



Dominican Republic
Ministry of Finance
Budget General Directorate
DIGEPRES

GENERAL STATE BUDGET LAW

Central Government

2020

**NATIONAL CONGRESS
IN THE REPUBLIC'S NAME**

SEEN: Article 93, Numeral 1, Literal i), of the Dominican Constitution.

**AS APPROVED THE:
GENERAL STATE BUDGET LAW FOR 2020,**

**TITLE I
CENTRAL GOVERNMENT GENERAL BUDGET DISPOSITIONS**

**CHAPTER I
CENTRAL GOVERNMENT REVENUES, EXPENDITURE AND FINANCING**

Article 1 .- It approves Central Government total revenues and financing sources for Nine Hundred Ninety Seven Thousand One Hundred Nineteen Million One Hundred Seventy Two Thousand Nine hundred forty-three Dominican pesos (RD\$997,119,172,943), according to the following detail:

(IN RD\$)

1- TOTAL REVENUES	RD\$750,823,351,176
2- TOTAL FINANCING SOURCES	RD\$246,295,821,767
TOTAL REVENUES AND FINANCING SOURCES (1+2)	RD\$ 997,119,172,943

Article 2.- It approves Central Government's expenditures for a total of Nine Hundred Ninety Seven Thousand One Hundred Nineteen Million One Hundred Seventy Two Thousand Nine hundred forty-three Dominican pesos (RD\$997,119,172,943), according to the following detail :

(IN RD\$)

1- TOTAL EXPENSES	RD\$861,074,372,943
2- TOTAL FINANCIAL APPLICATIONS	RD\$136,044,800,000
TOTAL EXPENDITURES (1+2)	RD\$ 997,119,172,943

Article 3 .- It approves Central Government total revenues to be collected in the year 2020 for an amount of Seven Hundred Fifty Thousand Eight Hundred Twenty-three Million Three Hundred Fifty-One Thousand One Hundred Seventy-Six Dominican Pesos (RD\$750,823,351,176), in accordance with what is established below:

(IN RD\$)	
1- CURRENT REVENUES	RD\$738,501,386,179
2- CAPITAL REVENUES	RD\$12,321,964,997
TOTAL REVENUES (1+2)	RD\$750,823,351,176

Paragraph: Estimated revenues includes donations in the amount of Two Thousand Nine Hundred Ninety-four million two hundred sixty-one thousand three hundred twenty-five Dominican pesos (RD\$2,994,261,325).

Article 4.- Central Government's total expenses for the budget year 2020, are approved for a total amount of Eight Hundred Sixty-One Thousand Seventy-Four Million Three Hundred Seventy Two Thousand Nine Hundred Forty-Three Dominican Pesos (RD\$861,074,372,943), in accordance with what is established below:

(IN RD\$)	
1- CURRENT EXPENSES	RD\$723,274,350,010
2- CAPITAL EXPENSES	RD\$137,800,022,933
TOTAL EXPENSES (1+2)	RD\$861,074,372,943

Article 5.- As a result of what is established in articles 3 and 4 of this Law, it is approved a Financial Deficit Result of One Hundred Ten Thousand Two Hundred Fifty One Million Twenty-one thousand seven hundred sixty-seven Dominican pesos (RD\$110,251,021,767), for the Central Government budget, corresponding to the 2020 budget year, according to the following detail:

(IN RD\$)	
1- TOTAL REVENUES	RD\$750,823,351,176
2- TOTAL EXPENSES	RD\$861,074,372,943
FINANCIAL RESULT (1-2)	RD\$110,251,021,767

Article 6- It approves the Net Financing of the Central Government Budget for the financial year 2020, in the amount of One Hundred Ten Thousand Two Hundred Fifty-One Million Twenty-one Thousand Seven Hundred Sixty-Seven Dominican Pesos (RD\$110,251,021,767), of according to the following detail:

(IN RD\$)

