing measures to contain the spread of COVID-19 were eased and subsequently removed.

Communications

In 2017, the communications sector grew 3.9%, mainly due to the increase in mobile telephone services, which was the greatest contributor to the increase in activity. In 2018, the communications sector grew by 12.5% compared to 2017, mainly due to the expansion in internet and mobile telecommunications services. In 2019, the communications sector decreased by 7.2% compared to 2018, mainly due to a decrease in the volume of internet and mobile telecommunications services, in line with the general contraction in the communications sector during 2019. In 2020, the communications sector grew by 2.7%, mainly due to a recovery in the volume of internet and mobile telecommunications services, as this sector has played a fundamental role during the COVID-19 crisis as an essential service for the continuity of work from home due to confinement measures, and by enabling education through the use of electronic devices with Internet access. In 2021, the communications sector grew by 4.6%, mainly due to the increase in mobile telephone services and to the public-sector driven expansion of internet services in rural and semi-urban areas.

The relative share of this sector in GDP at current prices was stable during the period from 2017 to 2021, averaging 0.9% of GDP.

Financial Services

This sector has consolidated over time as a result of the reforms in the regulatory framework and banking supervision. In addition, the diversification in the portfolio of products and services offered by financial institutions has allowed greater access to the financial services for the general populace.

Between 2017 and 2019, the financial services sector grew at an average annual rate of 5.0%, which was slightly higher than the average annual growth rate for the entire Dominican economy during the period, due to growth in the granting of credit resulting from adequate levels of liquidity and an increased focus on consumer diversification. In 2020, the sector continued to expand, with a growth rate of 7.1%, primarily due to the easing of monetary policy measures to provide liquidity to the economy and mitigate the negative effects of the COVID-19 crisis, which amounted to more than 4.0% of GDP, increasing financing to productive sectors and households and refinancing debt obligations under more favorable terms to borrowers. In 2021, the financial services sector decreased by 2.6%, mainly due to the cuts to the MPR and other expansionary monetary measures implemented by the Central Bank in response to the COVID-19 pandemic, which resulted in the increased liquidity and reduced market interest rates that caused a decline in financial intermediation margins.

Public Administration

Between 2017 and 2019, the public administration sector exhibited an average growth rate of 3.2% due to an increase in the Government's payroll. In 2020, the public administration sector recorded a growth rate of just 0.8% compared to 2019, mainly due to a moderate increase in the number of public sector employees that provided support to homeland security and health during the COVID-19 crisis, as well as a reduction in specific personnel relating to non-essential activities. In 2021, the public administration sector contracted by 1.7%, mainly due to the reduction of COVID-19-related duties of which part of the sector's personnel was responsible, as well as better public sector payroll management.

Real Estate and Other Services

Real estate expanded at a 4.0% average annual growth rate in the period from 2017 to 2021. During 2020 and 2021, the real estate sector grew by 3.8% and 3.0%, respectively.

Other services supplied in the Dominican economy include personal services, cleaning services, services rendered to private companies and computer services. During 2020, the other services sector declined by 11.1% as compared to 2019, due to the negative effects of the COVID-19 pandemic. During 2021, the other services sector grew by 6.4%, due to a recovery in employment in the sector.

Role of the State in the Economy

As of the date of this offering memorandum, the Government holds equity ownership interests in several companies, including the most significant companies listed below:

Company	Government Equity Ownership	Description
Empresa de Generación Hidroeléctrica Dominicana (EGEHID), which is a public institution under CDEEE's leadership and coordination, according to article 138 of the General Electricity Law and Decree No. 923-09, dated December 30, 2009	100%	Operates the Republic's generation plants
Empresa de Transmisión Eléctrica Dominicana (ETED), which is a public institution under CDEEE's leadership and coordination, according to article 138 of the General Electricity Law and Decree No. 923-09, dated December 30, 2009	100%	Operates the Republic's transmission lines
EdeSur, EdeNorte and EdeEste, which are owned by the Republic, through FONPER and CDEEE	Approx. 99%	Owns distribution facilities
EGE ITABO and EGE HAINA, partially owned by the Republic, through FONPER	Approx. 50%	Operates power generation business through thermoelectric plants
Consejo Estatal del Azúcar (*CEA,* National Sugar Board)	100%	Owns the Dominican Republic's sugar mills and land. All sugar mills are leased to the private sector
Instituto Nacional de Aguas Potables y Alcantarillados (INAPA, National Institute of Potable Water and Sewers)	100%	Provides potable water to urban and rural areas
Corporación de Acueducto y Alcantarillado de Santo Domingo (CAASD, Aqueduct and Sewer Corporation of Santo Domingo)	100%	Owns and operates the aqueducts and sewers of Santo Domingo
Corporación de Acueducto y Alcantarillado de Santiago (CORAASAN, Aqueduct and Sewer Corporation of Santiago)	100%	Owns and operates the aqueducts and sewers of Santiago
Banco de Reservas de la República Dominicana (BanReservas)	100%	Commercial bank
Banco Agrícola (Agricultural Bank)	100%	Development bank that provides financing for small farmers
BANDEX	100%	Development bank oriented towards fostering and financing the exports of goods and services
CORDE	100%	Holding company of the Government's interest in three companies currently not in operation
CORPHOTELES	100%	Owns 16 hotels throughout the Dominican Republic
Refinería Dominicana de Petróleo (REFIDOMSA, Dominican Petroleum Refinery)	100%	Imports oil and oil derivatives, operates the Dominican Republic's refinery, and sells gasoline and other fuel products to oil derivative distributors
Falconbridge Dominicana	10%	Operates the Dominican Republic's nickel-iron mines and exports nickel-iron to foreign markets

The Electricity Sector

The electricity sector is divided into three sub-sectors: generation, transmission and distribution. The *Superintendencia de Electricidad* (Electricity Superintendency, or "SIE") is responsible for regulating the electricity sector.

There are different types of electricity generators in the Dominican Republic:

- thermoelectric plants operated by private companies holding a 50% ownership stake in the plants, with the remaining 50% being state-owned;
- thermoelectric plants owned and operated by private companies;
- one state-owned thermoelectric plant;
- wind, solar and biomass power plants;
- hydroelectric plants operated and owned by *Empresa de Generación Hidroeléctrica Dominicana* (Hydroelectric Generation Company, known as "EGEHID"); and
- back-up generators owned by private businesses and homeowners.

The High Voltage Transmission Company (known as "ETED") owns approximately 95% of the country's power grid and is the only company that offers transmission services. ETED charged US$0.007077, US$0.007246, US$0.006891, US$0.007095 and US$0.006916 per kilowatt/hour to transmit electricity produced by generation companies at high voltage through the country's power grid as of December 31, 2017, 2018, 2019, 2020 and 2021, respectively. The remaining 5% of the power grid is privately owned.

Distribution services are provided by companies that purchase electricity from electricity generators to sell in regulated and unregulated markets to end users. As of the date of this offering memorandum, almost 100% of distribution is controlled by three distribution companies: *Edenorte Dominicana, S.A.* or "EdeNorte," *Edesur Dominicana, S.A.*, or "EdeSur," and *Empresa Distribuidora de Electricidad del Este, S.A.*, or "EdeEste."

The following table sets forth the principal economic indicators for the electricity sector for the periods indicated.

Principal Economic Indicators of the Electricity Sector (1)(2)

	As of December 31,				
	2017	2018	2019	2020	2021
Production of electricity (in millions of US$)(3)	1,167.1	1,189.1	1,253.3	1,130.3	1,195.2
Energy Production:					
Generators and CDEEE (in MW/hour):					
Renewable	534,239.8	736,839.8	1,017,274.43	1,611,874.89	1,890,698.75
Coal	2,155,042.7	2,084,122.1	2,214,265.31	6,550,625.18	6,017,155.72
Hydroelectric	2,169,412.2	1,767,732.2	1,025,107.50	1,244,640.75	1,470,632.05
Gas	4,901,512.5	5,113,972.2	5,212,689.33	5,299,035.08	7,895,086.51
Fuel oil (#6 and #2)	6,513,270.2	7,093,748.3	7,942,161.06	2,957,078.91	2,157,566.82
Total generators and CDEEE	16,273,477.4	16,796,414.7	17,411,497.63	17,663,254.80	19,431,139.85
Consumption by economic sector (in MW/hour):					
Residential	4,062,241.9	4,280,972.3	4,666,526.02	5,119,754.85	5,188,425.81
Commercial	857,396.5	939,066.7	1,102,303.97	1,005,807.46	1,178,722.80
Industrial	3,535,843.6	3,791,427.5	3,973,357.48	3,113,434.28	3,294,875.91
Government	930,383.1	971,627.0	1,044,272.12	964,285.36	1,210,053.05
Municipalities	258,394.6	256,765.2	273,137.68	280,899.04	315,873.76
Total consumption	9,644,264.5	10,239,858.8	11,059,597.28	10,484,180.99	11,187,951.33
Energy sale revenue (in millions of US$)	1,598.7	1,645.6	1,708.9	1,492.5	1,574.2
Distribution Efficiency Indicators:					
Energy delivered (gigawatts ("GW")/hour)	13,748.5	14,303.5	15,150.2	15,677.4.	16,602.3
Energy distribution losses	29.9%	28.4%	27.0%	33.1%	32.6%
Collection on billed amounts	96.1%	95.7%	96.5%	94.4%	95.1%
Cash Recovery Index (CRI)	67.5%	68.5%	70.5%	63.1%	64.1%
Availability of Service (4)	87.6%	89.6%	89.7%	96.9%	98.4%
Clients	2,256,464	2,464,750	2,594,821	2,662,769	2,788,193

(1) Based on the weighted average exchange rate for each year.
(2) Preliminary data.
(3) Calculated using electricity sector percentage share of current GDP, multiplied by nominal GDP in U.S. dollars.
(4) As a percentage of the total number of hours of each year.
Sources: Central Bank and CDEEE.

Of total electricity production during 2017, 83.4% was generated by thermoelectric power plants and 16.6% by renewables and hydroelectric plants. During 2018, 85.1% was generated by thermoelectric plants and 14.9% by renewables and hydroelectric plants. During 2019, 87.5% was generated by thermoelectric power plants and 11.7% by renewables and hydroelectric plants. During 2020, 83.8% was generated by thermoelectric plants and 16.2% by renewables and hydroelectric plants. During 2021, 82.7% was generated by thermoelectric plants and 17.3% by renewables and hydroelectric plants.

The following table sets forth the electricity sector energy distribution losses for the periods indicated.

Losses in the Electricity Sector (1)

	2017	2018	2019	2020	2021
Energy distribution losses	29.9%	28.4%	27.0%	33.1%	32.6%

(1) Preliminary data.
Source: CDEEE.

As of December 31, 2021, technical and non-technical losses in the electricity distribution network were 32.6% as compared to 33.1% for 2020, 27.0% for 2019, 28.4% for 2018 and 29.9% for 2017. In order to further reduce these losses, the Republic has been conducting network rehabilitation projects, which have been funded by debt and equity investments from the World Bank, the IDB, the OFID and the EIB See "Recent Developments—The

Economy—The Electricity Sector." Between 2017 and 2021, disbursements in connection with investments from these institutions in these projects amounted to US$433.0 million.

During 2021, total expenditures on electricity increased by 21.4% to US$2,082.3 million. During 2021, the average purchase price of electricity increased by approximately 14.6%, mainly driven by increases in international fuel oil prices in that year. During 2021, the electricity sector current deficit was US$470.1 million, representing an increase of 195.6% compared to the US$159.0 million deficit recorded in 2020. This increase was mainly due to an increase in operations and financial expenses.

In 2017, the ratio of distributable energy to energy purchased increased by 1.6 percentage points, reaching 68.1%. In 2018, the ratio increased by 0.8 percentage points, reaching 68.9%. In 2019, the ratio increased by 1.5 percentage points, reaching 70.4%. In 2020, the ratio decreased by 6.5 percentage points, reaching 63.9%. In 2021, the ratio increased by 0.6 percentage points, reaching 64.5%.

During 2019, the EDEs collected 96.5% of the monetary value of the total electricity they billed. During 2020, the EDEs collected 94.4% of the monetary value of the total electricity they billed. During 2021, the EDEs collected 95.1% of the monetary value of the total electricity they billed.

Historically, the Government has been forced to continue the subsidies provided to the electricity sector to cover costs arising from increases in fuel prices that are not transferred to end users due to tariff structure and operational deficiencies of the sector. In 2017, subsidies were US$369.9 million, representing an 18.0% increase compared to 2016. In 2018, subsidies were US$344.5 million, representing a 6.9% decrease compared to 2017. In 2019, subsidies were US$422.7 million, representing a 22.7% increase compared to 2018. In 2020, subsidies were US$483.6 million, representing a 14.4% increase compared to 2019. However, during 2020, Punta Catalina Thermal Power Plant transferred US$180.0 million to the Budgetary Government. Therefore, the net current transfers to the electricity sector in 2020 amounted to US$303.6 million. In 2021, subsidies were US$827.8 million, representing a 71.2% increase compared to 2020, mainly due to a greater bill in connection with energy purchases from generators, which was driven by the increase in international fuel prices. However, during 2021, Punta Catalina Thermal Power Plant transferred US$137.0 million to the Budgetary Government. Therefore, the net current transfers to the electricity sector in 2021 amounted to US$690.8 million.

The chart below shows the evolution of transfers made by the Budgetary Government to the CDEEE from 2017 to 2021 to cover the current deficit, as a percentage of GDP.

Current Transfers from the Budgetary Government to CDEEE
(as a % of GDP)

As of December 31,	
2017	0.5
2018	0.4
2019	0.5
2020	0.6
2021	0.7

Source: Ministry of Finance.

In recent years, the Republic has made progress in improving circumstances in the electricity sector, including the following key measures:

- The completion of projects designed to reduce the distribution companies' technical and non-technical losses and to improve the metering systems, funded with debt and equity investments from the World Bank, the IDB, the OFID and the EIB, as described above.
- The completion of projects to increase the generation capacity of the hydroelectric system.
- The completion of projects to improve the transmission network, including the connection backbone and substations related to the Santo Domingo – Santiago Project, which is expected to eliminate the current inability of the transmission system to carry electricity in the amounts demanded between the southern and the northern regions of the country, the 15 Azua – Julio Sauri Project, the Manzanillo – Guayubín – El Naranjo Project and the San Pedro – Guerra Project. Each of these projects are currently operating at 345 kV.

- The diversification of sources of electricity generation to mitigate the reliance on any principal source of generation capacity, including the incorporation to the system of two solar photovoltaic sources (Girasol and Bayasol) and a natural gas combined cycle plant (Estrella del Mar III) in 2021.

Notwithstanding the foreging, the sector continues to face problems. The most pressing problems currently facing the electricity sector include the following:

- tariffs applied by distribution companies do not make a complete pass-through of the purchase prices of energy faced by these companies; and
- a need to further improve the management of distribution companies to reduce energy losses and increase collection levels.

The current and expected measures to be taken by the Republic to address the problems of this sector, include, among others, the following:

- investing in distribution assets to reduce theft and implementing strong enforcement of the anti-theft provisions set forth in the Electricity Law, approved in 2007, to significantly improve the reasonable cash recovery index;
- complete regularization of supplies to unbilled and billed customers in all areas with subsidies targeted at low-income families pursuant to the Bonoluz scheme;
- reduction of generation costs by:
    - implementing new generation projects based mainly on coal and natural gas in order to diversify the mix of generation plants which has been dominated by petroleum-based fuels;
    - increasing utilization of natural gas through the conversion of existing generation plants purchasing natural gas at low prices in the market;
    - entering into contracts at more favorable terms to the Republic with new electricity generation companies;
    - implementing new generation projects with alternative or renewable sources in order to diversify the mix of generation plants and lower costs while helping to mitigate the environmental impact; and
    - improving the operation of the wholesale (spot) market to eliminate inefficiencies;
- continued investments in the distribution network to reduce technical and non-technical losses, which investments are supported by the loan agreements with the World Bank, the IDB and the OPEC to finance:
    - the Electricity Distribution Network Rehabilitation Project;
    - the implementation of a robust technological platform for telemetry in industrial circuits, and commercial and large urban centers with appropriate networks;
- improvement of the transmission system to support the required demand and connect the new power plants; and
- improvement of the management of the Dominican electricity companies pursuant to the following strategies:
    - *commercial:* increasing revenues through non-traditional collection mechanisms, higher quality customer service and technical management through standardization and supply shielding;
    - *financial:* developing innovative mechanisms to maximize the sector's ability to obtain efficient financing with more flexible terms and conditions;
    - *technological:* based on the optimization and merger of technological structures for all companies within the sector, and the implementation of systems and management tools for distribution, loss control and administrative processes; and

- *legal:* create an operational manual containing adequate and effective mechanisms to penalize electricity theft.

In February 2021, the National Pact for the Reform of the Electricity Sector (the "Electricity Sector Reform Pact") was signed by representatives of more than 80 public institutions, private companies, business associations, trade unions and institutions of civil society. In September 2021, the Government ratified the Electricity Sector Reform Pact by means of Decree 655-21. The Electricity Sector Reform Pact contains multiple commitments to implement measures to improve institutional, legal, regulatory and commercial matters in the electricity sector and establishes specific deadlines for implementation of each measure, as well as those responsible for the implementation of such measures and compliance indicators. In particular, the Electricity Sector Reform Pact includes:

- commitments to reaffirm the position of the Government as a policy maker through the strengthening of the Ministry of Energy and Mines, and as a regulator of the sector through the Superintendency of Electricity;
- an agreement by the Ministry of Energy and Mines to coordinate the preparation of expansion plans for generation, transmission and distribution capacity, including projections of the resources necessary to implement them;
- a consensus reached among the parties to the Electricity Sector Reform Pact on a gradual transition process from the tariffs currently applied to those corresponding to efficient electrical systems (the "Transitional Tariff Regime");
- the establishment of key performance indicators and precise and verifiable goals that distribution companies shall meet in a six-year period;
- a commitment of the distribution companies to develop and present plans for management improvement and reduction of energy losses, with defined actions, objectives, indicators, and associated goals; and
- an agreement by the Government to review the entire legal framework and send to Congress a proposal for its reform in order to ensure that all the commitments included in the Electricity Sector Reform Pact are reflected in the regulatory framework.

On May 21, 2021, the Government announced its intention to dissolve the CDEEE. Following such dissolution, the Ministry of Energy and Mines will regulate and oversee the energy sector, but the Government will no longer act as an intermediary between electricity generators and distributors, which is expected to increase transparency in the electricity sector. In addition, in September 2021, the Government announced the creation of a public trust to manage the Punta Catalina Thermal Power Plant autonomously and independently of the CDEEE, in line with the agreement to restructure CDEEE included in the Electricity Sector Reform Pact. The trust agreement was executed in October 2021.

In September 2021, the SIE issued resolution SIE-075-2021-TF, providing for the methodology to implement the Transitional Tariff Regime, including the following guidelines (i) tariffs applied to customers will gradually converge to a "reference tariff," which will reflect the cost of the service provided by the distribution companies, but without transferring inefficiencies to customers (specifically, the reference tariff recognizes only 15% of energy losses and operating expenses equivalent to 10% of revenues), (ii) distributors must demonstrate improvements in their management indicators as they will not be able to transfer their inefficiencies to the tariff, (iii) the Transitional Tariff Regime will apply from October 2021 to December 2026, and (iv) during the transition periods, tariffs will be adjusted quarterly based on two factors (a) a lineal adjustment from the tariffs applied in October 2021 to the reference tariffs for October 2021; and (b) changes in the reference tariffs at each quarter driven by changes in the cost of energy, inflation and depreciation.

Punta Catalina Thermal Power Plant

On May 13, 2013, the CDEEE launched a public bidding process for the engineering, procurement and construction ("EPC") of two thermal coal units with a nominal net power of 300 megawatts (plus or minus 20%) each, including any associated facilities, which will be installed in the town of Punta Catalina, Baní, province of Peravia, and will be owned by the Dominican Republic.

A total of 56 companies participated in the bidding process and presented their credentials in July 2013. Following the evaluation process of the technical proposals of each pre-qualified participant, on November 22, 2013, the tender committee declared that the consortium formed by Construtora Norberto Odebrecht, S.A., Tecnimont S.p.A. and Ingeniería Estrella S.R.L. (the "OTE Consortium") was the winner of the bidding process and was awarded the project. The EPC contract with the aforementioned consortium was executed in February 2014 for a price equal to US$1,945 million.

In July 2017, the OTE Consortium filed a costs claim under the EPC contract for the initial sum of US$708 million. In March 2020, the parties reached an out-of-court settlement for the amount of US$395.5 million. CDEEE's final acceptance of Units I and II is still pending, as there are several tasks that the OTE Consortium still has to execute. As of the date of this offering memorandum, the OTE Consortium and Punta Catalina Thermal Power Plant technical teams were assessing the extent of the monetary value of unfulfilled obligations under the EPC contract, to determine the net amount still due to the OTE Consortium.

From its first synchronization to the SENI on February 27, 2019 until December 31, 2021, Unit I has injected 6,038.6 GWh, while from its first synchronization to the SENI on October 10, 2019 until December 31, 2021, Unit II injected 4,332.3 GWh, for a total accumulated in both units of 10,370.9 GWh. The Punta Catalina Thermal Power Plant transferred US$180.0 million and US$137.2 million to the central government of the Dominican Republic during 2020 and 2021, respectively.

Given the imminent dissolution of the CDEEE, in December 2021, the President sent to the National Congress an initiative to create a public trust for the administration of Punta Catalina.

Employment and Labor

Employment

The following table sets forth labor force statistics as of the periods indicated, based on the results of the National Work Force Survey.

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Participation rate(1)	62.2	63.6	65.1	60.2	63.0
Employment rate(2)	58.7	60.0	61.0	56.7	58.3
Open unemployment rate(3)	5.5	5.7	6.2	5.8	7.4

(1) Labor force as a percentage of the total population at or above the minimum working age (including both active and inactive segments of the population).
(2) Employment as a percentage of the total population at or above the minimum working age.
(3) Refers to population at or above the minimum working age that is not employed and is actively seeking work, as a percentage of the total labor force.
Source: National Work Force Survey of the Central Bank.

The open unemployment rate remained relatively stable between the first quarter of 2017 and the last quarter of 2019, amounting to 5.8% on average and reaching a historically low rate of 5.1% in the last quarter of 2017.

During the second quarter of 2020, the open unemployment rate stood at 3.2%, mainly due to a limitation on the main indicator of the unemployment metric, which depends on the number of individuals that are actively seeking work, which was limited as a result of the confinement measures and the restrictions in mobility imposed to limit the spread of COVID-19. A larger part of the labor force became absent workers, a group that showed a significant increase compared to its normal levels prior to the pandemic. Absent workers include employees registered in the support programs implemented by the Government which maintain ties to their current employers. Consequently, these temporally suspended workers were considered employed, as the guidelines of the ILO stipulates, and were not included in the unemployment rate during that period.

In the third and fourth quarters of 2020, the labor market began to regularize as fewer absent workers were registered, and the open unemployment rates stood at 7.1% and 7.4%, respectively. Despite this increase in open unemployment during such period, there was also an increase in employed persons in the third (4,295,451 employees) and fourth (4,414,601 employees) quarters, compared to those employed in the second quarter (4,246,695 employees), resulting in an increase in the employment rate to 55.4% in the third quarter and 56.6% in the fourth quarter, as compared to 54.8% in the second quarter, mainly due to the easing of confinement measures and the partial reopening of economic activities.

The recovery in employment observed since the end of 2020 continued in 2021, driven by GDP growth. The reactivation of economic activities contributed to the employment levels in the labor market improving consistently during the year. In the last quarter of 2021, the number of employed persons (including formal and informal) amounted to 4,682,079, a 6.1% increase as compared to the same period in 2020 and marking a recovery with respect to the levels registered during the last quarter of 2019, prior to the COVID-19 pandemic. As a result, the employment rate increased to 59.6% and the unemployment rate decreased to 7.1% in the fourth quarter of 2021, as compared to 56.6% and 7.4%, respectively, in the last quarter of 2020.

The following table sets forth information on employment by sector (as a percentage of total employment) for the periods indicated.

Employment
(% by sector)

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Agriculture and livestock	9.6	9.3	8.8	9.0	8.0
Industries [(1)]	10.2	10.0	10.2	10.7	10.1
Electricity and water	1.5	1.5	1.2	1.4	1.6
Construction	7.7	8.1	7.4	7.4	8.6
Wholesale and retail trade	19.6	20.0	20.4	20.8	20.7
Hotels, bars and restaurants	7.6	7.1	7.4	6.5	6.8
Transportation and communications	7.6	7.4	7.0	7.8	7.6
Financial services	2.2	2.4	2.5	2.2	2.3
Public administration and defense	4.9	5.0	5.4	5.9	5.6
Education	6.2	6.2	5.8	5.9	5.9
Health and social assistance	3.8	4.0	4.1	4.1	3.9
Other services	19.1	19.0	19.7	18.2	19.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) Includes manufacturing and mining.
Source: National Work Force Survey of the Central Bank.

Employment in the Dominican economy is mainly concentrated in the following economic activities: agriculture, livestock, fishing and forestry; manufacturing; transportation; wholesale and retail trade and other services.

The Dominican economy has a significant "informal sector" that provides employment to many people, including a significant number of women. The term "informal sector" refers to economic activities that take place outside of the formal norms for economic transactions established by the state or developed through formal business practices, such as being registered in the *Registro Nacional de Contribuyentes* (National Registry of Taxpayers) and being able to register commercial transactions in auditable accounting books. The informal sector includes businesses that are the result of individual or family initiatives. It generally involves the production and exchange of goods and services without the appropriate business permits, without reporting of tax liability, without complying with labor regulations and without legal guarantees for suppliers and end users. The informal sector provides economic opportunities, albeit limited, for the urban poor.

In 2020, the Central Bank estimated that 49.4% of the total labor force was employed in the informal sector, compared to 48.8% in 2019. This increase was mainly due to the impact of the COVID-19. In 2021, the share corresponding to the informal sector continued to increase, representing 51.5% of the total labor force, mainly explained by the faster recovery of employment in informal activities following the COVID-19 pandemic, which tend to be more sensitive to the economic cycle.

Wages and Labor Productivity

The *Comité Nacional de Salarios* (National Committee on Salaries) sets minimum wages by industry every two years through a process in which representatives from labor, management and the public sector participate.

In 2020, the real minimum wage recorded in the private sector, public sector and free trade zones, decreased, on average, by 5.3% from the levels registered in 2019. This decrease was due to the fact that the National Committee on Salaries did not hold a meeting in 2020 to negotiate a new adjustment in the minimum nominal wage.

In 2021, the reference thresholds for minimum nominal wages were modified with the implementation of a framework for the application of Law No. 187-17, which had not applied to previous salary negotiations. Such law provides an updated classification of companies on the basis of their level of gross sales and number of employees. Additionally, a salary scale for micro-companies companies was created. Additionally, Congress enacted legislation providing that the gross sales will be updated annually based on CPI variations. Pursuant to such legislation, the Ministry of Industry, Commerce and SMEs must publish at the beginning of each year the updated threshold values for the classification on the basis of annual gross sales.

In 2021, the National Committee on Salaries set increases of 13.6%, 52.8% (mainly as a result of the updated classification of companies) and 15.6% to the minimum wage applicable to large, medium and small companies, respectively. These changes implied an increase of 4.6%, 40.8% and 6.5% in the real minimum wages of large, medium and small companies, respectively. As part of the same adjustment to minimum wages, the National Committee on Salaries also set increases of 5.0%, 4.1%, 4.0% and 3.5% to the minimum wage applicable to large-, medium- and small- and micro-companies, respectively, to apply starting in 2022.

The National Committee on Salaries did not decide on an increase in the nominal wage for public sector and free trade zones for 2021. However, in December 2021 a 21.0% increase in the nominal minimum wage was agreed upon for the free zone sectors, effective in 2022.

The following table sets forth information on real minimum wages by sector and labor productivity for the years indicated.

Index of Real Minimum Wages
(2010 = 100)

	As of December 31,				
	2017	2018	2019	2020	2021
Private sector wages:					
Large companies[(1)]	142.4	140.8	154.8	146.7	153.5
Medium companies[(2)]	142.4	140.8	154.8	146.7	206.6
Small companies[(3)]	142.4	140.7	154.8	146.7	156.2
Micro companies[(4)]	N/A	N/A	N/A	N/A	100.0
Free trade zone wages	138.1	142.8	158.5	150.1	138.4
Public sector wages	78.0	77.1	145.4	137.8	127.0

(1) Up to 2020, companies with a capitalization level greater than DOP4.0 million. As of 2021, companies with gross sales greater than DOP202.0 million and with 151 or more employees.
(2) Up to 2020, companies with a capitalization level between DOP2.0 million and DOP4.0 million. As of 2021, companies with gross sales between DOP54.0 million and DOP202.0 million and with 51 to 150 employees.
(3) Up to 2020, companies with a capitalization level of less than DOP2.0 million. As of 2021, companies with gross sales between DOP8.0 million and DOP54.0 million and with 11 to 50 employees.
(4) Companies with gross sales of less than DOP8.0 million and with up to 10 employees. For this category, the base year is 2021.
N/A = Not available.
Sources: *Ministerio de Trabajo* (Ministry of Labor) and Central Bank.

Poverty and Income Distribution

The incidence of poverty in the Republic declined during the 1990s, primarily as a result of rapid economic growth during the period. Another factor that has helped to ameliorate poverty has been the considerable rise in remittances from workers living and working abroad, which has grown even during the global economic crisis. See "Balance of Payments and Foreign Trade—Remittances." Poverty in the Republic results primarily from unemployment and underemployment, marked class disparities in access to education, health care and jobs, and the significant differences in income between skilled and unskilled workers.

Poverty decreased between 2017 and 2021. According to data published by the *Ministerio de Economía, Planificación y Desarrollo* (Ministry of Economy, Planning and Development), in 2021, approximately 23.8% of the population lived below the national poverty line, as compared to 25.6% in 2017, and 3.1% of the population lived below the national extreme poverty line, as compared to 3.8% in 2017. Among the factors that explain this poverty reduction are the Government support to small- and micro-enterprises (through financing and Government procurement) and increased public investment in the construction of schools.

The Republic's most important initiative to reduce poverty is the *Programa Supérate* (Improve Yourself Program), previously known as *Progresando con Solidaridad* (Progressing with Solidarity). This program aims to improve the income of families to enable them to invest in the education and health of their children by providing poor families with cash transfers in exchange for meeting a series of requirements (conditional cash transfer schemes). The Improve Yourself Program has three basic components:

- *Aliméntate* (Feed Yourself): In this component, eligible households receive a monthly financial assistance of DOP1,650.00 to purchase food, the amount of which is determined based on a basic basket of consumer and retail prices. Its main objective is to facilitate the incorporation of the beneficiaries into the labor market so that they can obtain a job that allows them to escape poverty. The scope of the program is 1,600,000 households categorized as vulnerable according to a quality-of-life index.
- *Aprende* (Learn): This component is aimed at reducing school dropouts and increasing the number of average years of schooling in households with children and adolescents between the ages of five and 13, enrolled from first to sixth grade of basic education. Heads of beneficiary families receive a monthly financial transfer of DOP300 paid every two months for every child, up to a maximum of four, conditioned on a minimum school attendance of 80%.
- *Avanza* (Make Progress): This scheme is based on a bimonthly economic transfer of between DOP400 and DOP1,400, depending on the level of schooling, for the acquisition of food and school supplies per registered household member. This component is aimed at reducing dropouts at the secondary education level.

As of the date of this offering memorandum, the Improve Yourself program had benefited approximately 1.34 million households.

The Dominican educational system has suffered from a lack of resources, out-of-date curricula, and inadequate teacher training. The Government has taken steps to improve the Dominican education system, including the following:

- constructing and remodeling classrooms;
- implementing an extended school day (students receive eight hours of teaching, breakfast, lunch and snacks);
- strengthening the teaching career through competitions to fill vacancies, evaluation of teacher performance, trainings for new teachers and continuous training for all teachers;
- improving teacher salaries, including providing performance benefits;
- improving student health through oral, auditory and visual health programs;
- implementing a program which provides for care, attention, early mental stimulation, initial education, health and nutrition in specialized centers to children ages 0 to 5 years; and
- implementing and promoting inclusive strategies that integrate information and communication technologies in the Dominican education system, such as providing laptops or tablets to students and their teachers.

Other measures the Government has implemented in recent years to combat poverty include:

- selling medicines at low cost through *Farmacias del Pueblo* (Town Pharmacies);
- creating a public fund to cover catastrophic diseases;

- subsidizing public transportation;
- creating *Banca Solidaria* (Solidarity Banking), a program that grants loans to microenterprises;
- technical assistance and training in financial education, through the *Fundación Reservas del País*;
- expanding the subsidized health regime and reforming public healthcare and workers' compensation systems;
- financing the agricultural sector and subsidizing insurance to the agriculture sector; and
- increasing micro and small businesses' access to public purchases.

Additionally, in response to the COVID-19 pandemic, the Government has taken several measures to offset its effects on the education sector, as well as on poverty levels. See "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy."

Environment

The most serious environmental problems currently confronting the Republic are water contamination and deforestation. The Government expects to address these environmental problems through greater supervision and regulation, as well as through community and private-sector awareness and involvement. In 2000, the Government created the *Ministerio de Medio Ambiente y Recursos Naturales* (the Ministry of the Environment and Natural Resources) to centralize the various functions relating to the environment previously carried out by multiple governmental entities.

The Government requires environmental impact studies before authorizing any public or private construction project. The Government undertook reforestation projects, beginning in the late 1990s, which involved community groups and private and public organizations. The drive for reforestation yielded favorable results. The Dominican Republic has a total territory of 70,894 km^2, which includes the surface land area (48,670 km^2) and the territorial marine zone (22,224 km^2 or 12 nautical miles).

According to the World Bank, the total area covered by forest grew by 5,492.1 square kilometers between 1990 and 2020, increasing the covered area from 33.0% to 44.4% of the Dominican's territory. According to the last available data by the World Bank, in 2021, 26.2% of total land territory of the Dominican Republic were terrestrial protected land areas and 50.3% of the total land territory were agricultural areas, including grassland areas and permanent pastures, permanent crops and farmland, while 18.0% of total marine territory were marine protected areas.

On May 12, 2021, the Republic entered into a landmark agreement with the World Bank's Forest Carbon Partnership Facility (FCPF), unlocking payments of up to US$25 million for verified carbon emission reductions between such date and 2025 pursuant to the Republic's Emissions Reduction Program, a national initiative focused on lowering forest emissions from deforestation and forest degradation across the Republic's 4.8 million hectares of biodiversity and forest-rich land, to improve local livelihoods and protect natural ecosystems.

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

The balance of payments is used to record the value of the transactions carried out between a country's residents and the rest of the world. The balance of payments is composed of:

- the current account, which comprises:
  - net exports of goods and services (the difference in value of exports minus imports);
  - net financial and investment income; and
  - net transfers; and
- the capital and financial accounts, which comprise the difference between financial capital inflows and financial capital outflows.

Current Account

One of the most important components of the current account is the trade balance. The four primary factors that drive the trade balance are:

- the relative rate of economic growth of a country as compared to that of its trading partners – generally, if a country's economy grows faster than that of its trading partners, its relative level of consumption of goods and services will tend to rise, and its level of imports will tend to increase more rapidly than its level of exports;
- the relative level of domestic prices against foreign prices, as reflected by the real exchange rate – generally, if a country's domestic prices rise relative to those of its trading partners, there is a tendency for the country's level of exports to decline, and for its level of imports to increase;
- changes in production costs, technology, and worker skills – more efficient production will tend to lower production cost, which in turn will tend to lower prices. As prices fall, there will be a tendency for the country's level of exports to increase; and
- changes in consumer tastes, which may affect the demand for a country's goods and services abroad, and the demand for foreign products in the domestic market.

Between 2016 and 2020 the Republic's current account registered annual deficits, which were partially offset by net borrowing from the financial account. During this period, the current account deficit fluctuated between 1.8% (2016) and 2.0% (2020) of GDP for each respective year.

In 2017, the current account deficit reached US$133.1 million, a decrease of US$681.6 million compared to the account deficit of US$814.7 million recorded in 2016. This reduction was mainly attributable to a 12.4% increase in remittances and a 6.9% increase in tourism revenues when compared to 2016. In addition, the nominal DOP/US$ exchange rate increased gradually during 2017, reaching DOP48.19 per U.S. dollar on the last business day of December, which represented an annualized depreciation rate of 3.3% since the beginning of 2017. During 2017, the average nominal DOP/US$ exchange rate reached DOP47.44 per U.S. dollar, which represented an average depreciation of 3.1% when compared to the average exchange rate for 2016.

In 2018, the current account deficit reached US$1,321.5 million, an increase of US$1,188.4 million compared to the account deficit of US$133.1 million recorded in 2017. This increase was mainly attributable to a 30% increase in fuel imports, which was partially offset by an increase in revenue from exports and tourism and higher remittances from Dominicans living abroad. In addition, the nominal DOP/US$ exchange rate increased gradually during 2018, reaching DOP50.20 per U.S. dollar on the last business day of 2018, which represented an annualized peso depreciation rate of 4.0% since the beginning of 2018. During 2018, the average nominal DOP/US$ exchange rate reached DOP49.43 per U.S. dollar, which represented an average depreciation of 4.0% compared to the average exchange rate for 2017.

In 2019, the current account deficit reached US$1,187.9 million, an increase of US$133.6 million compared to the account deficit of US$1,321.5 million recorded in 2018, mainly due to reduced income from tourism. In addition, the nominal DOP/US$ exchange rate increased gradually during 2019, reaching DOP52.90 per

U.S. dollar on the last business day of 2019, which represented an annualized peso depreciation rate of 5.1% since the beginning of 2019. During 2019, the average nominal DOP/US$ exchange rate reached DOP51.20 per U.S. dollar, which represented an average depreciation of 3.5% compared to the average exchange rate for 2018.

