

Consultation for the establishment of Wine factories and Alcohol Products in the Dominican Republic.

The law No. 243 of the year 2013 and the regulations of the Internal Revenue Department No. 79-03, generally set and specifies requirements for the installation of wine factories and alcohol products. In that regard, Article 9 of that regulation provides that any manufacturer of alcohol products must meet the following requirements:

1. Be properly constituted as a society.
2. The description exactly where will the wine factory, distillery, brewery or liquor store be built.
3. The description of buildings that make up the production plant, which should not be in communication with other similar establishments manufacturing or where the business of manufacturing of alcohol or any of its products is being exercised.
4. Treatment Plants.
5. Number, type and value of machinery and equipment to be used in the manufacture of products as stated above, the maximum output per hour, and the maximum alcohol level may occur.
6. Detailed drawings of machinery and equipment tobacco processing, manufacturing of beer, wine, alcoholic spirits and physical plant where they will be installed.
7. Provision of a guarantee under Article 376 of the Tax Code, in the amount of fourteen million pesos (RD \$ 14,000,000), approximately.
8. The local authorities should provide facilities for inspection, and meet the security conditions established by current legislation.
9. The factories to be installed must be easily accessible and with enough room for

the equipment used.

10. The approved premises must be used exclusively to manufacture products that require authorization.

11. Factories must have the necessary equipment for fire prevention.

12. Must Fulfill with any security measure required that may be required to benefit the fiscal control.

Special requirements for the installation of distillation plants, grinding and processing of spirits and beers

Any company or corporation wishing to engage in the business of manufacture or importation of alcohol products shall comply with the following requirements, in addition to the above:

1. The pot stills and other equipment or machinery that are to be used shall be located within the area or authorized by the Internal Revenue perimeter.

2. The assembly of the facilities of the above equipment shall be done by following the instructions provided for that purpose the Tax Administration. Such instructions have all the necessary requirements to ensure adequate control of the manufacture of alcohol and must be reviewed every five years in response to technological advances that have been registered in the industry.

3. The amendments to be made to the stills structures or equipment and distilleries, liquor, wine factories and beer shall be subject to approval by the Internal Revenue and in any case shall meet the technical requirements provided for that purpose. The process of modifying such equipment shall at all times be supervised by a qualified designated by the Tax Administration.

Preparation of plans

The plans to be submitted the taxpayers who request the installation of one of the plants listed in the preceding paragraph must be made by a qualified engineer or architect and must be drawn to scale reflecting a true and accurate representation

of the buildings that are the plant as well as stills, rectification or production of liquors, beers and wines, with each appliance or equipment has to be plotted on a map covering the entire plant individually in the form to be up on the ground, with their pipes, tanks, cylinders, seals and the smallest details thereof;

Supervision of the construction process

Once the submitted plans are approved to the installation of a manufacturing plant of alcohol, the construction process will be the same at all times under the supervision of the Tax Administration, and the owner must install a placard indicating their name, nature of business and the registration number allotted by the Tax Administration.

Changes in plant

If during the process of building manufacturing plants listed above, has been affected by changes in relation to the plans originally approved by the Tax Administration, the owner of the manufacturing plant must submit this institution the final plan to be granted with their written authorization. If the Tax Administration finds it correct, the taxpayer must make the changes recommended by the Internal Revenue prior to the beginning of the operations. A copy of the plans shall be filed with the Internal Revenue and other will be displayed on the ground in a place readily accessible for inspection.

Capacity Indication

The alcohol manufacturers must report the number and capacity of tanks, columns, tubs or other deposits which are intended for storage of barley, malt, honey, molasses, flegmas, sugars, wines and musts, corn or other raw materials to use for the production of wine, beer, alcohol or other alcoholic spirits in the legal unit of measurement of the Dominican Republic. Each one of these containers must indicate their capacity in gallons and liters per inches high; shall be numbered in order, starting with number 1, and will be recorded and monitored by the Directorate General of Internal Revenue.

General Sealing and Scale development

Once the installation process of the assembly of alcohol products, the Internal Revenue sealed will proceed to establish the production lines and distribution within authorized facilities. The numbering and location of each precinct will be seated in an official book of the Internal Revenue control.

Along with these duties, it shall be determined the official scales measuring all tanks located within authorized facilities.

Notice of commencement of operations of production and / or marketing

Taxpayers to which this Regulation refers to, the Internal Revenue shall notify the date that formally start their operations ahead of which shall be provided in the official books of entry, manufacturing, output, inventory, invoices and any other document required for fiscal control of its operations.

Officially licensed manufacturer of alcohol products

After satisfying the above requirements, the Directorate General of Internal Revenue will issue the Official License allowing the beginning of production; the license must be displayed in a conspicuous place in the corresponding plant.