1.- Financing Sources	246,295,821,767
1.1-Domestic Sources	86,312,101,767
1.2-External Sources	159,983,720,000
2. Financial Applications	136,044,800,000
2.1 – Public Debt Amortizations	86,908,642,256
2.1.1 – Domestic Debt	30,429,117,140
2.1.2 – External Debt	56,479,525,116
2.2- Payable Accounts Reduction	46,300,357,744
2.3- Financial Assests	2,835,000,000
Net Financing (1-2)	110,251,132,978

CHAPTER II

CENTRAL GOVERNMENT REVENUES DISPOSITIONS

Article 7- The revenues estimation according to the economic classification is as follows:

Table 1
Central Government Fiscal Revenues Estimates 2020
Economic Classification
(values in RD\$ and %GDP)

DETAIL	BUDGET 2020	% GDP
1.1. CURRENT REVENUES	738,501,386,179	15.0%
1.1.1. Taxes	682,855,176,596	13.9%
1.1.1.1. Taxes on income, profits, and capital gains	219,373,442,099	4.5%
1.1.1.1.1. Payable by individuals	65,805,917,117	1.3%
1.1.1.1.2. Payable by corporations and other enterprises	114,386,973,149	2.3%
1.1.1.1.3. Other taxes on income, profits, and capital gains	39,180,551,833	0.8%
1.1.1.3. Taxes on property	31,554,762,307	0.6%
1.1.1.4. Taxes on goods and services	386,199,160,818	7.9%
1.1.1.5. Taxes on international trade and transactions	44,819,518,910	0.9%
1.1.1.6. Ecologic Taxes	906,365,224	0.0%
1.1.1.9. Other taxes	1,927,238	0.0%
1.1.2. Social Contributions	2,807,427,601	0.1%
1.1.3. Good and Services Sale	30,264,933,366	0.6%
1.1.4. Property Rent	10,575,257,073	0.2%
1.1.6. Transfers and current grants	1,408,257,484	0.0%
1.1.6.1. Transfers to the Private Sector	2,390,382	0.0%
1.1.6.5. Current Grants	1,405,867,102	0.0%
1.1.7. Pecuniary Fines and Penalties	324,237,132	0.0%
1.1.9. Other Current Revenues	10,266,096,927	0.2%
1.2. CAPITAL REVENUES	12,321,964,997	0.3%
1.2.1. Non Financial Assets Sale	21,570,774	0.0%
1.2.4. Capital Transfers	12,300,394,223	0.3%
1.2.4.2. Public Sector Transfers	10,712,000,000	0.2%
1.2.4.2.2. Transfers to Non Financial Public Enterprises	10,712,000,000	0.2%
1.2.4.4. Capital Grants	1,588,394,223	0.0%
1.2.4.4.2. Capital Grants from International Organizations	1,588,394,223	0.0%
TOTAL REVENUES	750,823,351,176	15.3%

Article 8.- The resources received by the Central Government for any concept during the year 2020, will be recorded in the General Source of the National Treasury and will be destined to cover budgetary appropriations approved in this law.

Paragraph I: Revenues from specific sources created by special laws, decrees, administrative measures and resources from external and internal financial sources and donations, are exceptions from the provisions of this article.

Paragraph II: The revenues created by special laws, decrees, administrative measures will be the only ones identified as Specific Source. Grants and financial sources external and domestics, will be considered as Revenues and Financing, respectively.

Article 9.- The Executive Power is authorized, through the Ministry of Finance, to issue Treasury Bills or contract other means of financing, for a maximum amount of Twenty-eight Billion Dominican Pesos (RD\$28,000,000,000), or its equivalent in foreign currency which must be canceled prior to the end of the year 2020.

Paragraph I: Short-term financing interest payments are included in the Central Government Expenditure Budget approved by virtue of this law.

Paragraph II: The authorized amount for Treasury Bills or other means of financing, constitutes the maximum limit that the National Treasury may use at any given time, does not represents an annual limit for its use.

Paragraph III: The National Treasury, to the extent that it amortizes the capital used through these means of financing, may dispose of said amount without exceeding the authorized ceiling.