In 2020, the current account deficit reached US$1,337.3 million, an increase of US$149.4 million compared to the account deficit of US$1,187.9 million recorded in 2019, mainly due to reduced income from tourism. In addition, the nominal DOP/US$ exchange rate decreased gradually during 2020, reaching DOP58.11 per U.S. dollar on the last business day of 2020, which represented an annualized peso depreciation rate of 9.0% since the beginning of 2020. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2020 was DOP56.47 per US$1.00 compared to DOP51.20 per US$1.00 for 2019, which represents a 9.3% nominal average depreciation in 2020 compared to 2019.

In 2021, the current account deficit reached US$2,688.7 million, an increase of US$1,351.4 million compared to the account deficit of US$1,337.3 million recorded in 2020, mainly due to a 91.8% increase in oil imports and a 34.6% increase in non-oil imports, partially offset by higher income from tourism, remittances and total merchandise exports, which increased by 112.6%, 26.6% and 21.0%, respectively, in 2021. In addition, the nominal DOP/US$ exchange rate increased gradually during the year, reaching DOP57.14 per U.S. dollar on the last business day of 2021, which represented an annualized peso appreciation rate of 1.7% since the beginning of 2021. The average DOP/US$ exchange rate for the purchase of U.S. dollars in 2021 was DOP56.94 per US$1.00 compared to DOP56.47 per US$1.00 for 2020, which represents a 0.8% nominal average depreciation in 2021 compared to 2020.

Financial Account

The financial account quantifies foreign direct investment and monetary flows into and out of a nation's financial markets.

The net borrowing balance of the financial account reached US$2.1 billion as of December 31, 2017, a decrease of US$334.3 million, as compared to US$2.5 billion as of December 31, 2016. The decrease resulted largely from a combination of an increase in foreign assets held by the Central Bank and a decrease in other investments liabilities.

The net borrowing balance of the financial account reached US$3.1 billion as of December 31, 2018, an increase of US$962.3 million, compared to US$2.1 billion as of December 31, 2017. The increase resulted from an increase in liabilities of portfolio investments.

The net borrowing balance of the financial account reached US$3.1 billion as of December 31, 2019, an increase of US$55.7 million, compared to US$3.1 billion as of December 31, 2018. The increase resulted from an increase in liabilities of portfolio investments.

The net borrowing balance of the financial account reached US$3.5 billion as of December 31, 2020, an increase of US$354.1 million, compared to US$3.1 billion as of December 31, 2019. The increase resulted from an increase in liabilities of portfolio investments.

The net borrowing balance of the financial account reached US$5.4 billion as of December 31, 2021, an increase of US$1.9 billion, compared to US$3.5 billion as of December 31, 2020. The increase resulted from an increase in liabilities of portfolio investments.

The following table sets forth information regarding the Republic's balance of payments for the periods indicated.

Balance of Payments
(in millions of US$)

	As of December 31,				
	2017(1)	**2018(1)**	**2019(1)**	**2020(1)**	**2021(1)**
Current account:					
Trade balance:					
Exports:					
National	4,425.0	4,602.9	4,943.2	4,407.4	5,282.4
Free trade zones	5,709.6	6,035.2	6,249.5	5,894.5	7,179.6
Total exports	10,134.6	10,638.1	11,192.7	10,301.9	12,462.0
Imports:					
National	13,987.6	16,359.7	16,316.2	13,484.8	19,532.3
Free trade zones	3,746.7	3,837.6	3,951.6	3,620.2	4,610.9
Total imports	17,734.3	20,197.3	20,267.8	17,105.0	24,143.2
Trade balance (deficit)	(7,599.7)	(9,559.2)	(9,075.1)	(6,803.1)	(11,681.2)
Services balance:					
Credits	8,856.8	9,413.6	9,316.5	4,587.5	8,047.0
Debits	(3,307.0)	(3,917.1)	(4,258.2)	3,196.9	4,398.1
Service balance	5,549.8	5,496.5	5,058.3	1,390.6	3,648.9
Primary income balance:					
Credits	459.4	619.3	665.9	504.6	579.5
Debits	4,253.2	4,311.0	4,734.8	4329.6	5,285.7
Primary income balance (deficit)	(3,793.8)	(3,691.7)	(4,068.9)	(3,825.0)	(4,706.2)
Secondary income:					
Income received	6,695.3	7,343.9	7,908.7	8,940.4	11,252.5
of which:					
Personal transfers	5,911.8	6,494.2	7,087.1	8,219.2	10,402.5
Income paid	984.7	911.0	1,010.9	1,040.2	1,202.7
Secondary income balance	5,710.6	6,432.9	6,897.8	7,900.2	10,049.8
Current account balance (deficit)	**(133.1)**	**(1,321.5)**	**(1,187.9)**	**(1,337.3)**	**(2,688.7)**
Capital account(2)	—	—	—	—	—
Net lending (borrowing)	(133.1)	(1,321.5)	(1,187.9)	(1,337.3)	(2,688.7)
Financial account:					
Foreign direct investment	(3,570.7)	(2,535.3)	(3,021.0)	(2,559.6)	(3,102.1)
Portfolio investment	(1,756.7)	(2,696.1)	(2,177.6)	(5,620.1)	(2,596.4)
Public and private debt, medium and long-term (net)	1,192.8	153.0	650.1	(312.4)	181.8
Public and private debt, short-term (net)	185.8	235.4	(482.6)	590.3	(186.4)
Currency and deposits	1,289.4	1,293.5	1,560.4	4,137.9	243.3
Other(3)	538.7	466.5	332.0	271.1	20.5
Financial account	(2,120.7)	(3,083.0)	(3,138.7)	(3,492.8)	(5,439.3)
Errors and omissions	(1,259.9)	(928.4)	(825.5)	(860.5)	(449.9)
Financing:					
Foreign assets	730.7	847.0	1,149.5	1,962.9	2,301.1
Use of fund credit and loans	—	—	—	651.1	—
Transfers (debt relief)	1.5	2.2	1.4	1.0	0.4
Portfolio investment (liabilities)	—	—	—	—	—
Other investment liabilities(4)	1.5	11.7	22.8	15.8	—
Financing	**727.7**	**833.1**	**1,125.3**	**1,295.0**	**2,300.7**

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
(2) Excludes components classified under Financing in accordance with the 6th Edition of the IMF Balance of Payments Manual.
(3) Includes commercial credits and other.
(4) Includes disbursements on new loans and refinanced debt.
Source: Central Bank.

Foreign Trade

In 2021, the combined value of the Republic's imports and exports of goods equaled 38.7% of the country's GDP, reflecting the high degree of openness of the Dominican economy to foreign trade.

In 2021:

- the trade deficit was US$11.7 billion, which reflects an increase of 71.7% as compared to US$6.8 billion in 2020;
- total exports were US$12.5 billion, as compared to US$10.3 billion for 2020;
- imports totaled approximately US$24.1 billion, as compared to US$17.1 billion during 2020; and
- imports of raw materials in free trade zones increased by 30.3%.

In 2021, exports from the Republic consisted primarily of:

- exports from free trade zones (such as textiles, medical equipment and electronics) valued at US$7.2 billion, accounting for 57.6% of total exports;
- traditional exports (consisting of products, such as sugar, tobacco, coffee and nickel-iron and gold) valued at US$2.4 billion, accounting for 18.9% of total exports; and
- non-traditional exports (consisting of other products that the Republic currently exports, such as beer and fruits) valued at US$2.6 billion, accounting for 20.8% of total exports.

The following tables set forth further information regarding exports for the periods indicated.

Exports
(in millions of US$ and as a % of total exports)

	As of December 31,									
	2017[(1)]		2018[(1)]		2019[(1)]		2020[(1)]		2021[(1)]	
	US$	%	US$	%	US$	%	US$	%	US$	%
Free trade zones:										
Textiles	1,095.9	10.8	1,094.6	10.3	1,037.7	9.3	689.4	6.7	892.7	7.2
Footwear	386.8	3.8	303.5	2.9	279.7	2.5	202.2	2.0	201.4	1.6
Electronics	883.1	8.7	1,017.9	9.6	1,067.3	9.5	1,105.4	10.7	1,153.4	9.3
Tobacco Manufacturing	798.4	7.9	823.5	7.7	885.4	7.9	897.2	8.7	1,198.5	9.6
Jewelry	422.2	4.2	490.6	4.6	530.5	4.7	429.2	4.2	762.8	6.1
Pharmaceutical products	64.3	0.6	53.0	0.5	32.1	0.3	77.5	0.8	51.0	0.4
Medical products	1,422.8	14.0	1,503.5	14.1	1,628.0	14.5	1,732.9	16.8	1,878.3	15.1
Cocoa products	79.5	0.8	119.4	1.1	100.3	0.9	97.6	0.9	109.5	0.9
Other	556.6	5.5	629.2	5.9	688.5	6.2	663.1	6.4	932.0	7.5
Total free trade zones	5,709.6	56.3	6,035.2	56.7	6,249.5	55.8	5,894.5	57.2	7,179.6	57.6
Traditional:										
Sugar and related products	141.9	1.4	147.7	1.4	128.1	1.1	151.2	1.5	154.2	1.2
Coffee	8.9	0.1	8.6	0.1	9.8	0.1	9.3	0.1	14.1	0.1
Cocoa	62.7	0.6	93.9	0.9	91.8	0.8	100.0	1.0	109.8	0.9
Tobacco	19.4	0.2	6.0	0.1	17.4	0.2	8.1	0.1	9.9	0.1
Nickel-iron	153.6	1.5	233.8	2.2	383.4	3.4	231.2	2.2	392.6	3.2
Gold-silver	1,539.4	15.2	1,447.0	13.6	1,598.7	14.3	1,733.6	16.8	1,676.0	13.4
Total traditional	1,925.9	19.0	1,937.0	18.2	2,229.2	19.9	2,233.4	21.7	2,356.6	18.9
Total non-traditional	2,042.4	20.2	2,147.3	20.2	2,248.3	20.1	2,017.4	19.6	2,593.0	20.8
Total other[(2)]	456.7	4.5	518.6	4.9	465.7	4.2	156.6	1.5	332.8	2.7
Total exports	**10,134.6**	**100.0**	**10,638.1**	**100.0**	**11,192.7**	**100.0**	**10,301.9**	**100.0**	**12,462.0**	**100.0**

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
(2) Includes goods sold at port.
Source: Central Bank

Geographic Distribution of Exports
(% of total exports)

	As of December 31,				
	2017[1)]	2018[(1)]	2019[(1)]	2020[(1)]	2021[(1)]
United States[(1)]	49.4	50.9	51.7	51.7	52.3
Canada	7.8	6.0	3.2	3.8	0.4
Mexico	0.2	0.4	0.4	0.5	0.2
Total North America	**57.5**	**57.3**	**55.3**	**56.0**	**53.0**
Brazil	0.1	0.2	0.2	0.3	0.2
Colombia	0.4	0.4	0.5	0.4	0.5
Costa Rica	0.4	0.3	0.3	0.4	0.4
El Salvador	0.1	0.1	0.1	0.2	0.2
Guatemala	0.2	0.2	0.2	0.3	0.2
Haiti	12.2	12.0	10.8	10.5	10.7
Honduras	0.3	0.3	0.3	0.3	0.4
Jamaica	0.6	0.7	0.7	0.7	0.7
Venezuela	0.4	0.2	0.4	0.2	0.2
Other	3.1	3.2	3.0	2.7	3.3
Total Latin America and the Caribbean	**17.8**	**17.4**	**16.3**	**16.0**	**16.7**
Belgium	1.0	0.6	0.5	0.6	0.8
France	0.3	0.3	0.3	0.2	0.4
Germany	0.9	0.9	0.9	1.1	1.1
Italy	0.6	0.8	0.7	0.5	0.8
The Netherlands	1.9	2.6	3.1	3.9	3.8
Spain	0.8	1.1	0.7	0.6	0.6
Other	4.7	3.5	9.4	13.4	9.7
Total Europe	**10.3**	**9.9**	**15.7**	**20.4**	**17.2**
Japan	0.2	0.1	0.2	0.5	0.4
Other	9.1	9.6	7.8	5.3	9.7
Total Asia	**9.2**	**9.7**	**8.0**	**5.8**	**10.0**
Africa	0.2	0.3	—	—	—
Unidentified	5.0	5.4	4.7	1.8	3.0
Total exports	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
Source: Central Bank.

In 2021, imports into the Republic consisted of:

- consumer goods valued at US$10.5 billion, representing 43.5% of total imports;
- intermediate goods valued at US$6.4 billion, representing 26.5% of total imports;
- capital goods valued at US$2.6 billion, representing 11.0% of total imports; and
- imports into the free trade zones valued at US$4.6 billion, representing 19.1% of total imports.

The following table sets forth further information regarding imports for the periods indicated.

Imports
(in millions of US$ and as a % of total imports)

	As of December 31,									
	2017[1]		2018[1]		2019[1]		2020[1]		2021[1]	
	US$	%	US$	%	US$	%	US$	%	US$	%
Consumer goods:										
Durable goods	1,238.1	7.0	1,335.1	6.6	1,492.0	7.4	1,175.8	6.9	1,684.5	7.0
Refined petroleum products..............	2,462.6	13.9	3,050.0	15.1	2,972.1	14.7	1,780.0	10.4	3,125.9	12.9
Other.....................	4,018.7	22.7	4,342.7	21.5	4,481.3	22.1	4,319.4	25.3	5,681.0	23.5
Total consumer goods....	7,719.4	43.5	8,727.8	43.2	8,945.4	44.1	7,275.2	42.5	10,491.4	43.5
Intermediate goods:										
Crude oil and reconstituted fuel...	405.8	2.3	664.8	3.3	585.5	2.9	174.4	1.0	623.1	2.6
Other	3,630.0	20.5	4,274.1	21.2	4,111.0	20.3	3,791.0	22.2	5,772.5	23.9
Total intermediate goods	4,035.8	22.8	4,938.9	24.5	4,696.5	23.2	3,965.4	23.2	6,395.6	26.5
Capital goods..............	2,232.4	12.6	2,693.0	13.3	2,674.3	13.2	2,244.2	13.1	2645.3	11.0
Imports into the free trade zones..............	3,746.7	21.1	3,837.6	19.0	3,951.6	19.5	3,620.2	21.2	4,610.9	19.1
Total imports.............	**17,734.3**	**100.0**	**20,197.3**	**100.0**	**20,267.8**	**100.0**	**17,105.0**	**100.0**	**24,143.2**	**100.0**

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
Source: Central Bank.

Geographic Distribution of Imports[1]
(% of total imports)

	As of December 31,				
	2017[2]	2018[2]	2019[2]	2020[2]	2021[2]
United States[3]	44.6	44.3	42.5	40.6	43.0
Canada	1.1	1.0	1.1	1.3	1.2
Mexico	4.8	3.7	4.1	4.2	3.6
Total North America	**50.4**	**49.1**	**47.8**	**46.1**	**47.7**
Argentina	0.6	0.6	0.9	0.7	1.5
Brazil	3.4	3.2	3.5	2.9	3.2
Chile	0.4	0.4	0.3	0.4	0.3
Colombia	2.1	2.0	2.0	2.2	2.3
Guatemala	1.0	0.8	0.8	0.9	0.8
Panama	0.3	0.4	0.4	0.4	0.3
Trinidad and Tobago	1.6	1.2	1.2	1.0	0.8
Venezuela	0.2	0.2	0.1	0.0	0.1
Other	4.7	4.7	5.1	5.1	4.6
Total Latin America and the Caribbean	**14.3**	**13.5**	**14.4**	**13.6**	**13.9**
Spain	3.3	3.6	3.3	3.3	3.1
Denmark	0.4	0.4	0.4	0.4	0.3
Germany	1.7	1.9	1.8	2.1	1.8
Italy	1.4	1.6	2.0	2.2	2.4
France	1.1	0.8	0.9	0.9	1.0
Belgium	0.3	0.4	0.4	0.5	0.5
Norway	0.2	0.2	0.3	0.4	0.3
Other	4.5	5.1	5.1	5.9	6.4
Total Europe	**13.0**	**14.0**	**14.3**	**15.7**	**15.7**
Japan	1.9	1.9	1.9	1.6	1.3
China and Taiwan	14.5	14.9	15.9	17.7	16.2
South Korea	1.5	1.2	1.2	1.0	1.2
Other	3.0	2.9	3.0	3.5	3.1
Total Asia	**20.8**	**20.9**	**22.0**	**23.8**	**21.8**
Africa	1.3	2.3	1.3	0.5	0.6
Others	0.2	0.2	0.3	0.3	0.3
Total imports	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) Based on the country of origin specified by the importer upon entry of goods into the Republic. The origin specified usually refers to the last port the merchandise came from prior to arrival in the Republic.
(2) 2017-2019 revised data, 2020 and 2021 preliminary data.
(3) Includes Puerto Rico.
Source: Central Bank.

For members of the DR-CAFTA, approximately 80% of imported consumer and industrial goods from DR-CAFTA members will be entitled to duty-free treatment, and the remaining tariffs on such goods will be phased out over a 10-year period. Over 50% of agricultural imports are duty-free for members of the DR-CAFTA and the remaining tariffs on such goods will be eliminated within 20 years from the date the treaty was ratified.

Before 2006, the Republic imposed a 13% foreign exchange commission on imported goods, which was calculated based on the CIF value of an imported good at the selling rate of foreign exchange. This commission was eliminated on June 30, 2006, in order for the Republic to fully implement the DR-CAFTA. In addition, the Republic had imposed a transitory tariff of 13% on certain imported products that expired on July 1, 2006. The transitory tariff was intended to help compensate for the projected tax revenue losses in the second half of 2006 resulting from the elimination of the foreign exchange commission.

Services Trade

The Republic's services trade consists primarily of tourism. Tourism is a principal source of foreign currency in the Dominican economy, and has contributed to annual surpluses in the Republic's services trade. Various sectors of the economy benefit from tourism, including agriculture, wholesale and retail trade, restaurants, bars and hotels, construction, real estate and transportation. Income from tourism decreased from US$7.2 billion in 2017 (9.0% of GDP) to US$5.7 billion (6.0% of GDP) in 2021.

In 2017, income from tourism was US$7.2 billion, an increase of US$464.5 million, or 6.9%, compared with 2016. Arrivals of non-resident visitors increased by 219,907 visitors, representing a 4.3% increase compared to 2016.

In 2018, income from tourism was US$7.6 billion, an increase of US$376.6 million, or 5.2%, compared with 2018. Arrivals of non-resident visitors increased by 264,544 visitors, representing a 4.9% increase compared to 2017.

In 2019, income from tourism was US$7.5 billion, a decrease of US$92.6 million, or 1.2%, compared with 2018. Arrivals of non-resident visitor decreased by 260,942 visitors, representing a 4.6% decrease compared to 2018.

In 2020, income from tourism was US$2.7 billion, a decrease of US$4,797.7 million, or 64.2%, compared with 2019, mainly due to the impact of the preventative public safety measures taken to contain the spread of COVID-19. Arrivals of non-resident visitor decreased by 3.7 million visitors, representing a 68.3% decrease compared to 2019.

In 2021, income from tourism was US$5.7 billion, an increase of US$3.0 billion, or 112.6%, compared with 2020. Arrivals of non-resident visitors increased by 2.6 million visitors, representing a 107.6% increase compared to 2020.

As of December 31, 2019, according to the latest available infomation from the United Nations World Tourism Organization, the Republic ranked first among Caribbean tourist destinations in terms of number of arrivals. The Republic attracts visitors primarily from the United States, Canada, Europe and to a lesser extent, from Central and South America, as well as Dominicans visiting from abroad. New markets such as Argentina, Europe and Russia had also been increasing their share of total arrivals.

The following table sets forth certain additional information on tourism in the Republic for the periods indicated.

Tourism Statistics

	As of December 31,				
	2017[(1)]	2018[(1)]	2019[(1)]	2020[(1)]	2021[(1)]
Arrivals by airplane (number of passengers):					
Total arrivals	6,187,542	6,568,888	6,446,036	2,405,315	4,994,309
of which:					
Foreign non-resident arrivals	5,354,017	5,618,561	5,357,619	1,699,194	3,655,217
Average length of stay (number of nights):					
Non-resident foreigners	8.6	8.4	8.5	9.1	9.6
Non-resident Dominicans	15.6	15.8	16.1	16.0	15.7
Hotel activity:					
Number of rooms	77,263	79,939	83,041	N/A	N/A
Occupancy rate (in %)	77.10%	77.50%	71.60%	40.50%	51.00%
Income from hotels, bars and restaurants (in millions of US$)	155.9	164.8	165.1	86.7	120.9
Income from tourism (in millions of US$)	7,184.10	7,547.70	7,471.50	2,674.80	5,686.50
Expenses from tourism (in millions of US$)	530.3	548.5	623.6	210.8	692.8
Balance (income less expenses)	**6,653.80**	**6,999.20**	**6,847.90**	**2,464.00**	**4,993.70**

(1) 2017-2019 revised data; 2020- 2021 preliminary data.
N/A = not available.
Source: Central Bank.

Remittances

Remittances consist of funds sent to people and institutions in the Republic by Dominicans residing and working abroad. Remittances have grown in recent years, particularly from Dominicans living in the United States. According to the 2010 U.S. Census, over 1,400,000 people of Dominican origin live in the United States. Remittances are one of the most important sources of foreign exchange in the Republic's private currency exchange market and provide the foreign currency required to pay for imports that are not paid through the official currency exchange market (i.e., all imports with the exception of crude oil). In addition, remittances have been one of the most stable variables in the Republic's balance of payments.

Total remittances averaged between 7.4% and 11.0% of GDP for the last five years. In 2017, 2018, 2019 and 2020 remittance inflows grew by 12.4%, 9.9%, 9.1% and 16.0% respectively, mainly due to the continuous improvement of economic conditions in the U.S. economy prior to 2020, and the economic assistance provided by the U.S. government to its residents in the face of the COVID-19 pandemic in 2020. In 2021, remittance inflows grew by 26.6%, or US$2.2 billion compared to 2020.

The following chart shows the evolution of workers' remittances for the years indicated.

Workers' Remittances
(in millions of US$ and as a % of GDP)

	As of December 31,				
	2017(1)	**2018(1)**	**2019(1)**	**2020(1)**	**2021(1)**
Total remittances	5,911.8	6,494.2	7,087.0	8,219.2	10,402.5
% of GDP...	7.4	7.6	8.0	10.4	11.0

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
Source: Central Bank.

Foreign Investment

Foreign Direct Investment

Foreign direct investment in the Republic grew considerably after the enactment of the foreign investment law in 1995, which dismantled barriers to foreign direct investment that had existed previously.

In 2017, foreign direct investment increased by US$1,164.0 million, mainly due to significant investments in the commercial, tourism and real estate sectors. This significant increase in foreign direct investment inflows during 2017 includes the purchase of additional assets of the Dominican Republic-based brewery, *Cervecería Nacional Dominicana,* by the Ambev Group for a purchase price more than US$900 million. In 2018, foreign direct investment decreased by US$1,035.4 million, mainly due to a return to normal foreign direct investment levels following the purchase of *Cervecería Nacional Dominicana* in 2017. In 2019, foreign direct investment increased by US$485.7 million, mainly due to investments in the communications and electricity sectors, operating losses, and payment of intercompany loans. In 2020, foreign direct investment decreased by US$461.4 million, mainly due to significant loan payments by resident companies to their respective foreign parent companies in the communications and mining sectors. In 2021, foreign direct investment increased by US$542.5 million, mainly due to higher investments in the communications, mining, and financial sectors.

The following table sets forth information on foreign direct investment by sector for the years indicated

Foreign Direct Investment by Sector
(in millions of US$ and as a % of total foreign direct investment)

	As of December 31,									
	2017(1)		**2018(1)**		**2019(1)**		**2020(1)**		**2021(1)**	
	US$	**%**	**US$**	**%**	**US$**	**%**	**US$**	**%**	**US$**	**%**
Electricity	63.7	1.8	202.6	8.0	276.7	9.2	430.6	16.8	279.6	9.0
Communications.........	67.1	1.9	(240.1)	(9.5)	312.4	10.3	(123.9)	(4.8)	84.3	2.7
Wholesale and retail trade	1,365.2	38.2	539.8	21.3	356.2	11.8	440.7	17.2	330.7	10.7
Tourism.....................	704.0	19.7	854.2	33.7	994.2	32.9	954.0	37.3	961.8	31.0
Financial services	90.9	2.5	178.7	7.0	94.3	3.1	83.1	3.2	121.2	3.9
Free trade zones	263.9	7.4	233.6	9.2	259.7	8.6	231.7	9.1	285.5	9.2
Mining......................	409.6	11.5	184.8	7.3	224.9	7.4	(6.5)	(0.3)	472.5	15.2
Real estate	545.9	15.3	518.3	20.4	440.7	14.6	453.3	17.7	497.4	16.0
Transport	60.4	1.7	63.4	2.5	61.9	2.0	96.6	3.8	69.1	2.2
Other	—	—	—	—	—	—	—	—	—	—
Total	**3,570.0**	**100.0**	**2,535.3**	**100.0**	**3,021.0**	**100**	**2,559.6**	**100.0**	**3,102.1**	**100.0**

(1) 2017-2019 revised data; 2020 and 2021 preliminary data.
Source: Central Bank.

The following table sets forth information on foreign direct investment by country of origin (and as a percentage of total foreign direct investment) for the years indicated.

Foreign Direct Investment by Country of Origin

(in millions of US$ and as a % of total foreign direct investment) (1)

	2017		2018		2019		2020		2021	
	US$	%	US$	%	US$	%	US$	%	US$	%
Brazil	998.8	28.0	71.1	2.8	23.6	0.8	96.4	3.8	(188.3)	(6.1)
Canada	473.4	13.3	329.3	13.0	258.9	8.6	80.3	3.1	342.2	11.0
Cayman Islands	9.9	0.3	(33.8)	(1.3)	(9.2)	(0.3)	(96.2)	(3.8)	(221.4)	(7.1)
Denmark	62.6	1.8	(459.7)	(18.1)	7.1	0.2	(114.2)	(4.5)	74.8	2.4
France	6.1	0.2	4.5	0.2	239.1	7.9	79.7	3.1	43.8	1.4
Germany	7.4	0.2	19.8	0.8	29.7	1.0	28.6	1.1	27.2	0.9
Italy	32.4	0.9	24.0	0.9	44.6	1.5	18.5	0.7	37.8	1.2
Mexico	(45.4)	(1.3)	(80.4)	(3.2)	608.8	20.2	337.1	13.2	392.4	12.6
Panama	2.9	0.1	12.4	0.5	12.1	0.4	83.8	3.3	97.5	3.1
Spain	205.9	5.8	287.8	11.4	354.5	11.7	194.2	7.6	209.9	6.8
Switzerland	9.0	0.3	5.8	0.2	17.1	0.6	12.0	0.5	23.2	0.7
The Netherlands	30.9	0.9	37.1	1.5	54.2	1.8	46.1	1.8	8.5	0.3
United Kingdom	3.1	0.1	5.3	0.2	(26.1)	(0.9)	18.9	0.7	17.4	0.6
United States	732.1	20.5	708.8	28.0	937.2	31.0	730.2	28.5	1362.3	43.9
Venezuela	7.7	0.2	29.1	1.1	12.0	0.4	11.0	0.4	(49.2)	(1.6)
Virgin Islands	52.0	1.5	74.0	2.9	61.6	2.0	34.0	1.3	278.9	9.0
Other	981.2	27.5	1,500.2	59.2	395.8	13.1	999.2	39.0	645.1	20.8

(1) Net inflows from these countries are represented with positive numbers while net outflows are represented with negative numbers.
(2) 2017-2019 revised data; 2020 and 2021 preliminary data.
Source: Central Bank.

Foreign direct investment in the Republic historically has originated mainly from the United States, Spain and Canada. In 2017, 61.8% of foreign direct investment inflows came from Canada, Brazil and the United States. In 2018, 52.4% of FDI inflows came from the United States, Canada and Spain. In 2019, 62.9% of foreign direct investment inflows came from the United States, Mexico and Spain. In 2020, 49.3% of foreign direct investment inflows came from the United States, Mexico and Spain. In 2021, 67.5% of foreign direct investment inflows came from the United States, Mexico and Canada.

Foreign Portfolio Investment

With respect to portfolio investment, the Republic has not been a significant recipient of short-term speculative capital, mainly as a result of its relatively new stock market. To discourage speculative capital from entering the country, the Central Bank has established a minimum reserve requirement with respect to foreign capital deposited in Dominican banks. During 2017, the Republic observed a net inflow of US$1,756.7 million of portfolio investment, which represented an increase of US$27.4 million compared to the US$1,729.3 million registered in 2016. This inflow was mainly originated by capital inflows from the placement of the US$1,700.0 million sovereign bonds in the international market.

During 2018, the Republic observed an inflow of US$2,696.1 million of portfolio investment, which represented an increase of US$939.4 million compared to the US$1,756.7 million registered in 2017. This inflow was mainly originated by capital inflows from the placement of the US$3,119.0 million sovereign bonds in the international market.

During 2019, the Republic observed an inflow of US$2,177.6 million of portfolio investment, which represented a decrease of US$518.5 million compared to the US$2,696.1 million registered in 2018. This inflow was mainly originated by capital inflows from the placement of the US$2,499.5 million sovereign bonds in the international market.

During 2020, the Republic observed an inflow of US$5,620.1 million of portfolio investment, which represented an increase of US$3,442.5 million compared to the inflow of US$2,177.6 million registered in 2019. This inflow increase in 2020 was mainly a result of capital inflows from the placement of sovereign bonds in the international market in an aggregate principal amount of US$7,565.6 million.

During 2021, the Republic observed an inflow of US$2,596.4 million of portfolio investment, which represented a decrease of US$3,023.7 million compared to the inflow of US$5,620.1 million registered in 2020. This inflow decrease was mainly a result of a US$4,778.5 million reduction in capital inflows from the placement of sovereign bonds in the international market, which amounted to an aggregate principal amount of US$2,787.1 million in 2021 as compared to US$7,565.6 million in 2020.

THE MONETARY SYSTEM

The Monetary and Financial Administration

The *Ley Monetaria y Financiera* (Monetary and Financial Law) was enacted in November 2002 and sets forth the rules and policies governing the Republic's monetary and financial systems. The primary goal of the Monetary and Financial Law is to maintain a stable currency and a sound financial system. The Monetary and Financial Law also created the Monetary and Financial Administration, which regulates the monetary and financial system. The Monetary and Financial Administration is composed of the *Junta Monetaria* (Monetary Board), the Central Bank and the Superintendency of Banks.

The Monetary Board

The role of the Monetary Board is to establish the monetary, exchange rate and financial policies that are implemented by the Central Bank. The Monetary Board oversees the Central Bank and the Superintendency of Banks and consists of nine members, specifically:

- three *ex-officio* members (the Governor of the Central Bank, the Minister of Finance and the Superintendent of Banks); and
- six members selected by the President on the basis of their experience and knowledge of the monetary and banking system.

Central Bank

The Central Bank was established in 1947 pursuant to the *Ley Orgánica del Banco Central* (Organic Law of the Central Bank), as restated in 1962 and subsequently amended. The Central Bank is the only entity that can print and issue Dominican currency and is responsible for implementing monetary policy, managing the country's international reserves and supervising foreign exchange. The Fernández administration made reform of the Central Bank a key policy issue, specifically targeting new measures to ensure the Central Bank's independence and accountability.

Under the Monetary and Financial Law, Central Bank loans to the Government or any other public institution are prohibited, except in the case of national emergencies.

Reform of the Monetary System and Banking Sector

Following the collapse of Baninter (see "The Economy—History and Background") and its subsequent takeover by the Superintendency of Banks in 2003, the financial system experienced severe instability provoked by a run on banks by depositors. In the aftermath of the collapse of Baninter and the near insolvency of other financial institutions, the Government moved to rescue depositors, which in turn strained public finances and monetary policy. The broad impact of the financial crisis underscored the necessity of imposing discipline on monetary policy and strengthening the regulatory framework of the financial sector as part of a comprehensive economic reform program. Reform of the monetary and financial systems was a key policy objective of the Fernández administration.

The following sections provide information about the various inter-related facets of the Dominican monetary and financial system, including detailed information regarding the changes and institutional reforms.

The Superintendency of Banks currently complies with the recommendations of the IMF and the World Bank under the Financial Sector Assessment Program, or FSAP.

Between February and August 2022, the Superintendency of Banks conducted a self-assessment exercise aimed at testing compliance with the Basel Accords' 29 core principles for effective banking supervision, to strengthen supervisory practices and reduce gaps with respect to Basel II/III standards. The results showed significant progress regarding financial system supervision and the adoption of technical standards consistent with international best practices, as compared to the 2009 FSAP evaluation. The Superintendency's progress is partly explained by a series of initiatives that were adopted starting in 2020, including the return to a risk-based supervision approach, the modernization of the capital regime, and the migration to International Financial Reporting Standards.

Monetary Policy

The Central Bank's monetary policy is intended to control inflation and foster a stable macroeconomic environment. Although the Central Bank does not have direct control over the pace of economic growth or over other economic factors (such as the value of the currency or price levels) it uses various policy tools to accomplish its goals. The Central Bank's policies with respect to the exchange rate are also an important part of the implementation of monetary policy. See "—Foreign Exchange and International Reserves."

From 2017 to 2021, the Central Bank's policy was focused on price stability under an inflation targeting framework, which was adopted in 2012. Under this framework, monetary policy decisions are designed to minimize deviations from the inflation target established by monetary authorities. The main instrument used by the Central Bank to implement its monetary policy goals is the MPR, which serves as a reference rate for one business day's operations of liquidity expansion and contraction. In this way, the MPR directly affects the interbank rate and, in turn, has an indirect effect on market interest rates, and therefore on the demand for goods and services in the economy that stimulate employment.

During the first half of 2017, the monetary policy measures adopted by the Central Bank were oriented towards a more neutral stance. In March 2017, the Central Bank increased the MPR to 5.75% per annum, after considering the risks of higher inflation in the first quarter of the year. However, the upward trend in inflation forecasts, the interest rates hikes by the U.S. Federal Reserve and the stabilization of crude oil prices at the beginning of the second quarter resulted in a negative domestic demand shock, which led to core inflation falling below the target range, on an annualized basis, in June and July. Accordingly, the Central Bank adopted an expansionary monetary policy stance in the second half of the year. In July 2017, the Central Bank decreased the MPR to 5.25% per annum, which remained unchanged for the remainder of 2017. Additionally, the legal reserve requirement was reduced by 2.2%, with the aim of making credit financing more readily available to the productive sectors of the economy. Headline inflation in 2017 was 4.20% year-over-year, reaching a level close to the central value of the target range of 3.0% to 5.0%. In line with the more flexible monetary conditions, both the weighted average lending interest rate and the weighted average interest rate paid on deposits recorded downward trends, reaching 11.15% and 5.01% per annum, respectively, as of December 31, 2017. The financial intermediation margin was 6.14% at the end of 2017. In this regard, loans to the private sector in local currency grew to DOP784.7 billion or 12.0% year-over-year in 2017, which represented an increase of DOP83.9 billion compared to 2016.

During the first half of 2018, the Central Bank maintained the MPR at 5.25% per annum. However, in July 2018, the Central Bank increased the MPR to 5.50% per annum, considering the inflationary pressures that emerged in the second quarter of the year, especially from an economic growth above what was projected in the 2018 Budget and rising oil prices. The MPR remained unchanged for the remainder of 2018. As a result of the aforementioned monetary policy measures, inflation remained within the Central Bank's target range, on an annualized basis, during the 10-month period ended October 30, 2018. However, the inflation rate fell below the Central Bank's target range, standing at 2.37% on November 30, 2018 and 1.17% on December 31, 2018, due to a temporary decline in domestic food prices and lower energy prices in light of a decrease in international oil prices. Headline inflation in 2018 was 1.17% year-over-year, reflecting tighter financial conditions. The weighted average lending interest rate and the weighted average interest rate paid on deposits reached 12.06% and 7.44% per annum, respectively, as of December 31, 2018. The financial intermediation margin was 4.62% at the end of 2018. In this regard, loans to the private sector in local currency grew to DOP869.4 billion or 10.8% year-over-year in 2018, which represented an increase of DOP84.6 billion compared to 2017.

During 2019, the Central Bank reduced the MPR from 5.50% to 4.50% per annum between June and August, considering foreign trade conflicts, geopolitical tensions and the upcoming election cycle, maintaining the MPR at 4.50% per annum for the remainder of 2019. Headline inflation in 2019 was 3.66% year-over-year, reaching a level close to the Central Bank's target range. The weighted average lending interest rate and the weighted average interest rate paid on deposits reached 12.43% and 6.66% per annum, respectively, as of December 31, 2019. The financial intermediation margin was 5.77% at the end of 2019. In this regard, loans to the private sector in local currency grew to DOP974.9 billion, which represented an increase of DOP105.5 billion or 12.1% compared to 2018.

During the first two months of 2020, the Central Bank maintained the MPR at 4.50% per annum, in a context of moderate economic growth and a low inflationary environment. In March 2020, the COVID-19 outbreak led the Central Bank and the Monetary Board to adopt a broad set of expansive monetary and financial measures to mitigate the effects of the COVID-19 pandemic by easing reserve requirements and increasing financing for households and small and medium enterprises at lower interest rates. Additionally, during such month, the Central

Bank decreased the MPR by 100 basis points to 3.50% per annum, and narrowed the interest rate corridor, from MPR plus or minus 150 basis points to MPR plus or minus 100 basis points, due to increased uncertainty associated with the global health crisis. On August 31, 2020, the Central Bank further decreased the MPR by 50 basis points to 3.00% per annum, and narrowed the interest rate corridor to MPR plus or minus 50 basis points. Headline inflation in 2020 was 5.55% year-over-year, above the upper limit of the Central Bank's target range, while core inflation stood at 4.77%. Inflation in 2020 was primarily due to the recovery of international oil prices during the second half of the year, and an increase in food prices driven by a lagged impact of environmental factors, such as the drought that affected harvest during the first half of 2020 and two tropical storms, which generated a decrease in the supply of various food products. As a result of the expansionary measures taken during the year, the weighted average lending interest rate and the weighted average interest rate paid on deposits reached 9.85% and 3.10%, respectively. Consequently, the financial intermediation margin was 6.75% as of December 31, 2020. In 2020, loans to the private sector in local currency grew to DOP1,286.2 billion, which represented a year-over-year increase of 5.5% or DOP67.3 billion.