TITLE V

GENERAL DISPOSITIONS ON PUBLIC CREDIT OPERATIONS

Article 56.- The General State Budget financing plan is approved, which consists of obtaining gross financing in the amount of Two Hundred Forty-Six Thousand Two Hundred Ninety Five Million Eight Hundred Twenty One Thousand Seven Hundred Sixty Seven Dominican pesos (RD\$ 246,295,821,767) and make amortizations of liabilities and acquisition of financial assets in the amount of One Hundred Thirty-Six Thousand Forty Four Million Eight Hundred Thousand Dominican Pesos (RD\$136,044,800,000), resulting in a level of maximum net financing of One Hundred Ten Thousand Two Hundred Fifty One Millions Twenty One Thousand Seven Hundred Sixty Seven Dominican Pesos (RD \$ 110,251,021,767) equivalent to 2.2% of the Gross Domestic Product (GDP) estimated for 2020.

Article 57.- The Executive Power is authorized, through the Ministry of the Treasury, to order the issuance of public debt securities for a maximum amount of Two Hundred and Forty-Six Thousand Two Hundred and Ninety-Five Million Eight Hundred Twenty One Thousand Seven Hundred Sixty Seven Dominican Pesos (RD\$246,295,821,767) or its equivalent in currency foreign, to be placed both in the local market and in the international capital market.

Paragraph I: The Executive Power is authorized, through the Ministry of Treasury, to determine the proportion of securities that will be issued in Dominican Pesos or in foreign currency, as well as to determine the proportion of the placement that will be made in the local market or in the international market, taking into account favorable market conditions, as well as the size of the demand for each instrument.

Paragraph II: For cases of placement of values in the international market the term may not be less than five (5) years and the interest rate must be compatible with the current conditions in the international capital markets at the time of placement.

Paragraph III: When placed on the local market, the minimum term may not be less than one (1) year and the interest rate must be compatible with the financial conditions of the domestic market at time of placement.

Paragraph IV: Under the provisions of the Constitution of the Republic, the placement of the referred values, require prior approval by the National Congress National through a specific law for these purposes.

Paragraph V: The Executive Power, through the Ministry of Finance, will present in the quarterly Public Debt report, the placements that were carried out under the provisions of the precedent articles and the market conditions taken into account for this.

Article 58.- The Executive Power is authorized, through the Ministry of the Treasury, to modify the distribution and / or composition of the financial sources of the Central Government Budget referred in article 6 of this law.

Paragraph I: Under this article, the issuance amount of public debt securities authorized in article 57 of this law may be covered with other financial sources, if conditions arise favorable for the State in contracting them.

Paragraph II: These modifications do not correspond to changes between chapters or an increase in appropriation. In no case the modification of the distribution and / or the composition of the financial sources of the Central Government Budget may exceed the total amount of the Financial Sources approved to finance the 2020 General State Budget.

Paragraph III: The Executive Power, through the Ministry of Finance will present in the quarterly Public Debt report, the Modifications made pursuant to the provisions of the present article.

Article 59.- The Executive Power is authorized, through the Ministry of Finance, to negotiate and arrange Public Credit operations, for budgetary support, for an amount of up to One Billion Dollars (US\$1,000,000,000), or its equivalent in another currency.

Paragraph: The Executive Power, after signing the contracts that arise of the aforementioned Public Credit operations, will send them to Congress National for approval.

Article 60.-The Executive Power is authorized, through the Ministry of Finance, to contract financing and / or contingent instruments for risk management in disasters caused by natural phenomena for a maximum amount of Three Hundred Million Dollars (US\$300,000,000), an interest rate compatible with the rates applicable for the Dominican Republic at the time of contracting, and with a minimum maturity term of seven (7) years, with the objective of having resources available for emergency attention, rehabilitation and/or reconstruction of damages caused by natural disasters.

Article 61.- The Executive Power is authorized, through the Ministry of the Finance, to contract the following public credit operations for specific investment projects:

1. Energy Efficiency Program (Executor: Ministry of Energy and Mines (MEM), National Energy Commission (CNE) and Dominican Corporation of State Electric Companies (CDEEE)), maximum amount of Seventy-Five Million United States Dollars (US\$75,000,000) or its equivalent in Japanese yen, to be arranged with the Inter-American Development Bank (IDB) and the Japanese Cooperation Agency (JICA), with an interest rate and commissions compatible with those in force in the market for the Dominican Republic and with a minimum term of amortization of 7 years.

2. Network Expansion Program and Reduction of Electrical Losses in Distribution (Executor: Dominican Corporation of State Electric Companies - CDEEE), maximum contracting amount of One Hundred Fifty Five Million Dollars (US\$155,000,000), to be arranged by the Inter-American Development Bank (IDB), at an interest rate and commissions compatible with those in force in the market for Dominican Republic and with a minimum repayment term of 7 years.

3. Support Program for the Improvement of Electric Networks Distribution (Executor: Dominican Corporation of State Electric Companies - CDEEE), maximum contracting amount of Seventy Five Million Dollars (US\$75,000,000), to be arranged with the Andean Development Corporation (CAF), at a rate of interest and commissions compatible with those in force in the market for the Dominican Republic and with a minimum term of 7 years.

4. Medium and Low Voltage Network Improvement Project (Executor: Dominican Corporation of State Electric Companies - CDEEE), maximum contracting amount of Four Thousand Two Hundred Million Yuan (CNY4,200,000,000), or its equivalent in another currency, plus the amount of the export insurance premium, if applicable, to be arranged with the international banking, at an interest rate and commissions compatible with those in force in the market for the Dominican Republic and with a minimum repayment term of 7 years.

5. Cañada Guajimia Project (Executor: Santo Domingo Aqueduct and Sewerage Corporation - CAASD), maximum amount of contracting of Fifty Million Dollars (US\$50,000,000), or its equivalent in another currency, plus the amount of the export insurance premium if applies, to be arranged with international banking, at a rate of interest and commissions compatible with those in force in the market for the Dominican Republic and with a minimum term of 7 years.

6. Management of the Upper and Middle part of the Yaque Del River in the North Slope of the Central Cordillera - Plan Sierra III. (Executor: Ministry of Agriculture through the Plan Sierra), maximum contracting amount of Twenty-five Millions of United States Dollars (US\$25,000,000), or its equivalent in Euros, to be arranged with the French Agency of Development (AFD), at a compatible interest rate and commissions with those in force in the market for the Dominican Republic and with a minimum term of 7 years.

7. Expansion of the Oriental Aqueduct, Salinity Barrier and Transfer to Santo Domingo North (Executor: Santo Domingo Aqueduct and Sewerage Corporation - CAASD), maximum contract amount of Ninety-Seven Million Two hundred and seventy thousand Dollars (US\$97,270,000), or its equivalent in another currency, plus the amount of the export insurance premium, if applicable, to be arranged with the international banking, at an interest and commission rate compatible with those in force in the market for the Republic Dominican and with a minimum term of 7 years.

8. Construction Project for Two Water Residuals Treatment Plants in the Municipalities of Moca and Gaspar Hernández de la Espailat Province (Executor: Ministry of Public Health (MSP), National Institute of Drinking Waters and Sewerage (INAPA), Moca Aqueduct and Sewer Corporation (CORAAMOCA)), maximum contracting amount of Forty-Three Million Five Hundred Thousand United States Dollars (US\$43,500,000), to be arranged with the International Bank for Reconstruction and Development (IBRD), at an interest rate and commissions compatible with those in force in the market for the Republic Dominican and with a minimum term of 7 years.

9. Port of Manzanillo Expansion and Rehabilitation, Phase I (Executor: Ministry of Public Works and Communications (MOPC) and Dominican Port Authority (APD)), maximum amount of One Hundred Million Dollars (US\$100,000,000), or its equivalent in another currency, to be arranged with international banks, at an interest rate and commissions compatible with those in force in the market for Dominican Republic and with a minimum term of 7 years.

10. Integrated Management of Natural Resources and Resilient Agriculture in Yaque del Norte and Ozama Isabela Hydrographic Basins in R.D (Executor: Ministry of Economy, Planning and Development (MEPyD) and the National Institute of Hydraulic Resources (INDRHI)), maximum contracting amount of Eighty Millions of United States Dollars (US\$80,000,000), to be arranged with the International Bank for Reconstruction and Development (IBRD), at an interest rate and commissions compatible with the current in the market for the Dominican Republic and with a term Minimum of 7 years.