During the first 10 months of 2021, the Central Bank maintained the MPR at 3.00% per annum to continue supporting the recovery in domestic demand. In addition, the monetary easing measures that were implemented following the COVID-19 outbreak for a total of DOP215 billion, which included easing reserve requirements and increasing financing for households and small- and medium-sized enterprises at lower interest rates, were channelled in its entirety by July 2021. As the economy continued to recover, in August 2021, the Central Bank began to implement a gradual plan for the normalization of its monetary policy, including with the orderly repayment of the exceptional credit granted during the pandemic. In November and December of 2021, the Central Bank increased the MPR by 50 and 100 basis points, respectively, to 4.50% per annum, maintaining the a target band for the MPR of the MPR plus and minus 50 basis points. This second phase of the monetary normalization plan began in a context of high inflationary pressures due to supply bottlenecks, high international oil and freight prices, and imbalances between global supply and demand. Headline inflation in 2021 was 8.50% year-over-year, above the Central Bank target range of 4.0% ± 1.0%. The weighted average lending interest rate and the weighted average interest rate paid on deposits decreased to 9.22% and 2.31% per annum, respectively, as of December 31, 2021. Consequently, the financial intermediation margin was 6.91% as of December 31, 2021. In 2021, loans to the private sector in local currency grew to DOP1,436.1 billion, which represented a 11.7% year-over-year increase or DOP149.9 billion.

Supervision of the Financial System

The Superintendency of Banks was created in 1947 and forms part of the Monetary and Financial Administration. The Superintendency of Banks supervises financial institutions in order to verify their compliance with regulations promulgated under the Monetary and Financial Law.

Rules Governing the Financial System

In 1992, the Superintendency of Banks initiated a program with assistance from the IDB to reform its regulatory framework for banking supervision. As part of this program, the Superintendency of Banks implemented measures that included the following:

- a capital adequacy ratio that requires capital and reserves as a percentage of risk-weighted assets to equal 10%;
- programs for regulatory on-site audits and periodic reporting requirements that are published in national newspapers, which are intended to ensure that banks comply with regulatory standards;
- uniform accounting rules for the financial system;
- evaluation of market risk based on:
    - liquidity risk, which derives from the incapacity of a financial institution to cover the requested resources generated by its liabilities and other obligations, in both local and foreign currency;
    - interest rate risk, which refers to the potential losses of net income or in the capital base due to the incapacity of the institution to adjust the return on its productive assets (loan portfolio and financial investment) with the fluctuation in the cost of its resources, produced by fluctuations in interest rates; and

- exchange rate risk, which refers to potential losses that could occur due to short positions or term unbalance of assets and liabilities denominated in foreign currency, in the event of exchange rate movements;

- solvency indicators similar to those proposed under the Basel Accord; and
- a more rigorous method for classifying financial assets in terms of risk.

This method of risk-based classification reduced the number of risk categories and increased the amounts financial institutions are required to reserve in order to mitigate potential losses arising from certain loans ("loan-loss reserves"). With respect to loan-loss reserves, current regulations impose reserve requirements based on risk categories of financial assets. The Superintendency of Banks revises its regulations in accordance with international standards and with the goal of increasing the average quality of the financial system's loan portfolio. The current legal reserve requirement mandates that all commercial banks deposit with the Central Bank 10.6% of their aggregate deposits in domestic currency and 20.0% of their aggregate deposits in foreign currency.

The following tables set forth information regarding loans of the Republic's financial system by risk category and past-due loans by type of institution as of September 30, 2022.

The Dominican Financial System — Past-Due Loans
(as a % of total loans)

	As of September 30, 2022		
	Loans 31-90 days past due[(1)]	**Loans >90 days past due[(1)]**	**Total past-due loans[(1)]**
Commercial banks[(2)]	0.1	0.8	0.9
Savings and loans associations	0.1	1.3	1.4
Saving and credit banks	0.2	1.7	1.9
Credit corporations	0.5	1.3	1.8
Government-owned financial institutions[(3)]	0.0	0.2	0.2
Total past-due loans	**0.1**	**0.9**	**1.0**

(1) Includes outstanding principal only.
(2) Includes *Banco de Reservas*.
(3) Includes BANDEX.
Source: Central Bank.

The Dominican Financial System — Loan-Loss Reserve by Type of Financial Institutions

	As of September 30, 2022	
	Loan-Loss reserve by type of financial institution	
	As a % of past-due loans[(1)]	**As a % of total loans[(1)]**
Commercial banks[(2)]	484.8	4.3
Savings and loans associations	250.4	3.4
Saving and credit banks	184.4	3.5
Credit corporations	139.4	2.6
Government-owned financial institutions[(3)]	788.1	2.1
Total loan-loss reserves	**431.9**	**4.2**

(1) Includes only outstanding principal.
(2) Includes *Banco de Reservas*.
(3) Includes BANDEX.
Source: Central Bank.

The Monetary and Financial Law establishes minimum capital requirements for financial institutions. These amounts were indexed in June 2014 in accordance with the variation of the consumer price index, as follows:

- DOP275.0 million (US$6.0 million) for banks that offer multiple financial services;
- DOP55.0 million (US$1.2 million) for savings and credit banks;
- DOP17.0 million (US$0.4 million) for savings and loans; and

- DOP15.0 million (US$0.3 million) for credit corporations.

In addition, the Monetary and Financial Law establishes a contingency fund to be financed with mandatory contributions from financial institutions and managed by the Central Bank. On an annual basis, the contributions must amount to a minimum of 0.1% of each financial institution's total deposits. The fund will serve as insurance for deposits and will insure up to DOP1,860,000 per depositor.

Moreover, the Monetary Board has set limits on the aggregate amount that financial institutions may lend to a single person (or group of related persons or institutions) or business, which for unsecured credits may not exceed 10% of the financial institution's total capital and reserves. This percentage increases to 20% for secured credits (*e.g.*, where tangible goods serve as collateral).

Reforms of the Financial System

In response to the banking crisis of 2003, the Government instituted numerous reforms of the financial system. These reforms were aimed at strengthening the regulation of domestic banks and to ensure the solvency of the financial system. The reform program included the following measures:

- *Related-Party Lending*. The Monetary Board approved a resolution that regulates lending by financial institutions to related parties to prevent financial institutions from extending credit to related parties on more favorable terms (as measured in installment periods, interest rates and adequacy of collateral) than to non-related parties. "Related parties" are defined as shareholders, members of the board of directors, officers, managers, legal counsel, employees and any other entities that directly or indirectly control a financial institution. Under the resolution:
  - unsecured credit to related parties may not exceed 10% of a financial institution's total assets;
  - credit secured with a first mortgage or equivalent collateral may not exceed 20% of a financial institution's total assets; and
  - loans to managers and employees may not exceed 10% of a financial institution's total assets.
- *Off-Shore Entities*. The Monetary Board imposed requirements on banks that maintain or establish off-shore entities or foreign branches, agencies and offices. To establish a foreign operation, a domestic bank must obtain the authorization of the Monetary Board through the Superintendency of Banks. In determining whether to grant such authorization, the Monetary Board considers the financial and operational sufficiency of the financial institution. In addition, domestic banks must provide financial and operating information for their off-shore entities, on an individual and collective basis.
- *Auditor Independence*. The Monetary Board established rules that govern external auditors and their independence with respect to financial institutions and exchange agents.
- *Internal Controls*. External auditors are required to evaluate the internal controls of financial institutions that they audit.
- *Capital Adequacy*. The Superintendency of Banks established procedures for determining the net worth of domestic banks and re-capitalization. Banks are required to submit audited financial statements to prove compliance with a 10% capital adequacy ratio of risk-weighted assets. Credit market and liquidity risks, considered on a consolidated basis, are subject to this requirement. Any bank that is undercapitalized is required to submit and adhere to a remediation plan.
- *Liquidity Assistance*. The Superintendency of Banks has implemented stricter regulation of liquidity assistance to banks. Under this plan, if a bank requests liquidity support exceeding:
  - 20% of its capital, the bank must suspend lending activities;
  - 50% of its capital, the bank must submit a plan to liquidate associated loans within two weeks; or
  - 100% of its capital, the bank's shareholders must pledge their shares as collateral.
- *Non-Bank Financial Institutions*. The Superintendency of Banks implemented a plan to strengthen savings and loan associations, government-owned financial institutions and other non-bank financial

institutions. As a result, five savings and loans institutions were acquired by other institutions and one institution was closed.

- *Consolidated Financial Statements*. Financial institutions that are part of an economic or financial group and financial intermediaries that directly or indirectly control other entities that provide related services are required to publish consolidated financial statements.
- *Consolidated Supervision.* The Monetary Board enacted measures regarding consolidated supervision with the purpose of assessing the risk of financial conglomerates to determine its capital needs at aggregate levels.
- *Systemic Risk Prevention.* The Monetary Board implemented an exceptional risk prevention program for financial institutions through the creation of a fund with the purpose of protecting depositors and minimizing systemic risk.
- *Financial Services Consumer Protection.* The Monetary Board has established a set of rules to protect consumers' rights in connection with services provided by financial institutions.
- *Superintendency of Banks Risk Department.* The Superintendency of Banks strengthened its Risk Department in order to provide updated information to financial institutions with respect to debtors' credit history and to reinforce the Superintendency of Banks's supervisory authority.
- *Sanctions*. A set of guidelines has been implemented that establishes a legal framework to be used by the Central Bank and the Superintendency of Banks for applying and enforcing sanctions set forth in the Monetary and Financial Law. Both the Superintendency of Banks and Central Bank enforce the legal framework on sanctions.
- *Regularization Plans*. On November 24, 2011, the Superintendency of Banks approved the "Instruction for Regularization Plans," which provides the basis for the preparation and presentation of the regularization plans required, in compliance to the provisions of Articles 60 and 61 of the Monetary and Financial Law.
- *Risk Based Supervision.* The Superintendency of Banks adopted a model of "Risk Based Supervision," establishing an effective system for evaluating the safety and soundness of financial institutions and preserving their financial health through a systematic analysis of their financial situation, the risks assumed, and the internal controls applied by management, in addition to monitoring regulatory compliance. Currently, this model is applied uniformly to all financial intermediaries, taking into consideration their relevant characteristics, nature, range, complexity and risk profile.
- *Business Plans.* On May 31, 2012, the Monetary Board approved a resolution establishing that commercial banks and financial intermediaries with assets over DOP500.0 million must submit to the Superintendency of Banks a business plan including audited financial information and financial projections for a minimum of two years. These business plans must be updated annually based on the audited financial statements at the end of each year.
- *Development of the Mortgage Market.* Law No. 189-11 for the Development of Mortgage Market and Trust Funds in the Dominican Republic enacted on July 16, 2011, creates a unified legal framework to promote the development of the mortgage market and securities in the Dominican Republic and incorporates the legal figure of Trust in order to complement the Dominican financial legislation.

On January 27, 2017, the Superintendency of Banks issued Circular SIB No. 001/17, which establishes the roles and responsibilities of the compliance officer under the Anti-Money Laundering and Terrorist Financing Act within financial intermediaries, exchange agents and remittance companies, as well as fiduciaries. This Circular updates the existing regulations based on the recommendations of the Financial Action Task Force ("FATF").

On March 16, 2017, the Monetary Board issued a resolution approving the Regulation on Guidelines for Comprehensive Risk Management (*Reglamento sobre Lineamientos para la Gestión Integral de Riesgos*).

On April 27, 2017, the Monetary Board issued a resolution authorizing the final version of the Regulation of Voluntary Liquidation of Financial Intermediation Entities (*Reglamento de Liquidación Voluntaria de Entidades de Intermediación Financiera*).

On September 28, 2017, the Monetary Board issued a resolution approving the integral modification of the Asset Evaluation Regulation (*Reglamento de Evaluación de Activos*), which introduces important changes in the way to manage credit risk in financial intermediation entities, by specifying the criteria for determining the expected losses associated with commercial debtors and incorporating guidelines on the management of the risk of over-indebtedness.

On January 15, 2018, the Superintendency of Banks issued Circular SIB No. 003/18, setting forth the Instruction on the Prevention of Money Laundering, Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (*Instructivo sobre Prevención del Lavado de Activos, Financiamiento del Terrorismo y de la Proliferación de Armas de Destrucción Masiva*) in accordance with Law No. 155-17, on the prevention of Money Laundering and Financing of Terrorism, approved on June 1, 2017.

On March 9, 2018, the Superintendency of Banks approved Circular SIB No. 008/18, setting forth the third version of the Instructions on Formation, Registration and Control of Guarantees (*Instructivo sobre Formalización, Registro y Control de Garantías*), which adapts the criteria for the management, admissibility and valuation of guarantees granted to lending institutions as credit support in accordance with the Asset Assessment Regulation approved in September 2017.

On May 17, 2018, the Monetary Board issued a resolution approving the modification of Micro Lending Regulation according to the changes introduced in the Asset Evaluation Regulation (*Reglamento de Evaluación de Activos*).

On November 1, 2018, the Monetary Board issued a resolution approving the Regulation of Cybersecurity and Protection of Information (*Reglamento de Seguridad Cibernética y de la Información*), which establishes the principles and general guidelines to be adopted for the integrity, availability and confidentiality of information, the optimal functioning of information systems and technological infrastructure, as well as the adoption and implementation of practices for risk management of cyber security and information.

On January 24, 2019, the Monetary Board issued a resolution approving the Regulation of External Audits (*Reglamento de Auditorías Externas*), which modifies the Regulation of External Auditors (*Reglamento de Auditores Externos*) issued on August 5, 2004 and is based on international best practices issued by the International Auditing and Assurance Standards Board, the recommendations of the Basel Committee on Banking Supervision in a document published in 2014, "External Audits in Banks," and the regulatory requirements issued by the Public Company Accounting Oversight Board, a private entity that supervises external auditors who provide their services for public companies in the United States.

On August 8, 2019, the Monetary Board issued a resolution approving the modification of the Foreign Exchange Regulation (*Reglamento Cambiario*), first issued by the Monetary Board on October 12, 2006. The proposal seeks to update the Foreign Exchange Regulation (*Reglamento Cambiario*) to regulate the functioning of the Central Bank's Electronic Trading Platform (*Plataforma Electrónica de Negociación de Divisas del Banco Central*). The proposal also adjusts the limits of foreign exchange positions, and implements a limit on the daily variation in such positions.

On March 17, 2020, the Monetary Board issued a resolution to reduce the regulatory cost of credit offering and to preserve the levels of credit inclusion amidst the COVID-19 outbreak. In particular, through this resolution, the Monetary Board authorized that resources from financial institutions' reserve requirements be allocated as credit to the real sectors of the economy, with the aim of providing liquidity to the economy.

In addition, the Monetary Board allowed financial intermediaries to restructure existing loans without affecting their credit ratings or recording greater loan loss provisions for affected loans in their loan portfolios. Finally, the Monetary Board authorized that loans against credit lines could be considered current when they are past-due for 60 days or less, and that valuation estimates of loan guarantees could be used to compute required provisions up to 90 days after maturity.

On March 24, 2020, the Monetary Board issued a resolution increasing the amount of cash that can be released from the available reserves under the March 17, 2020 resolution and eliminated commissions for cash withdrawals given customers' increasing demand for cash during the height of the COVID-19 pandemic.

On April 16, 2020, the Monetary Board issued resolutions easing requirements for direct or indirect financing to small and medium enterprises (SMEs). In particular, it approved a DOP15.0 billion liquidity facility at *Banco de Reservas* for up to three years, allowing it to provide direct or indirect financing to SMEs and personal loans to individuals in a principal amount up to 50 minimum wages. Further, on April 16, 2020, the Monetary Board eliminated commission fees on inactive accounts.

On May 6, 2020, the Monetary Board issued a resolution approving a DOP20.0 billion liquidity facility for up to three years for financial intermediaries to provide financing to the construction, manufacturing, agriculture, tourism and export sectors.

On July 22, 2020, the Monetary Board enacted a resolution for the approval of the FRL.

On December 15, 2020, the Dominican Monetary Board issued a resolution for phasing-out the special regulatory treatment established to tackle the effects of the COVID-19 pandemic to the financial system.

On January 29, 2021, the Monetary Board issued a resolution approving the amendment of the Payment Systems Regulation (*Reglamento de Sistemas de Pago*), first issued by the Monetary Board on April 19, 2007. The amendment creates the figure of the electronic payment entity for companies to be able to offer technology-based payment services, establishes a payment instrument to be used through electronic platforms, and enhances the authorization requirements for payment or securities settlement systems administrators.

Financial Sector

As of December 31, 2021, the Dominican financial sector consisted of 49 financial institutions, including:

- 17 commercial banks (including *Banco de Reservas*);
- 14 savings and credit banks;
- 10 savings and loan associations;
- six credit corporations; and
- two government-owned financial institutions (BANDEX and *Banco Agrícola de la República Dominicana*).

Banco de Reservas is the state-owned commercial bank and, as of December 31, 2021, ranked first among Dominican commercial banks in terms of total assets. The Government acquired *Banco de Reservas* in 1941. *Banco de Reservas* is subject to the same regulations that govern other commercial banks and provides retail services similar to those provided by private commercial banks. In addition, *Banco de Reservas* receives all deposits of public sector entities and pays all checks issued by the Government. On August 17, 2020, President Abinader appointed Mr. Samuel Pereyra Rojas as the chief executive of *Banco de Reservas*.

The following table identifies the number of financial institutions and percentage of loans and deposits corresponding to, as well as the share of total assets of the financial system held by each category of financial institutions as of the dates indicated.

Number of Financial Institutions, Percentage of Loans and Deposits and Share of Total Assets of the Financial System (1)

	As of December 31,					As of December 31, 2021		
	2017	2018	2019	2020	2021	Loans (%)	Deposits (%)	Share of Total Assets (%)
Commercial banks(2)	18	18	18	17	17	86.48	89.26	88.03
Development banks	—	—	—	—	—	—	—	—
Mortgage banks	—	—	—	—	—	—	—	—
Savings and loan associations	10	10	10	10	10	10.64	8.80	9.66
Financieras	—	—	—	—	—	—	—	—
Small lending institutions	—	—	—	—	—	—	—	—
Government-owned financial institutions(3)	1	1	1	1	1	0.01	0.17	0.30
Savings and credit banks	18	14	14	14	14	2.62	1.63	1.87
Credit corporations	11	8	6	6	6	0.25	0.15	0.15
Credit card issuing entities	—	—	—	—	—	—	—	—
Total	**58**	**51**	**49**	**48**	**48**	**100.00**	**100.00**	**100.00**

(1) Excludes insurance and reinsurance companies, private pension funds and the Dominican Republic Stock Exchange.
(2) Includes *Banco de Reservas*.
(3) Excludes *Banco Agrícola de la República Dominicana.*
Source: Superintendency of Banks.

As of December 31, 2021, other participants in the financial sector include 33 insurance companies, including the state-owned insurance company *Seguros Banreservas*, seven pension funds, including the state-owned pension fund *AFP Reservas*, and the Dominican Republic Stock Exchange.

Foreign banks have no additional legal restrictions in connection with opening new branches or subsidiaries in the Dominican Republic. Currently, Citibank and Bank of Nova Scotia are the only foreign banks with branches in the Dominican Republic. Additionally, several foreign banks have subsidiaries in the Dominican Republic, such as: Banesco Banco Múltiple S.A., Banco Múltiple Lafise, S.A., Banco Múltiple de las Américas, S.A. (Bancamérica), Banco Múltiple Promérica de la República Dominicana, S.A., and Banco Múltiple Activo Dominicana, S.A. Other banks and local entities have foreign equity participations in the Dominican Republic, such as: Banco Múltiple Bellbank, S.A., Banco de Ahorro y Crédito JMMB Bank, S.A., Banco Atlántico de Ahorro y Crédito, S.A. and Banco de Ahorro y Crédito ADOPEM, S.A.

On December 26, 2018, the Monetary Board authorized the Bank of Nova Scotia's ("Scotiabank") acquisition of 97.44% of the shares of Progreso, and the subsequent integration of the two banking institutions. The acquisition process concluded in June 2020.

The following tables set forth the total net assets of the Dominican financial system for the periods indicated:

Total Net Assets of Dominican Financial System(1)

(in millions of current DOP and % change from prior year)

	Financial System		Commercial Banks	
As of December 31,	DOP	Growth rate (%)	DOP	Growth rate (%)
2017	1,650,806.3	8.6	1,427,565.5	8.4
2018	1,782,243.4	8.0	1,542,426.7	8.1
2019	1,991,975.9	11.8	1,732,831.0	12.3
2020	2,375,197.4	19.2	2,085,859.2	20.4
2021	2,761,413.8	16.3	2,430,885.3	16.5

(1) Excludes insurance companies and reinsurance companies, private pension funds and the Dominican Republic Stock Exchange.
Source: Superintendency of Banks.

Total Net Assets of Dominican Financial System[(1)]
(in millions of US$ and % change from prior year)

As of December 31,	Financial System US$	Financial System Growth rate (%)	Commercial Banks US$	Commercial Banks Growth rate (%)
2017	34,254.1	5.6	29,621.8	4.9
2018	35,500.9	3.6	30,723.9	3.7
2019	37,653.9	6.1	32,755.4	6.6
2020	40,897.7	8.5	35,893.1	9.6
2021	48,326.1	18.2	42,541.7	18.5

(1) Based on the closing exchange rate at period end. Excludes insurance companies, private pension funds and the Dominican Republic Stock Exchange.
Source Superintendency of Banks.

In the period from 2017 to 2019, the private sector received, on average, 92.7% of the total principal amount of loans issued by the financial system, while the public sector received 5.7%, and intra-financial sector loans accounted for the remaining 1.6%. Major private sector borrowers included companies engaged in wholesale and retail trade (on average, 19.9% of total loans from 2017 to 2019), construction (on average, 6.1% of total loans from 2017 to 2019) and manufacturing (on average, 6.2% of total loans from 2017 to 2019). In 2020, the private sector received 95.8% of the total principal amount of loans issued by the financial system, while the public sector received 2.9%, and intra-financial sector loans accounted for the remaining 1.3%. Private sector loans to wholesale and retail trade companies accounted for 18.2% of total loans in 2020, while construction accounted for 5.2% and manufacturing accounted for 7.4%.

In 2021, the private sector received 95.2% of the total principal amount of loans issued by the financial system, while the public sector received 2.7%, and intra-financial sector loans accounted for the remaining 2.1%. Private sector credit to wholesale and retail trade companies accounted for 18.4% of total loans in 2021, while construction and manufacturing accounted for 5.5% and 7.5%, respectively. The following tables set forth information regarding the allocation of loans to each sector of the economy.

Loans of the Financial System by Sector
(in millions of US$)

	As of December 31, 2017	2018	2019	2020	2021
Private Sector:[(1)(2)]					
Manufacturing	1,200.0	1,520.1	1,657.4	1,713.1	1,973.4
Mining	46.2	28.7	30.2	38.9	49.6
Agriculture	737.4	770.1	797.7	754.5	895.7
Construction	1,365.6	1,396.1	1,544.0	1,211.2	1,444.0
Electricity, gas and water	205.0	412.4	466.0	441.8	535.5
Wholesale and retail trade	4,608.0	4,728.3	4,591.3	4,214.1	4,863.7
Loans to individuals	10,707.5	11,451.5	12,410.6	12,020.9	13,682.4
Transportation, warehousing and communications	332.1	359.8	491.2	545.9	504.9
Other	1,096.2	1,046.0	1,053.2	1,192.4	1,182.9
Total private sector loans	20,298.2	21,713.0	23,041.6	22,133.0	25,132.2
Total public sector loans	1,388.6	1,377.1	1,246.8	669.8	706.3
Total financial sector loans	306.4	417.3	407.1	299.3	555.9
Total non-resident sector loans	0.2	0.1	2.1	2.9	2.8
Total loans	**21,993.4**	**23,507.4**	**24,697.6**	**23,104.9**	**26,397.2**

(1) Includes information from credit unions.
(2) Changes in historical data are the result of loan reclassifications.
Source: Central Bank.

Loans of the Financial System by Sector
(as a % of total loans)

	As of December 31,				
	2017	2018	2019	2020	2021
Private Sector:[(1)(2)]					
Manufacturing	5.5	6.5	6.7	7.4	7.5
Mining	0.2	0.1	0.1	0.2	0.2
Agriculture	3.4	3.3	3.2	3.3	3.4
Construction	6.2	5.9	6.3	5.2	5.5
Electricity, gas and water	0.9	1.8	1.9	1.9	2.0
Wholesale and retail trade	21.0	20.1	18.6	18.2	18.4
Loans to individuals	48.7	48.7	50.3	52.0	51.8
Transportation, warehousing and communications	1.5	1.5	2.0	2.4	1.9
Other	5.0	4.4	4.3	5.2	4.5
Total private sector loans	92.3	92.4	93.3	95.8	95.2
Total public sector loans	6.3	5.9	5.0	2.9	2.7
Total financial sector loans	1.4	1.8	1.6	1.3	2.1
Total loans	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) Includes information from credit unions.
(2) Changes in historical data are the result of loan reclassifications.
Source: Central Bank.

The following table sets forth bank credit by currency for the years shown.

Bank Credit by Currency
(as a % of total credit)

	Private Commercial Banks		Banco de Reservas	
As of December 31,	DOP	Foreign Currency	DOP	Foreign Currency
2017	49.2	17.0	24.5	9.3
2018	48.7	18.2	24.0	9.2
2019	48.4	18.6	24.7	8.3
2020	53.4	16.9	24.8	4.9
2021	55.4	17.6	22.6	4.4

Source: Superintendency of Banks

Foreign currency lending is extended mainly to sectors that generate foreign currency revenues, such as tourism, free-trade zones and export-oriented activities. As of December 31, 2021, foreign currency lending was 20.0% of total credit extended by commercial banks.

Even though commercial lending usually is in the form of medium-term loans and short-term lines of credit in the Dominican Republic, private commercial banks also make available long-term financing to the private sector, primarily in foreign currency.

The following tables set forth information regarding loans of the banking system by risk category and past due loans by type of institution, as of December 31, 2021.

Classification of Aggregate Loans of the Dominican Financial System
(as a % of total loans)

	As of December 31, 2021			
Category	Commercial loans	Consumer loans	Mortgage loans	Total
A	58.8	93.3	94.8	74.2
B	20.5	2.3	2.8	12.7
C	5.6	1.1	0.9	3.6
D1	3.3	1.4	0.7	2.3
D2	9.8	1.0	0.3	5.9
E	1.9	0.9	0.5	1.4
Total	100.0	100.0	100.0	100.0

Source: Superintendency of Banks.

Solvency Index in the Banking System(1)
(values in %)

As of December 31,	
2017	16.4
2018	15.8
2019	14.9
2020	18.7
2021	16.4

(1) Includes only commercial banks defined as "*bancos múltiples*" by the Superintendency of Banks
Source: Superintendency of Banks.

Since 1991, interest rates in the Republic have floated freely based on supply and demand, although the Central Bank engages in open market operations to influence interest rates in accordance with its monetary policy. For a discussion of the Central Bank's activities in this regard, see "—Monetary Policy."

During 2017, liquidity in the financial sector increased as a consequence of expansionary monetary policy measures adopted by the monetary authorities during the second half of the year. This higher liquidity was reflected in lower interest rates at the end of 2017 as compared to 2016. Accordingly, the annual rate of private credit in local currency grew by 12.0% at the end of 2017.

During 2018, liquidity in the financial sector remained moderate, due to an increase in interest rates as compared to 2017. As a result, the annual rate of private credit growth in local currency reached 10.8% at the end of 2018.

During 2019, liquidity in the financial sector increased as a consequence of expansionary monetary policy measures adopted by the monetary authorities. Accordingly, the annual rate of private credit in local currency grew by 12.1% at the end of 2019.

During 2020, liquidity in the financial sector increased as a consequence of expansionary monetary policy measures adopted by the monetary authorities in response to the COVID-19 pandemic. Therefore, the annual rate of private credit growth in local currency reached 9.0% at the end of 2020.

During 2021, liquidity in the financial sector continued to increase as a consequence of the expansionary monetary policy measures adopted by the monetary authorities in response to the COVID-19 pandemic. As a result, the annual rate of private credit growth in local currency grew by 10.9% at the end of 2021 (see "The Monetary System—Monetary Policy").

The following table sets forth information on interest rates charged by commercial banks on loans for the periods indicated.

Interest Rates on Commercial Bank Loans[1]
(in annual %, nominal rate unless otherwise indicated)

	As of December 31,				
	2017	2018	2019	2020	2021
Loans of:					
0-90 days	13.2	11.0	10.8	10.4	9.2
91-180 days	10.8	11.4	11.2	10.2	7.5
181-360 days	13.4	11.7	11.8	9.9	7.9
Weighted average	13.8	12.5	12.4	10.8	9.6
Real	9.6	9.0	8.9	6.1	4.0
Prime rate	10.8	10.4	10.3	9.0	7.0

(1) Includes banks authorized to offer multiple banking services. Refers to annual average.
Source: Central Bank.

The following table sets forth information on interest rates applicable to deposits for the periods indicated.

Interest Rates on Deposits Paid by Commercial Banks[1]
(in annual %, nominal rate unless otherwise indicated)

	As of December 31,				
	2017	2018	2019	2020	2021
Deposits for:					
30 days	5.4	5.0	5.6	4.0	1.5
60 days	6.2	5.9	6.1	4.2	1.8
90 days	6.9	6.8	6.5	5.1	2.7
180 days	6.3	6.8	6.5	5.5	3.2
360 days	6.3	6.1	6.3	5.2	3.1
Weighted average	6.0	6.0	6.1	4.7	2.5
Real	1.8	2.5	2.6	(0.1)	(3.1)
Savings	1.6	0.6	0.4	0.3	0.2

(1) Includes banks authorized to offer multiple banking services. Refers to annual average.
Source: Central Bank.

Liquidity and Credit Aggregates

There are several money-supply measures currently in place in the Republic. The most significant are Ml, M2 and M3, which generally are composed of the following:

- Ml: currency held by the public plus demand deposits in domestic currency;
- M2: M1 plus savings and time deposits in domestic currency (including financial certificates); and
- M3: M2 plus savings and time deposits in foreign currency.

The sources for the monetary base are net international reserves plus net internal credit of the Central Bank and its uses are all reserves held by the Central Bank and all currency in circulation. Bank reserves are included in measure of the money supply published by the Central Bank. For recent information on the Central Bank's international reserves, see "Recent Developments—Balance of Payments and Foreign Trade—Balance of Payments."

The following table sets forth growth in M1, M2 and M3 according to data released by the Central Bank within the framework of an IMF data harmonization project for Central America and the Republic.

Selected Monetary Indicators
(% change from prior year)[1]

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
M1	12.2	6.6	20.7	28.9	20.8
M2	10.3	4.5	10.4	16.0	15.3
M3	9.7	6.6	11.7	21.8	13.7

(1) Changes based on figures in DOP.
Source: Central Bank.

From 2017 to 2019, the Republic's monetary base grew at an annual average rate of 4.2%. This increase was driven by the growth in net international reserves of the Central Bank, which increased from US$6,780.4 million in 2017 to US$8,781.4 million in 2019. M1, M2 and M3 increased sharply at an average annual rate of 13.2%, 8.4% and 9.3%, respectively, during the period from 2017 to 2019. In March 2017, the Central Bank increased the MPR by 25 basis points, from 5.50% to 5.75%. However, the monetary authorities reduced the MPR by 50 points in July 2017, from 5.75% to 5.25% due to a negative demand shock that was combined with lower international inflationary pressures in the second quarter of the year. Consequently, in 2017, the monetary aggregates grew at rates of 12.2%, 10.3% and 9.7%, respectively. In July 2018, the Central Bank increased the MPR by 25 basis points, from 5.25% to 5.50%, reflecting a more neutral monetary policy stance. Therefore, in 2018 the monetary aggregates M1, M2 and M3 grew at 6.6%, 4.5% and 6.6%, respectively. Between the months of June and August 2019, the Central Bank decreased the MPR by 100 basis points, from 5.50% to 4.50%. Consequently, in 2019, the monetary aggregates M1, M2 and M3 grew at 20.7%, 10.4% and 11.7%, respectively, in each case, compared to 2018. During 2020, the monetary authorities reduced the MPR by 150 points between March and August, to mitigate the effects of the COVID-19 pandemic on the Dominican economy. As a result of the expansionary measures, at the end of 2020, M1, M2 and M3 reflected a year-over-year growth of 28.9%, 16.0% and 21.8%, respectively.

In 2021, after maintaining the MPR at 3.00% per annum during the first 10 months, the Central Bank increased the MPR by 150 basis points between the months of November and December, from 3.00% to 4.50% per annum, in the face of a context marked by a strengthened aggregate demand and more persistent inflationary pressures from external origin. As a result, at the end of 2021, the monetary aggregates M1, M2 and M3 expanded at a year-over-year rate of 20.8%, 15.3% and 13.7%, respectively.

Monetary Base and Central Bank's International Reserves

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Monetary base (millions of DOP)	229,222.3	242,828.8	264,806.3	320,443.6	363,278.7
Currency in circulation and cash in vaults at banks (millions of DOP)	133,542.3	146,567.4	166,456.3	222,944.2	245,164.9
Commercial bank deposits at Central Bank (millions of DOP)	95,680.0	96,261.5	98,350.0	97,499.4	118,113.8
Broad monetary base (millions of DOP)	395,518.9	387,014.9	469,600.0	632,517.6	835,806.6
Gross international reserves (millions of US$)[1]	6,780.8	7,627.6	8,781.8	10,751.7	13,034.0
Net international reserves (millions of US$)[1]	6,780.4	7,627.1	8,781.4	10,751.6	13,033.9
Exchange rate (DOP/US$)	48.2	50.2	52.9	58.1	57.1

(1) Based on the period-end exchange rate.
Source: Central Bank.

The following table sets forth liquidity and credit aggregates as of the dates indicated.

Liquidity and Credit
(in millions of US$)[1]

	As of December 31,				
	2017	2018	2019	2020	2021
Monetary aggregates[2]					
Currency in circulation	2,125.1	2,331.5	2,530.4	3,215.6	3,665.1
Ml	7,060.2	7,225.0	8,278.2	9,710.3	11,926.8
M2	21,195.3	21,267.3	22,279.9	23,530.1	27,589.4
M3	27,270.4	27,916.2	29,583.0	32,787.9	37,915.3
Credit by sector[2]					
Public sector	1,388.63	1,377.06	1,246.83	669.75	706.26
Private sector	20,298.20	21,712.97	23,041.58	22,132.96	25,132.18
Financial sector	306.43	417.28	407.06	299.29	555.87
Non-resident sector	0.15	0.09	2.14	2.87	2.84
Total credit aggregates	21,993.42	23,507.41	24,697.61	23,104.88	26,397.15
Deposits[2]					
Local currency	21,577.61	21,914.19	23,404.93	23,717.30	28,913.24
Foreign currency	7,349.43	8,101.44	8,415.91	10,236.73	11,468.20
Total deposits	**28,927.03**	**30,015.62**	**31,820.84**	**33,954.03**	**40,381.44**

(1) Based on the official period-end exchange rate.
(2) Includes information from credit unions.
Source: Central Bank.

Inflation

As of December 31, 2017, the inflation rate reached 4.20%, mainly as a result of increasing oil prices. Core inflation reached 2.36% at the end of 2017, below the lower limit of the target range for 2017.

As of December 31, 2018, the inflation rate was 1.17%, mainly due to low inflationary pressures resulting from the downward trend of oil prices during the last quarter of 2018. Core inflation reached 2.47% at the end of 2018, below the lower limit of the target range for 2018.

As of December 31, 2019, the inflation rate was 3.66%, mainly due to the increase in food and oil prices. Core inflation remained below the lower limit of the target range, standing at 2.25% at the end of 2019.

As of December 31, 2020, the inflation rate was 5.55%, mainly due to the recovery in international oil prices starting in June 2020 and, soon afterwards, an increase in food prices. Core inflation remained within the target range, standing at 4.77% at the end of 2020.

As of December 31, 2021, the inflation rate was 8.50%, primarily due to more permanent than expected supply shocks associated with higher prices of oil and other commodities, as well as the increase in freight costs related to container shortages, and other supply chain disruptions arising from the COVID-19 pandemic, coupled with the impact of the Russia-Ukraine conflict. Core inflation reached 6.87% at the end of 2021, affected by second-round effects from the external cost shock, exceeding the upper band of the target range.

The following table shows changes in the CPI for the periods indicated.

	Consumer Price Index[1]	
	End of period	Average
	(% change)	
As of December 31,		
2017	4.2	3.3
2018	1.2	3.6
2019	3.7	1.8
2020	5.6	3.8
2021	8.5	8.2

(1) For a description of how the CPI and its rates of change are calculated, see "Defined Terms and Conventions—Certain Defined Terms."

Source: Central Bank.

Foreign Exchange and International Reserves

Foreign Exchange

In 1991, the Republic adopted a flexible foreign exchange rate regime that remains in effect. Prior to 1991, the Republic fixed the official exchange rate but devalued the currency periodically. At present, pursuant to resolutions issued by the Monetary Board, the exchange rate system operates with a unified and flexible exchange rate and a foreign exchange market operated by the Central Bank, financial institutions and exchange agents. The free market exchange rate reflects the supply and demand of foreign currency. The Central Bank does not impose limits on the extent to which the free market exchange rate can fluctuate.

Sources of foreign exchange for the private foreign exchange market include:

- tourism;
- free trade zones;
- remittances;
- exports of goods;
- foreign direct investment; and
- private-sector foreign-currency denominated loans.

The following table shows the peso/U.S. dollar exchange rates for the dates and periods indicated.

Exchange Rates
(DOP per US$)

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
End of period (spot market)(1)	48.19	50.20	52.90	58.11	57.14
End of period (financial intermediaries)(2)	48.20	50.33	52.92	58.15	57.11
Exchange rate differential (in % of the financial intermediaries' rate)	(0.01)%	(0.25)%	(0.04)%	(0.07)%	0.05%
Year average (spot market)(3)	47.44	49.43	51.20	56.47	56.94
Year average (financial intermediaries)(4)	47.44	49.44	51.23	56.48	56.96
Exchange rate differential (in % of the financial intermediaries' rate)	(0.01)%	(0.02)%	(0.05)%	(0.02)%	(0.04)%

(1) Exchange rate in the spot market (financial intermediaries, exchange agents and exchange and remittances agents) for the last business day of the year. Includes all the transactions of the economy, except financial derivatives.
(2) Average of the daily "reference" exchange rate by the financial intermediaries for the last business day of the year.
(3) Average of the daily "reference" exchange rate in the spot market (financial intermediaries, exchange agents and exchange and remittances agents) for the year. Includes all the transactions of the economy, except financial derivatives.
(4) Average of the daily "reference" exchange rate by financial intermediaries for the year.
Source: Central Bank.

The spot market exchange rate reported by the Central Bank corresponds to the weighted average of the daily transactions made by authorized financial institutions, exchange agents and remittances agents. As a result, there is only a minor difference between the Central Bank exchange rate and the rate reported by financial intermediaries. The Central Bank expects to maintain a flexible floating exchange rate system and only intervenes in the foreign exchange market as necessary to achieve the Government's monetary policy and to avoid excessive volatility in the prevailing exchange rate.

Between 2017 and 2019, the peso depreciated in a gradual and controlled manner, all of this in a context of an increase in the Central Bank's reserves and changes in monetary policy. In 2020, the nominal depreciation of the DOP/US$ exchange rate increased mainly due to the effects of, and the monetary policy response to, the COVID-19 pandemic, reaching DOP58.11 per U.S. dollar on the last business day of 2020, which represented an annualized peso depreciation rate of 9.0% since the beginning of 2020. In 2021, the nominal exchange rate showed appreciations at the end of every month, compared to the exchange rate of December 31, 2020. As a result of the efforts of the monetary authorities and the greater accumulation of international reserves, the nominal exchange rate reached DOP57.14 per U.S. dollar on the last business day of 2021, which represented an annualized peso appreciation rate of 1.7% since the beginning of 2021.

International Reserves

The Central Bank's net international reserves increased to US$13,033.9 million as of December 31, 2021 from US$6,780.4 million as of December 31, 2017.

The following table shows the composition of the international reserves of the Republic's banking system as of the dates indicated.

Net International Reserves of the Banking System
(in millions of US$ at period end)

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021[(1)]**
Central Bank					
Assets (gross international reserves)	6,780.8	7,627.6	8,781.8	10,751.7	13,034.0
Liabilities	0.4	0.5	0.4	0.1	0.1
Total (assets less liabilities)	6,780.4	7,627.1	8,781.4	10,751.6	13,033.9
Banco de Reservas					
Assets	222.8	157.9	68.7	359.1	485.4
Liabilities	822.4	751.0	1,083.8	710.1	960.2
Total (assets less liabilities)	(599.7)	(593.1)	(1,015.1)	(351.0)	(474.8)
Other deposit institutions					
Assets	720.3	882.2	726.2	1,975.7	1,298.3
Liabilities	1,184.7	1,243.1	1,197.2	595.1	603.9
Total (assets less liabilities)	(464.4)	(360.9)	(470.9)	1,381.6	694.4
Net international reserves of the banking system	**5,716.4**	**6,673.2**	**7,295.4**	**11,781.2**	**13,253.5**
Memorandum items:					
Gross assets of the Central Bank	7,452.1	8,285.4	9,420.5	11,414.2	13,679.6
Gross reserves of commercial banks	943.1	1,040.2	795.0	2,334.8	1,783.7
Gross reserves of the banking system	**8,395.2**	**9,325.5**	**10,215.5**	**13,749.0**	**15,463.3**
Gross reserves of the Central Bank (in months of total imports)	4.0	4.4	6.3	5.4	5.6
Gross reserves of the banking system (in months of total imports)[(2)]	5.0	5.4	7.3	6.9	6.1

(1) Preliminary data.
(2) As a ratio of total gross reserves of the banking system (*i.e.*, Central Bank, *Banco de Reservas* and other commercial banks) to total monthly imports.
Source: Central Bank.

The assets and liabilities of both the Central Bank and deposit institutions are defined using residence criteria, following the methodology established in the Financial and Monetary Statistics Manual. Therefore, they do not include all assets and liabilities denominated in foreign currency, but instead all assets and liabilities in which the counterparty is a non-resident of the Dominican Republic (regardless of the currency).

In the period from 2017 to 2021, the Central Bank's gross international reserves, measured in terms of total monthly imports (i.e., the ratio of the Central Bank's gross reserves to total monthly imports of goods and non-factor services) grew from 4.0 months at December 31, 2017 to 5.6 months at December 31, 2021. Since all balance of payment transactions are covered by financial institutions and exchange agents, a more relevant figure for the Dominican economy is the ratio of total gross reserves of the banking system (*i.e.*, Central Bank, BanReservas and other commercial banks) to monthly imports. This ratio was 6.6 to 1 times as of December 31, 2021.

Gold Reserves

At December 31, 2021, the total amount of gold reserves of the Central Bank was approximately US$33.0 million, reflecting a US$9.4 million increase as compared to US$23.6 million at December 31, 2017, mainly due to an increase in the price of gold over the period.

Securities Markets

The Securities Market Law, approved in 2000, created a regulatory framework for the Dominican securities market. In 2003, the *Superintendencia de Valores de la República Dominicana* (the "Dominican Securities Superintendency"), established by the Securities Market Law, began operating. It is responsible for promoting, regulating and supervising the Dominican securities market.

The Republic has one securities exchange, the Bolsa de Valores de la República Dominicana (the "Dominican Republic Stock Exchange"), which has been in operation since 1991 and became a national exchange in 1997. The Dominican Republic Stock Exchange is a private institution that has been subject to regulation by the Dominican Securities Superintendency since October 2003. Its primary activity has been the public trading of commercial paper and bond instruments. The trading volume in the Dominican Republic Stock Exchange has increased steadily since 2009, from approximately US$0.8 billion at December 31, 2009 to US$10.2 billion at December 31, 2021.

PUBLIC SECTOR FINANCES

Budgetary Government

The Budgetary Government encompasses all entities within the central government of the Dominican Republic, which consists of the legislative, judicial and executive branches, and its authorized representatives. During the period from 2015 through 2019 (excluding the "capital grants" obtained in 2015 from the liability management transaction with PDVSA relating to the PetroCaribe Agreement, see "Public Sector Debt—External Debt—PetroCaribe Agreement"), the Budgetary Government has recorded deficits in its fiscal balance, which have been covered with internal and external financing.

The Budgetary Government derives its revenues primarily from tax collection, from indirect taxes on consumption of goods and services, and import tariffs. Although they are not recurring revenue sources, the Government has also received dividend payments from companies in which the Government has an ownership interest. Government expenditures consist of wages and salaries paid to public sector employees; purchases of goods and services; interest payments on debt; public investment; and grants and transfers to public sector entities and to the private sector (primarily by social security payments and social programs to support low income households).

In 2017, total revenues by the Budgetary Government (including grants) amounted to US$11.2 billion (14.0% of GDP), compared to the US$10.5 billion total revenues registered in 2016. This increase was mainly due to tax enforcement measures taken by both the Internal Revenue Agency and Customs Agency (see "Tax Regime—Tax Enforcement"), and an extraordinary income of US$175.0 million (0.2% of GDP), primarily from capital gains tax collected on the sale of shares of several tourism companies, and increased audits by the Internal Revenue Agency.

In 2017, total expenditures by the Budgetary Government were US$13.9 billion (17.3% of GDP). Capital expenditures increased to US$2.7 billion (3.4% of GDP) in 2017 compared to US$2.3 billion (3.0% of GDP) in 2016, mainly due to the construction of the Punta Catalina Thermal Power Plant project, while primary expenditures increased to US$10.8 billion (14.3% of GDP), mainly due to an increase in wages and salaries, use of goods and services and other expenses, primarily infrastructure projects.

As a result of the above, in 2017, the net borrowing (overall deficit) of the Budgetary Government stood at US$2.3 billion (or 2.9% of GDP).

In 2018, total revenues by the Budgetary Government (including grants) amounted to US$12.1 billion (14.2% of GDP), compared to US$11.2 billion total revenues collected in 2017. This increase was mainly due to the continuation of the tax enforcement measures taken by both the Internal Revenue Agency and Customs Agency, the collection of US$261.8 million (0.3% of GDP) in extraordinary income derived from capital gains tax on the sale of shares of a local beer company, and the implementation of a tax on the differential for liquid petroleum gas pursuant to Paragraph I of Article 19 of the 2018 Budget Law.

In 2018, total expenditures by the Budgetary Government were US$14.1 billion (16.5% of GDP). Capital expenditures decreased to US$2.3 billion (2.6% of GDP) in 2018 compared to US$2.7 billion (3.4% of GDP) in 2017, mainly due to the construction of the Punta Catalina Thermal Power Plant project in 2017, while primary expenditures reflected no significant variation compared to 2017.

As a result of the above, in 2018, the net borrowing (overall deficit) of the Budgetary Government decreased to US$1.8 billion (2.1% of GDP).

In 2019, total revenues by the Budgetary Government (including grants) amounted to US$12.8 billion (14.4% of GDP), compared to US$12.1 billion total revenues registered in 2018. This increase was mainly a result of the continued implementation of measures to reduce tax avoidance and evasion, the collection of US$163.4 million (0.2% of GDP) in extraordinary income derived from dividends paid out by companies in the beverage industry, banking and telecommunications sector, and capital gains tax collected primarily from the sale of a financial institution. In 2019, the Internal Revenue Agency reached its highest revenue growth since the implementation of the 2012 Tax Reform, representing a 12.2% increase compared to 2018, excluding the extraordinary income of the sale of the local beer company in 2018.

In 2019, total expenditures by the Budgetary Government were US$14.9 billion (16.7% of GDP). Capital expenditures decreased to US$2.1 billion (2.3% of GDP) in 2018 compared to US$2.3 billion (2.6% of GDP) in

2018, while primary expenditures increased to US$12.4 billion (14.0% of GDP), mainly due to grants, subsidies and interest.

In 2020, total revenues by the Budgetary Government (including grants) amounted to US$11.2 billion (14.2% of GDP), compared to the US$12.8 billion total revenues collected in 2019. This decrease was mainly due to a decrease in economic activity driven by the COVID-19 pandemic, the temporary closure of commercial activities, and the implementation of several transitory measures to alleviate companies' cash flow and maintain levels of tax compliance. See "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy—Tax Measures" for further details.

As the gradual opening of commercial activities began in mid-2020, tax collection recovered, and, in the last quarter of the year, total revenues exceeded those collected in the same period of 2019, due to the Government's efforts to improve tax collection and efficiency. In 2020, the Government received US$512.7 million (0.7% of GDP) in extraordinary revenues, of which 83.0% were transfers from other institutions (such as the Social Security Treasury and the Fund for the Economic, Social, Labor and Health Protection of Dominican Workers) due to the pandemic, and US$394.5 million from mining revenues driven by higher gold prices and a tax advancement agreement entered into with Pueblo Viejo Dominicana Corporation, a subsidiary of Barrick Gold Corporation, by which this company advanced US$47.0 million in royalties. Additionally, the Government also received US$101.8 million (0.1% of GDP) from the implementation of Law No. 46-20 on Transparency and Equity Revaluation (the "Transparency and Equity Revaluation Act"), which established a temporary tax regime to promote the voluntary declaration or reevaluation of assets and goods (for a more detailed description see "—Tax Regime—Tax Amnesty").

In 2021, total revenues by the Budgetary Government (including grants) amounted to US$14.7 billion (15.5% of GDP), compared to the US$11.2 billion total revenues collected in 2020. This increase was a result of higher revenues from mining, additional income received pursuant to Law No. 07-21, which modified and reinstated the Transparency and Equity Revaluation Act (see "—Tax Regime—Tax Amnesty"), and improvements in tax collection efforts by the Tax and Customs Administration. In 2021, the Government received US$129.4 million (0.1% of GDP) in extraordinary revenues from the capital gains tax, transfers from other decentralized and autonomous institutions, payments in connection with natural gas hedge contracts, US$516.8 million (0.5% of GDP) from the temporary tax regime reinstated through Law No. 07-21, US$349.3 million (0.4% of GDP) from a tax advancement agreement with the financial sector, and US$501.4 million (0.5% of GDP) in revenues from the mining sector, of which US$95.0 million (0.1% of GDP) corresponded to royalties in connection with the tax advancement agreement with the sector.

During 2021 the primary sources of tax revenues were:

- taxes on income, profits and capital gains (31.4% of total revenues, excluding grants);
- VAT (31.2% of total revenues, excluding grants);
- excise taxes (13.8% of total revenues, excluding grants); and
- taxes on international trade and transactions (5.8% of total revenues, excluding grants).

Government expenditures during 2021 consisted of:

- wages and salaries paid to public sector employees (21.0% of total spending);
- purchases of goods and services (11.2% of total spending);
- transfers to public sector entities (in particular CDEEE) and to the private sector (primarily social programs) (6.6% of total spending);
- capital expenditure (15.2% of total spending); and
- interest payments on debt (16.7% of total spending).

In 2021, total expenditures by the Budgetary Government amounted to US$17.5 billion (18.6% of GDP). Capital expenditures increased to US$2.7 billion (2.8% of GDP) in 2021 compared to US$2.3 billion (2.9% of GDP) in 2020, while primary expenditures decreased to US$14.6 billion (15.5% of GDP) compared to US$15.1 billion in 2020 (19.2% of GDP), mainly due to a more efficient management of public spending and a decrease in COVID-19-related expenditures. As a result of the above, in 2021, the net borrowing (overall deficit) of the Budgetary Government decreased to US$2.8 billion (2.9% of GDP).

Consolidated Public Sector

For purposes of the consolidated public sector debt information included herein, the Dominican public sector consists of the Budgetary Government, the local governments, non-financial public sector institutions, which include non-financial state-owned enterprises and government agencies such as the *Instituto Nacional de Recursos Hidráulicos* (National Institute of Hydraulic Resources or "INDRHI") or CDEEE, and financial public sector institutions, such as the Central Bank.

In general, these agencies receive financing from the Budgetary Government to cover their spending. The main exception is the electricity sector, which requires additional sources to finance its deficit (mainly arrears with private power generators). That explains the deficit observed in the rest of the non-financial public sector during 2018 (0.2%) and 2019 (0.1%). During 2016 and 2017, the balance of the rest of the non-financial public sector resulted in a surplus of 0.3% and 0.2% of GDP, respectively, mainly due to an increase in these agencies' revenues. During 2020 and 2021, the balance of the rest of the non-financial public sector resulted in a surplus of 0.3% and 0.4% of GDP, respectively.

The following table sets forth information regarding fiscal accounts for the periods indicated.

Fiscal Accounts[1]

(in millions of US$ and as a % of GDP, at current prices)

	As of December 31,									
	2017[1]		2018[1]		2019[1]		2020[1]		2021[1]	
	US$	%	US$	%	US$	%	US$	%	US$	%
BUDGETARY GOVERNMENT										
Revenues:										
Taxes:										
Taxes on income, profits, and capital gains	3,217.3	4.0	3,400.7	4.0	3,735.4	4.2	3,305.2	4.2	4,592.7	4.9
Taxes on property	141.6	0.2	154.7	0.2	171.0	0.2	139.7	0.2	242.4	0.3
Taxes on goods and services:										
General taxes on goods and services	3,861.6	4.8	4,247.9	5.0	4,518.9	5.1	3,712.6	4.7	5,091.1	5.4
of which: VAT	3,566.1	4.5	3,930.3	4.6	4,174.8	4.7	3,435.5	4.4	4,562.3	4.8
Taxes on financial and capital transactions	295.5	0.4	317.7	0.4	344.1	0.4	277.1	0.4	528.9	0.6
Excise taxes	1,831.1	2.3	1,891.8	2.2	1,929.4	2.2	1,490.2	1.9	2,021.2	2.1
of which: Fuel tax	1,115.8	1.4	1,151.5	1.3	1,184.9	1.3	845.6	1.1	1,184.6	1.3
Taxes on specific services	312.9	0.4	339.4	0.4	330.5	0.4	298.4	0.4	348.8	0.4
Taxes on use of goods and on permission to use goods	267.3	0.3	271.1	0.3	327.2	0.4	205.7	0.3	368.4	0.4
Total taxes on goods and services	6,272.9	7.8	6,750.3	7.9	7,105.9	8.0	5,706.9	7.2	7,829.5	8.3
Taxes on international trade and transactions	738.6	0.9	792.6	0.9	778.7	0.9	576.8	0.7	851.9	0.9
of which: Import duties	603.4	0.8	647.8	0.8	632.6	0.7	523.6	0.7	744.7	0.8
Other taxes	1.1	—	1.5	—	1.1	—	1.4	—	1.6	—
Total taxes	10,371.4	12.9	11,099.9	13.0	11,792.1	13.3	9,730.0	12.4	13,518.1	14.2
Social contributions[2]	55.4	0.1	50.7	0.1	49.7	0.1	47.0	0.1	59.7	0.1
Other Revenues	704.6	0.9	962.7	1.1	931.3	1.0	1,124.4	1.4	64.3	0.1
Grants	42.0	0.1	19.5	—	20.2	—	271.4	0.3	1,050.0	1.1
Total revenues	**11,173.3**	**14.0**	**12,132.8**	**14.2**	**12,793.4**	**14.4**	**11,172.9**	**14.2**	**14,692.2**	**15.5**
Expenses:										
Compensation of employees	3,488.2	4.4	3,807.7	4.5	3,966.8	4.5	3,814.2	4.8	4,125.6	4.4
Use of goods and services	1,462.3	1.8	1,459.0	1.7	1,649.9	1.9	1,779.1	2.3	1,963.8	2.1
To non-residents	968.9	1.2	1,078.4	1.3	1290.8	1.5	1,373.8	1.7	1,604.1	1.7
To residents	1,066.8	1.3	1,134.7	1.3	1,148.9	1.3	1,178.7	1.5	1,330.4	1.4
of which: Central Bank recapitalization	350.6	0.4	336.6	0.4	313.9	0.4	214.0	0.3	211.4	0.2
Total interest	2,035.6	2.5	2,213.1	2.6	2,439.7	2.7	2,552.5	3.2	2,934.5	3.1
Subsidies	550.8	0.7	517.6	0.6	613.7	0.7	695.3	0.9	1,325.7	1.4
of which: CDEEE	369.9	0.5	344.5	0.4	422.7	0.5	483.6	0.6	827.8	0.9
Grants	2,158.4	2.7	2,264.6	2.6	2,416.5	2.7	2,656.5	3.4	3,135.8	3.3
of which: to other general government units	2,148.6	2.7	2,250.4	2.6	2,402.6	2.7	2,636.8	3.3	3,088.0	3.3
Social benefits	1,022.2	1.3	1,060.8	1.2	1,119.9	1.3	3,306.6	4.2	1,611.7	1.7
Other expenses	1,730.2	2.2	1,501.2	1.8	1,320.9	1.5	1,586.9	2.0	1,012.6	1.1
of which: Central Bank recapitalization	182.2	0.2	209.9	0.2	275.0	0.3	—	—	—	—
Infrastructure projects	1,048.9	1.3	673.3	0.8	426.8	0.5	669.7	0.8	803.1	0.8
Total expenses	**12,447.7**	**15.6**	**12,824.0**	**15.0**	**13,527.4**	**15.2**	**16,391.2**	**20.8**	**16,109.7**	**17.0**
Gross operating balance	**(1,274.4)**	**(1.6)**	**(691.2)**	**(0.8)**	**(734.2)**	**(0.8)**	**(5,218.3)**	**(6.6)**	**(1,417.6)**	**(1.5)**
Gross investment in nonfinancial assets	1,433.9	1.8	1,295.4	1.5	1,337.3	1.5	1,316.6	1.7	1,437.2	1.5
of which: Fixed assets	1,367.2	1.7	1,253.8	1.5	1,296.7	1.5	1,279.9	1.6	1,411.7	1.5
Expenditures	**13,881.6**	**17.3**	**14,119.4**	**16.5**	**14,864.7**	**16.7**	**17,707.0**	**22.5**	**17,547.0**	**18.6**
Capital expenditures	2,723.1	3.4	2,269.5	2.7	2,069.3	2.3	2,319.5	2.9	2,671.7	2.8
Primary expenditures	11,846.0	14.8	11,906.3	13.9	12,425.0	14.0	15,155.3	19.2	14,612.5	15.5
Total expenditures	**13,881.6**	**17.3**	**14,119.4**	**16.5**	**14,864.7**	**16.7**	**17,707.8**	**22.5**	**17,547.0**	**18.6**
Primary balance [3]	(432.6)	(0.5)	366.1	0.4	489.7	0.6	(3,674.1)	(4.7)	174.2	0.2
Net acquisition of financial assets	230.7	0.3	723.1	0.8	1,456.9	1.6	2,528.1	3.2	549.5	0.6
Net borrowing [3]	**(2,468.3)**	**(3.1)**	**(1,847.0)**	**(2.2)**	**(1,941.1)**	**(2.2)**	**(6,226.5)**	**(7.9)**	**(2,760.3)**	**(2.9)**
Net incurrence of liabilities	2,698.9	3.4	2,570.2	3.0	3,398.0	3.8	8,754.7	11.1	3,309.8	3.5
Statistical discrepancy[4]	240.0	0.3	139.6	0.2	130.3	0.1	308.4	0.4	94.5	0.1
Net borrowing rest of NFPS [5]	243.3	0.3	(99.7)	(0.1)	(110.8)	(0.1)	250.3	0.3	187.0	0.2
Net borrowing NFPS	(2,224.9)	(2.8)	(1,946.8)	(2.3)	(2,051.9)	(2.3)	(5,976.3)	(7.6)	(2,573.3)	(2.7)
Quasi-fiscal balance of Central Bank	(845.7)	(1.1)	(803.2)	(0.9)	(650.7)	(0.7)	(732.0)	(0.9)	(1,235.6)	(1.3)
of which: Non-interest[6]	547.2	0.7	543.4	0.6	(563.6)	0.6	277.3	0.3	283.3	0.3
Consolidated public sector balance:										
Primary balance	114.6	0.1	909.5	1.1	1,062.2	1.2	(3,396.8)	(4.3)	(457.4)	(0.5)
Interest	(3,428.5)	(4.3)	(3,559.7)	(4.2)	(3,654.0)	(4.1)	(3,561.8)	(4.5)	(4,453.3)	(4.7)
Consolidated public sector balance	**(3,070.6)**	**(2.5)**	**(2,750.0)**	**(2.4)**	**(2,702.6)**	**(3.0)**	**(6,708.2)**	**(8.5)**	**(3,808.9)**	**(4.0)**
GDP [7]	**80,024.5**		**85,536.9**		**88,906.1**		**78,829.0**		**94,523.7**	

(1) Preliminary data.
(2) Only includes revenue received from the previous social security system, according to Law No. 87-01 that constitutes the Dominican social security system, whereby contributions are based on individual capitalization managed by private institutions.
(3) Includes "Statistical Discrepancy."
(4) Difference between financing below the line and the overall fiscal balance registered above the line.
(5) Includes electricity sector (CDEEE, EGEHID, ETED, EdeNorte, EdeSur and EdeEste).
(6) Central Bank financial reports.
(7) GDP results for the period 2017-2018 reflected in this table were revised in 2019 by the National Accounts Department of the Central Bank.

Tax Regime

All taxes in the Dominican Republic are collected through three agencies: *Dirección General de Impuestos Internos* ("Internal Revenue Agency"), *Dirección General de Aduanas* ("Customs Agency"), and *Tesorería Nacional* ("National Treasury"). The following table sets forth the composition of the Republic's tax and non-tax revenues for the periods indicated.

Current Revenue of the Republic (excludes financing and grants) [(1)]

(as a % of total revenue)

	As of December 31,				
	2017	2018	2019	2020[(1)]	2021[(1)]
Taxes	93.17	91.63	92.32	89.25	92.41
Taxes on income, profits, and capital gains	28.90	28.07	29.24	30.32	31.40
Taxes on property	1.27	1.28	1.34	1.28	1.66
Taxes on goods and services	56.35	55.73	55.63	52.35	53.52
VAT	*32.04*	*32.45*	*32.68*	*31.51*	*31.19*
Taxes on financial and capital transactions	*2.65*	*2.62*	*2.69*	*2.54*	*3.62*
Excises	*16.45*	*15.62*	*15.10*	*13.67*	*13.82*
Taxes on international trade and transactions	6.63	6.54	6.10	5.29	5.82
Other taxes	0.01	0.01	0.01	0.01	0.01
Other revenues[(2)]	6.83	8.37	7.68	10.75	7.59

(1) Preliminary data.
(2) Includes social security contributions.
Source: Ministry of Finance.

On November 9, 2012, Congress approved a tax reform known as Law No. 253-12 (or the "2012 Tax Reform") for the strengthening of revenue collection as a means to attain fiscal sustainability and sustainable development, in line with the goals articulated in the National Development Strategy 2030. The 2012 Tax Reform focused on reducing tax expenditure, broadening the tax base, reducing tax avoidance and evasion by strengthening the Internal Revenue Agency, incorporating environmental considerations into the tax system, promoting business formalization, and augmenting tax progressivity. During 2013, following the implementation of the 2012 Tax Reform, the Republic generated additional revenues of US$709.3 million (1.1% of GDP).

The 2012 Tax Reform was designed to accomplish its objectives through the implementation of the following measures, among others:

- *Income Tax:* maintain the current personal income tax brackets for the 2013 – 2015 period; establish limitations on deductible expenses; include unjustified increases in income or assets as taxable income; postpone the gradual reduction of the corporate income tax rate so that, by 2015, it is 27%; and establish an annual tax of DOP12,000 on small retailers when their sales exceed DOP50,000 per month;
- *Value Added Tax* (*Impuesto sobre la Transferencia de Bienes Industrializados y Servicios – ITBIS*): raise the VAT rate to 18% for the 2013 – 2015 period subject to accomplishing the target of a tax burden of 16% for 2015; and apply a reduced VAT rate of 8%, which will be gradually increased to 16% for the 2013 – 2016 period, on goods such as yogurt, butter, coffee, oil, margarine, sugar, among others;
- *Excise Tax:* increase the specific tax applied on cigarettes; increase the ad-valorem tax on alcoholic beverages to 10.0% and gradually increase the specific tax so that, by 2017, the applied rates are unified; establish a 10% tax on cable television services; reduce the ad-valorem tax on jet fuel to 6.5% and establish an additional charge of DOP2.0 per gallon on gasoline and diesel fuel;
- *Other measures*:
  - increase withholding taxes on suppliers of the Republic, gambling and slot machines prizes to 5.0%, 25.0% and 10.0%, respectively;
  - apply transfer pricing rules and thin capitalization rule, along with General Anti-Avoidance Rule (GAAR);
  - apply a 3.5% tax on the gross local sales of companies under the free trade zones regime;

– modify Laws Nos. 57-07 and 108-10, eliminating certain deductions and credits thereunder;

– change the specific tax for vehicle circulation to an ad-valorem tax of 1.0% on the value of the vehicle;

– establish an emission tax payable upon registration of a vehicle;

– replace the annual luxury property tax (*Impuesto sobre Viviendas Suntuarias y Solares*) with an annual real estate property tax (*Impuesto a la Propiedad Inmobiliaria*) of 1.0% over all real estate owned by an individual, applying a maximum exemption of DOP6.5 million;

– establish a unified tax rate of 10.0% on interest payments and dividend distributions made locally or abroad; and

– maintain the 1.0% tax on the net assets of banks until December 2013.

Additionally, in 2012, the Government:

- maintained waivers granted to the agricultural sector since 2009 relating to advance payment of income tax, tax on assets, and income tax withholding on payments made by the Budgetary Government, as per the Internal Revenue Agency's General Standard No. 01-12, No. 01-13 and No. 03-14;
- established Internal Revenue Agency's General Standard No. 02-12, which ascertains the requirements and procedures that Trusts and involved parties must meet before the Internal Revenue Agency;
- approved Internal Revenue Agency's General Standard No. 03-12, which stipulates the guidelines for the production and marketing of alcohol products by liquor companies classified as free trade zones; and for the aging time or duration of the alcohol in aging warehouses which determines the loss of alcohol by evaporation that is admitted for the calculation of the excise tax on alcoholic beverages;
- enacted Decrees Nos. 04-12, 121-12, 319-12 and 368-12, which establish a compensation mechanism for carriers: urban, intercity, touristic, for passengers or cargo, and for the Metropolitan Office of Bus Services (*Oficina Metropolitana de Servicios de Autobuses*), giving them an exemption from the excise tax on fuel in order to avoid increases in the prices of the services offered; and
- modified the regulation of VAT and excise tax withholdings applied to special taxation regimes.

Furthermore, in September 2013, the Dominican Government and PVDC reached an agreement to amend the Special Lease Contract of Mining Rights for the development of the Pueblo Viejo gold mine, taking into consideration the prevailing market conditions. For a detailed description of the key terms renegotiated, please refer to Section "The Economy—Primary Production—Pueblo Viejo Gold Mine Operating Lease Amendment."

Therefore, after the amendment, PVDC is subject to the following tax regime:

- *royalties:* 3.2% applied on gross income;
- *income tax:* 25% applied on net income;
- *net profits tax (NPI):* 25% applied on net free cash flow; and
- *annual minimum tax (IMA):* equivalent to 90% of the sum of the income tax and the projected NPI.

In 2017, the Government's policies focused on strengthening tax enforcement through measures designed to reduce tax evasion and avoidance. Specifically, in an effort to ensure the proper reporting of the values of imported goods, Article 16 of the 2017 Budget allowed for the temporary collection by the Customs Agency of 50.0% of VAT on imports by companies under Law No. 392-07 of the Proindustria regime, with such amounts to be reimbursed by the Internal Revenue Agency upon receipt of the corresponding invoice. Additionally, the Government continued to implement the Excise Tax Reimbursement Mechanism and many other measures introduced in the last quarter of 2016.

In addition, on July 24, 2017, Congress enacted Law No. 184-17, which set forth the rates that the providers of telecommunications services licensed in the Dominican Republic have to pay to the Dominican Institute of Telecommunications (INDOTEL) to promote the development and sustainability of the system.

In 2018, several laws and regulations that had an impact on the tax system came into effect, including the following:

- the Internal Revenue Agency's General Standard No. 06-18, which regulates aspects of the tax collection system and establishes new provisions relating to the issuance and use of tax receipts;
- the Internal Revenue Agency's General Standard No. 07-18, on remission of information, which incorporates changes to the information required from taxpayers and the format in which they must submit their affidavit for both income tax and value added tax;
- the Internal Revenue Agency's General Standard No. 08-18, which establishes that the payment of the tourist card tax that the Republic charges its visitors shall be charged with the purchase of airplane tickets;
- the Internal Revenue Agency's General Standard No. 10-18, which modifies General Standard No. 07-18 and increases to DOP250,000 the threshold amount for operations based on consumer bills required to be reported to such agency; and
- regulation No. 1-18, or the Regulation for the Implementation of Title IV of the Excise Tax Code of the Dominican Republic (*Reglamento para la Aplicación del Título IV del Impuesto Selectivo al Consumo del Código Tributario de la República Dominicana*), which establishes new provisions for excise taxes that apply to entities that manufacture, produce and/or import alcoholic beverages or tobacco products, and those that provide related services. The new regulation:
  - establishes a different calculation method (weighted average) for the excise tax base;
  - requires a suggested retail price (after taxes) to be included in invoices;
  - requires a customs declaration (*Declaración Única Aduanera*) to be filed upon import, which shall include a suggested retail price (after taxes);
  - requires manufacturers and importers to report to tax authorities the suggested retail price, on a quarterly basis, and any time when the suggested retail price varies more than 5%; and
  - imposes new control mechanisms.

Furthermore, the progressive implementation of the 2012 Tax Reform led to several changes, including:

- increase in the per unit excise tax applied to alcoholic beverages. These amounts will be adjusted quarterly by the inflation rate according to the figures published by the Central Bank;
- continued application and review of the transfer pricing and thin capitalization rules; and
- VAT rate maintained at 18% and the assets tax rate at 1%, as the goal of a 16% tax burden threshold was not reached.

In addition, the 2018 Budget Law also included several measures to increase revenue collection and reduce tax evasion and avoidance by:

- reestablishing the temporary collection by the Customs Agency of 50.0% of VAT on imports by companies under the Proindustria regime, extending it to include companies under Laws No. 56-07 for the promotion of the textile sector, and No. 28-01 for border development;
- suspending the inflation adjustment provided for in Article 296 Paragraph I of the Republic's Tax Code, relating to individuals' income tax brackets;
- allowing for the collection of the DOP2.0 per gallon tax on the consumption of gasoline and diesel, premium and regular when imported, prior to customs clearance;
- temporarily interrupting the tax exemptions established in Article 2 of Law No. 96-88, on the imports of slot machines, parts and pieces, as well as any other electronic device used for gambling and in casinos; and
- modifying Article 20, Paragraph I of the 2012 Tax Reform and Resolution No. 365 BIS whereby the benefit to the investment in liquefied petroleum gas import terminals is replaced by a contribution to

the Special Solidarity Fund for Prevention and Reconstruction in the provinces impacted by the effects of climate change.

In 2019, the Government continued implementing policies to increase tax collection via administrative improvements and continuity of programs and measures that have been enforced since the end of 2016. During 2019, the Internal Revenue Agency initiated its multi-year plan to implement the "Electronic Invoicing System," beginning with a pilot program with the participation of 11 companies representing various sectors of the economy. The Customs Agency also modified certain measures that had been implemented by administrative resolutions and, among these, it increased tariffs on cellphones from 3% to 8%, and suspended the VAT exemption on certain nutritional supplements like proteins. In addition, certain laws and regulations were approved that impacted the tax system, including, among others:

- Law No. 17-19 for the eradication of illegal trade, smuggling and counterfeiting of regulated products, with administrative and technological changes and inter-institutional initiatives to combat tax non-compliance and smuggling of products such as alcohol, cigarettes and fuels.
- Decree No. 265-19, which establishes a Simplified Tax Regime (*Régimen Simplificado de Tributación* or "STR"), replacing the Simplified Tax Procedure (*Procedimiento Simplificado de Tributación*) implemented in 2008, as further described below.
- Internal Revenue Agency's General Standard No. 05-19, which regulates the use of special fiscal invoices, as per Article 5 of Decree No. 254-06, and creates new fiscal invoices including those relating to payments abroad, exports and electronic invoices.
- Internal Revenue Agency's General Standard No. 07-19, which establishes new withholding agents for the tax on interest applicable to both individuals and companies.

The 2019 Budget Law reinstated the temporary measures included in the 2018 Budget Law and removed the prohibition of the installation of new lottery banks provided for in Article 8 of Law No. 139-11 (2011 Tax Reform).

In 2020, the COVID-19 pandemic forced the Government to implement a different fiscal policy than the one envisioned in the 2020 Budget Law. Since mid-March 2020, the Internal Revenue Agency and the Customs Agency *(Dirección General de Aduanas*) implemented certain temporary measures to support the economy. See "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy—Tax Measures."

Moreover, on February 10, 2020, Congress enacted the Transparency and Equity Revaluation Act, establishing a temporary tax regime to promote the voluntary declaration to the Internal Revenue Agency of undisclosed assets or the reevaluation of previously-disclosed assets at market prices, with a reduced tax rate applicable to the value of the undeclared goods. The Transparency and Equity Revaluation Act was amended in September 2020 to enhance the attractiveness of the amnesty process provided therein. For more information, see "—Tax Amnesty."

Despite the COVID-19 pandemic, the Internal Revenue Agency continued its service digitalization and tax collection improvement efforts during 2020, and issued Standard No. 01-2020, which regulates the issuance and use of electronic tax receipts under the Electronic Invoicing System and establishes the legal framework in connection with such billing method.

In 2021, to continue to support the sectors of the economy most affected by the COVID-19 pandemic, the Government extended the duration of certain tax measures that had been implemented during 2020, such as the exemptions from the advanced income tax payment and the payment of income tax in installments. For further details, see "The Economy—2020 and 2021: the Outbreak of the COVID-19 Pandemic—Measures to Mitigate the Impact of the COVID-19 Pandemic on the Economy—Tax Measures."

Additionally, during 2021, the Internal Revenue Agency maintained its efforts to increase tax collection by reducing tax evasion and elusion, particularly by:

- amending the conditions, deadlines, and requirements for the registration, update and removal from the *Registro Nacional de Contribuyentes* (National Registry of Taxpayers), as well as defining the criteria and implications of each status under the registry, by means of the Internal Revenue Agency's General Standard No. 04-2021. In particular, such General Standard provides for the suspension of the taxpayer number for taxpayers who have failed to file any tax returns during the 2019-2021 period and for those who have failed to make payments of taxes automatically calculated by the Internal Revenue Agency in lieu of a filing;
- implementing the Tax Control and Traceability System (*TRÁFICO*) and broadening the implementation of the use of electronic tax receipts (see "—Tax Regime—Tax Enforcement"); and
- launching the "Dispatch in 24 Hours Project", which allows taxpayers to complete their customs clearance processes in 24 hours or less, if they comply with all Customs Agency requirements. This project is aimed at reducing the time it takes for containers to leave Dominican ports from six days and 20 hours to 24 hours, and applies to previously declared merchandise, and importers that do not have a risk profile and have certain certifications.