11. National Cadastre of the Dominican Republic Project (Executor: General Directorate of National Cadastre), maximum amount of Thirty-Two Million Six hundred sixty thousand United States dollars (US\$32,660,000), or its equivalent in another currency, plus the amount of the premium of export insurance if applicable, to be arranged with international banking, at an interest rate and

commissions compatible with those in force in the market for the Republic Dominican and with a minimum term of 7 years.

12. Professional Technical Education and Training Project (Executor: Ministry of Education (MINERD) and Technical Training Institute Professional (INFOTEP)), maximum hiring amount of Seventy Million United States Dollars (US\$70,000,000), to be arranged with the Inter-American Development Bank (IDB), at an interest rate and commissions compatible with those in force in the market for the Dominican Republic and with a minimum term of 7 years.

13. Productive Inclusion and Resilience of Rural Poor Families, Pro-Rural Inclusive Project (Executor: Ministry of Planning, Economy and Development - MEPYD), maximum amount of Twenty Million Dollars Americans (US\$20,000,000), or its equivalent in another currency, to be arranged with international banks, at an interest rate and commissions compatible with those in force in the market for Dominican Republic and with a minimum term of 7 years.

14. Agricultural Health and Innovation Program (Executor: Ministry of Agriculture —MA), maximum amount of contracting of Fifty Million US Dollars (US\$50,000,000), to be arranged with the Inter-American Bank of Development (IDB), at a compatible interest rate and commissions with those in force in the market for the Dominican Republic and with a minimum term of 7 years.

15. Project to Strengthen the Civil Service Management of the Dominican Republic (Executor: Ministry of Administration Public - MAP), whose maximum contracting amount of Twenty Million United States Dollars (US \$ 20,000,000), to be arranged with international banks, at an interest rate and commissions compatible with those in force in the market for Dominican Republic and with a minimum term of 7 years.

Article 62: The Executive Power is authorized, through the Ministry of Treasury, to incorporate in the General State Budget 2020, the public credit operations detailed in articles 56, 57, 59, 60 and 61 of this law, as well as other operations approved by the National Congress, without exceeding the authorized financing cap in this law.

Article 63: The Electricity Distribution Companies from the South (EDESUR), from the North (EDENORTE) and from the East (EDEESTE) are authorized to hire short-term credit lines of with banks for a maximum amount combined Twenty Billion Dominican Pesos with 00/100

(RD\$20,000,000, 000.00), to pay commitments of invoices generated in the spot market and thus reduce the financial expense of the referred companies, associated with the high penalties paid for arrears of said invoices, which must be canceled prior to the closing of the 2020 budget year.

Paragraph I: To make each disbursement of the credit lines, the Electricity Distribution Companies (EDES) must previously request an administrative authorization to the Ministry of Finance and have the proper approvals from their respective internal bodies. The Ministry of Finance will supervise the process of negotiation of the financial conditions, the disbursement process and the use of funds disbursed from those credit lines.

Paragraph II: The amounts of the credit lines to be disbursed for each EDE will depend on the amounts of the invoices generated in the spot market and pending payment.

Paragraph III: Interest and principal amortization to be paid for the credit lines will be covered by the EDES and are included in the 2020 budgets of each DTS to be approved by the Minister of Finance, in accordance with Decree No. 207-19.

Paragraph IV: The authorized amount for the credit lines constitute the maximum total limit that EDES combined can use at a determined time.

Paragraph V: The principal amounts paid will be available to disburse to the EDES without exceeding the authorized limit.

Paragraph VI: The Ministry of Finance is authorized to assume the pending payment balances of the aforementioned credit lines at the end of the 2020 budget year and negotiate a medium-term financing with banks or market agents.

Given in the Session Room of the Senate, National Congress Palace, in Santo Domingo de Guzmán, National District, Capital of the Republic Dominican Republic, on the twelve (12) days of the month of December of the year two thousand nineteen (2019); years 176 of Independence and 157 of Restoration.