Moreover, in 2021, Congress enacted legislation with substantial implications for the Dominican tax system, including:

- Law No. 07-21, dated January 20, 2021, reinstating the provisions of the Transparency and Equity Revaluation Act, and providing for a temporary regulatory framework that allows all taxpayers, with limited exceptions, to benefit from a tax regularization facility to settle tax debt with significant decreases in the amount owed for late payments and interest, and reasonable rates for the different tax obligations that the regulation covers. For further information, see "—Tax Amnesty."
- Decree No. 256-21, dated April 20, 2021, modifying Decree No. 78-14, on transfer prices of goods and services, strengthening the fight against tax avoidance, evasion, and money laundering through the regulation of commercial relations between related companies at the international level. The most important changes introduced by this decree include (i) the determination of transfer pricing comparability factors that allow a better delimitation of the transactions carried out between related companies, (ii) an update of the applicable methods for determining the price of the transactions between parties, and (iii) the definition of international intermediary for the purposes of determining whether the transfer pricing tax provisions are applicable.
- Law No. 162-21, dated August 9, 2021, establishing a new customs regime with the aim of streamlining, modernizing, and adapting the previous one to international norms and standards. Further, Law No. 162-21 punishes trade-based money laundering, created a Special Prosecutor's Office for investigation of customs crimes and offenses, and increased the participation of the Customs Agency in the processes of international economic integration, taking advantage of new foreign trade regulations. Additionally, Law No. 162-21 creates a new system of infractions and sanctions, reducing room for discretion, among other changes.

The following is a brief description of the main provisions of the Republic's Tax Code, as amended by recent laws, followed by a brief description of the Republic's tax enforcement record and updates on its international tax collection efforts.

Income Taxes

The Republic's tax laws provide for the following progressive personal income tax brackets, which are adjusted annually to reflect inflation:

Annual Income(1) (in DOP)	**Rate (%)**(1)
0 – 416,220.00	Exempt
416,220.01– 624,329.00	15.0% of the amount in excess of DOP416,220.01
624,329.01– 867,123.00	DOP31,216.00 plus 20.0% of the amount in excess of DOP624,329.01
> 867,123.01	DOP79,776.00 plus 25.0% of the amount in excess of DOP867,123.01

(1) 2021-2022 values, effective as of January 1, 2021, according to the 2021 Budget Law.
Sources: Law No. 172-07 and the 2021 Budget Law.

On June 21, 2007, Law No. 172-07 (the "2007 Tax Law") modified annual income brackets and eliminated the gradual reduction of the highest marginal income tax rate, leaving it at 25% for annual income in excess of DOP604,672.01.

In addition, the 2007 Tax Law set a 25% corporate income tax rate, which was increased to 29% pursuant to the 2011 Tax Reform and reduced again to 28% for 2014 and 27% for 2015 pursuant to the 2012 Tax Reform.

According to the Tax Code, all businesses and corporations must make advance tax payments in 12 equal monthly installments. In the case of taxpayers whose effective tax rate is less than or equal to 1.5%, the amount of the advance tax payment is calculated by applying the 1.5% rate to the gross income declared in the previous fiscal year. For taxpayers whose effective tax rate is greater than 1.5%, the amount of the tax payment is equal to the tax paid on their previous tax statement. However, taxpayers that are considered small- and medium-sized enterprises are not required to make advance tax payments but can make use of the special payment regime. In all cases, adjustments are made at year-end to reflect the changes in annual gross income for the current year.

In 2017, revenue from taxes on income, profits, and capital gains amounted to US$3.2 billion, representing an increase of 10.2% when compared to 2016. This increase was mainly due to:

- increased capital gains from the sale of shares of several tourism companies; and
- higher than expected revenue from the mining industry, specifically PVDC.

Under the provisions of Article 327 of the Tax Code of the Dominican Republic and Article 105 of Regulation No. 139-98 on Income Tax, values in pesos must be adjusted for inflation using official Central Bank data. In particular, the inflation adjustment multiplier for the fiscal year ended December 31, 2017 was 1.0420, as indicated in the multiplier inflation adjustment notice published by the Internal Revenue Agency. Yet, given that the budget law for each year subsequent to 2017 has included a provision dictating the non-applicability of Paragraph I of Article 296 and, as a result, Article 327 of the Tax Code, the tax income bracket thresholds have not been updated since 2017.

In 2018, revenue from taxes on income, profits, and capital gains reached US$3.4 billion, representing a 5.7% increase compared to 2017. This increase was mainly due to capital gains revenue collected from the sale of shares of Ambev, S.A., a local beer company, which generated US$240.9 million (0.3% of GDP) in extraordinary revenue and an increase in audits of large and medium sized taxpayers, which led to payable amounts of US$379.4 million (0.4% of GDP). Additional revenue was derived from the suspension of the inflation adjustments of the personal income tax brackets as per the 2018 Budget Law.

In 2019, revenue from taxes on income, profits, and capital gains reached US$3.7 billion, representing a 9.8% increase compared to 2018. Similarly to revenue behavior in 2018, this increase was primarily due to capital gains revenue collected from the sale of a financial institution, which amounted to US$113.1 million (0.1% of GDP), an increase in audits, and the suspension of inflation adjustments to personal income tax brackets.

On August 1, 2019, the Government established a Simplified Tax Regime (*Régimen Simplificado de Tributación* or "STR"), replacing the Simplified Tax Procedure (*Procedimiento Simplificado de Tributación*) implemented in 2008. The STR may be used by either: (i) taxpayers (natural persons or legal entities) whose annual gross income does not exceed DOP8.7 million each fiscal year and that reside in the Republic, provided that they are (a) service providers or in the agricultural sector or (b) legal entities which are producers of goods, and (ii) merchants (either natural persons or legal entities) whose purchases and imports do not exceed DOP40.0 million each fiscal year. This procedure (i) exempts taxpayers from submitting monthly purchase and sale forms and from paying income tax advances or taxes on assets related to their economic activity, (ii) simplifies taxpayers' annual declaration form for VAT and income tax, and (iii) allows taxpayers to set up automatic payments for income tax payment installments.

In 2020, revenue from taxes on income, profits, and capital gains reached US$3.3 billion, a 11.5% decrease when compared to 2019, as the Internal Revenue Agency implemented a series of tax exemptions to alleviate the tax burden at a time when many taxpayers were not operating due to the pandemic. These exemptions were mainly on advanced income tax and asset tax and focused on physical persons, businesses with one single owner, large taxpayers with an impediment to operate, taxpayers from the tourism sector, and micro- and small-enterprises. Additionally, the Internal Revenue Agency implemented a temporary suspension in the application of the APAs with the tourism sector, which are used to determine income tax; and facilities were set in place to allow taxpayers to request the total or partial exemption of the advanced income tax. In 2020, extraordinary revenue relating to capitals gains tax and dividends tax amounted to US$78.3 million (0.1% of GDP). The 2020 Budget Law maintained the suspension of inflation adjustments to the personal income tax bracket thresholds.

In 2021, revenue from taxes on income, profits, and capital gains amounted to US$4.6 billion, a 39.0% increase when compared to 2020, despite the tax benefits implemented to assist those that continued to be affected by the COVID-19 pandemic, and the fact that returns for fiscal year 2020, when the Dominican economy was most affected by the COVID-19 pandemic, were payable in 2021. Revenue collection was boosted by the effect of Law No. 07-21, which allowed the Government to collect US$301.4 million (0.3% of GDP) in additional revenues. Additionally, the Internal Revenue Agency received US$349.3 million in connection with a tax advancement agreement entered into with financial institutions, US$219.2 million in income tax from the mining sector as a result of higher-than-expected gold prices, and US$30.9 million in capital gains tax. The 2021 Budget Law maintained the suspension of inflation adjustments to the personal income tax bracket thresholds.

Value-Added Tax

The Government imposes a VAT of 18% on all goods except for certain exempt consumer food products and services. VAT paid in respect of capital goods may be deducted from the total VAT owed on the goods produced with such capital goods.

In 2017, VAT receipts amounted to US$3.6 billion, representing an increase of US$111.8 million when compared to 2016. This increase was in part due to an 8.0% increase in taxable sales declared by the Internal Revenue Agency, the continued control over VAT licensing in free trade zones, improvements in the valuation of merchandise and the Customs Agency's efforts to combat illicit activity.

Additionally, since 2017, companies under the Proindustria regime have been required to make advanced payments to the Customs Agency of 50.0% of the VAT on raw materials, industrial machinery and capital goods subject to tariffs as well as on other capital goods regardless of whether they are subject to a zero percent tariff rate. This measure is meant to ensure the proper reporting of the values of imported goods as the advanced payments would only be reimbursed by the Internal Revenue Agency upon receipt of the corresponding invoice.

In 2018, VAT receipts amounted to US$3.9 billion, representing an increase of US$364.2 million compared to 2017. This increase was mainly due to a 13.4% increase in taxable sales declared by the Internal Revenue Agency and the Customs Agency's efforts to combat illicit activity. In addition, the Government continued the implementation of the required payment in advance by the companies to the Customs Agency of 50.0% of the VAT on raw materials, industrial machinery and capital goods subject to tariffs, as well as on other capital goods regardless of whether they are subject to a zero percent tariff rate under the Proindustria regime in order to ensure the proper reporting of the value of imported goods.

In 2019, VAT receipts amounted to US$4.2 billion, representing an increase of US$244.5 million compared to 2018. This increase was mainly due to the continued efforts of the Internal Revenue Agency and the Customs Agency and the implementation of the Internal Revenue Agency's General Standards Nos. 06-18, 07-18 and 05-19, which help regulate the use of tax receipts and properly determine payable VAT amounts on the importation or acquisition of taxed goods or services used in operations. Additionally, there was a 9.3% increase in taxable sales, compared to 2018, declared by the Internal Revenue Agency.

In 2020, VAT receipts amounted to US$3.4 billion, a US$739.3 million decrease compared to 2019, mainly due to a 16.1% decrease in taxable sales, driven by the international and local effect of the pandemic on economic activity.

In 2021, VAT receipts amounted to US$4.6 billion, an increase of US$1.1 billion compared to 2020, mainly due to the recovery in economic activity, as well as the relaxation of mobility restrictions, the Tourism Reactivation Plan, and increased progress in connection with the administration of COVID-19 vaccines.

Excise Taxes

The Government applies excise taxes on a variety of selected goods such as cigarettes, alcoholic beverages, fuels and certain luxury goods (*e.g.*, electronic appliances, caviar, rugs and yachts). The following table presents a sampling of the applicable excise tax rates on cigarettes and alcoholic beverages for the fiscal years 2015 to 2019.

	For the fiscal year ended December 31, (1)				
	2017(2)	2018	2019	2020	2021
Product					
Whiskey(3)	606.8	616.7	626.0	633.9	659.9
Rum(3)	606.8	616.7	626.0	633.9	659.9
Wine(3)	606.8	616.7	626.0	633.9	659.9
Beer(3)	606.8	616.7	626.0	633.9	659.9
Cigarettes (in DOP per 10 unit box)	25.7	26.1	26.5	26.8	27.9
Cigarettes (in DOP per 20 unit box)	51.3	52.2	53.0	53.6	55.8

(1) Values adjusted for inflation recorded during the previous year.
(2) Beginning in 2017, excise tax on alcohol is adjusted quarterly by inflation. Data from 2017-2020 corresponds to the last quarter of each year.
(3) In DOP per liter of alcohol.
Source: Internal Revenue Agency.

Cigarettes and alcoholic beverages pay a unit tax per liter of alcohol or per unit box, as per the table above; and an additional value-added tax on the retail price of each good.

In accordance with the 2012 Tax Reform, taxes applied on cigarettes increased to an effective tax rate of 70.0%, and the *ad valorem* excise tax on alcoholic beverages increased from 7.5% to 10.0%. Furthermore, an excise tax of 10.0% was applied on cable television services since December 2012.

In 2021, excise tax revenues amounted to US$2.0 billion, a 35.6% increase when compared to 2020, with revenue from fuel tax and alcohol and tobacco representing 58.6% and 37.7%, respectively, of total excise tax revenues. In particular, revenues from alcohol and tobacco amounted to US$761.0 million, a 31.1% increase when compared to 2020, driven by larger amounts of declared goods as a result of an increase in imports and consumption, as well as the efforts by the Internal Revenue Agency to reduce illicit traffic of such goods.

The fuel tax is the most important excise tax imposed by the Dominican Republic in terms of contribution to revenues and is mostly collected by the Internal Revenue Agency. It is an excise tax denominated in constant pesos per gallon and a 16.0% tax rate on the import parity price of fuel, each payable at the time of sale and which are required to be adjusted quarterly to reflect inflation.

The following table sets forth the peso-denominated excise tax rates for gasoline products.

	Average for the month of December(1)				
	2017	2018	2019	2020	2021
	(in DOP per gallon, average)				
Product					
Premium gasoline	87.0	86.0	88.2	85.7	93.8
Regular gasoline	78.7	77.7	79.7	77.5	85.1
Optimum diesel	50.3	51.0	52.1	49.2	55.4
Regular diesel	42.9	43.8	44.8	42.1	47.3

(1) Tax on fuel includes both the 16.0% excise tax on the import parity price of fuel and the excise tax per gallon of gasoline.
Source: Fuel Tax Law, as amended.

Gasoline prices are adjusted by the Ministry of Industry, Commerce and SMEs on a weekly basis, based on import prices for oil and the U.S. dollar/peso exchange rate.

According to Law No. 112-00, certain percentages of fuel tax revenues must be directed towards the payment of the Republic's public sector external debt, transferred to the Republic's provinces and municipalities, invested in projects to promote or develop alternative energy and divided among the Republic's political parties.

The 2012 Tax Reform contemplated modifications to the taxes on fuels, which include a reduction in the value-added tax on jet fuel from 16% to 6.5%, and the establishment of an additional DOP2.0 per gallon of gasoline and diesel consumed.

In 2017, fuel tax revenue amounted to US$1,115.8 million, reflecting an increase of US$124.3 million when compared to 2016, mainly due to the implementation of the Excise Tax Reimbursement Mechanism, which helped detect and remedy irregularities in the sector, and resulted in a decrease in tax expenditure of US$151.7 million (0.2% of GDP). Regarding the DOP2.0 per gallon tax on the consumption of gasoline and diesel, the Internal Revenue Agency collected US$30.8 million, a US$3.1 million increase when compared to 2016.

In 2018, fuel tax revenues amounted to US$1,151.5 million, reflecting an increase of US$35.8 million compared to 2017. This slight increase was due to the implementation of the Excise Tax Reimbursement Mechanism, an increase of 2.7% in fuel consumption, and the establishment of a contribution in lieu of the company's benefit to investment in liquefied petroleum gas import terminals as per Article 19 of the 2018 Budget Law. This contribution generated additional revenue of US$162.7 million. The 2018 Budget Law also established that the Customs Agency collect the DOP2.0 per gallon tax on the consumption of gasoline and diesel on importation and prior to customs clearance. During the year collection of this tax reached US$30.6 million, reflecting no significant variation when compared to 2017.

In 2019, fuel tax revenues amounted to US$1,184.9 million, reflecting an increase of US$33.3 million compared to 2018, mainly due to a 10.9% increase in fuel consumption and the continued implementation of the measures being enforced since 2016. Liquefied petroleum gas contributions amounted to US$178.9 million, for an additional US$16.2 million compared to 2018; while the DOP2.0 per gallon tax reached US$33.6 million, an increase of US$3.0 million when compared to 2018.

In 2020, fuel tax revenues amounted to US$845.6 million, a US$339.2 million decrease compared to 2019, mainly due to the impact of the pandemic on the global and local economy. Globally, the oversupply of crude oil and low demand led to a decrease in international oil prices, affecting both the specific tax on fuels and the value of the ad-valorem tax. Domestically, the social distancing measures and decrease in commercial activity reduced fuel consumption by 16.4% compared to 2019, leading to a decrease in fuel tax collection. Liquefied petroleum gas contributions decreased US$22.8 million when compared to 2019, reaching US$156.1 million; while the DOP2.0 per gallon tax amounted to US$26.7 million, a US$7.0 million decrease when compared to 2019.

In 2021, fuel tax revenues amounted to US$1,184.6 million, a US$339.0 million increase compared to 2020, mainly due to a 21.3% increase in fuel consumption resulting from the greater dynamism of economic activity, as well as the increase in international oil prices that passed through to local fuel prices. Liquefied petroleum gas contributions amounted to US$168.3 million, a US$12.3 million increase compared to 2020, while the contribution of the DOP2.0 per gallon tax amounted to US$30.6 million, a US$4.0 million increase compared to 2020.

Tax Amnesty

In February 2020, Congress enacted the Transparency and Equity Revaluation Act establishing a temporary tax regime to promote the voluntary declaration of undisclosed assets or the reevaluation of previously-disclosed assets at market prices, with a reduced tax rate applicable to the value of the undeclared assets. The assets subject to declaration and revaluation include financial instruments, real estate properties and national or foreign currency, excluding those located in countries identified as high risk or non-cooperative by the Financial Action Task Force (FATF). Furthermore, the Transparency and Equity Revaluation Act granted taxpayers with facilities to settle tax debt by paying the amount of the tax and up to one year of interest, as well as giving them 180 days to settle any taxes arising from undeclared assets. Taxpayers had the ability to access this benefit regardless of the type of tax or process that gave rise to the debt, with the only consideration being that taxpayers requesting this benefit have not used fiscal invoices in a fraudulent manner, or do not have any pending criminal judicial proceedings with tax authorities.

The Transparency and Equity Revaluation Act was amended in September 2020 by Law No. 222-20, which included the following measures:

- Taxpayers can choose to pay off any debt relating to income tax and VAT from fiscal periods 2017, 2018 or 2019, by paying a rate of 3.5% on the average amount of the net income declared in the periods, in addition to the 2.0% rate established in the Transparency and Equity Revaluation Act, if applicable.

- Tax debts that have been appealed either in administrative or contentious courts are reduced to a single payment of 70.0% of the originally determined amounts, eliminating surcharges and interest.

- The elimination of all surcharges for debts derived from ordinary declarations, self-assessments and/or voluntary rectifications. If payment is made in one installment, the taxpayer will be required to pay an amount equal to the total tax amount due and up to 12-months of interest. If payment is made in more than one installment, the amount due will equal all the taxes owed plus the applicable interest and the taxpayer will have to make such payment within a year of entering into the payment agreement.

These facilities are only available to taxpayers who have no pending criminal judicial processes with the Internal Revenue Agency.

On January 20, 2021, Congress enacted Law No. 07-21 reinstating the provisions of the Transparency and Equity Revaluation Act and providing that the values resulting from the revaluation process will not have retroactive effects with respect to the tax obligations that may arise both from direct and indirect taxes, and setting forth the following provisions:

- Taxpayers who opt for patrimonial transparency, patrimonial revaluation, or amnesty, must make a single payment of an amount equal to 2% of the updated value within a year, except in the case of tax debts that accrued prior to January 20, 2021, which may be settled by means of a single and immediate payment of 70% of the corresponding tax, without the taxpayer having to pay any surcharges and compensatory interest.

- Taxpayers who opt for the payment facilities for tax debts resulting from ordinary filings, self-assessments or voluntary rectifications not paid in time must make a single payment of 100% of the corresponding tax and up to 12 months of compensatory interest, without considering late payment surcharges, within a year; or they may divide the payment into up to 12 installments, provided that they are made within a year and are subject to the corresponding compensatory interest.

Tax Enforcement

The Government has been seeking to improve its tax enforcement record. Although the Internal Revenue Agency withholds taxes and imposes penalties for tax evasion, its limited resources have prevented it from significantly reducing tax evasion. The Internal Revenue Agency has experienced particular difficulties in monitoring the earnings of self-employed workers. Evasion of property taxes has also been a significant problem due to the widespread use of misleading property values that have proved difficult for the Internal Revenue Agency to verify.

The Government has traditionally been more effective in enforcing VAT and, in particular, excise taxes. These taxes must be paid monthly based on readily verifiable values such as sales volume, in the case of excise taxes, and invoiced amounts, in the case of VAT. However, a growing number of establishments are suspected of charging VAT to their customers but not reporting the collections to the Internal Revenue Agency.

Efforts to combat tax evasion include:

- Implementation of tax vouchers (número de comprobante fiscal), which are required to be used in all sales.
- Development of a computerized mechanism (impresoras fiscales) by which to monitor VAT withholdings on cash purchases.
- Establishment of APAs within the tourism sector, which are used to determine VAT and income tax payments due for the upcoming fiscal years.

- Enforcement of Decree No. 275-16, which creates an excise reimbursement mechanism on fuels that detects and amends irregularities in the sector.
- Establishment of a single company registry through the portal *Formalízate* (Formalize yourself), which facilitates and expedites the registration process.
- Changes in the Internal Revenue Agency, such as:
  - optimization of collection and monitoring methods through the use of improved information technologies;
  - simplification of tax-payment methods through reductions in paperwork and increased use of computerized systems;
  - creation of a consumer hotline and internet sites through which tax evasion may be easily reported;
  - establishment of adequate channels of communication with other government agencies in order to improve the sharing of information and facilitate monitoring; and
  - partnership agreements with other institutions to develop programs aimed to guide and train taxpayers.
- Changes in the Customs Agency, such as:
  - implementation of a customs laboratory for the analysis of imported and exported goods;
  - strengthening of export processes, with emphasis on load control mechanisms;
  - improvements to the taxation and risk management system; and
  - cooperation with Haiti's Customs Agency for border trade control.

In 2021, the Internal Revenue Agency:

- Implemented the Tax Control and Traceability System (*TRÁFICO*) as a means to combat the illicit trade of alcohol and cigarettes. Under this system, established by the Internal Revenue Agency's General Standard No. 07-2021, each product receives an unique identification code with the aim of controlling and tracking each stage of its commercialization, from its origin (production and/or import) to its final destination (consumption), which allows the interested parties to authenticate the validity of the product along the supply chain.
- Broadened the implementation of the use of electronic tax receipts, for which the Internal Revenue Agency emitted General Standard No. 10-2021, which established the procedure that must be followed and requirements that must be met by the issuers of such receipts to be certified as "providers of electronic billing services."

International Taxation

Anti-Money Laundering and GAFILAT Evaluation

On June 1, 2017, Congress passed Law No. 155-17 against Money Laundering and the Financing of Terrorism. Among other things, Law No. 155-17 amended the Republic's Tax Code to require that ultimate beneficial owners ("UBOs") be disclosed by all taxpayers. Law No. 155-17 established that UBOs are natural persons who exercise effective control over a Dominican-incorporated or -registered entity, trust or foundation or who own at least 20% of the interests in any such entity. The Financial Action Group of Latin America ("GAFILAT") has been monitoring officers of the Internal Revenue Agency, non-financial entities and legal professionals to ensure the proper implementation of Law No. 155-17 and the corresponding rulings.

On December 12, 2017, Law No. 249-17, which modifies the legislation of the securities market, incorporated flexibility in the terms and procedures the Financial Analysis Unit (UAF) and the Internal Revenue Agency must comply with to access financial information. Furthermore, Law No. 249-17 introduced changes to compliance for international taxation purposes, allowing the Internal Revenue Agency and the Customs Agency to request directly from financial institutions the financial information necessary for an investigation, or for the fulfillment of obligations arising from international agreements.

In January 2018, GAFILAT concluded an on-site visit to the Republic, with the goal of assessing the country's level of preparedness and commitment to combating money laundering, the financing of terrorism and the proliferation of weapons of mass destruction. The Mutual Evaluation Report was later presented to the country's representatives at the plenary meeting of GAFILAT, which took place in July 2018. The report recognized the Republic's legal framework and its national and international cooperation to prevent money laundering and the financing of terrorism, as well as the country's level of compliance with the GAFILAT recommendations. Specifically, GAFILAT also found that the Republic's regulatory framework established by Law No. 155-17 is in accordance (and generally in compliance) with international standards. The final report is publicly available and contains recommendations on how to strengthen its system. Based on these recommendations, the Government intends to prepare and present periodic progress reports.

As a result of the positive feedback from GAFILAT, the Republic was readmitted to the Egmont Group, which will benefit the country with permanent exchange of secure information with all the Financial Analysis Units in the world.

In August 2019, the Republic's First Enhanced Follow-up Report was issued, through which the classification of the country's internal controls improved from "Partially Compliant" to "Largely Compliant."

On September 2020, the Republic became Chair of The Inter-American Committee against Terrorism for the 2020-2021 period, a regional entity with the purpose of preventing and combating terrorism in the Americas.

Inclusive Framework on BEPS

On October 2, 2018, the Republic joined the Inclusive Framework on Base Erosion and Profit Shifting ("BEPS"), an initiative launched by the OECD in October 2015. The BEPS project aims to combat tax avoidance practices used by multinational corporations that transfer their benefits to countries with little or no taxation. As a result of this accession, the Republic is being evaluated to ensure it complies with the minimum standard, in relation to its system of preferential tax regimes, its network of international treaties, implementation and documentation in transfer pricing matters, and its dispute resolution mechanisms.

By joining the BEPS project, the Republic committed to implementing a package of measures aimed at fighting tax avoidance, improving the consistency of international tax rules and ensuring a transparent tax environment. As of the date of this offering memorandum, the Republic has taken actions to comply with the minimum standards as established by the Inclusive Framework. In particular, the Government enacted Decree No. 256-21, amending the current transfer pricing regulations to include the obligation to present the country-by-country report, which in turn would allow the Internal Revenue Agency to exchange tax related information with other members.

Multilateral Convention on Mutual Administrative Assistance in Tax Matters

On June 28, 2016, the Republic signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (*Convención sobre Asistencia Administrativa Mutua en Materia Fiscal* or "MAC"), which was developed jointly by the OECD and the Council of Europe, and amended by Protocol in 2010. This convention represents the most comprehensive multilateral instrument available for all forms of tax cooperation to tackle tax evasion and avoidance. On February 20, 2019, the convention entered into force in the Republic and information exchanges began in 2021.

FATCA

On September 16, 2016, the Republic signed the "Agreement between the Government of the Dominican Republic and the Government of the United States of America, to improve international tax compliance and to implement FATCA," through which both countries agreed to automatically exchange information regarding citizens or residents of the United States of America, which must be reported to the United States' Internal Revenue Service (IRS). This Agreement was ratified by Congress and later enacted through Resolution No. 191-19 dated June 21, 2019 and came into effect on July 17, 2019.

Global Forum

In November 2013, the country joined the Global Forum on Transparency and Exchange of Information for Tax Purposes, a multilateral framework for transparency and information sharing within which over 160 jurisdictions participate on an equal footing. The Republic's Phase 1 review, which assesses the quality of the country's legal and regulatory framework for the exchange of information on request ("EOIR"), was published on

August 3, 2015, demonstrating the Republic's high level of commitment to the international standard and that the necessary legal and regulatory framework for the availability of information was in place. However, among other things, the review highlighted the need to ensure that an appropriate mechanism be put in place to ensure the ownership information for bearer shares is available in all cases.

On November 4, 2016, the Republic's Phase 2 review was published, assessing the practical implementation of the exchange of information framework. The review rated the country as "Partially Compliant" with international standards as there were delays in accessing information, compliance with ownership obligations was not sufficiently monitored and there were insufficient mechanisms in place to ensure that ownership information would be available in respect of bearer shares.

As a result, in 2017, the Republic requested a Fast-Track review, as a means to quickly demonstrate the progress made in implementing suggestions from the Phase 2 review. After the review, on November 12, 2019, the Global Forum rated the Republic as "Largely Compliant" with the international standard of transparency that EOIR handled over the period from April 1, 2015 to March 31, 2018. This rating is the result of efforts made by the Ministry of Finance and the Internal Revenue Agency in addressing the deficiencies identified in the 2016 report, mainly phasing out bearer shares, putting in place an effective oversight system for entities that failed to register with the Internal Revenue Agency, ensuring a new procedure to timely access banking information and strengthening the Republic's Anti-Money Laundering legal framework in order to ensure that beneficial ownership information is available, in line with the standard.

Since 2020, the Republic has received technical assistance on information security and confidentiality from the Global Forum.

Budget

Under the Budget Law for the Public Sector, which was enacted on November 17, 2006 (the "Budget Law") and the Constitution of the Dominican Republic, modified on January 26, 2010, the Ministry of Finance, acting through the Public Budget Office, is responsible for preparing the Republic's annual budget, which must be approved by Congress. The Government's annual budget, based on projected revenue streams and macroeconomic conditions and the administration's plans, sets forth the expected income and the spending limits for the various public entities of the Budgetary Government and the municipalities. The Council of Ministries, upon recommendations of the Ministry of Finance, reviews and approves a proposal that will be submitted to Congress.

The annual budget is prepared on the basis of:

- the medium-term budgetary financial framework's projections of macroeconomic variables and revenue estimates;
- budget requests submitted by the various public entities;
- tax expenditure; and
- assessment of the impact of required funding in medium and long term public debt sustainability.

The proposed budget for the next fiscal year, as established by the Constitution, must be submitted by the Executive Branch to Congress no later than October 1 of each year. For additional information on the principal budgetary assumptions for 2022, see "Summary—Recent Developments—Public Sector Finances."

Social Security

In May 2001, the *Ley de Seguridad Social* (the "Social Security Law") was enacted by the executive branch. This law implements significant changes to the health insurance and pension systems in the Republic. Under the prior social security system, current social security contributions were used to pay for the benefits that were currently being provided by the Government. This "pay-as-you-go" system had one of the lowest levels of coverage in Latin America and the Caribbean. The small size of this system facilitated its reform, since its liabilities or implicit pension debt were relatively low, amounting to 9.3% of the Republic's GDP at the time of its enactment.

The Social Security Law requires participation in the new individual capitalization system. Under this system, workers may select the pension fund administrator of their choice and may switch to another pension fund administrator only once a year.

The social security system is based on three regimes:

- a contributory regime, that covers public and private workers, and consists of individual retirement savings accounts, 30% of which will be funded by the worker and 70% by the employer. The yearly combined contribution of the worker and the employer to each account must equal 10% of the worker's annual salary;

- a subsidized regime, which has been gradually implemented since November 2002, that covers disabled individuals, indigent individuals over 60 years of age and female heads of indigent households who can prove they receive a monthly income of less than 50% of the private sector minimum wage. Eligible beneficiaries receive a publicly-funded pension equal to 60% of the public sector minimum wage; and

- a subsidized contributory regime, which has not yet gone into effect, will cover all self-employed workers earning an average wage equal to or higher than the minimum wage. The minimum pension under this regime is equal to 70% of the private sector minimum wage. Each eligible worker whose pension contribution under this regime does not reach the minimum pension contribution established by law will receive a supplemental pension equal to the difference between the worker's actual pension under the contributory regime and the minimum guaranteed pension. The subsidized contributory regime will be funded with contributions from the state and beneficiaries.

PUBLIC SECTOR DEBT

The Republic's total public debt consists of foreign-currency denominated and peso-denominated debt. The Republic's total public external debt consists of loans from foreign creditors to the Central Bank, the Government and public sector entities, as well as bonds issued by the Government and public sector entities outside of the Dominican Republic. The Ministry of Finance is responsible for the management of the Republic's debt with respect to the non-financial public sector, and the Central Bank manages the Republic's Brady Bonds and other external debt of the financial sector.

Non-Financial Public Sector Debt

The Republic's non-financial public sector consists of the Budgetary Government, local governments and non-financial public sector institutions, which include non-financial state-owned enterprises and government agencies such as the INDRHI or CDEEE.

The following tables set forth information concerning debt of the non-financial public sector by currency as of the dates indicated.

Non-Financial Public Sector Debt by Currency
(as a % of total non-financial public sector debt)

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Local currency	32.2	28.8	32.8	28.2	27.6
Foreign currency	67.8	71.2	67.2	71.8	72.4

Source: Ministry of Finance.

Consolidated Public Sector External Debt

The Republic's public sector external debt consists of all debt with foreign creditors. As of December 31, 2021, the Republic's public sector external debt totaled approximately US$34.3 billion, compared to US$31.0 billion as of December 31, 2020. This increase in public sector external debt was mainly the result of disbursements under financing arrangements obtained by the Government in 2021, as contemplated in the 2021 Budget, to implement sanitary and economic measures to mitigate the negative effects of COVID-19 on vulnerable populations and to continue with the orderly execution of the 2021 Budget. These disbursements include:

- US$236.1 million by the French Development Agency (*Agence Française de Développement*) for budgetary support; and
- US$2.8 billion in bond issuances in the international capital markets made during 2021.

As of December 31, 2021, the Republic's public external debt was composed of the following:

- debt owed to official creditors, and multilateral and bilateral creditors in an aggregate principal amount of US$9.4 billion (as compared to US$8.8 billion as of December 31, 2020), which represented 27.3% of the Republic's total public external debt at that date;
- outstanding bonds in an aggregate principal amount of approximately US$24.9 billion, which represented 72.7% of the Republic's total public external debt at that date; and
- debt to other private creditors in an aggregate principal amount of US$6.0 million, which represented less than 0.1% of the Republic's total public external debt at that date.

As of December 31, 2021, approximately 88.5% of the Republic's public sector external debt was denominated in U.S. dollars.

The following tables set forth information concerning the Republic's public external debt as of the dates indicated.

Public Sector External Debt by Creditor[1]

(in millions of US$ and as a % of total public sector external debt)

	As of December 31,									
	2017		2018		2019		2020		2021	
	US$	%	US$	%	US$	%	US$	%	US$	%
Official creditors:										
Multilateral debt:										
IDB	2,970.2	15.5	3,175.3	14.5	3,496.2	14.8	4,104.4	13.2	3,990.8	11.6
World Bank	920.0	4.8	920.8	4.2	937.9	4.0	1,182.0	3.8	1,184.3	3.5
IMF	297.4	1.6	290.4	1.3	288.8	1.2	988.4	3.2	1,600.8	4.7
CAF	202.3	1.1	180.4	0.8	154.4	0.7	128.5	0.4	110.8	0.3
Other	359.0	1.9	424.6	1.9	454.9	1.9	484.5	1.6	492.3	1.4
Total multilateral debt	4,748.9	24.8	4,991.5	22.8	5,332.2	22.5	6,887.7	22.2	7,379.1	21.5
Bilateral debt:										
Brazil	489.6	2.6	385.0	1.8	279.9	1.2	203.0	0.7	144.7	0.4
United States	18.3	0.1	14.6	0.1	11.0	—	7.3	—	3.7	—
Spain	435.2	2.3	404.1	1.8	344.3	1.5	305.7	1.0	245.3	0.7
France	590.3	3.1	554.4	2.5	524.4	2.2	818.2	2.6	1,048.4	3.1
Japan	24.6	0.1	21.2	0.1	17.6	0.1	14.4	—	9.3	—
Venezuela	239.4	1.3	216.4	1.0	214.3	0.9	214.3	0.7	214.3	0.6
of which:										
PetroCaribe	79.5	0.4	56.4	0.3	54.3	0.2	54.3	0.2	54.3	0.2
Other countries	620.5	3.2	498.6	2.3	427.3	1.8	382.6	1.2	321.5	0.9
Total bilateral debt	2,417.9	12.7	2,094.3	9.6	1,818.8	7.7	1,945.7	6.3	1,987.1	5.8
Total official debt	7,166.8	37.5	7,085.8	32.4	7,151.0	30.2	8,833.4	28.5	9,366.3	27.3
Private creditors:										
Banks	387.5	2.0	171.8	0.8	8.8	—	3.6	—	—	—
Bonds[2]	11,564.1	60.5	14,596.8	66.8	16,511.1	69.7	22,164.9	71.5	24,906.2	72.7
Suppliers	6.0	–	6.0	—	6.0	—	6.0		6.0	
Total private sector external debt	**11,957.5**	**62.5**	**14,774.6**	**67.6**	**16,525.9**	**69.8**	**22,174.5**	**71.5**	**24,912.2**	**72.7**
Total public sector external debt	**19,124.4**	**100.0**	**21,860.4**	**100.0**	**23,676.9**	**100.0**	**31,007.8**	**100.0**	**34,278.4**	**100.0**
Total public sector external debt as a percentage of:										
GDP[3]		23.9		25.6		26.6		39.3		36.3
Total exports		100.7		108.3		115.1		208.3		167.1

(1) Excludes private sector debt guaranteed by the Republic (currently, the Republic is guaranteeing loans granted by the private sector to two private universities for a total aggregate amount of US$6.0 million as of December 31, 2021).

(3) Includes Global and Brady Bonds.

(3) GDP 2007 base. Debt to GDP ratio updated according to the nominal GDP figures revised by the Central Bank in July 2019.

Sources: Ministry of Finance and Central Bank.

Public Sector External Debt Structure, by Maturity Date

(in millions of US$ and as a % of total public sector external debt)

	As of December 31, 2021	
Medium- and long-term	US$	33,507.5
Short-term[1]	US$	770.9
Short-term debt (as a % of total public sector external debt)		2.3%

(1) Debt due within a year, on a residual maturity basis.

Sources: Ministry of Finance and Central Bank.

Summary of Public Sector External Debt by Currency
(in millions of U.S. dollars, except percentages)

Currency	Amount as of December 31, 2021[(1)]	%
U.S. dollar	30,349.2	88.5
Peso	1,890.5	5.5
Special drawing rights (SDRs)[(2)]	1,620.9	4.7
Euro	375.1	1.1
Korean won	33.2	0.1
Japanese yen	9.3	–
Canadian dollar	0.3	–
Swiss franc	–	–
Total	**34,278.4**	**100.0**

(1) In currencies converted as of December 31, 2021.
(2) Unit of account used by the IMF. As of December 31, 2021, each SDR was equal to US$1.399590.
Sources: Ministry of Finance and Central Bank.

Public Sector External Debt, Net of Reserves
(in millions of US$)

	As of December 31,				
	2017	**2018**	**2019**	**2020[(1)]**	**2021[(1)]**
Public sector external debt	19,124.3	21,860.5	23,676.8	31,007.8	34,278.4
Gross international reserves of the Central Bank	(6,780.8)	(7,627.6)	(8,781.8)	(10,751.7)	(13,034.0)
Public sector external debt, net of reserves	12,343.5	14,232.9	14,895.0	20,256.1	21,244.4

(1) Preliminary data.
Sources: Ministry of Finance and Central Bank.

Debt Owed to Official Institutions

Historically, the IMF, the IDB and the World Bank have provided the Republic with financial support subject to the Government's compliance with stabilization and reform policies. The financial support of the World Bank and the IDB includes sector-specific and structural loans intended to finance social programs, public works and structural adjustments at the national and local levels.

From 2017 through 2021, total debt owed by the Republic to multilateral creditors (including the IMF, the IDB, the World Bank, the French Development Agency, the Andean Development Corporation (*Corporación Andina de Fomento*, or the "CAF") and other institutions) increased by 55.4%, from US$4.7 billion in 2017 to US$7.4 billion in 2021, representing 21.5% of the Republic's total public external debt. Loans from multilateral creditors have mainly funded programs related to education, water access, health, social security, electricity sector, productivity, development, poverty reduction, tax collection and public sector management and natural disasters relief.

In 2021, the Republic made payments to multilateral lenders (including the IMF, the IDB, the World Bank and other institutions) in an aggregate amount of US$377.2 million (including payments of principal, interest and commissions).

IDB

The IDB is the Republic's single largest multilateral creditor. As of December 31, 2021, the Republic had debt outstanding to the IDB in an aggregate principal amount of US$4.0 billion, representing 54.1% of the Republic's total multilateral debt and 11.6% of its total public sector external debt. Loans from the IDB have been destined primarily for investment in projects relating to agriculture, the environment, rural development, education, social investment and financial sector reform, as well as for budgetary support. In 2021, net disbursements from the IDB (equal to disbursements minus principal amortizations) totaled US$113.4 million, while disbursements minus principal and interest amortizations resulted in net disbursements from the IDB of US$178.8 million.

The Republic expects the IDB's lending policies to continue to focus on supporting development projects, partially financing future budget deficits and providing technical assistance to the Government.

World Bank

As of December 31, 2021, the Republic owed a total of US$1.2 billion to the World Bank, representing 16.0% of the Republic's total multilateral debt and 3.5% of its total public external debt. World Bank loans have funded projects relating to agriculture and irrigation, education, health, energy and transportation, and have financed budgetary support programs.

In 2021, net disbursements from the World Bank (equal to disbursements minus principal amortizations) were equal to US$2.3 million. Taking into account interest payments, in 2021, the Republic made net payments to the World Bank totaling US$32.8 million.

In 2020, following the outbreak of the COVID-19 pandemic, the Republic received a disbursement in the amount of US$150.0 million from the World Bank from a contingent line of credit for disasters and health-related events.

On May 12, 2021, the Republic entered into a landmark agreement with the World Bank's Forest Carbon Partnership Facility (FCPF), unlocking payments of up to US$25 million for verified carbon emission reductions between such date and 2025. See "The Economy—Environment."

IMF

In August 2009, all members of the IMF agreed to record their respective allocation of SDRs as an incurrence of debt; however, the amount of such liability would only become due and payable if the Republic terminated its membership in the IMF. As of December 31, 2021, total debt owed by the Republic to the IMF equaled US$1.6 billion compared to US$988.4 million as of December 31, 2020. This increase was due to disbursements of US$649.0 million in connection with a general SDR allocation approved by the IMF in August 2021. In 2021, net disbursements from the IMF (equal to disbursements minus principal amortizations) totaled US$649.0 million. Considering interest payments, in 2021, net disbursements from the IMF totaled US$641.5 million. As of December 31, 2021, total debt owed by the Republic to the IMF represented 21.7% of the Republic's total multilateral debt and 4.7% of its total public external debt.

The IMF has entered into three Stand-by Arrangements with the Republic, each of which has expired in accordance with its terms. See "The Economy—History and Background."

On February 14, 2018, the Executive Board of the IMF concluded the Article IV consultation with the Republic. The IMF staff concluded that the Republic's economic activity continues to grow rapidly, aided by, among other factors, strengthened labor markets, reinvigorated credit growth and favorable external conditions. Additionally, the IMF staff highlighted that the Government's inflation-targeting framework is delivering good results and that the Monetary Board's neutral monetary policy stance has been successful at maintaining rates of inflation within the official target range in the context of positive supply shocks. The 2018 Article IV Consultation—Press Release and Staff Report (IMF Country Report No. 18/294) was published on October 24, 2018.

On June 5, 2019, the Executive Board of the IMF concluded the Article IV consultation with the Republic. The IMF staff concluded that the Republic's economic activity has seen moderate growth, aided by, among other factors, strong private investment, consumption responses to timely monetary stimulus initiatives and favorable external conditions. Additionally, the IMF Executive Directors supported the Monetary Board's continued neutral monetary policy stance and accumulation of international reserves. The 2019 Article IV Consultation—Press Release and Staff Report (IMF Country Report No. 19/273) was published on August 15, 2019.

In 2020, the Republic received the disbursement of SDR 477.4 million (US$650 million) from the IMF for emergency financial assistance under a rapid financing instrument approved in connection with the COVID-19 pandemic.

Paris Club and Other Bilateral Lenders

As of December 31, 2021, the Republic owed a total of US$1.8 billion to members of the Paris Club and an additional US$215.2 million to other bilateral lenders. As of December 31, 2021, the Republic had no arrears with Paris Club lenders or bilateral lenders. The Republic renegotiated the payment terms on US$137.0 million of indebtedness owed to Paris Club member countries in October 2005. For further infomation on the Republic's restructuring, see "—Debt Restructuring—2005 Debt Restructuring."

PetroCaribe Agreement

On June 29, 2005, the Republic entered into the PetroCaribe Agreement, which replaced certain important provisions of the Caracas Energy Cooperation Agreement. As of December 31, 2017, the Republic had an outstanding balance of US$79.5 million owed to PDVSA under the PetroCaribe Agreement. Under this agreement, Venezuela agreed to provide the Republic up to 50,000 barrels of oil per day at market prices and on favorable financing terms. The agreement establishes a new graduated financing scheme under which the amount of available financing increases as the price per barrel increases, with a maximum of 70% financing available at prices of US$150.00 per barrel or above. If the price of oil falls below US$40.00 per barrel, the amounts financed are repayable over a period of 17 years at an interest rate of 2% per year. If the price of oil rises above US$40.00 per barrel, the amounts financed are repayable over 25 years and bear interest at a rate of 1% per year. A two-year grace period is also available on principal amortization payments and the Republic may pay in goods and services under certain conditions. In addition, short-term financing of up to 90 days is available for cash amounts due. Transportation charges are billed at cost to the Republic.

On January 27, 2015, the Republic closed certain liability management transactions relating to the PetroCaribe Agreement. These transactions involved a bilateral renegotiation with PDVSA, as a result of which the Republic repurchased and cancelled an aggregate amount of US$4,027.3 million of indebtedness owed to PDVSA (the "Petrocaribe Debt"), arising from shipments of oil and derivative products sold by PDVSA within the framework of the PetroCaribe Agreement in the period from 2005 through October 2014. The Petrocaribe Debt represented approximately 98% of the aggregate amount owed by the Republic to PDVSA under the PetroCaribe Agreement as of December 31, 2014. The Republic repurchased the Petrocaribe Debt for approximately US$1,933.1 million, which represented a discount of 52% on the total Petrocaribe Debt cancelled, resulting in a reduction of the Republic's total public external debt by US$2,094.2 million (including interest). Furthermore, this liability management transaction resulted in an increase in the average maturity of the refinanced debt. Due to economic sanctions imposed by the United States on PDVSA, the servicing of the Petrocaribe Debt has been suspended.

Public External Bonds

As of December 31, 2021, the Republic's outstanding public external bonds totaled approximately US$24.9 billion, and were mainly comprised of

- DOP40.0 billion (US$688.3 million) outstanding principal amount 8.9% amortizing bonds due 2023;
- US$1,000.0 million outstanding principal amount 5.875% amortizing bonds due 2024, of which US$611.5 million principal amount remains outstanding (pursuant to a liability management transaction conducted in 2020, the Republic repurchased US$388.5 million principal amount of these bonds);
- US$500.0 million outstanding principal amount 6.6% amortizing bonds due 2024, of which US$279.0 million principal amount remains outstanding (pursuant to a liability management transaction conducted in 2020, the Republic repurchased US$221.0 million principal amount of these bonds);
- US$1,500.0 million outstanding principal amount 5.5% amortizing bonds due 2025, of which US$1,272.2 million principal amount remains outstanding (pursuant to a liability management transaction conducted in 2020, the Republic repurchased US$227.8 million principal amount of these bonds);
- US$1,787.1 million outstanding principal amount 6.875% amortizing bonds due 2026;
- DOP68.0 billion (US$1,190.4 million) outstanding principal amount 9.75% amortizing bonds due 2026;
- US$300.0 million outstanding principal amount 8.625% amortizing bonds due 2027;
- US$1,700.0 million outstanding principal amount 5.95% amortizing bonds due 2027;

- US$1,300.0 million outstanding principal amount 6.0% amortizing bonds due 2028;
- US$2,000.0 million outstanding principal amount 4.5% amortizing bonds due 2030;
- US$3,066.0 million outstanding principal amount 4.875% amortizing bonds due 2032;
- US$1,500.0 million outstanding principal amount 5.3% amortizing bonds due 2041;
- US$1,500.0 million outstanding principal amount 7.450% amortizing bonds due 2044;
- US$2,000.0 million outstanding principal amount 6.850% amortizing bonds due 2045;
- US$1,000.0 million outstanding principal amount 6.5% amortizing bonds due 2048;
- US$1,500.0 million outstanding principal amount 6.4% amortizing bonds due 2049; and
- US$3,200.0 million outstanding principal amount 5.875% amortizing bonds due 2060.

The Government has made late payments in the past with respect to its public external bonds. In April 2004, the Republic incurred penalty interest in connection with a late payment made on its past-due interest bonds. In addition, the Republic has occasionally made payments during the 30-day grace period provided under the payment terms instead of on the due date.

External Debt Owed to Commercial Lenders and Suppliers

The Government owed US$6.0 million to suppliers of goods and services as of December 31, 2021.

Public External Debt Service

Total public sector external debt service decreased from 4.8% of GDP in 2020 to 2.4% in 2021. Public sector external debt service measured as a percentage of total exports decreased from 25.2% in 2020 to 11.1% in 2021.

The following tables set forth information regarding the Republic's public sector external debt service for the periods indicated.

Public Sector External Debt Service
(in millions of US$)

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021[(1)]**
Interest payments	999.6	1,092.7	1,306.8	1,395.7	1,664.5
Amortizations	1,332.1	984.1	1,303.9	2,362.5	613.9
Total public sector external debt service[(2)]	**2,331.7**	**2,076.8**	**2,610.7**	**3,758.2**	**2,278.3**

(1) Preliminary data.
(2) Excludes *Banco de Reservas* debt service.
Sources: Ministry of Finance and Central Bank.

Public Sector External Debt Service Ratios[(1)]

	As of December 31,				
	2017	**2018**	**2019**	**2020**	**2021[(2)]**
As a percentage of total exports	12.3	10.4	12.7	25.2	11.1
As a percentage of GDP	3.0	2.4	2.9	4.8	2.4
As a percentage of total revenue	20.9	17.1	20.4	33.8	20.3
As a percentage of Central Bank's gross international reserves	34.4	27.2	29.7	34.8	17.5

(1) GDP 2007 base. Debt to GDP ratio updated according to the nominal GDP figures revised by the Central Bank in July 2019.
(2) Preliminary data.
Sources: Ministry of Finance and Central Bank.

The following table sets forth the Republic's estimated public external debt service through 2026.

Estimated Public Sector Debt Service by Debtor(1)
2022-2026
(in millions of US$)

	2022			2023			2024			2025			2026		
	Principal	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
Central Bank:															
Reserve liabilities due to IMF	—	7.6	7.6	—	31.0	31.0	—	33.7	33.7	—	35.7	35.7	—	40.0	40.0
Non-reserve liabilities	0.1	—	0.1	—	—	—	—	—	—	—	—	—	—	—	—
Total Central Bank	0.1	**7.6**	**7.7**	—	**31.0**	**31.0**	—	**33.7**	**33.7**	—	**35.7**	**35.7**	—	**40.0**	**40.0**
Non-financial public sector:															
Budgetary Government	1,315.1	1,840.1	3,155.2	1,416.7	2,319.7	3,736.4	1,107.3	2,300.4	3,407.7	2,231.9	2,212.6	4,444.6	3,541.0	2,020.6	5,561.6
Privately publicly guaranteed	0.8	0.1	0.9	0.7	0.1	0.8	0.7	0.1	0.8	0.7	0.1	0.8	0.7	0.1	0.8
Total non-financial public sector..........	**1,315.8**	**1,840.3**	**3,156.1**	**1,417.4**	**2,319.8**	**3,737.2**	**1,108.0**	**2,300.4**	**3,408.4**	**2,232.6**	**2,212.7**	**4,445.3**	**3,541.7**	**2,020.7**	**5,562.4**
Total public sector debt(2)..................	**1,315.9**	**1,847.9**	**3,163.8**	**1,416.7**	**2,350.8**	**3,768.2**	**1,108.0**	**2,334.1**	**3,442.1**	**2,232.6**	**2,248.4**	**4,481.0**	**3,541.7**	**2,060.7**	**5,602.4**

(1) Preliminary estimates based on disbursed debt as of September 30, 2022.
(2) Includes total Central Bank medium term debt service and total debt service of other financial public sector.
Sources: Ministry of Finance and Central Bank.

Consolidated Public Sector Domestic Debt

As of December 31, 2021, the Republic's public sector domestic debt primarily consisted of:

- DOP503.8 billion (US$8.8 billion) outstanding principal amount of peso-denominated bonds and US$2.6 billion of U.S. dollar-denominated bonds issued by the Government in the local market;
- U.S. dollar-denominated loans totaling US$169.1 million from *Banco de Reservas and the Central Bank* to the Government;
- peso-denominated loans totaling DOP3.4 billion (US$58.9 million) and U.S. dollar-denominated loans totaling US$385.4 million from *Banco de Reservas* to other public sector institutions;
- peso-denominated certificates totaling DOP740.8 billion (US$13.0 billion) issued by the Central Bank; and
- peso-denominated bonds totaling DOP132.4 billion (US$2.3 billion) issued by the Budgetary Government for the Central Bank Recapitalization Plan.

As of December 31, 2021, approximately 88.8% of the Republic's public sector domestic debt was denominated in pesos, while the balance was denominated in U.S. dollars.

The following table sets forth the Republic's total public sector domestic debt:

Total Public Sector Domestic Debt
(in millions of US$)(1)

	As of December 31,				
	2017	**2018**	**2019**	**2020(2)**	**2021(2)**
BC Recap Bonds (Law No. 167-07).............	2,746.7	2,636.6	2,502.0	2,277.7	2,316.4
Treasury Bonds issued the Ministry of Finance	6,543.8	6,544.5	8,164.6	10,352.1	10,901.0
Treasury Bonds (Law No. 175-12)................	500.0	500.0	500.0	500.0	500.0
Central Bank Certificates	10,247.7	11,235.2	11,194.0	11,922.5	12,964.1
Budgetary Government other liabilities(3)........	243.4	258.1	665.9	259.8	169.1
Other public sector institutions liabilities(3).....	688.4	654.5	726.8	530.2	444.4
Other public sector liabilities(3).....................	—	—	—	—	—
Gross domestic debt total............................	20,970.0	21,828.9	23,753.3	25,842.3	27,295.0
Consolidated public sector domestic debt total(4)..	18,090.5	19,115.2	21,251.3	23,461.4	24,921.3
Total public sector domestic debt as % of GDP(5)...	**22.6%**	**22.3%**	**23.9%**	**29.8%**	**26.4%**

(1) Converted to U.S. dollars using the exchange rate at the end of each period presented.
(2) Preliminary data.
(3) Includes indebtedness of the non-financial public sector with domestic commercial banks.
(4) Gross domestic debt minus Budgetary Government liabilities of the Central Bank's hands (Laws No. 121-05, 167-07 and 692-16).
(5) GDP 2007 base. Debt to GDP ratio updated according to the nominal GDP figures revised by the Central Bank in July 2019.
Sources: Ministry of Finance and Central Bank.

In 2016, Congress approved Law No. 687-16, allowing the Budgetary Government to substitute a loan commitment from BNDES to finance the Punta Catalina Thermal Power Plant project with an issuance of public debt securities. On December 15, 2016, the Republic issued US$95.0 million in domestic bonds, the proceeds of which were transferred to CDEEE to make payments due under the Punta Catalina EPC contract. The bonds accrue interest at an annual rate of 6.0% and mature in March 2027.

In 2020 and 2021, due to the sanitary and economic measures implemented to mitigate the negative effects of COVID-19 on vulnerable populations, the Government obtained the following financing arrangements:

- the disbursement of DOP12.0 billion (US$210.3 million) by the Central Bank from an emergency loan;
- the disbursement of US$150.0 million by the World Bank from a contingent line of credit for disasters and health-related events;
- the disbursement of SDR 477.4 million (US$650 million) by the IMF for emergency financial assistance under a rapid financing instrument; and
- the issuance of three series of bonds for a total aggregate amount of DOP40 billion (US$700.9 million), maturing in 10, 15 and 20 years, respectively, which were directly placed to four of the biggest pension funds in the Republic.

Central Bank Recapitalization Plan

In 2008, Congress approved Law No.167-07, which contained the Central Bank Recapitalization Plan, intended to establish the legal and financial mechanisms through which the accumulated losses of the Central Bank are to be covered completely and continuously in order to achieve the total recapitalization and to define the treatment applicable going forward in relation to the operational results of the Central Bank.

The Recapitalization Plan is designed to cover the Central Bank's total losses through the issuance by the Government of treasury bills and bonds over a 10-year period, which will be held by the Central Bank. Pursuant to Articles 8 and 11 of Law No.167-07, these instruments are not redeemable in cash. They will be replaced at their maturity by new instruments with terms and conditions consistent with the then-prevailing market conditions in respect of interest rates and maturity. After the Central Bank is fully recapitalized, the capital repayment will be done with the surplus generated by the Central Bank in each year.

The issuance of these treasury bills and bonds started on January 1, 2008. These issuances generate interest at a rate linked to the coupon rates of instruments issued by the Central Bank with the same maturity. Payment of interest by the Republic to the Central Bank allow the Central Bank to reduce its operational losses, also known as the quasi-fiscal deficit. The interest payments generated by the treasury bills and bonds are set forth in the national budget for each year according to the following scale:

Year	Payments as a % of GDP
2012	1.0
2013	1.1
2014	1.2
2015	1.3
2016	1.4

According to Law No.167-07, starting in 2017, the transfers to be recorded annually pursuant to the General Budget Law will gradually decrease at a rate of lesser than 1.0% of GDP until the total redemption of the treasury bills to recapitalize the Central Bank.

In 2017, payments to the Central Bank of DOP25.3 billion were stipulated in the 2017 Budget, of which DOP16.7 billion were interest payments made to the Central Bank and DOP8.7 billion were current transfers from the Government.

In 2018, payments to the Central Bank of DOP27.1 billion were stipulated in the 2018 Budget, of which DOP16.7 billion were interest payments made to the Central Bank and DOP10.4 billion were current transfers from the Government.

In 2019, payments to the Central Bank of DOP30.2 billion were stipulated in the 2019 Budget, of which DOP16.1 billion were interest payments made to the Central Bank and DOP14.1 billion were current transfers from the Government.

In 2020, interest payments to the Central Bank totaled DOP12.1 billion and there were no current transfers form the Government.

In 2021, interest payments to the Central Bank totaled DOP8.1 billion and there were no current transfers from the Government.

As of the date of this offering memorandum, the Ministry of Finance and the Central Bank are discussing a potential new recapitalization plan for the Central Bank, which would be based on the experience of the Recapitalization Plan approved by Law No. 167-07.

Auction Program

In March 2009, the Ministry of Finance initiated a public auction program for the sale of bonds. The program contemplates monthly auctions published in the annual calendar of the Public Debt Office. Financial intermediaries such as commercial banks, savings and loans associations and brokerage firms authorized by the Dominican Securities Superintendency are invited to participate in the auctions.

The public auction serves as a reliable source of local financing for the Ministry of Finance and marks an important step for the diversification of the Budgetary Government's debt portfolio into local currency instruments. The structure of the debt issuances is designed to increase liquidity in the secondary market for these maturities, which are to serve as the "benchmark" or the basis for establishing interest rates in the domestic market.

In 2017, the Budgetary Government allocated a total of DOP85.0 billion through its public auction program of which DOP22.5 billion were in seven-year bonds, DOP19.2 billion were in 10-year bonds and DOP43.3 billion were in 15-year bonds.

In 2018, the Budgetary Government allocated a total of DOP27.3 billion through its public auction program of which DOP8.1 billion were in five-year bonds, DOP12.0 billion in 10-year bonds and DOP7.1 billion in 15-year bonds.

In 2019, the Budgetary Government allocated a total of DOP87.4 billion through its public auction program of which DOP10.9 billion were in five-year bonds, DOP44.5 billion in 10-year bonds and DOP32.0 billion in 15-year bonds.

In 2020, the Budgetary Government allocated a total of DOP38.8 billion through its public auction program of which DOP30.0 billion were in 10-year bonds and DOP8.8 billion in 20-year bonds.

In 2021, the Budgetary Government allocated a total of DOP128.8 billion through its public auction program of which DOP35.3 billion were in seven-year bonds, DOP81.4 billion in 10-year bonds, DOP5.0 billion in 14-year bonds and DOP7.0 billion in 19-year bonds.

In order to promote the standardization of fixed income instruments in the region, the Ministry of Finance adopted the standards for the harmonization of national debt markets agreed upon in the Central American Monetary Council. To meet the Public Debt Office's goal of a fully automated auction process through an electronic auction platform to allow participants to directly enter their bids electronically, the auctions after 2010 were conducted through Bloomberg.

All bonds issued through the Ministry of Finance's monthly public auction that are coordinated through the Public Debt Office receive the favorable tax treatment of debt issued by the Government, making debt instruments issued by the Dominican Republic more attractive to investors. Investors may use bonds issued through these auctions to pay any type of obligation contracted with the Government, including the payment of taxes, debts, or other types of obligations.

Administrative Domestic Debt Service

In 2021, the Government made payments of arrears in cash due to domestic suppliers of goods and services for an amount of DOP18.1 billion.

The Government has also taken steps to improve the administration of the Republic's domestic debt obligations, including:

- placing the *Comisión Evaluadora de Deuda* (Commission on Debt Evaluation) under the supervision of the Republic's general auditors;
- consolidating the function of the administration of the Republic's debt to the Ministry of Finance;
- modernizing debt-related systems and information technology; and
- adopting programs to train personnel, and streamline and modernize procedures related to debt, with assistance from the IDB.

Debt Related to the Private Electricity Sector

Fiscal deficits and disputes between the Government and private operators over the management and tariff regulation of the electricity sector have led to disputes between parties and missed payments by the Government. In August 2004, the Government cleared arrears it owed to distributors of electricity. See "The Economy—Principal Sectors of the Economy—Secondary Production—Electricity, Gas and Water—Electricity."

In May 2009, the Republic announced the re-nationalization of distribution company EdeEste after reaching an agreement to pay US$26.5 million to shareholder TCW for 51% of the company. In exchange, TCW agreed to give up all of its claims under international arbitration.

As of December 31, 2021, the outstanding debt owed by distribution companies and CDEEE to private generators was US$164.8 million, which was US$65.35 million more than the US$156.1 million due as of December 31, 2020.

The Government has made progress towards reform of the electricity sector, with transmission and distribution losses declining, and an increase in the cash recovery index from 67.5% in 2017 to 70.5% in 2019. However, transmission and distribution losses increased and the cash recovery index has declined to 64.1% in 2021, and challenges remain to ensure that the electricity sector has sufficient cash to purchase fuel and avoid curtailments in generation, and to address structural problems that have led to recurring financial shortfalls.

Debt Restructuring

History of Debt Restructuring

In November 1991, the Republic restructured US$771 million of indebtedness owed to the Paris Club. As a result of this restructuring, the Republic obtained the following extensions with respect to indebtedness maturing in the period from September 1991 to March 1993:

- a 20-year extension for concessionary credits and credits issued in connection with development projects, with a 10-year grace period;
- a 15-year extension for non-concessionary credits, with an 8-year grace period; and
- a 10-year extension on interest on arrears, with a 5-year grace period.

The Republic returned to the Paris Club in April 2004 and rescheduled US$155 million of maturities falling due in 2004 (amounts due fell from US$479 million to US$293 million) and US$38 million of arrears owed to Paris Club creditors. The rescheduling included:

- a 12-year repayment term, with a 5-year grace period;
- no increase in interest rates for borrowed amounts targeted at development projects and market rates for the Republic's other credits; and
- a requirement that the Government seek comparable treatment from non-Paris Club bilateral and private creditors, which the Paris Club normally assesses in terms of the effect of private treatment, compared to the effects of Paris Club treatment, on:
  - maturity extensions;
  - effect of the agreement on net present value of the repayment profile; and
  - cash flow relief.

In February 1994, the Republic carried out a refinancing agreement of its medium- and long-term debt owed to commercial banks through the issuance by the Central Bank of two series of public sector external bonds. The Brady Restructuring reduced the Republic's international commercial debt from US$1.3 billion to US$327.7 million in 30-year discount bonds and US$191.3 million in 15-year past-due interest bonds. The discount bonds are collateralized by zero-coupon U.S. Treasury bonds and the payments of principal and interest under both series of bonds are guaranteed by the Republic.

2005 Debt Restructuring

As an integral component of the IMF 2005 Stand-by Arrangement and the Republic's agreement with the Paris Club in April 2004, the Government developed a comprehensive debt restructuring plan for 2005. This plan, which was successfully consummated during the course of 2005 and was completed in 2006, consisted of the following measures:

- On May 11, 2005, the Republic concluded the successful restructuring of two outstanding global bond issues, totaling US$1.1 billion, by means of an exchange offer. The exchange offer was open to holders of the 9.50% bonds due 2006 and the 9.04% bonds due 2013, who were invited to exchange their bonds for new amortizing bonds due 2011 and 2018, respectively. Approximately US$1.03 billion was tendered, amounting to approximately 94% of the aggregate principal amount outstanding of both series of bonds. A reopening of the exchange offer, which closed on July 20, 2005, resulted in the tender of an additional US$37.0 million, thereby raising total participation in the global bond restructuring to approximately 97% of the aggregate principal amount outstanding. This restructuring adjusted the Republic's scheduled debt service to improve the Government's fiscal balance in line with IMF-approved macroeconomic forecasts.
- In August 2005, the Republic signed a memorandum of understanding with Unión Fenosa, a Spanish company, to restructure the Republic's obligations relating to a purchase agreement with Unión Fenosa entered into in September 2003, under which the Government repurchased EdeNorte and EdeSur. The

Republic exercised an option to satisfy all of the remaining installments of the purchase price due to Unión Fenosa for approximately US$294.1 million using the proceeds of its 2006 bond offering.

- On October 17, 2005, the Republic announced it had successfully concluded an agreement with respect to the rescheduling of certain maturities falling due to commercial bank creditors in 2005 and 2006. The agreement permitted the Republic to defer payment of outstanding debt in 2005 and 2006 in the amount of US$147 million. Repayment of the rescheduled amounts were made in six equal and semi-annual installments through January 1, 2010. As part of the rescheduling of this debt, the Republic agreed to pay US$30 million in principal arrears outstanding through 2004.
- On October 21, 2005, the Republic concluded an agreement with the Paris Club to reschedule approximately US$137 million of maturities falling due in 2005, which reduced the debt service due to Paris Club creditors from US$357 million to US$220 million. The rescheduling was conducted on the same terms as the Republic's preceding agreement with the Paris Club in 2004.

DESCRIPTION OF THE BONDS

The bonds will be issued under an indenture, dated as of January 27, 2015, between the Republic and The Bank of New York Mellon, as trustee.

This section of this offering memorandum is intended to be an overview of the material provisions of the bonds and the indenture. Because this section is only a summary, you should refer to the indenture for a complete description of the Republic's obligations and your rights as a holder of the bonds. The Republic has filed copies of the indenture at the offices of the trustee and the Luxembourg listing agent, where they will be made available to you free of charge.

The definitions of certain capitalized terms used in this section are set forth under "—Defined Terms."

General Terms of the Bonds

The bonds will:

- be direct, general, unconditional and unsubordinated Public External Debt of the Republic for which the full faith and credit of the Republic is pledged;
- be initially issued in an aggregate principal amount of DOP62,282,850,000;
- be issued at 100.000% plus accrued interest, if any, from February 3, 2023, payable in U.S. dollars as described below;
- be subject to optional redemption prior to their scheduled maturity, as set forth under "—Optional Redemption";
- have a final maturity date of February 3, 2033;
- be issued in minimum denominations of DOP8,000,000 and in integral multiples of DOP50,000 in excess thereof;
- be represented by one or more registered bonds in global form, but in certain limited circumstances may be represented by bonds in certificated form. See "Book-Entry Settlement and Clearance"; and
- be payable in respect of principal or interest in U.S. dollars, as calculated by the calculation agent by translating the peso amount into U.S. dollars at the Observed Exchange Rate on the applicable Rate Calculation Date.

Interest on the bonds will:

- accrue at the rate of 13.625% per annum;
- accrue from February 3, 2023 or the most recent interest payment date;
- be payable semi-annually in arrears on February 3 and August 3 of each year, commencing on August 3, 2023, to the holders of record on the February 2 and August 2 (whether or not a business day) immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

For purposes of all payments of interest, principal or other amounts contemplated herein with respect to the bonds:

- "Observed Exchange Rate" means, for any Rate Calculation Date, the average of the Representative Market Rates for each business day in the 10 business day period ending on that Rate Calculation Date.
- "Rate Calculation Date" means the third business day preceding each scheduled interest or principal payment date or any other date on which principal or interest shall become payable as a result of an acceleration of the maturity of the bonds.
- "Representative Market Rate" means the average of the buy and sell spot foreign exchange rates published by the Central Bank of the Dominican Republic (Banco Central de la República

Dominicana), which represent the weighted averages of transactions completed prior to 5:30 p.m. on the publication date by commercial banks and financial institutions in the Dominican Republic, as calculated by the Central Bank, and which are available at the Central Bank's website at https://cdn.bancentral.gov.do/documents/estadisticas/mercado-cambiario/documents/TASA_DOLAR_REFERENCIA_MC.xlsx?v=1674595023895 or any successor website established and maintained by the Central Bank for such purposes. If such exchange rates are not reported by the Central Bank for any business day, then the Representative Market Rate shall be determined by a separate calculation agent appointed by the Republic for such purpose by polling Banco de Reservas de la República Dominicana, Citibank—Dominican Republic, Banco Popular Dominicano, S.A., Banco BHD and Scotiabank República Dominicana located in Santo Domingo, Dominican Republic (collectively, the "Reference Banks") for the exchange rates for the professional market effective at 4:30 P.M. (Santo Domingo time) for such business day, by taking the arithmetic mean of the polled exchange rates (such mean, the "Alternative Rate"), provided that if fewer than three Reference Banks provide rates, the Republic shall obtain rates from at least one other bank that operates in the Dominican Republic, having similar characteristics to the Reference Banks. If any Reference Bank ceases to operate in the Dominican Republic, it shall be replaced by the Republic, for the purpose of determining the Alternative Rate, with subsidiaries or branches of other foreign banks having similar characteristics.

Status

The bonds will be direct, general, unconditional and unsubordinated Public External Debt of the Republic for which the full faith and credit of the Republic is pledged. The bonds rank and will rank without any preference, among themselves and equally with all other unsubordinated Public External Debt of the Republic. It is understood that this provision shall not be construed so as to require the Republic to make payments under the bonds ratably with payments being made under any other Public External Debt of the Republic.

USD Offering

Concurrent with this offering, the Republic is also offering US$700,000,000 principal amount of 7.050% bonds due 2031 (the "dollar-denominated bonds") as debt securities under the indenture. The Republic will apply to list the dollar-denominated bonds on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market.

Payment of Principal and Interest

Principal of, and interest on, the bonds will be payable on each payment date and on the maturity date in U.S. dollars at the offices or agencies maintained by the Republic for such purpose (which initially will be the offices of the paying agents specified on the inside back cover page of this offering memorandum).

The Republic will arrange for payments to be made on global bonds by wire transfer to the applicable clearing system, or to its nominee or common depositary, as the registered owner of the bonds, which will receive the funds for distribution to the holders.

If any money that the Republic pays to the trustee or any paying agent to make payments on any bonds is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to the Republic on the Republic's written request. The Republic will hold such unclaimed money in trust for the relevant holders of those bonds. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, the Republic's obligations to make payments on the bonds as they become due will not be affected until the expiration of the prescription period, if any, specified in the bonds.

For purposes of all payments of interest, principal or other amounts contemplated herein, "business day" means any day that is not a Saturday or Sunday, and that is not a day on which banking or trust institutions are authorized generally or obligated by law, regulation, or executive order to close in New York City; provided, however, that solely for the purpose of determining the Observed Exchange Rate, "business day" means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in Santo Domingo, Dominican Republic.

If any date for an interest or principal payment on a bond is not a business day, the Republic will make the payment on the next business day. No interest on the bonds will accrue as a result of any such delay in payment.

Additional Amounts

All payments by the Republic in respect of the bonds will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic, or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, a "relevant tax"), unless the withholding or deduction of any such relevant tax is required by law. In that event, the Republic will pay such additional amounts ("additional amounts") as may be necessary to ensure that the amounts received by the holders after such withholding or deduction will equal the respective amounts of principal and interest that would have been receivable in respect of the bonds in the absence of such withholding or deduction; *provided*, *however*, that no additional amounts will be payable in respect of any relevant tax:

- imposed by reason of a holder or beneficial owner of a bond having some present or former connection with the Republic other than merely being a holder or beneficial owner of the bond or receiving payments of any nature on the bond or enforcing its rights in respect of the bond;
- imposed by reason of the failure of a holder or beneficial owner of a bond, or any other person through which the holder or beneficial owner holds a bond, to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Republic of such holder or beneficial owner or other person, if compliance with the requirement is a precondition to exemption from all or any portion of such withholding or deduction; *provided* that (x) the Republic or the Republic's agent has provided the holders with at least 60 days' prior written notice of an opportunity to satisfy such a requirement, and (y) in no event shall such holder or beneficial owner or other person's obligation to satisfy such a requirement require such holder or beneficial owner or other person to provide any materially more onerous information, documents or other evidence than would be required to be provided had such holder or beneficial owner or other person been required to file Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY; or
- imposed by reason of a holder or beneficial owner of a bond, or any other person through which the holder or beneficial owner holds a bond, having presented the bond for payment (where such presentation is required) more than 30 days after the relevant date, except to the extent that the holder or beneficial owner or such other person would have been entitled to additional amounts on presenting the bond for payment on any date during such 30-day period.

As used in the preceding paragraph, "relevant date" in respect of any bond means the date on which payment in respect thereof first becomes due or, if the full amount of the money payable has not been received by the trustee on or prior to such due date, the date on which notice is duly given under the indenture to the holders that such monies have been so received and are available for payment. Any reference to "principal" and/or "interest" under the indenture also refers to any additional amounts which may be payable under the indenture.

No additional amounts will be payable in respect of any bond to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment, to the extent the beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to receive payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such bond.

All references in this offering memorandum to principal of or interest on the bonds will include any additional amounts payable by the Republic in respect of such principal or interest.

Optional Redemption

On or after November 3, 2032 (three months prior to their maturity date), the Republic may redeem the bonds, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the bonds being redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Negative Pledge

So long as any bond remains outstanding, the Republic may not allow any Lien on its assets or revenues as security for any of its Public External Debt, unless the Republic's obligations under the bonds are secured equally and ratably with such Public External Debt. The Republic may, however, grant or agree to any Permitted Lien (as defined under "—Defined Terms") on its assets or revenues.

Default and Acceleration of Maturity

Each of the following is an event of default with respect to the bonds:

1. *non-payment:*
   - failure to pay for 20 days principal of the bonds when due; or
   - failure to pay for 30 days interest on the bonds when due; or
2. *breach of other obligations*: failure to observe or perform any of the covenants or agreements provided in the bonds or the indenture (other than those referred to in paragraph 1 above) for a period of 60 days following written notice to the Republic by the trustee or holders representing at least 25% in principal amount of the then outstanding bonds to remedy such failure; or
3. *cross default*:
   - failure by the Republic, beyond any applicable grace period, to make any payment when due on Public External Debt in an aggregate principal amount greater than or equal to US$25,000,000 (or its equivalent in other currencies); or
   - acceleration of any Public External Debt in an aggregate principal amount greater than or equal to US$25,000,000 (or its equivalent in other currencies) due to an event of default, unless such acceleration is rescinded or annulled; or
4. *moratorium*: declaration by the Republic of a general suspension of, or a moratorium on, payments of Public External Debt; or
5. *validity*:
   - the Republic contests any of its obligations under the bonds or the indenture in a formal administrative, legislative or judicial proceeding; or
   - the Republic denies any of its obligations under the bonds or the indenture; or
   - any constitutional provision, treaty, law, regulation, decree, or other official pronouncement of the Republic, or any final decision by any court in the Republic having jurisdiction, renders it unlawful for the Republic to pay any amount due on the bonds or to perform any of its obligations under the bonds or the indenture; or
6. *judgments*: any writ, execution, attachment or similar process is levied against all or any substantial part of the assets of the Republic in connection with any judgment for the payment of money exceeding US$25,000,000 (or its equivalent in other currencies) and failure by the Republic either to satisfy or discharge such judgment, or adequately bond, contest in good faith or receive a stay of execution or continuance in respect of such judgment, within a period of 120 days; or
7. *membership in International Monetary Fund*: failure by the Republic to maintain its membership in, and its eligibility to use the general resources of, the IMF, and such failure continues for a period of 60 days.

If any of the events of default described above occurs and is continuing, holders of at least 25% of the aggregate principal amount of the applicable series of debt securities then outstanding may declare all the debt securities of that series to be due and payable immediately by giving written notice to the Republic, with a copy to the trustee.

Holders holding debt securities that represent in aggregate more than 50% of the principal amount of the then-outstanding debt securities of that series may waive any existing defaults and their consequences on behalf of the holders of all of the debt securities of that series if:

- following the declaration that the principal of the debt securities of that series has become due and payable immediately, the Republic deposits with the trustee a sum sufficient to pay all outstanding amounts then due on those debt securities (other than principal due by virtue of the acceleration upon the event of default) together with interest on such amounts through the date of the deposit as well as the reasonable fees and compensation of the holders that declared those debt securities due and payable to the trustee and their respective agents, attorneys and counsel; and
- all events of default (other than non-payment of principal that became due by virtue of the acceleration upon the event of default) have been remedied.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for a series of debt securities has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders of that series. With the exception of a suit brought by a holder on or after the stated maturity date to enforce its absolute right to receive payment of the principal of and interest on the debt securities on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of such series of debt securities, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the debt securities of a series unless: (1) such holder has given written notice to the trustee that a default with respect to that series has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of that series have instructed the trustee by specific written request to institute an action or proceeding and provided an indemnity satisfactory to the trustee; and (3) 60 days have passed since the trustee received the instruction, the trustee has failed to institute an action or proceeding as directed, and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of that series. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of debt securities of that series.

Meetings, Amendments and Waivers

The Republic may call a meeting of the holders of the bonds at any time regarding the bonds or the indenture. The Republic will determine the time and place of the meeting and will notify the holders of the time, place and purpose of the meeting not less than 30 and not more than 60 days before the meeting.

In addition, the Republic or the trustee will call a meeting of the holders of the bonds if holders of at least 10% in principal amount of the bonds then outstanding have delivered a written request to the Republic or the trustee (with a copy to the Republic) setting out the purpose of the meeting. Within 10 days of receipt of such written request or copy thereof, the Republic will notify the trustee and the trustee will notify the holders of the time, place and purpose of the meeting called by the holders, to take place not less than 30 and not more than 60 days after the date on which such notification is given.

Only holders of debt securities and their proxies are entitled to vote at a meeting of holders. The Republic will set the procedures governing the conduct of the meeting and if additional procedures are required, the Republic will consult with the trustee to establish such procedures as are customary in the market.

If a modification only affects a series of debt securities issued under the indenture, it may also be approved by the holders of such series of debt securities pursuant to written action with the consent of the requisite percentage of such series. The Republic will solicit the consent of the relevant holders to the modification not less than 10 and not more than 30 days before the expiration date for the receipt of such consents as specified by the Republic.

The holders of any series of debt securities may generally approve any proposal by the Republic to modify the indenture or the terms of such series with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding principal amount of such series.

However, holders of any series of debt securities (including the bonds) may approve, by vote or consent through one of three modification methods described below, any modification, amendment, supplement or waiver proposed by the Republic that would do any of the following (such subjects referred to as “reserve matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount (other than in accordance with the express terms of a series of debt securities and the indenture) of the debt securities;

- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of a series of debt securities and the indenture);
- change the currency or place of payment of any amount payable on the debt securities;
- modify the Republic's obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the bonds;
- change the definition of "outstanding debt securities" or the percentage of affirmative votes or written consents, as the case may be, required to make a "reserve matter modification";
- change the definition of "uniformly applicable" or "reserve matter modification";
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of the Republic or any other person; or
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities.

A change to a reserve matter, including the payment terms of any series of debt securities (including the bonds), can be made without your consent, as long as the change is approved pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75% of the aggregate principal amount of a series of outstanding bonds insofar as the change affects such series of bonds (but does not modify the terms of any other debt securities issued under the indenture);
- where such proposed modification would affect a series of outstanding bonds and at least one other series of debt securities issued under the indenture, the holders of more than 75% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met (defined in the indenture as "cross-series modification with single aggregated voting"); or
- where such proposed modification would affect a series of outstanding bonds and at least one other series of debt securities issued under the indenture, the holders of more than 66-2/3% of the aggregate principal amount of the then outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, *and* the holders of more than 50% of the aggregate principal amount of the then outstanding debt securities of each series affected by the modification, taken individually.

"Uniformly applicable," as referred to above, means a modification by which holders of debt securities of any series affected by that modification (including the bonds, if so affected) are invited to exchange, convert or substitute their debt securities for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration.

The Republic may select, in its discretion, any modification method for a reserve matter modification in accordance with the indenture and to designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation.

For so long as any series of debt securities issued under the indenture dated as of May 11, 2005 between the Republic and the trustee ("2005 indenture") ("2005 debt securities") are outstanding, if the Republic certifies to the trustee and to the trustee under the 2005 indenture that a cross-series modification under the indenture is being sought simultaneously with a "2005 indenture reserve matter modification," the 2005 debt securities affected by such 2005 indenture reserve matter modification shall be treated as "series affected by that proposed modification" as that phrase is used in the indenture (as described in the preceding paragraphs); *provided, however*, that if the Republic seeks a cross-series modification with single aggregated voting, the holders of any series of 2005 debt securities affected by the 2005 indenture reserve matter modification shall have been invited to exchange, convert or substitute such 2005 debt securities for (x) the same new instruments or other consideration as the holders of debt securities of each affected series of debt securities for which consent to the cross-series modification is sought or (y) new instruments or other consideration from an identical menu of instruments or other consideration as the holders of debt securities of each affected series of debt securities for which consent to the cross-series modification is sought. It is the intention that in such circumstances, the votes of the holders of the affected 2005 debt securities be counted for purposes of the voting thresholds specified in the indenture for the applicable cross-series modification as though those 2005 debt securities had been affected by that cross-series modification although the holders of any bonds will be deemed to have acknowledged and agreed that the effectiveness of any modification, as it relates to the 2005 debt securities, shall be governed exclusively by the terms and conditions of those 2005 debt securities and by the 2005 indenture.

"2005 indenture reserve matter modification," as referred to above, means any modification to a reserve matter of one or more series of the 2005 debt securities, pursuant to the 2005 indenture.

Before soliciting any consent or vote of any holder of the debt securities (including the bonds) for any change to a reserve matter, the Republic will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of the Republic's economic and financial circumstances that are in the Republic's opinion relevant to the request for the proposed modification, a description of the Republic's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if the Republic shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of the Republic's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if the Republic is then seeking any reserved matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the bonds or any other series of debt securities has approved any amendment, modification or change to, or waiver of, the bonds, such other series of debt securities or the indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a proposed modification if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by the Republic or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by the Republic or a public sector instrumentality, except that (x) debt securities held by the Republic or any public sector instrumentality of the Republic or by a corporation, trust or other legal entity that is controlled by the Republic or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes, to the satisfaction of the trustee, the pledgee's right so to act with respect to such debt securities and that the pledgee is not the Republic or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of the Republic, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

The Republic and the trustee may, without the vote or consent of any holder of debt securities of a series, amend the indenture or the debt securities of that series for the purpose of:

- adding to the Republic's covenants for the benefit of the holders;
- surrendering any of the Republic's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;
- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the indenture;
- amending the debt securities of that series or the indenture in any manner that the Republic and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting a manifest error of a formal, minor or technical nature.

Further Issues

The Republic may from time to time, without the consent of the holders of the bonds, create and issue additional bonds having the same terms and conditions as the bonds being offered hereby in all respects, except for the issue date, issue price and first payment of interest on the bonds; *provided*, *however*, that any additional bonds subsequently issued that are not fungible with the previously outstanding bonds for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from the previously outstanding bonds. Additional bonds issued in this manner will be consolidated with and will form a single series with the previously outstanding bonds.

Tender Offer

On January 24, 2023, the Republic launched the Tender Offer to purchase a portion of its outstanding Existing Bonds.

Use of Proceeds

The Republic estimates that, after deducting fees, commissions and estimated expenses payable by the Republic, the net proceeds from the sale of the bonds will be approximately DOP62,150.9 million.

The Republic intends to use a portion of the net proceeds from the sale of the bonds to pay the consideration for the Existing Bonds that are validly tendered and accepted in the Tender Offer, and the remainder for general purposes of the Government of the Republic, including the partial financing of the 2023 Budget.

Notices

The Republic will mail notices to the holders of bonds at their registered addresses, as reflected in the books and records of the trustee. The Republic will consider any mailed notice to have been given five business days after it has been sent.

The Republic will publish notices to the holders of the bonds by means of press releases published in an international news service. In addition, so long as the bonds are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of that Exchange so require, the Republic will publish notices to the holders in a leading newspaper having general circulation in Luxembourg and on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Republic anticipates that it will initially make its newspaper publication in the *Luxemburger Wort*. If publication in a leading newspaper in Luxembourg is not practical, the Republic will publish such notices in one other leading English language daily newspaper with general circulation in Europe. The Republic will consider any published notice to be given on the date of its first publication.

Trustee

The indenture contains provisions relating to the obligations and duties of the trustee, to the indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with the Republic or any of its affiliates without accounting for any profit resulting from such transactions.

Paying Agents; Transfer Agents; Registrar

The Republic will maintain a principal paying agent, a transfer agent and a registrar in New York City. The Republic will give prompt notice to all holders of bonds of any future appointment or any resignation or removal of any paying agent, transfer agent or registrar or of any change by any paying agent, transfer agent or registrar in any of its specified offices.

Governing Law

The indenture and the bonds will be governed by, and construed in accordance with, the law of the State of New York.

Submission to Jurisdiction

The Republic is a foreign sovereign state. Consequently, it may be difficult for holders to obtain judgments from courts in the United States or elsewhere against the Republic. Furthermore, it may be difficult for investors to enforce, in the United States or elsewhere, the judgments of U.S. or foreign courts against the Republic.

In connection with any legal action or proceeding arising out of or relating to the bonds (subject to the exceptions described below), the Republic has agreed, subject to the limitation mandated by the Constitution of the Dominican Republic which submits to Dominican Law and Dominican Courts all agreements executed between the Dominican Government and foreign entities or individuals domiciled in the Dominican Republic,

- to submit to the jurisdiction of any New York State or U.S. federal court sitting in New York City in the Borough of Manhattan and any appellate court of either thereof;
- that all claims in respect of such legal action or proceeding may be heard and determined in such New York state or U.S. federal court and will waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding; and
- to appoint CT Corporation System as its process agent, with an office at 28 Liberty Street, New York, New York 10005, United States of America.

The process agent will receive on behalf of the Republic and its property service of copies of any summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York State or U.S. federal court sitting in New York City in the Borough of Manhattan. Service may be made by mailing or delivering a copy of such process to the Republic at the address specified above for the process agent.

A final non-appealable judgment in any of the above legal actions or proceedings will be conclusive and may be enforced by a suit upon such judgment in any other courts that may have jurisdiction over the Republic.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law. The above provisions do not limit the right of any bondholder to bring any action or proceeding against the Republic or its property in other courts where jurisdiction is independently established.

To the extent that the Republic has or hereafter may acquire or have attributed to it any sovereign or other immunity under any law, the Republic has agreed to waive, to the fullest extent permitted by law, such immunity in respect of any claims or actions regarding its obligations under the bonds, except that the Republic will not waive immunity from attachment prior to judgment and attachment in aid of execution under Dominican law.

The holders may be required to post a bond or other security with the Dominican courts as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the bonds in those courts.

The Republic reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 with respect to actions brought against it under U.S. federal securities laws or any state securities laws, and the Republic's appointment of the process agent will not extend to such actions. Without a waiver of immunity by the Republic with respect to such actions, it would be impossible to obtain a U.S. judgment in such an action against the Republic unless a court were to determine that the Republic is not entitled under the U.S. Foreign Sovereign Immunities Act of 1976 to sovereign immunity with respect to such action. However, even if a U.S.

judgment could be obtained in any such action under the U.S. Foreign Sovereign Immunities Act of 1976, it may not be possible to enforce in the Republic a judgment based on such a U.S. judgment.

A judgment obtained against the Republic in a foreign court can be enforced in the courts of the Republic, if such judgment is ratified by the Dominican courts. Based on existing law, Dominican courts will ratify such a judgment:

- if there exists a treaty with the country where such judgment was issued providing for reciprocal enforcement of foreign judgments (no such treaty exists at the present time between the Republic and the United States); or
- if such judgment:
  - o complies with all formalities required for the enforceability thereof under the laws of the country where the same was issued;
  - o has been translated into Spanish, together with related documents, and satisfies the authentication requirements of Dominican law;
  - o was issued by a competent court after valid service of process upon the parties to the action;
  - o was issued after an opportunity was given to the defendant to present its defense;
  - o is not subject to further appeal; and
  - o is not against Dominican public policy.

The Republic agrees to cause an appearance to be filed on its behalf and to defend itself in connection with any legal action or proceeding instituted against it. However, a default judgment obtained in the United States against the Republic, resulting from the Republic's failure to appear and defend itself in any suit filed against the Republic, or from the Republic's deemed absence at the proceedings, may not be enforceable in the Dominican courts.

Currency Indemnity

The obligation of the Republic to any holder under the bonds that has obtained a court judgment affecting those bonds will be discharged only to the extent that the holder may purchase U.S. dollars, referred to as the "agreement currency," with any other currency paid to that holder in accordance with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, the Republic agrees to pay the difference. The holder, however, agrees that, if the amount of the agreement currency purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to the Republic. The holder, however, will not be obligated to make this reimbursement if the Republic is in default of its obligations under the bonds.

Defined Terms

The following are certain definitions used in the bonds:

"External Debt" means obligations (other than the bonds) of, or guaranteed (whether by contract, statute or otherwise) by, the Republic for borrowed money or evidenced by bonds, debentures, notes or similar instruments denominated or payable, or which, at the option of the holder thereof, may be payable, in a currency other than pesos or by reference to a currency other than pesos, regardless of whether that obligation is incurred or entered into within or outside the Republic.

"Lien" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest with respect to the payment of any obligations with or from the proceeds of any assets or revenues of any kind.

"Permitted Liens" means:

- any Lien on property to secure Public External Debt arising in the ordinary course to finance export, import or other trade transactions, which Public External Debt matures (after giving effect to all renewals and refinancing thereof) not more than one year after the date on which such Public External Debt was originally incurred;

- any Lien on property to secure Public External Debt existing on such property at the time of its acquisition or incurred solely for the purpose of financing any acquisition by the Republic of such property, and any renewal or extension of any such Lien which is limited to the original property covered thereby and which secures any renewal or extension of the original financing without any increase in the amount thereof;
- any Lien securing Public External Debt incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; *provided* that:
  - the holders of such Public External Debt agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Debt; and
  - the property over which such Lien is granted consists solely of such assets and revenues;
- any Lien in existence as of the original issuance date of the bonds; and
- any Lien securing Public External Debt which, together with all other Public External Debt secured by Liens (excluding Public External Debt secured by other Permitted Liens), does not exceed US$25,000,000 principal amount (or its equivalent in other currencies) in the aggregate.

"Public External Debt" means any External Debt that is in the form of, or represented by, bonds, notes or other securities that are or may be quoted, listed or ordinarily purchased or sold on any stock exchange, automated trading system or over-the-counter or other securities market.

BOOK-ENTRY SETTLEMENT AND CLEARANCE

Global Bonds

The bonds will initially be issued in the form of registered bonds in global form, without interest coupons, as follows:

- bonds sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") will be represented by a global bond (collectively, the "Rule 144A Global Bond"); and
- bonds sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by a global bond (collectively, the "Regulation S Global Bond").

Upon issuance, each of the global bonds will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global bond will be limited to persons who have accounts with DTC (the "DTC participants") or persons who hold interests through DTC participants. The Republic expects that under procedures established by DTC:

- upon deposit of each global bond with DTC's custodian, DTC will credit portions of the principal amount of the global bond to the accounts of the DTC participants designated by the initial purchasers; and
- ownership of beneficial interests in each global bond will be shown on, and transfers of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in each global bond).

Beneficial interests in the Regulation S Global Bond will initially be credited within DTC to Euroclear and Clearstream on behalf of the owners of such interests. During the 40 day period commencing on the closing date of the offering of the bonds (the "40 day restricted period"), beneficial interests in the Regulation S Global Bond may be transferred only to non U.S. persons under Regulation S or qualified institutional buyers under Rule 144A.

Investors may hold their interests in the global bonds directly through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants in those systems. Investors may also hold their interests in the global bonds through organizations other than Euroclear or Clearstream that are DTC participants. Each of Euroclear and Clearstream will appoint a DTC participant to act as its depositary for the interests in the global bonds that are held within DTC for the account of each of these settlement systems on behalf of its respective participants.

Beneficial interests in the global bonds may not be exchanged for bonds in physical certificated form except in the limited circumstances described below.

Each global bond and beneficial interests in each global bond will be subject to restrictions on transfer as described under "Transfer Restrictions."

Exchanges between the Global Bonds

Beneficial interests in one global bond may generally be exchanged for interests in another global bond. Depending on whether the transfer is being made during or after the 40 day restricted period and to which global bond the transfer is being made, the trustee may require the seller to provide certain written certifications in the form provided in the indenture.

A beneficial interest in a global bond that is transferred to a person who takes delivery through another global bond will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other global bond.

Book-Entry Procedures for the Global Bonds

All interests in the global bonds will be subject to the operations and procedures of DTC, Euroclear and Clearstream. The Republic provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Republic nor the initial purchasers are responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the U.S. Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations; and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global bond, that nominee will be considered the sole owner or holder of the bonds represented by that global bond for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global bond:

- will not be entitled to have bonds represented by the global bond registered in their names;
- will not receive or be entitled to receive physical, certificated bonds; and
- will not be considered the owners or holders of the bonds under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global bond must rely on the procedures of DTC to exercise any rights of a holder of bonds under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest in the bonds).

Payments of principal and interest with respect to the bonds represented by a global bond will be made by the trustee to DTC's nominee as the registered holder of the global bond. Neither the Republic nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global bond, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global bond will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and participants in Euroclear or Clearstream, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global bond held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant global bonds in

DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global bond from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global bond to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global bonds among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither the Republic nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Bonds

Bonds in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related bonds only if:

- DTC notifies the Republic at any time that it is unwilling or unable to continue as depositary for the global bonds and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the U.S. Securities Exchange Act of 1934 and a successor depositary is not appointed within 90 days;
- the Republic, at its option, notifies the trustee that it elects to cause the issuance of certificated bonds; or
- certain other events provided in the indenture occur.

TRANSFER RESTRICTIONS

The bonds are subject to the following restrictions on transfer. By purchasing bonds, you will be deemed to have made the following acknowledgements, representations to and agreements with the Republic and the initial purchasers:

(1) You acknowledge that:

- the bonds have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
- unless so registered, the bonds may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Republic, that you are not acting on the Republic's behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A) and are purchasing bonds for your own account or for the account of another qualified institutional buyer, and you are aware that the initial purchasers are selling the bonds to you in reliance on Rule 144A; or
- you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing bonds in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither the Republic nor the initial purchasers nor any person representing the Republic or the initial purchasers have made any representation to you with respect to the Republic or the offering of the bonds, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the bonds. You agree that you have had access to such information concerning the Republic and the bonds as you have deemed necessary in connection with your decision to purchase bonds, including an opportunity to ask questions of and request information from the Republic.

(4) You represent that you are purchasing bonds for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the bonds in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the bonds pursuant to Rule 144A or any other available exemption from the registration requirements of the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing bonds, and each subsequent holder of the bonds by its acceptance of the bonds will agree, that until the end of the resale restriction period (as defined below), the bonds may be offered, sold or otherwise transferred only:

(a) to the Republic;

(b) pursuant to a registration statement that has been declared effective under the Securities Act;

(c) for so long as the bonds are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom it has given notice that the transfer is being made in reliance on Rule 144A;

(d) through offers and sales that occur outside the United States within the meaning of Regulation S; or

(e) under any other available exemption from the registration requirements of the Securities Act;

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or such account's control.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date of the offering of the bonds until the date that is one year after the later of the closing date and the last date that the Republic or any of its affiliates was the owner of the bonds or any predecessor of the bonds (the "resale restriction period"), and will not apply after the resale restriction period ends;
- the Republic and the trustee reserve the right to require, in connection with any offer, sale or other transfer of bonds before the resale restriction period ends under clauses (d) and (e) above, the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Republic and the trustee; and
- each Rule 144A Global Bond and each Regulation S Global Bond (during the 40 day restricted period) will contain a legend substantially to the following effect:

  THIS BOND HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. NEITHER THIS BOND NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS BOND, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH BOND ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE BONDS ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE REPUBLIC'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

You acknowledge that the Republic, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have been made by your purchase of bonds is no longer accurate, you will promptly notify the Republic and the initial purchasers. If you are purchasing any bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

TAXATION

The following discussion provides a general summary of the principal Dominican and U.S. federal income tax considerations that may be relevant to you if you purchase, own or sell the bonds. This summary is based on tax laws, regulations, rulings and decisions in effect on the date of this offering memorandum. All of these laws and authorities are subject to change, and any change could be effective retroactively. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth herein. This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. This summary only addresses the initial purchasers of the bonds that purchase the bonds at their initial offering price and hold the bonds as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, financial institution, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects to use the mark-to-market method of accounting, nonresident alien individual present in the United States for more than 182 days in a taxable year, U.S. expatriate, investor that will hold the bonds as a hedge against currency risk or as a position in a "straddle" or conversion transaction or as part of a "synthetic security" or other integrated financial transaction, partnership or other pass-through entity for U.S. federal income tax purposes (or partner or member thereof), person subject to the U.S. federal alternative minimum tax, tax-exempt organization or a United States person (as defined below) whose "functional currency" is not the U.S. dollar.

This discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular investor's decision to invest in the bonds. You should consult your tax adviser about the tax consequences of holding the bonds, including the relevance to your particular situation of the considerations discussed below, as well as of state, local or other tax laws.

Dominican Taxation

The following summary of the principal Dominican tax matters is based on a review of the *Código Tributario* ("Tax Code") Law No. 11-92 enacted in 1992, as amended, and its rules for application; and Law No. 1-23, dated January 11, 2023 ("Law No. 1-23"). This summary contains a description of the principal tax consequences in the Dominican Republic of the purchase, ownership and disposition of the bonds, but it does not purport to be a comprehensive description of all tax consequences that may be relevant to a decision to purchase the bonds.

This summary is based upon the tax laws of the Dominican Republic as in effect on the date of this offering memorandum, which are subject to change. Prospective purchasers of the bonds (including residents of the Dominican Republic, if any) should consult their own tax advisers as to the consequences of the purchase, ownership and disposition of the bonds.

Pursuant to Article 9 of Law No. 1-23, principal and interest paid on the bonds issued under this law are exempt from any type of taxes, rights, fees, charges or public contributions, governmental or municipal. Capital gains realized on the disposition by a foreign non-resident holder of the bonds will not be subject to Dominican taxes.

The foregoing tax treatment assumes that the bonds will remain in the form of global bonds registered in the name of a nominee of DTC and will not be issued in definitive, certificated form.

A foreign non-resident holder of the bonds generally will not be liable for estate, gift, inheritance or similar taxes with respect to such bonds.

The extent of the tax exemptions for any Dominican source income is defined in and limited by Article 9 of Law No. 1-23.

United States Taxation

The following summary of the principal U.S. federal income tax matters is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and U.S. Treasury Regulations, rulings and judicial decisions in effect on the date of this offering memorandum, all of which are subject to change, possibly with retroactive effect. This summary does not address any tax consequences under U.S. federal estate, gift or other tax laws, and does not discuss the consequences arising under state, local or foreign tax laws, the Medicare tax on net investment income or under special timing rules prescribed under section 451(b) of the Code. In addition, this summary does not address any tax consequences to persons that tender Existing Bonds pursuant to the Tender Offer. For purposes of this summary, the term "United States person" means an individual who is a citizen or resident of the United States, a domestic corporation or any other holder that is subject to U.S. federal income taxation on a net income basis in respect of the bonds.

Payments of Interest and Sale, Exchange or other Disposition of the Bonds

Applicable U.S. Treasury Regulations provide rules for determining the "spot rate" used to convert foreign currency into U.S. dollars with respect to the purchase of foreign currency denominated debt instruments and payments received on, or with respect to the disposition of, foreign currency denominated debt instruments. The spot rate under these U.S. Treasury Regulations may differ from the actual rates used to convert pesos into U.S. dollars with respect to the purchase of the bonds and payments on the bonds. While not free from doubt, we believe that it would be reasonable to treat such actual rates as the relevant exchange rates (i.e., the "spot rates") with respect to amounts paid or received by a United States person with respect to the bonds, and the remainder of this discussion assumes such treatment. A United States person should consult its own tax advisor as to the consequences of a different interpretation of the spot rate.

If you are a United States person, subject to the foreign currency rules discussed below, interest on the bonds generally will be subject to U.S. taxation and will be considered ordinary income on which you will be taxed at the time it is accrued or received, in accordance with the method of accounting that you use for U.S. federal income tax purposes. Such income generally will constitute foreign source passive category income for purposes of the U.S. foreign tax credit rules. It is expected, and this discussion assumes, that the bonds will be issued without original issue discount ("OID") for U.S. federal income tax purposes. In general, however, if the bonds are issued with OID at or above a de minimis threshold, a United States person will be required to include OID in gross income, as ordinary income, under a "constant-yield method" before the receipt of cash attributable to such income, regardless of the United States person's regular method of accounting for U.S. federal income tax purposes. OID generally will be accrued in pesos and translated into U.S. dollars in the same manner as interest income accrued by a United States person that uses the accrual method of accounting for tax purposes (as described below). The United States person generally will recognize foreign currency gain or loss to the extent the amount accrued differs from the U.S. dollar amounts when received.

Because the bonds are not denominated in U.S. dollars, a United States person that uses the accrual method of accounting for tax purposes will accrue interest income on the bonds in pesos and translate the amount accrued into U.S. dollars based on the average exchange rate in effect during the interest accrual period (or portion thereof within the United States person's taxable year), or, at the accrual basis United States person's election, at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year within the accrual period if the accrual period spans more than one taxable year), or at the spot rate of exchange on the date of receipt, if this date is within five business days of the last day of the accrual period. A United States person that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the U.S. Internal Revenue Service ("IRS").

A United States person that uses the accrual method of accounting for tax purposes will recognize net foreign currency gain or loss, as the case may be, on the receipt of an interest payment made with respect to a bond (including, upon the sale, exchange or other taxable disposition of a bond, the receipt of proceeds which include amounts attributable to accrued interest previously included in income) if the amount of U.S. dollars received differs from the amount the holder accrued with respect to such payment. This foreign currency gain or loss generally will be treated as U.S.-source ordinary income or loss but will not be treated as an adjustment to interest income received on the bond.

If you are a United States person, you generally will recognize gain or loss on the sale, exchange or other taxable disposition of the bonds in an amount equal to the difference between the amount you realize on the transaction and your tax basis in the bonds (except that any amount attributable to accrued and unpaid interest will be treated as a payment of interest for U.S. federal income tax purposes, which will be taxable as described above). Your tax basis in a bond generally will equal the U.S. dollar cost of that bond. If a United States person sells or otherwise disposes of a bond for pesos or any other non-U.S. currency, the amount realized will generally be the U.S. dollar value of the proceeds based on the spot rate of exchange on the date of the sale or other disposition. If, however, the bonds are traded on an established securities market for U.S. federal income tax purposes, a United States person that uses the cash method of accounting for tax purposes or, if it elects, an accrual basis United States person, will determine the U.S. dollar value of such proceeds based on the spot rate of exchange on the settlement date of the disposition. If an accrual basis United States person makes this settlement date election, such election must be applied consistently from year to year and cannot be changed without the consent of the IRS.

Except as discussed below with respect to foreign currency gain or loss, gain or loss realized by a United States person on a sale, exchange or other taxable disposition of the bonds generally will be U.S.-source capital gain or loss, and generally will be long-term capital gain or loss if, at the time of the disposition, the bonds have been held for more than one year. Long-term capital gains realized by certain non-corporate United States persons (including individuals) may be eligible for reduced rates of taxation. The deduction of capital losses is subject to limitations.

A United States person will recognize net foreign currency gain or loss, as the case may be, with respect to principal on the bonds (which, for this purpose, will be the United States person's peso-denominated purchase price), whether received at maturity or upon the sale, exchange or other taxable disposition of the bonds, to the extent that the difference in the amount of principal received upon the maturity or other taxable disposition of the bonds and the amount paid in U.S. dollars to purchase the bonds is attributable to fluctuations in the spot exchange rate for U.S. dollars into pesos. Such foreign currency gain or loss generally will be treated as U.S.-source ordinary income or loss and will not be treated as an adjustment to interest income received on the bonds. The amount of foreign currency gain or loss recognized (with respect to both principal and interest) will, however, be limited to the amount of overall gain or loss realized on the disposition.

Reportable Transactions

A United States person that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A United States person may be required to treat a foreign currency exchange loss relating to a bond as a reportable transaction if the loss exceeds $50,000 in a single taxable year if the United States person is an individual or trust, or higher amounts for other United States persons. In the event the ownership or disposition of a bond constitutes participation in a "reportable transaction" for purposes of these rules, a United States person will be required to disclose its investment to the IRS, currently on Form 8886. Prospective purchasers should consult their tax advisors regarding the application of these rules.

Specified Foreign Financial Assets

Certain United States persons that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 on the last day of the taxable year or US$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the bonds) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. United States persons who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the bonds, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Information returns will be filed with the IRS in connection with payments on the bonds made to, and the proceeds of dispositions of bonds effected by, certain United States persons. In addition, certain United States persons may be subject to U.S. backup withholding tax in respect of such payments and proceeds, unless such United States person (i) comes within certain exempt categories and demonstrates this fact when required, or (ii) provides a correct taxpayer identification number on a IRS Form W-9 (or substitute version thereof), certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Persons holding bonds who are not United States persons may be required to comply with applicable certification procedures to establish that they are not United States persons in order to avoid the application of such information reporting requirements and backup withholding tax. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a credit against your U.S. federal income tax liability, and may entitle you to a refund, provided that you timely furnish the required information to the IRS.

The Proposed Financial Transaction Tax ("FTT")

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the bonds in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States of the European Union may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the bonds are advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

Citigroup Global Markets Inc. and J.P. Morgan Securities plc are acting as joint book-running managers of the offering. Subject to the terms and conditions stated in the purchase agreement dated as of January 31, 2023, each initial purchaser named below has agreed to purchase, and the Republic has agreed to sell to such initial purchaser, the principal amount of the bonds set forth below.

Initial Purchasers	Principal Amount of Bonds
Citigroup Global Markets Inc.	DOP31,141,450,000
J.P. Morgan Securities plc	DOP31,141,400,000
Total	DOP62,282,850,000

The purchase agreement provides that the obligations of the initial purchasers to purchase the bonds are subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all the bonds if they purchase any of the bonds. The initial purchasers may offer and sell the bonds through certain of their affiliates.

The Republic has been advised that the initial purchasers propose to resell bonds at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "Transfer Restrictions." The price at which the bonds are offered may be changed at any time without notice.

The bonds have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

In addition, until 40 days after the commencement of this offering, an offer or sale of bonds within the United States by a dealer that is not participating in this offering may violate the registration requirements of Section 4(a)(3) of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The Republic has agreed that, for a period of 60 days following the date of this offering memorandum it will not, without the prior written consent of Citigroup Global Markets Inc. and J.P. Morgan Securities plc, offer, sell, contract to sell, pledge or otherwise dispose of or enter into any transaction designed to, or that may reasonably be expected to result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Republic or any other person acting on its behalf, directly or indirectly, or announce the offering, of any external debt securities issued or guaranteed by the Republic (other than the bonds offered hereby).

The bonds will constitute a new class of securities with no established trading market. Application will be made to list the bonds on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF Market. However, the Republic cannot assure you that the prices at which the bonds will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the bonds will develop and continue after this offering. The initial purchasers have advised us that they currently intend to make a market in the bonds. However, the initial purchasers are not obligated to do so and any market-making activities with respect to the bonds may be discontinued at any time without notice. In addition, market-making activity may be subject to the limits imposed by applicable securities laws. Accordingly, the Republic and the initial purchasers cannot assure you as to the liquidity of, or the trading market for, the bonds.

In connection with the offering, the initial purchasers may purchase and sell bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater number of bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the bonds while the offering is in progress. Such transactions may be effected on the Euro MTF Market or on the regulated market of the Luxembourg Stock Exchange, in the over-the-counter market or otherwise and if commenced, may begin on or after the date of adequate public disclosure of the final terms of the offer of the bonds and may be ended at any time, but it must not end later than the earlier of 30 days after the issue date and 60 days after the date of allotment of the bonds.

These activities by the initial purchasers, as well as other purchases by the initial purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the bonds. As a result, the price of the bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the initial purchasers at any time without prior notice.

The Republic expects that delivery of the bonds will be made to investors on or about February 3, 2023, which will be the third business day following the date of this offering memorandum (such settlement being referred to as "T+3"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade bonds prior to the delivery of the bonds hereunder may be required, by virtue of the fact that the bonds initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the bonds who wish to trade the bonds prior to their date of delivery hereunder should consult their advisors.

The initial purchasers may have performed commercial banking, investment banking and advisory services for the Republic from time to time for which they may have received customary fees and reimbursement of expenses. The initial purchasers may, from time to time, engage in transactions with and perform services for the Republic in the ordinary course of their business for which the initial purchasers may receive customary fees and reimbursement of expenses.

In the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the bonds offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Investors who purchase the bonds from the initial purchasers may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page of this offering memorandum.

The Republic has agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Prohibition of Sales to European Economic Area Retail Investors

The bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the EEA. For the purposes of this provision, "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to United Kingdom Retail Investors

The bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means any a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Other Matters

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as "relevant persons"). The bonds are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In the purchase agreement, each of the initial purchasers has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the "FSMA" received by it in connection with the issue or sale of the bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Republic; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the bonds in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Chile

The offer of the bonds began on January 31, 2023 and the bonds will not be registered under Chilean Securities Market Law (Law No. 18,045, as amended) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Commission for the Financial Markets (*Comisión para el Mercado Financiero*, or "CMF") and, therefore, the bonds are not subject to the supervision of the CMF. As unregistered securities, the issuer is not required to disclose public information about the bonds in Chile. Accordingly, the bonds cannot and will not be offered or sold to persons unless they are registered in the corresponding securities registry. The bonds may only be offered in Chile in circumstances which have not resulted and will not result in a public offering under Chilean law or in compliance with *Norma de Carácter General* (Rule) No. 336, dated June 27, 2012 of the CMF.

Notice to Prospective Investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the bonds. The bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the bonds constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the Republic of Panama

The bonds have not been, and will not be, registered for public offering in Panama with the Superintendency of Capital Markets of Panama under Decree-Law 1 of July 8, 1999, as amended (the "Panamanian Securities Act"). Accordingly, the bonds may not be offered or sold in Panama, except in certain limited transactions exempted from the registration requirements of the Panamanian Securities Act. The bonds do not benefit from tax incentives accorded by the Panamanian Securities Act and are not subject to regulation or supervision by the Superintendency of Capital Markets of Panama.

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The bonds will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the bonds which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The bonds have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the bonds nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offering may not be circulated or distributed, nor may the bonds be offered, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the bonds are subscribed for under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the bonds under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 276(7) of the SFA; or (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA (Chapter 289 of Singapore), the Republic has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Canada

The bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration*

Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.4 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding initial purchasers conflicts of interest in connection with this offering.

OFFICIAL STATEMENTS

Information in this offering memorandum whose source is identified as a publication of the Republic or one of its agencies or instrumentalities relies on the authority of such publication as a public official document of the Republic. All other information and statements set forth herein relating to the Republic are included as public official statements made on the authority of the Republic.

VALIDITY OF THE BONDS

The validity of the bonds will be passed upon for the Republic by Cleary Gottlieb Steen & Hamilton LLP, United States counsel to the Republic, and by the *Consultor Jurídico del Poder Ejecutivo* (Legal Counsel to the Executive Branch) of the Republic, and for the initial purchasers by Simpson Thacher & Bartlett LLP, United States counsel to the initial purchasers, and Pellerano Nadal, Dominican counsel to the initial purchasers.

As to all matters of Dominican law, Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of the *Consultor Jurídico del Poder Ejecutivo* (Legal Counsel to the Executive Branch) of the Republic, and Simpson Thacher & Bartlett LLP may rely upon the opinion of Pellerano Nadal. As to all matters of United States law, the *Consultor Jurídico del Poder Ejecutivo* (Legal Counsel to the Executive Branch) of the Republic may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP, and Pellerano Nadal may rely on the opinion of Simpson Thacher & Bartlett LLP.

GENERAL INFORMATION

Clearing

The bonds have been accepted into DTC's book-entry settlement system. The bonds also have been accepted for clearance through the Euroclear and Clearstream clearance systems. The CUSIP numbers, ISINs and Common Codes for the bonds offered pursuant to Rule 144A and Regulation S are set forth below:

	CUSIP Number	ISIN	Common Code
Rule 144A	25714P ES3	US25714PES39	258557859
Regulation S	P3579E CQ8	USP3579ECQ81	258557867

Where You Can Find More Information

As long as the bonds are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, you may inspect or receive copies, free of charge, of the following documents on any business day at the offices of the listing agent in Luxembourg:

- the indenture incorporating the forms of the bonds;
- an English translation of *Ley de Bonos* (Bond Law) No. 1-23;
- the most recent annual economic report of the Republic (of which English translations are available); and
- this offering memorandum.

The Republic

The creation and issuance of the bonds were authorized pursuant to Law No. 1-23, dated January 11, 2023.

Except as disclosed in this offering memorandum, since December 31, 2022, there has been no material adverse change in the revenues or expenditures, or financial position, of the Republic.

APPENDIX

Dominican Republic: Global Public Sector External Debt as of December 31, 2021

(in millions of US$)[1]

Lender	Borrower	Approval Date (dd/mm/yyyy)	Interest Rate (as a %)	Maturity Date (dd/mm/yyyy)	Outstanding Amount as of December 31, 2021
MULTILATERAL INSTITUTIONS INTERNATIONAL DEVELOPMENT ASSOCIATION					
International Development Association	Government	21-Apr-1973	0.00	15-Nov-2022	0.4
Total International Development Association					0.4
INTER-AMERICAN DEVELOPMENT BANK					
Inter-American Development Bank	Government	17-Jun-1972	0.00	6-Mar-2022	0.1
Inter-American Development Bank	Government	15-Jul-1978	0.00	18-Apr-2028	0.3
Inter-American Development Bank	Government	18-Jun-1982	2.00	6-Mar-2022	0.0
Inter-American Development Bank	Government	18-Jun-1982	2.00	6-Mar-2022	0.2
Inter-American Development Bank	Government	18-Jun-1982	2.00	6-Mar-2022	0.2
Inter-American Development Bank	Government	16-Nov-1982	2.00	23-Sep-2022	0.0
Inter-American Development Bank	Government	16-Nov-1982	2.00	23-Sep-2022	0.7
Inter-American Development Bank	Government	16-Nov-1982	2.00	23-Sep-2022	0.8
Inter-American Development Bank	Government	31-May-1984	2.00	14-Feb-2024	0.2
Inter-American Development Bank	Government	30-Apr-1990	2.00	13-Feb-2030	8.3
Inter-American Development Bank	Government	30-Apr-1990	2.00	13-Feb-2030	3.3
Inter-American Development Bank	Government	20-Feb-1992	2.00	12-Dec-2031	8.6
Inter-American Development Bank	Government	20-Feb-1992	2.00	12-Dec-2031	1.1
Inter-American Development Bank	Government	15-Jul-1993	2.00	8-Jan-2033	9.1
Inter-American Development Bank	Government	15-Jul-1993	2.00	8-Jan-2033	4.3
Inter-American Development Bank	Government	15-Nov-1994	2.00	1-Jun-2034	8.2
Inter-American Development Bank	Government	15-Nov-1994	2.00	1-Jun-2034	12.5
Inter-American Development Bank	Government	25-Jan-1995	2.00	20-Nov-2034	4.1
Inter-American Development Bank	Government	25-Jan-1995	2.00	20-Nov-2034	1.8
Inter-American Development Bank	Government	25-Jul-1997	Variable (IDB)	13-Oct-2026	11.3
Inter-American Development Bank	Government	29-Aug-1998	Variable (IDB)	20-Feb-2023	5.1
Inter-American Development Bank	Government	31-Aug-1998	Variable (IDB)	20-Feb-2023	1.7
Inter-American Development Bank	Government	31-Aug-1998	Variable (IDB)	20-Feb-2023	1.0
Inter-American Development Bank	Government	22-May-1999	Variable (IDB)	3-Oct-2023	0.9
Inter-American Development Bank	Government	24-Jun-1999	Variable (IDB)	2-Dec-2023	7.9
Inter-American Development Bank	Government	24-Jun-1999	Variable (IDB)	2-Dec-2023	2.3
Inter-American Development Bank	Government	11-Aug-1999	Variable (IDB)	3-Oct-2023	5.3
Inter-American Development Bank	Government	26-Sep-2000	Variable (IDB)	18-Jul-2023	1.1
Inter-American Development Bank	Government	13-Oct-2000	4.59	5-Sep-2024	2.8
Inter-American Development Bank	Government	28-Mar-2001	Variable (IDB)	10-Nov-2025	3.9
Inter-American Development Bank	Government	27-Nov-2001	Variable (IDB)	14-Feb-2026	9.9
Inter-American Development Bank	Government	27-Nov-2001	Variable (IDB)	14-Feb-2026	1.9
Inter-American Development Bank	Government	26-Feb-2003	Variable (IDB)	29-Apr-2027	15.7
Inter-American Development Bank	Government	30-Jan-2004	Variable (IDB)	30-Jul-2027	23.0
Inter-American Development Bank	Government	30-Jan-2004	Variable (IDB)	30-Jul-2027	3.1
Inter-American Development Bank	Government	23-Mar-2004	Variable (IDB)	24-Mar-2028	1.7
Inter-American Development Bank	Government	23-Mar-2004	Variable (IDB)	23-Sep-2023	12.1
Inter-American Development Bank	Government	6-Aug-2004	Variable (IDB)	8-Aug-2023	1.2
Inter-American Development Bank	Government	24-Aug-2005	Variable (IDB)	24-Aug-2023	0.8

Inter-American Development Bank	Government	24-Aug-2005	Variable (IDB)	24-Aug-2023	0.0
Inter-American Development Bank	Government	2-Nov-2005	Variable (IDB)	4-Nov-2028	1.6
Inter-American Development Bank	Government	2-Nov-2005	Variable (IDB)	4-Nov-2028	0.2
Inter-American Development Bank	Government	13-Jan-2007	Variable (IDB)	15-Jan-2031	3.6
Inter-American Development Bank	Government	13-Jan-2007	Variable (IDB)	15-Jan-2031	1.0
Inter-American Development Bank	Government	3-Aug-2007	4.59	5-Aug-2026	53.6
Inter-American Development Bank	Government	14-Aug-2007	Variable (IDB)	16-Feb-2032	3.4
Inter-American Development Bank	Government	14-Aug-2007	Variable (IDB)	16-Feb-2032	1.5
Inter-American Development Bank	Government	4-Jul-2008	Variable (IDB)	6-Jan-2031	5.1
Inter-American Development Bank	Government	4-Jul-2008	Variable (IDB)	6-Jul-2032	30.3
Inter-American Development Bank	Government	4-Jul-2008	Variable (IDB)	6-Jul-2032	11.6
Inter-American Development Bank	Government	7-Jul-2008	Variable (IDB)	9-Jan-2031	2.5
Inter-American Development Bank	Government	31-Dec-2008	Variable (IDB)	2-Jan-2028	4.6
Inter-American Development Bank	Government	4-Jun-2009	Variable (IDB)	6-Dec-2028	29.0
Inter-American Development Bank	Government	4-Jun-2009	Variable (IDB)	6-Dec-2033	23.5
Inter-American Development Bank	Government	9-Jun-2009	Variable (IDB)	11-Dec-2031	12.0
Inter-American Development Bank	Government	18-Dec-2009	Variable (IDB)	15-Jun-2034	38.0
Inter-American Development Bank	Government	18-Aug-2010	Variable (IDB)	20-Feb-2035	33.8
Inter-American Development Bank	Government	16-Dec-2010	Variable (IDB)	15-Dec-2035	14.9
Inter-American Development Bank	Government	16-Dec-2010	Variable (IDB)	15-Mar-2046	28.5
Inter-American Development Bank	Government	16-Dec-2010	Variable (IDB)	15-Jun-2030	64.5
Inter-American Development Bank	Government	16-Dec-2010	Variable (IDB)	15-Jun-2025	3.7
Inter-American Development Bank	Government	16-Dec-2010	Variable (IDB)	15-Jun-2035	60.4
Inter-American Development Bank	Government	6-May-2011	Variable (IDB)	8-Nov-2035	4.9
Inter-American Development Bank	Government	6-May-2011	Variable (IDB)	8-Nov-2035	25.4
Inter-American Development Bank	Government	19-Dec-2011	3.57	15-Jun-2031	131.0
Inter-American Development Bank	Government	22-Dec-2011	Variable (IDB)	15-Jun-2036	22.4
Inter-American Development Bank	Government	27-Jan-2012	Variable (IDB)	30-Jul-2036	3.8
Inter-American Development Bank	Government	23-Jul-2012	Variable (IDB)	25-Jul-2036	7.8
Inter-American Development Bank	Government	27-Jul-2012	Variable (IDB)	29-Jul-2036	55.0
Inter-American Development Bank	Government	16-Jan-2013	Variable (IDB)	15-May-2037	113.8
Inter-American Development Bank	Government	23-Dec-2013	Variable (IDB)	15-Nov-2031	99.7
Inter-American Development Bank	Government	23-Dec-2013	Variable (IDB)	15-Nov-2031	143.3
Inter-American Development Bank	Government	23-Dec-2013	Variable (IDB)	15-Jun-2027	350.0
Inter-American Development Bank	Government	29-Jul-2014	Variable (IDB)	15-Jul-2038	44.7
Inter-American Development Bank	Government	6-Oct-2014	Variable (IDB)	15-Sep-2038	22.4
Inter-American Development Bank	Government	19-Jan-2015	Variable (IDB)	15-May-2032	210.0
Inter-American Development Bank	Government	19-Jan-2015	Variable (IDB)	15-Jul-2032	31.8
Inter-American Development Bank	Government	19-Jan-2015	Variable (IDB)	15-Jul-2039	68.5
Inter-American Development Bank	Government	26-Jun-2015	Variable (IDB)	15-Mar-2032	128.0
Inter-American Development Bank	Government	20-Nov-2015	Variable (IDB)	15-Apr-2031	88.3
Inter-American Development Bank	Government	24-Dec-2015	Variable (IDB)	15-May-2031	300.0
Inter-American Development Bank	Government	2-Jul-2018	Variable (IDB)	15-Oct-2041	14.8
Inter-American Development Bank	Government	2-Jul-2018	Variable (IDB)	15-Oct-2041	1.6
Inter-American Development Bank	Government	19-Oct-2018	Variable (IDB)	15-Nov-2037	300.0
Inter-American Development Bank	Government	30-Nov-2018	Variable (IDB)	15-Mar-2039	38.1
Inter-American Development Bank	Government	30-Nov-2018	Variable (IDB)	15-Mar-2039	25.4
Inter-American Development Bank	Government	11-Dec-2018	Variable (IDB)	15-Sep-2035	0.4
Inter-American Development Bank	Government	2-Dec-2019	Variable (IDB)	15-Nov-2042	1.8
Inter-American Development Bank	Government	26-Dec-2019	Variable (IDB)	15-Sep-2038	400.0
Inter-American Development Bank	Government	3-Nov-2020	Variable (IDB)	15-Jul-2040	250.0
Inter-American Development Bank	Government	3-Nov-2020	Variable (IDB)	15-Apr-2027	250.0

Inter-American Development Bank	Government	17-Dec-2020	Variable (IDB)	15-May-2039	250.0
Inter-American Development Bank	Government	15-Mar-2021	Variable (IDB)	15-Jan-2044	0.1
Inter-American Development Bank(2)	Government	N/A	0.00	19-Dec-1978	4.4
Total Inter-American Development Bank					3,990.9
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT					
International Bank for Reconstruction and Development	Government	15-Nov-2008	LIBOR 6 M + 0.5	15-May-2024	4.4
International Bank for Reconstruction and Development	Government	7-Apr-2009	LIBOR 6 M + 0.05	15-Nov-2037	52.8
International Bank for Reconstruction and Development	Government	7-Apr-2009	LIBOR 6 M + 0.05	15-Nov-2037	27.2
International Bank for Reconstruction and Development	Government	5-Nov-2009	5.29	15-Nov-2032	150.0
International Bank for Reconstruction and Development	Government	5-Nov-2009	5.29	15-Nov-2032	150.0
International Bank for Reconstruction and Development	Government	18-Dec-2009	LIBOR 6 M + 1.05	15-May-2027	29.6
International Bank for Reconstruction and Development	Government	30-Dec-2009	LIBOR 6 M + 1.2	15-Nov-2035	19.6
International Bank for Reconstruction and Development	Government	21-Jun-2010	3.52	15-Nov-2029	3.0
International Bank for Reconstruction and Development	Government	21-Jun-2010	3.67	15-Nov-2029	3.0
International Bank for Reconstruction and Development	Government	21-Jun-2010	3.3	15-Nov-2029	3.0
International Bank for Reconstruction and Development	Government	21-Jun-2010	3.44	15-Nov-2029	1.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	4.58	15-Jan-2028	3.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	3.26	15-Jan-2028	3.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	3.44	15-Jan-2028	3.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	2.96	15-Jan-2028	3.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	3.69	15-Jan-2028	3.0
International Bank for Reconstruction and Development	Government	30-Nov-2010	4.27	15-Jan-2028	1.6
International Bank for Reconstruction and Development	Government	22-Dec-2010	5.26	15-Sep-2032	135.0
International Bank for Reconstruction and Development	Government	27-Jan-2012	3.65	15-Sep-2041	61.0
International Bank for Reconstruction and Development	Government	20-Jul-2012	3.89	15-Sep-2041	3.6
International Bank for Reconstruction and Development	Government	20-Jul-2012	4.26	15-Sep-2041	3.3
International Bank for Reconstruction and Development	Government	20-Jul-2012	3.94	15-Sep-2041	2.8
International Bank for Reconstruction and Development	Government	20-Jul-2012	3.59	15-Sep-2041	3.2
International Bank for Reconstruction and Development	Government	20-Jul-2012	3.14	15-Sep-2041	3.4
International Bank for Reconstruction and Development	Government	20-Jul-2012	3.55	15-Sep-2041	1.2
International Bank for Reconstruction and Development	Government	20-Aug-2015	LIBOR 6 M + 1.03	15-Sep-2048	61.6
International Bank for Reconstruction and Development	Government	24-Dec-2015	LIBOR 6 M + 1.3	1-Aug-2038	60.0
International Bank for Reconstruction and Development	Government	27-Oct-2016	LIBOR 6 M + 1.3	15-Feb-2040	39.1
International Bank for Reconstruction and Development	Government	27-Oct-2016	LIBOR 6 M + 1.3	15-Mar-2040	94.2
International Bank for Reconstruction and Development	Government	17-Jul-2018	LIBOR 6 M + 1.4	15-Jul-2039	150.0

International Bank for Reconstruction and Development	Government	4-Dec-2020	LIBOR 6 M + 1.7	15-Jan-2040	100.0
International Bank for Reconstruction and Development	Government	10-Dec-2005	LIBOR 6 M + 0.5	15-Apr-2022	4.1
International Bank for Reconstruction and Development	Government	14-Sep-2007	LIBOR 6 M + 0.5	15-Oct-2022	2.0
Total International Bank for Reconstruction and Development					1,184.3
EUROPEAN INVESTMENT BANK					
European Investment Bank	Government	5-Dec-2011	3.699	30-Sep-2029	4.7
European Investment Bank	Government	5-Dec-2011	3.092	30-Sep-2029	4.7
European Investment Bank	Government	5-Dec-2011	3.201	30-Mar-2031	5.6
European Investment Bank	Government	5-Dec-2011	3.033	30-Mar-2031	5.6
European Investment Bank	Government	5-Dec-2011	3.653	30-Sep-2031	5.9
European Investment Bank	Government	5-Dec-2011	3.554	30-Mar-2032	4.3
European Investment Bank	Government	19-Feb-2018	LIBOR 6 M + 0.5	15-Jul-2039	16.4
European Investment Bank	Government	19-Feb-2018	LIBOR 6 M + 0.5	15-Jul-2039	6.0
Total European Development Bank					53.3
CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION					
Central American Bank for Economic Integration	Government	2-Jun-2009	Variable (CABEI)	2-Jun-2024	27.1
Central American Bank for Economic Integration	Government	22-Dec-2011	Variable (CABEI)	22-Dec-2026	29.2
Central American Bank for Economic Integration	Government	3-Sep-2013	Variable (CABEI)	3-Sep-2028	46.8
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	25.8
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	49.9
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	9.6
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	6.8
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	25
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	6.4
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	10.5
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	8.9
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	8.6
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	29.2
Central American Bank for Economic Integration	Government	2-Jul-2018	LIBOR 6m + 2.20	15-Oct-2031	26.0
Total Central American Bank for Economic Integration					309.7
INTERNATIONAL AGRICULTURAL DEVELOPMENT FUND					
International Agricultural Development Fund	Government	23-Mar-2010	Variable (IADF)	12-Jun-2028	5.6
International Agricultural Development Fund	Government	23-Jul-2012	Variable (IADF)	13-Dec-2032	9.5
International Agricultural Development Fund	Government	23-Jul-2012	Variable (IADF)	13-Dec-2032	8.7
International Agricultural Development Fund	Government	5-Sep-2019	Variable (IADF)	15-Jan-2038	0.8
Total International Agricultural Development Fund					24.5
NORDIC DEVELOPMENT FUND					
Nordic Development Fund	Government	23-Aug-1998	0.00	15-Jun-2033	3.3
Nordic Development Fund	Government	23-Aug-1998	0.75	15-Jun-2038	2.5
Total Nordic Development Fund					5.8
ANDEAN DEVELOPMENT CORPORATION					
Andean Development Corporation	Government	18-Aug-2010	LIBOR 6m + 2.35	18-Aug-2025	26.7
Andean Development Corporation	Government	29-Jul-2014	LIBOR 6m + 2.60	29-Jul-2029	30.7

Andean Development Corporation	Government	19-Jan-2015	LIBOR 6m + 2.05	19-Jan-2027	25.0
Andean Development Corporation	Government	19-Dec-2016	LIBOR 6m + 2.00	21-Dec-2031	38.5
Total Andean Development Corporation					110.8
OPEC FUND FOR INTERNATIONAL DEVELOPMENT					
OPEC Fund for International Development	Government	9-Jun-2009	3.75	15-Jan-2028	13.0
OPEC Fund for International Development	Government	16-Dec-2010	3.30	15-Jan-2029	15.0
OPEC Fund for International Development	Government	19-Jan-2015	3.00	15-Dec-2033	48.0
OPEC Fund for International Development	Government	30-Dec-2019	3.00	15-Jul-2038	22.7
Total OPEC Fund for International Development					98.7
INTERNATIONAL MONETARY FUND					
International Monetary Fund	Government	2-Jul-2020	IMF RATE + 1	1-May-2025	668.2
International Monetary Fund (Cumulative Allocations)	Central Bank	N/A	Variable FMI	N/A	932.7
Total International Monetary Fund					1,600.8
TOTAL MULTILATERAL INSTITUTIONS					**7,379.1**
FOREIGN GOVERMENTS(3)					
French Development Agency	Government	15-Jun-2009	0.25	31-Jul-2026	5.6
French Development Agency	Government	5-Dec-2011	4.21	31-May-2031	145.7
French Development Agency	Government	16-May-2014	3.43	31-Jan-2023	0.5
French Development Agency	Government	16-May-2014	2.82	31-Jan-2023	0.0
French Development Agency	Government	16-May-2014	LIBOR 6 M + 1.55	31-Jan-2023	0.6
French Development Agency	Government	16-May-2014	LIBOR 6 M + 1.55	31-Jan-2023	0.0
French Development Agency	Government	16-May-2014	LIBOR 6 M + 1.55	31-Jan-2023	0.3
French Development Agency	Government	19-Jan-2015	4.17	31-Oct-2034	104.0
French Development Agency	Government	19-Jan-2015	3.98	31-Oct-2034	43.3
French Development Agency	Government	19-Jan-2015	4.05	31-Oct-2034	34.7
French Development Agency	Government	27-Oct-2016	4.16	30-Apr-2035	18.0
French Development Agency	Government	27-Oct-2016	4.24	30-Apr-2035	18.0
French Development Agency	Government	27-Oct-2016	2.66	30-Apr-2035	9.3
French Development Agency	Government	30-Dec-2019	1.43	15-Dec-2043	37.6
French Development Agency	Government	30-Dec-2019	1.10	15-Dec-2043	26.6
French Development Agency	Government	30-Dec-2019	1.64	15-Dec-2043	26.6
French Development Agency	Government	17-Dec-2020	2.88	30-Sep-2039	250.0
French Development Agency	Government	13-Jan-2021	0.38	30-Sep-2039	3.7
French Development Agency	Government	15-Jan-2021	1.70	30-Sep-2044	22.7
French Development Agency	Government	7-Jun-2021	3.52	15-Jan-2040	236.1
French Development Agency	Government	15-Dec-2000	2.25	30-Apr-2025	0.7
AKA Ausfunhrkredit -Gesellschaft	Government	20-Feb-2004	4.66	1-Aug-2022	6.0
Banco Central de Venezuela	Government	20-Jun-2017	1.00	7-Jan-2040	1.3
Banco Central de Venezuela	Government	20-Jun-2017	1.00	29-Jan-2040	2.8
Banco Central de Venezuela	Government	20-Jun-2017	1.00	8-Feb-2040	3.5
Banco Central de Venezuela	Government	20-Jun-2017	1.00	24-Feb-2040	4.6
Banco Central de Venezuela	Government	20-Jun-2017	1.00	13-Mar-2040	4.1
Banco Central de Venezuela	Government	20-Jun-2017	1.00	3-Apr-2040	3.9
Banco Central de Venezuela	Government	20-Jun-2017	1.00	18-Apr-2040	6.1
Banco Central de Venezuela	Government	20-Jun-2017	1.00	1-May-2040	7.1
Banco Central de Venezuela	Government	20-Jun-2017	1.00	15-May-2040	7.1

Banco Central de Venezuela	Government	20-Jun-2017	1.00	28-May-2040	4.9
Banco Central de Venezuela	Government	20-Jun-2017	1.00	17-Jun-2040	5.3
Banco Central de Venezuela	Government	20-Jun-2017	1.00	18-Jun-2040	7.7
Banco Central de Venezuela	Government	20-Jun-2017	1.00	4-Jul-2040	5.4
Banco Central de Venezuela	Government	20-Jun-2017	1.00	12-Jul-2040	9.3
Banco Central de Venezuela	Government	20-Jun-2017	1.00	22-Jul-2040	3.7
Banco Central de Venezuela	Government	20-Jun-2017	1.00	31-Jul-2040	4.2
Banco Central de Venezuela	Government	20-Jun-2017	1.00	8-Aug-2040	7.0
Banco Central de Venezuela	Government	20-Jun-2017	1.00	13-Aug-2040	3.8
Banco Central de Venezuela	Government	20-Jun-2017	1.00	26-Aug-2040	3.2
Banco Central de Venezuela	Government	20-Jun-2017	1.00	9-Sep-2040	2.6
Banco Central de Venezuela	Government	20-Jun-2017	1.00	13-Sep-2040	8.5
Banco Central de Venezuela	Government	20-Jun-2017	1.00	27-Sep-2040	2.7
Banco Central de Venezuela	Government	20-Jun-2017	1.00	10-Oct-2040	4.2
Banco Central de Venezuela	Government	20-Jun-2017	1.00	1-Nov-2040	3.8
Banco Central de Venezuela	Government	20-Jun-2017	1.00	6-Nov-2040	3.5
Banco Central de Venezuela	Government	20-Jun-2017	1.00	20-Nov-2040	3.2
Banco Central de Venezuela	Government	20-Jun-2017	1.00	5-Dec-2040	3.0
Banco Central de Venezuela	Government	20-Jun-2017	2.00	12-Dec-2032	2.6
Banco Central de Venezuela	Government	20-Jun-2017	1.00	17-Dec-2040	2.3
Banco Central de Venezuela	Government	20-Jun-2017	1.00	1-Jan-2041	1.6
Banco Central de Venezuela	Government	20-Jun-2017	2.00	24-Jan-2033	0.6
Banco Central de Venezuela	Government	20-Jun-2017	1.00	24-Jan-2041	0.8
Banco Central de Venezuela	Government	20-Jun-2017	2.00	7-Feb-2033	0.4
Banco Central de Venezuela	Government	20-Jun-2017	2.00	7-Feb-2033	0.8
Banco Central de Venezuela	Government	20-Jun-2017	1.00	7-Feb-2041	0.2
Banco Central de Venezuela	Government	20-Jun-2017	1.00	7-Jan-2040	1.3
Banco Central de Venezuela	Government	20-Jun-2017	1.00	29-Jan-2040	2.8
Banco Central de Venezuela	Government	20-Jun-2017	1.00	8-Feb-2040	3.5
Banco Central de Venezuela	Government	20-Jun-2017	1.00	24-Feb-2040	4.6
BNDES	Government	15-Nov-2008	6.53	4-Jun-2022	0.4
BNDES	Government	15-Nov-2008	6.53	4-Jun-2022	0.4
BNDES	Government	15-Nov-2008	6.53	4-Jun-2022	0.4
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.1
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.0
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.0
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.6
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.6
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.6
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.1
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.1
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.1
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.0
BNDES	Government	15-Nov-2008	6.53	4-Dec-2022	0.1
BNDES	Government	15-Nov-2008	6.53	4-Jun-2023	0.1
BNDES	Government	15-Nov-2008	6.53	4-Jun-2023	0.1
BNDES	Government	15-Nov-2008	6.53	4-Jun-2023	0.3
BNDES	Government	10-Aug-2010	4.6945	29-Sep-2022	4.4
BNDES	Government	5-Oct-2011	4.0425	23-Feb-2024	11.4
BNDES	Government	5-Oct-2011	4.0225	21-Jun-2022	2.8
BNDES	Government	10-Oct-2011	4.0425	23-Feb-2024	47.7
BNDES	Government	30-Apr-2014	3.846	31-Jul-2026	14.1

BNDES	Government	7-Nov-2014	4.1055	25-Nov-2026	33.3
BNP FORTIS, BELGICA	Government	29-Jun-2011	3.79	28-Sep-2023	23.5
BNP FORTIS, BELGICA	Government	30-Sep-2014	EURIBOR6M + 1.50	27-Feb-2025	8.3
BNP PARIBAS, Paris	Government	29-Jun-2011	3.45	1-Apr-2023	12.1
Deutsche Bank, S.A.E	Government	26-Nov-2009	4.51	23-Feb-2023	18.3
Deutsche Bank, S.A.E	Government	26-Nov-2009	4.51	23-Feb-2023	3.0
Deutsche Bank, S.A.E	Government	26-Nov-2009	4.51	23-Feb-2023	7.4
Deutsche Bank, S.A.E	Government	26-Nov-2009	4.51	23-Feb-2023	2.8
Deutsche Bank, S.A.E	Government	29-Jun-2011	4.05	3-Apr-2023	8.5
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	28-Nov-2027	4.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	28-Nov-2027	3.8
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	28-Nov-2027	0.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	27-Nov-2027	0.5
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	27-Nov-2027	0.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR6M + 4.5	27-Nov-2027	0.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	2.3
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	3.7
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	4.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	3.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	0.9
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	0.6
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	1.3
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	2.6
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	0.6
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	3.9
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	1.1
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	1.3
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	0.2
Deutsche Bank, S.A.E	Government	26-Jun-2015	EURIBOR 6M + 4.5	27-Nov-2027	0.5
Deutsche, London	Government	21-Jun-2010	LIBOR 6 M + 2.25	23-May-2024	2.0
Deutsche, London	Government	21-Jun-2010	LIBOR 6 M + 2.25	26-May-2024	0.4
Deutsche, London	Government	21-Jun-2010	LIBOR 6 M + 2.25	26-May-2024	0.3
Deutsche, London	Government	21-Jun-2010	LIBOR 6 M + 2.25	26-May-2024	0.3
Deutsche, London	Government	21-Jun-2010	LIBOR 6 M + 2.25	26-May-2024	0.8
Deutsche Bank S.P.A. (Head Office)	Government	13-Jul-2015	3.59	7-Oct-2029	116.2
Deutsche Bank S.P.A. (Head Office)	Government	13-Jul-2015	3.59	7-Oct-2029	46.1
Deutsche Bank S.P.A. (Head Office)	Government	13-Jul-2015	3.59	7-Oct-2029	25.6
Deutsche Bank S.P.A. (Head Office)	Government	13-Jul-2015	3.59	7-Oct-2029	18.7
Deutsche Bank S.P.A. (Head Office)	Government	13-Jul-2015	LIBOR 6 M + 2.4	7-Oct-2029	15.9
European Export + Trader Bank	Government	20-Feb-2004	5.20	3-Jan-2022	1.0
European Export + Trader Bank	Government	20-Feb-2004	4.39	1-Aug-2022	1.2
European Export + Trader Bank	Government	20-Feb-2004	4.39	1-Aug-2022	0.0

Export-Import Bank of the United States	Government	27-Jul-2012	Variable (OPECFID)	20-Nov-2022	3.7
International Cooperation and Development Fund	Government	15-Jun-2001	3.50	15-May-2026	0.9
Official Credit Institute	Government	10-Jul-1995	1.50	8-Aug-2025	1.1
Official Credit Institute	Government	22-Feb-1996	1.50	11-Mar-2026	1.4
Official Credit Institute	Government	2-Feb-1998	1.00	4-Feb-2028	1.6
Official Credit Institute	Government	2-Feb-1998	1.00	4-Feb-2028	1.7
Official Credit Institute	Government	17-Aug-1998	1.00	31-Aug-2028	1.1
Official Credit Institute	Government	10-Dec-1998	1.00	14-Dec-2028	1.3
Official Credit Institute	Government	10-Dec-1998	4.75	14-Dec-2028	1.0
Official Credit Institute	Government	10-Dec-1998	1.00	14-Dec-2028	0.8
Official Credit Institute	Government	1-Mar-1999	1.00	20-May-2029	11.8
Official Credit Institute	Government	10-Dec-2000	3.70	24-Aug-2030	4.0
Official Credit Institute	Government	28-Feb-2001	0.00	4-Jul-2030	0.9
Official Credit Institute	Government	11-Jun-2001	1.00	15-Jan-2032	1.9
Official Credit Institute	Government	28-Aug-2010	0.01	25-Nov-2040	52.9
Official Credit Institute	Government	12-Jul-2012	0.01	6-Nov-2050	6.8
Official Credit Institute	Government	29-Jul-2014	0.01	26-May-2053	0.9
Official Credit Institute	Government	6-Oct-2014	0.01	27-Apr-2053	1.2
Japan International Cooperation Agency	Government	15-Nov-1994	3.00	20-Mar-2024	9.30
Export-Import Bank of Korea	Government	9-May-2007	1.70	20-Aug-2031	9.7
Export-Import Bank of Korea	Government	30-Sep-2013	0.00	20-Feb-2042	1.1
Export-Import Bank of Korea	Government	30-Sep-2013	0.25	20-Aug-2052	22.4
Kredit Für Wiederaufbau	Government	25-Jun-1997	2.00	30-Dec-2026	2.1
Kredit Für Wiederaufbau	Government	20-Jun-1998	2.00	30-Dec-2026	2.1
Kredit Für Wiederaufbau	Government	14-Oct-2003	2.00	30-Dec-2032	0.7
Kredit Für Wiederaufbau	Government	14-Oct-2003	4.50	30-Dec-2022	0.1
Kredit Für Wiederaufbau	Government	14-Oct-2003	4.50	30-Dec-2022	0.1
Kredit Für Wiederaufbau	Government	29-Jun-2011	4.08	1-Apr-2023	4.5
Kredit Für Wiederaufbau	Government	3-Apr-2017	2.00	30-Dec-2045	11.3
Kredit Für Wiederaufbau	Government	3-Apr-2017	4.50	30-Dec-2035	6.2
NATIXIS	Government	22-Dec-2011	1.00	30-Jun-2033	8.8
NATIXIS	Government	22-Dec-2011	1.00	30-Sep-2034	3.3
NATIXIS	Government	22-Dec-2011	1.00	31-Dec-2034	9.4
NATIXIS	Government	22-Dec-2011	1.00	30-Jun-2035	4.3
NATIXIS	Government	22-Dec-2011	1.00	30-Sep-2035	1.6
NATIXIS	Government	22-Dec-2011	1.00	31-Dec-2035	4.0
NATIXIS	Government	22-Dec-2011	1.00	31-Dec-2035	2.3
NATIXIS	Government	22-Dec-2011	1.00	31-Dec-2035	4.8
NATIXIS	Government	22-Dec-2011	1.00	31-Mar-2036	1.3
NATIXIS	Government	22-Dec-2011	1.00	30-Jun-2036	0.9
NATIXIS	Government	22-Dec-2011	1.00	30-Sep-2036	1.2
NATIXIS	Government	22-Dec-2011	1.00	30-Jun-2037	2.1
NATIXIS	Government	22-Dec-2011	1.00	30-Jun-2037	4.4
NATIXIS	Government	22-Dec-2011	1.00	30-Sep-2037	2.4
NATIXIS	Government	22-Dec-2011	1.00	31-Dec-2037	1.6
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	12-Oct-2039	1.2
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	7-Jan-2025	0.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	29-Jan-2025	1.0
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	8-Feb-2025	1.3
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	17-Mar-2041	0.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	17-Mar-2041	1.4
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	17-Apr-2041	2.6

PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	13-Jun-2041	1.8
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	21-Jun-2041	1.6
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	18-Aug-2041	2.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	18-Sep-2041	1.0
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	20-Feb-2042	1.2
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	11-Jan-2021	0.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	14-Jan-2021	1.6
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	28-Jan-2021	0.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	6-Feb-2021	0.7
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	20-Feb-2021	0.7
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	8-Mar-2021	2.0
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	10-Mar-2021	0.2
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	15-Mar-2021	1.1
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	19-Mar-2021	0.8
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	6-Apr-2021	0.8
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	10-Apr-2021	1.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	26-Apr-2021	0.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	16-May-2021	1.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	17-May-2021	0.9
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	25-May-2021	0.8
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	9-Aug-2021	1.1
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	24-Aug-2021	0.8
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	27-Aug-2021	2.7
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	6-Sep-2021	1.3
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	10-Sep-2021	1.2
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	20-Sep-2021	0.3
PDVSA Petroleos, S.A.	Government	31-Dec-2004	2.00	23-Sep-2021	1.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	21-Jul-2033	6.4
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	26-Sep-2039	3.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	2-Nov-2039	16.5
PDVSA Petroleos, S.A.	Government	31-Dec-2004	1.00	4-Dec-2039	10.9
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	24-Feb-2025	0.9
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	24-Feb-2025	0.2
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	24-Feb-2025	0.2
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	1.7
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.0
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.9
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	1.3
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.3
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.8
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.0
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	1.1
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	1.2
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.3
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	2.6
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	2.3
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	0.4
Santander Bank S.A. (All Spain Branches)	Government	27-Aug-2010	6.02	23-Feb-2025	1.9
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	2.4
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	1.2
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	11.7

Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	3.0
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	4.1
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	1.8
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.3
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	1.2
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.4
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.0
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	1.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.7
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.9
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	1.6
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.2
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.2
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.1
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.1
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.4
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.47	24-Mar-2032	0.1
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.0
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	EURIBOR 6M + 0.95	24-Mar-2028	0.2
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	3.7
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	10.4
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	2.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	1.3
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	0.3
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	2.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	2.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	0.9
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	0.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	1.0
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	2.5
Santander Bank S.A. (All Spain Branches)	Government	20-Dec-2016	1.15	6-Nov-2032	1.0
TOTAL FOREIGN GOVERNMENTS					**1,987.1**
COMMERCIAL BANKS					
Bank of NY Mellon(5)	Government	20-Mar-2006	8.63	27-Jan-2045	300.0
Bank of NY Mellon(5)	Government	18-Apr-2013	5.88	29-Jan-2026	611.5
Bank of NY Mellon(5)	Government	28-Oct-2013	6.60	25-Jan-2027	279.0
Bank of NY Mellon(5)	Government	30-Apr-2014	7.45	15-Feb-2048	1,500.0
Bank of NY Mellon(5)	Government	27-Jan-2015	5.50	15-Feb-2023	1,272.2
Bank of NY Mellon(5)	Government	27-Jan-2015	6.85	19-Jul-2028	2,000.0
Bank of NY Mellon(5)	Government	29-Jan-2016	6.88	5-Jun-2026	1,787.1
Bank of NY Mellon(5)	Government	25-Jan-2017	5.95	30-Jan-2030	1,700.0

Bank of NY Mellon(5)	Government	15-Feb-2018	8.90	20-Apr-2027	700.0
Bank of NY Mellon(5)	Government	15-Feb-2018	6.50	6-May-2021	1,000.0
Bank of NY Mellon(5)	Government	19-Jul-2018	6.00	18-Apr-2024	1,300.0
Bank of NY Mellon(5)	Government	05-Jun-2019	9.75	28-Jan-2024	1,190.4
Bank of NY Mellon(5)	Government	05-Jun-2019	6.40	30-Apr-2044	1,500.0
Bank of NY Mellon(5)	Government	30-Jan-2020	4.5	27-Jan-2025	2,000.0
Bank of NY Mellon(5)	Government	30-Jan-2020	5.875	5-Jun-2049	3,200.0
Bank of NY Mellon(5)	Government	23-Sep-2020	4.875	30-Jan-2060	3,066.0
Bank of NY Mellon(5)	Government	21-Jan-2021	5.3	23-Sep-2032	1,500.0
TOTAL COMMERCIAL BANKS					**24,906.2**
SUPPLIERS					
Asea Browns Boveri(5)	CDEEE	30-Nov-1980		31-Dec-1989	0.2
Asea Browns Boveri(5)	CDEEE	30-Nov-1980	0.00	31-Dec-1989	0.3
Asea Browns Boveri(5)	CDEEE	30-Nov-1980	0.00	31-Dec-1989	0.0
Atmospherics Incorporated(5)	CDEEE	27-Jan-1984	0.00	30-Dec-1986	0.1
Atmospherics Incorporated(5)	CDEEE	27-Jan-1984	0.00	30-Dec-1986	0.0
Burns And Roe, Company(5)	CDEEE	14-Feb-1984	0.00	31-Dec-1989	0.5
Burns And Roe, Company(5)	CDEEE	14-Feb-1984	0.00	31-Dec-1989	0.0
Fiat Marelli(5)	CDEEE	30-Jul-1980	7.75	7-Nov-1985	0.1
Fiat Ttg(5)	CDEEE	23-Sep-1985	10.00	28-Nov-1986	1.8
Fiat Ttg(5)	CDEEE	23-Sep-1985	10.00	28-Nov-1986	1.1
Fiat Ttg(5)	CDEEE	23-Sep-1985	10.00	30-Apr-1987	0.7
GEOLIDRO Spa(5)	CDEEE	29-Mar-1984	14.50	30-Nov-1989	0.4
Harza(5)	CDEEE	23-Sep-1985	0.00	31-Dec-1989	0.5
Systems C.(5)	CDEEE	27-Nov-1980	8.55	9-Mar-1987	0.3
TOTAL SUPPLIERS(6)					**5.97**
TOTAL GLOBAL PUBLIC SECTOR EXTERNAL DEBT					**34,278.5**

(1) Currencies other than U.S. dollars are converted to U.S. dollars at the rate published by the IMF on December 31, 2019.
(2) Amount owed as contribution to the IDB, to be paid upon IDB's request.
(3) Includes loans from commercial entities guaranteed by export credit agencies of foreign governments.
(4) Entity acts as intermediary agent for France's and Spain's export credit agencies.
(5) Entity acts as trustee.
(6) Constitutes arrears of the Republic with its suppliers. See "Public Sector Debt—External Debt—External Debt Owed to Commercial Lenders and Suppliers."

BNDES = *Banco Nacional de Desenvolvimento Econômico e Social*
CDEEE = *Corporación Dominicana de Empresas Eléctricas Estatales* (Dominican Corporation of State-Owned Electric Entities)
EURIBOR = Euro Inter-Bank Offered Rate
LIBOR = London Inter-Bank Offered Rate

Sources: Ministry of Finance and Central Bank.

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